

PGDM (Ins. Bus.)1st year, 2017-19
Property –I (Fire & Consequential Loss).

INS-203.

Trimester-II / V, End-Term Examination: December 2017.

Time allowed: 2 Hrs 30 Min

Marks: 50

Roll No.

Instruction: Students are required to write Roll No. on every page of the question paper, writing anything except the Roll No. will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Section A (Attempt any 3 questions out of 5). Each question has 5 marks.

- Q.1. Describe the Reinstatement value clause in Fire Insurance policy and its main provisions.
- Q. 2. Name 5 add-on covers that can be opted along with the Standard Fire Insurance on payment of additional premium.
- Q. 3. Describe the common fire-fighting appliances used in industry
- Q 4. What is the provision for payment of additional premium in the event of a fire claim when the insured wishes to keep the sum-insured intact for the remaining period of the policy?
- Q 5. What are the points to be checked while processing a fire claim?

Section B (Attempt any 2 out of 3). Each question has 10 marks.

- Q.1. On what basis of valuations are the sum insureds generally fixed in Fire policies for buildings, plants and machinery, furniture fixtures, stock etc.? Describe the basis of fixation of sum insured for the above categories and also for one more category.
- Q. 2. Describe the different sections of a standard Fire and Special Perils policy. Describe any one of the sections in detail.
- Q. 3. Describe a floater declaration policy in Fire Insurance for stocks in details and mention its advantages.

'Turn Over'

Section C

15 Marks

- 1) A shop in Ahmedabad City Centre Market was insured against Standard Fire policy with sum insureds as under and an excess of Rs.5000/-

Sr. No.	Items	Sum Insured (In Rs.)
a.	Building	1,00,00,000/-
b.	Furniture fixture and fitting	50,00,000/-
c.	Stocks in trade comprising all kinds of stationery goods, plastic goods, plastic decorative items and various types of other miscellaneous household goods made of plastic, sundry electrical goods for household use all made of plastic, glass and rubber.	50,00,000/-

There was a genuine fire loss and the owner claimed for loss of stock of crockery, plastic kitchenware and sundry electrical goods used at home, loss to the building, furniture fixture etc which were assessed as under.

Sr. No.	Items	Assessed loss less depreciation (In Rs.)	Salvage value accepted by the client(In Rs)
1	Building Loss	500,000/-	10,000/-
2	Furniture fixture	300,000/-	5,000/-
3	Stock of stainless steel crockery	20,000/-	2,000/-
4	Stock of plastic kitchenware	100,000/-	NIL
5	Stock of sundry electrical goods used at home	300,000/-	NIL
6	Stock of bags at Ahmedabad railway siding	100,000/-	1000/-

Assuming the value at Risk of Rs.1.50 crores for the building and no under-insurance in other items, how much settlement offer would you make to the client? Give detailed calculation item-wise to arrive at the payable claim. You may ignore the premium to be recovered for the unexpired period of the policy since no input for the same has been provided.