

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.

Note : - Please be relevant and brief in your answers.

- Section C is compulsory.

- Do not write anything on this question paper except your roll no.

Section-A

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks.

- A-1. (a) Explain the scope of cover under Boiler explosion Insurance. If the client is having 3 boilers in his factory, he needs to insure the same under BPP insurance policy and SFSP policy. Explain the reasons. (3)
- (b) Engineering insurance policies are package policies. Explain the need for such package cover (2)
- A-2. (a) Enumerate the various policies available in Engineering insurance (3)
- (b) Why pre-acceptance report is considered useful to the Underwriter in case of engineering Insurance (2)
- A-3. (a) What are the usual Electrical plant and machinery used in any medium size manufacturing industry to be considered for machinery insurance (3)
- (b) What is the liability of the Insurer in Machinery insurance for a partial loss of a machine? (2)
- A-4. (a) Explain the need to cover stand by motors kept by the Insured under MB insurance (2)
- (b) Explain exclusion relating to manufacturer/ supplier/ erector under MB policy. When such losses be covered under the MB Policy (3)
- A-5. (a) Explain the need for maintenance warranty under Electronic equipment insurance (2).

(b) Why it is recommended to cover the electronic equipments under SFSP insurance policy and get such coverage excluded under EEI insurance (3)

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Section-B

[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks.]

B-1. (a) ABC company wants to go in for a new cold storage unit in Kota for which they will be having 2 major contractors and the sub-contractors engaged by them working for the project. The main equipments will be imported. The Company wants to know advantages of arranging project insurance and various insurance covers they will have to avail during the project period other than project insurance policy. (5)

(b). ABC Company wants you to suggest insurance coverage provided under DOS coverage after the cold storage unit is commissioned. (5)

B-2. (a) A contractor has come to you seeking project insurance for the tender which had been awarded to him. His nature of work is the construction of a bridge across a river for NHAI. The project is expected to be completed in 36 months for the contract value of 150 Crores. However he informs you that work had been going on for the past 6 months and foundation work had started. According to him 2% of the project value has been done and for the balance work he will need another 30 months to complete the project. Inform him how the insurance cover could be provided. The contractor is also having 12 months defects liability period under his agreement with the Principal. (5)

(b) What is the cover provided under ALOP cover in case NHAI wants to insure. Explain how ALOP cover works. (5)

B-3. Company X has cover their major electrical equipments under Machinery Insurance policy. They have lodged a claim details of which are as under:

Period of Insurance: 1-1-2019 to 31-12-2019

Machine affected: 50 HP motor

Rate charged for this motor: 0.30%

Reasons for damage: Short circuit resulted in charring of the windings.

Sum insured declared under the policy: 20 Lacs

Date of accident: 1-4-2019

Estimate of repairs: 2 Lacs

Salvage value: 20,000/

PDRV according to the surveyor: 25 Lacs
Due to urgency the Insured had sent it by a truck (chartered) and spent 15000 for freight where as ordinary freight would have been 5000/
Express freight covered under the Policy as add on is having a limit of Rs. One Lac
Excess for this item: 5000/
Work out the liability of the Insurer for this claim
(10)

Section-C

Case Study

15 Marks

ABC Corporation has plans to put up a green field road project on PPP basis with necessary toll plazas.. The estimated cost is Rs 250 Crores and project completion may take about 36 months. They have also funding arrangements from a consortium of banks who is insisting on comprehensive insurance with ALOP.

They need your advice as to arranging project insurance with your views on arranging such a comprehensive project insurance policy for the project. Advise them which are all expenses to be excluded from the sum insured and how to declare & monitor the sum insured under the project policy and also the add ons they will have to opt.

They also wants to know what precautions to be taken to avoid losses and to avoid extension of the policy due to delays.
