

PGDM-IBM, 2014-16
Casualty Insurance
INS-501

Trimester – V, End-Term Examination: December 2015

Time allowed: 2 Hrs 30 Min

Max 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.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

Q1. Explain any two types of specialized insurance covers available in the Indian insurance market.

Q2. Explain the following:

- a) Plate glass insurance policy
- b) Television Insurance policy

Q3. What are the major factors considered while underwriting Personal Accident policy and why?

Q4. What is the coverage available under householder's insurance policy?

Q5. Explain the following:

- a) Key clause
- b) Pair and set clause

Section B

P.T.O.

Q1. Sudesh is going to London for doing MBA. He has completed all his formalities with the university but one is still remaining. The university is asking for compulsory insurance policy. He is confused as he has never bought any insurance plan in the past. Can you suggest the right travel insurance policy for him explaining the coverage provided as well as the benefits of this policy?

Q3. The ABC Bank, a private bank with 650 branched PAN India wants to buy an insurance policy from your insurance company.

A) What are the factors which you would consider while rating the risk to be insured for bank?

B) What coverage can you provide to the bank?

Q3. What are package policies? Explain the coverage available to shopkeepers under shopkeeper's package policy.

Section C

Case Study

A) Mr. Ram is a contractor who supplies labours to various major companies in Gurgaon and Manesar Area. They have taken a Money insurance covering the transactions to various places where their labours are supplied. On 09.01.12, the contractor withdrew Rs.8.0 Lacs from bank (according to him he already had Rs.14. Lacs with him) and total cash of Rs.22.0 Lacs kept in a bag and started to Manesar for distribution of wages at various factories. One of his friend, the driver was also along with him. On the way, he stopped the vehicle in the road side and stepped down along with his friend and went to nearby hospital to meet their friend (the doctor). Before leaving the vehicle, he instructed the driver to take care of the cash bag which kept in the back seat and the driver was sitting in the case. After they left the car, a 14-15 years old boy approached the car driver and told him that the rear tyre of the vehicle was punctured. The driver stepped down the car and started changing the car and when the contractor along with his friend came, the cash bag was found missing. Subsequently the Police had arrested one of the culprit and recovered Rs.10.5 Lacs from them and one of the culprit was absconding along with the balance money. The arrested culprit confessed that they were following the contractor from the bank in a car (and they punctured the tyre near the bank itself) and when they stopped the car to meet their friend one of the gang member approached the insured's driver and informed the driver about the punctured tyre, when the driver stepped down and went to opposite side for checking, the boy took the bag and fled in the car followed by the vehicle of the insured.

B) M/s. SIS India Ltd. is providing the cash collection service to Chief Bank of India. As per the agreement the insured had to collect the daily collection from DMRC's various stations and deposit the same at Chief Bank of India.

As per the prescribed system, the following is the procedure of the cash collection:

a. All the custodian reports at Jhandewalan at 09:30 hrs and move to the stations as per described route chart made by the area officer/ Asst.mgr.

B.They collect the scratch coupon and bags for collection of cash from various stations.

c. After visiting the station, station controller & SIS custodian exchange the scratch coupon and tally/match their passwords.

d. Station controller fills a bank slip with a carbon copy (for service provider) mentioning all

denomination, account number and name.

e. After collecting all cash from the station controller, SIS custodian seals the bag showing the seal number in the presence of station controller.

f. SIS custodian mentioned the seal number and denomination with total amount on the back side of the scratch coupon exchanged by station controller and signed, which is attached on the bag along with bank deposit slip.

g. They collected the cash from various stations and come back at the location (Kashmere Gate or Chandni Chowk or Jhandewala- which keep on changing due to security reason), where a secured vehicle along with the armed guard stands for collection from the custodians.

h. Secured vehicle moves to the bank at Khari Baoli once all the custodian reports to the vehicle with cash.

i. Entire cash (station wise) is handed over to the bank with proper documentation.

The Insured had taken a Special Contingency Policy (covering money transit from various metro stations to bank).

On 30.05.11, at around 10.0am the insured had deputed two of their employees for collecting the cash from various DMRC stations on behalf of Chief bank of India. They collected cash worth Rs.80,53,706/- from 20 DMRC stations as routine.

But after collecting the cash, they could not returned to the cash collection van standing at Jhandewalan Metro Station as routine and ran away with the cash collected.

After a lot of efforts, the Police could arrested one of the culprits namely Mr. Sanjay Sharma and recovered stolen cash of Rs.41, 86,762/- and the other culprit was absconding with the balance amount.

Q1.Explain the money in transit policy in details. [5 marks]

Q2. Will the insurance company pay the claims in both the cases? Justify your answer for each case. [10 marks]