

**PGDM (Insurance Business, 2013-15
Motor Insurance
INS-302
Trimester –III, End-Term Examination, April - 2014**

Time allowed: 2½ Hours

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**. In case of rough work please use answer sheet.

Section-A

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks and the Word limit is 200 words. [15]

- A1. (a) What are the circumstances under which N.C.B. can be allowed even after expiry of 90 days of the package policy?
(b) What constitutes "Constructive Total Loss" according to the Motor Tariff?
- A2. Write a brief note on "Fault Liability" provisions of the M. V. ACT, 1988.
- A3. What do you understand by 'Hit and Run' cases and how the compensation is provided therein?
- A4. What do you understand by "No Fault Liability"? Write a brief account of the provision under M.V. Act. 1988.
- A5. Write short notes on MACT under the provisions of M V Act., 1988.

Section-B

[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks and word limit is 500.] [20]

- B-1. Write short notes on:-
- a) Compulsory P.A. cover for "owner-driver" under Motor Tariff. (5)
- b) 'Knock for knock agreement' in motor insurance. (5)
- B2. a) List the various covers and add-on in Pvt. Car package policy. (4)
- b) Mr. Rakesh Malhotra of Delhi wish to get his private car, Regd. No. DL-7C-0698, Make Model: Mercedes Benz, 200 CGL Elega, 2011, insured for restricted cover for IDV Rs. 34,20,000. Its power is 1796cc and Seating capacity: 4+1.

Cont.2

Calculate premium for Cover: a) TP+ Fire; b) TP +Theft; c) TP+ Fire & Theft keeping in view that 50% discount can be offered on OD premium and maximum PA cover to owner and passengers. (6)

Given information: Act only premium- Rs.3424/-

OD premium rates: Zone A for > 1500cc @ 3.44% and Zone B for >1500cc @3.343%.

B3. a) What are the exclusions of a Private Car O.D. section of car package policy? (4)

b) A private swift 2009 model insured for Rs. 3.9 lacs from 1.4.2013 to 31.02.2014 met with an accident on 15.01.2014 in which compound wall of the third party was damaged and the driver died. The repairs were conducted in an authorized workshop. The surveyor has to assessed the loss as per the estimate submitted as under:- (6)

Labour charges	-	Rs. 25,000/-
Painting charges	-	Rs. 10,000/-
Cost of Radiator	-	Rs. 8,000/-
Head Lights	-	Rs. 3,000/-
Cost of Wind Screen	-	Rs. 4,000/-
Cost of grill (plastic)	-	Rs. 3,000/-
Cost of Bumper	-	Rs. 6,000/- (plastic)

Labour charges were found reasonable and salvage Value agreed for metal radiator 10% of the assessment and other Parts Rs. 400/- only.

- (i) Calculate the net liability of the damages to the vehicle.
- (ii) The insured paid Rs. 100,000 to the wife of the driver and also paid Rs. 50,000 to the owner of the compound wall. The insured lodged TPPD claim of Rs. 1,50,000 against the insurer. What would be the fate of the TPPD claim and what would you advise to the insured?

Section-C

Case Study

Marks: 15

Compulsory question-

- (a) An organization of Delhi proposed renewal of package insurance of Mahindra XUV (car) of Delhi in the 2nd year, with an IDV of Rs.10,43,100 having power of 2179 cc and seating capacity of 7+1. There was no claim reported/lodged in the 1st year. The add-on required are:
- Depreciation reimbursement,
 - Loss of personal belongings and key replacement for Rs.25, 000 each,
 - Passengers' liability for Rs. 2 lacs. each.

Calculate premium giving 40% discount on basic OD premium.

Given Information: Personal baggage and key replacement @ 0.45% each and Depreciation reimbursement @ 0.35% on respective IDV.

- (b) A Santro car, Sept., 2012, with package insurance and IDV Rs.300,000, power cc- 1086 met with an accident on 26.02.2014 due to failure of brakes of the vehicle.: Santro car, Insurance period started w.e.f. 15.09.2013 for 12 months. The estimate submitted by the client for the loss is as under:

Total Replacement of parts- Rs.50,000, which includes:

- Rubber parts- 10,000;
- Glass parts- 4500;
- Fiber parts- 5500;
- Metal parts- 27000 including brakes for Rs. 2000;
- Engine oil, coolant – 3,000
- Painting charges – Rs.10,000

Repairs- dismantling, assembly, denting, etc. claimed for Rs.20,000 was negotiated by surveyor and agreed to Rs.15,000 by workshop. Salvage value of the damaged parts was agreed for Rs.600.

What would be the liability of the Insurer in this case, with reasons?
