

Birla Institute of Management Technology,  
Greater Noida

PGDM-IBM, 2016-18>

<Casualty Insurance>

<INS-602>

Trimester – VI, End-Term Examination: February 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	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

**Section-A**

A1. Define Total Disablement with an example

A2. Differentiate between Permanent Total Disablement and Permanent Partial Disablement

A3. PA policy covers death and disability resulting solely and directly from bodily injury received in an accident". Explain the above concept with an example.

A4. Differentiate between Robbery and Dacoity

A5. Mention the various parameters on the basis of which sum insured in Money Insurance is fixed

### Section-B

B1. (a) Mention the coverage of Individual PA policy .

(b) Emanuel opted for a PA policy for 20 lac from ICICI Lombard. The cover included everything including TTD restricted to 10% of sum insured. He also holds another policy with New India Assurance Co.Ltd with sum insured 20 lac and TTD is in this policy restricted to 10% of sum insured. Does indemnity apply in this policy ? If so how much will Emanuel get from both the policy ?

B2. (a) What is First Loss Policy ? Mention the various conditions applicable for issuing this policy?

(b) How is condition of Average applicable in case of First Loss policy?

B3. Mention the various conditions of PA policy. Do material alterations affect the policy?

### Section-C

#### Case Study Compulsory:-

'M/s Alamu Caps, a sole proprietrix concern had availed a Burglary Policy with the insurer for the period 18.12.2002 to 17.12.2003, for a sum insured of Rs. 2 Lacs. It was reported that on 30.12.2002, when the employee went to open the premises, he found that the door had been broken and the aluminium sheets were found to have been stolen.

In the original claim intimation letter it was mentioned by the insured that after verifying the stock, it was ascertained that 2320 sheets were found stolen.

The Surveyor appointed by the insurer visited the spot on 31.12.2002 and taken the stock position. The Surveyor went through the various document submitted by the insured and found that the same tallying with the working submitted by the insured and assessed the loss at Rs. 87870/-.

Subsequently, the insured informed the police that in the original FIR filed by them it was shown as 2320 sheets lost, where as the actual was 4898 aluminium sheets. The Insurer appointed an investigator, who concluded that the insured claimed for a impossibility of occurrence of theft taking into consideration the number of sheets claimed, weight of the sheets etc.,

The Insurer, repudiated the claim mainly on the ground that, the number of sheets burgled was different from original FIR (2320) to that of claim filed (4898 sheets) for there was a delay in intimating about the claim (one day delay). No security was provided and the loss was not substantiated documentarily.

On examination it was noticed that a fax message was given by the complainant to the insurer on the same date of occurrence and hence there was no delay. The Surveyor appointed by the insurance company noted down the stock of various items on the very next day of the incident and the photographs taken by the surveyor shown the condition of the premises. The Surveyor also verified the account books of the insured. The Stock register, purchase register, Sales Tax return etc., which was inspected by the surveyor and the same was signed by the insured in the presence of the surveyor.

Hence the contention of the insurer that documents were manipulated to show the huge loss is not tenable. On the contrary FIR and Non Traceable Certificate have been submitted to prove that the loss has occurred.

Q-1 Was the insurance right in repudiating the claim ? If so, on what condition was it repudiated..?

Q - 2 Can the claim be payable? If so what would be the quantum?