

PGDM-IBM, 2018-20  
Sub.: Motor Insurance-I (Own Damage)  
Paper Code: INS-305  
Trimester-III, End Term Examinations: March-2019

Time Allowed : 2½ hrs.

Roll No.: \_\_\_\_\_

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	3out of 5 (Short Questions)	5 marks each	3*5 = 15
B	2out of 3 (Long Questions)	10 marks each	2*10 = 20
C	Compulsory Case Study	15 marks	15

Section-A

- A1. Certificate of Insurance is an important feature of a motor policy .It is said without it, one cannot take a motor vehicle in a public place. In the light of above statement, explain the above certificate.
- A2. A private car got damaged due to an accident .The car was taken to a nearby garage for repairing .During repairing , the claimant incurred expenses towards repairing his vehicle that cost him Rs 20,000/- He also incurred Rs 500 per day towards conveyance .The vehicle was released after three days . The vehicle was comprehensively insured. Is the conveyance charges payable under the insurance policy? Give reasons to justify your answer.
- A3. A brand new car purchased on 1<sup>st</sup> March 2019 for Rs.7 lakh met with a fatal accident in which a person was killed .The vehicle also partly damaged. The partial loss amounting to Rs 43,000 was paid by the insurance company. The insured didn't want to retain the ill-fated car as it was considered inauspicious by his family. He sold the vehicle on 15<sup>th</sup> March for Rs 6 lakh only .He then filed another claim against the insurance company for of Rs 1 lakh, maintaining he suffered the above loss because of the accident which was the proximate cause in this case . Is the claim payable? Justify your answer?
- A4. A vehicle after an accident was left unattended and then was dragged to a garage almost ten kilometers away from the place of accident on its power. On the way back to garage, there was further aggravation of damages. Possibly the loss could have been avoided, had some minor repairs been undertaken at the spot. This additional loss was calculated to be 30% of the total loss suffered. Who will bear this additional loss and why?
- A5. A vehicle registered as a private/ commercial vehicle met with an accident. The surveyor stated in his report that the accident was caused by strain.
- Is this loss payable under the private vehicle policy issued to the insured?
  - Is this loss payable under the commercial vehicle policy issued to the insured?



**Section-B**

- B1. Under which circumstances, the ownership of a vehicle can be transferred .State the process followed in case of OD and Liability policies separately.
- B2. A car registered and, insured also a private car was found carrying passengers for reward at the time of accident. Can the claim be paid in such case? What is the implication of violation of Limitation to use Clause?
- B3. A commercial vehicle insured at Rs 5 lakh met with a grievous accident .It was a case of total loss. The insurer paid the total loss and recovered Rs 4 lakh from the wrongdoer under subrogation clause. The policy excess was Rs.20,000/- The legal expenses suffered by the insurer was Rs.1 lakh. The insured incurred an expenditure of Rs.50000/ towards conveyance charges - till the time he could purchase another car. Explain the treatment of subrogation based on above scenario.

**Section-C**

Case Study Compulsory:-

A private car was insured for Rs. 375,000/- The vehicle was purchased under hire purchase agreement. There were five more installments left to be paid by the purchaser to financier. The Vehicle was purchased in May 2017 and the purchaser also preferred add on cover " Depreciation Reimbursement " .On 13<sup>th</sup> March the vehicle was badly damaged .It was a frontal damage resulting from a head on collision with a truck. The impact was so heavy that the car got rolled over and finally rested on a side by wall.

Following parts were damaged

Parts	Invoice cost
1. Bonnet -	16,000
2. Fenders both -	4000
3. Head light	9000
4. Body shell	1,25,000
5. Battery	15,000
6. Front tyres both	35,000
7. Front doors both	25000
8. Radiator	15000
9. Condensers	15000
10. Front bumper	8000
11. Back doors	25000

Repairing charges labour charge 15000/-

- 1. Calculate the loss.
- 2. Who would get the payment and why?