

PGDM-IBM, 2017-19
Subject: Motor Insurance -1(Own Damage)
INS-307
Trimester – III, End-Term Examination: March 2018

Time allowed: 2 Hrs 30 Min

Roll No: _____

Max Marks: 50

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

- A1. A businessman purchases a bus and wants to use it for the purpose of reward. Advise him as to how should he register his vehicle by making him clear the difference between Contract Carriage and Stage Carriage.
- A2. A motor vehicle is adapted to carry six passengers and a driver for hire. In the light of above statement, distinguish between Maxicab and Motorcab with an example.
- A3. Driver's clause is an important requirement of a motor policy. In the light of above requirement, clearly explain the Driver's clause with example.
- A4. A person visits your office to take a policy on his private car. In order to write the above offer, various factors are taken into consideration. Assume the various factors and then elaborate as to why you should consider them in order to write the above business.
- A5. The depreciation under the standard policy for replacement of parts damaged in an accident can be waived by way of an Add-on cover. Is there any need to change the policy condition to effect the above change?

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Section-B

B1. A private car insured with an insurance company is hypothecated with State Bank of India. It meets with an accident. The IDV is Rs.3, 00,000/-

Answer the following questions based on the above scenario:-

- a) Which IMT No would be affixed in the policy to protect the interest of the Banker?
- b) Who would be paid the claim in case of a total loss and a partial loss and how?
- c) Can both the insurer and the banker get the payment ? Justify your answer.

B2. "The insured is expected to take all reasonable steps to safeguard the motor car from damage" In the context of above statement, explain the various conditions and exclusions of a private car policy with adequate examples.

B3. A Maruti van registered as a private car was found carrying passengers for hire or reward at the material time of accident. The claim of Rs. 50,000 was repudiated by the insurance company on the score that there was violation of 'Limitation to Use clause' What implication "Limitation to use" has on the admissibility of claim? Explain the various General Exceptions applicable in private car policy.

Section-C

Case Study Compulsory:-

1(a)-A vehicle met with an accident – the damage was assessed for around Rs. 50,000.00. The car was brand new and only 5 days old. In the accident, a man was killed. The insurer paid the above amount subject to terms & conditions. The insured subsequently wants to sell the vehicle but is not getting the expected market price due to this accident. The claimant asked the insurance company to recoup this loss suffered by him as the loss suffered by him is due to the accident mentioned above. He cites proximate cause as the reason.

Base on the above scenario, answer the following questions:-

- (i) Is the claim payable? Give your reason if it is payable.
- (ii) If it is not payable, then under which policy term, condition or exclusion-the same is not payable?

1(b) Number of motor claims	average age of driver
1	52
2	43
3	50
4	37
5	35
6	29
7	22
8	19

Based on the data given above, calculate the number of claims an underwriter would expect to get if the age of insured driver is taken as 30. What bearing the above analysis has on the underwriting?

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