

PGDM (IBM), 2018-20

Liability Insurance - I

INS-402

Trimester-IV, End-Term Examination: September 2019

Time allowed: 2 Hrs 30 Mins
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**. All other instructions on the reverse of the Admit Card should be followed meticulously.

Please attempt all 3 questions Section A

30 Marks

A-1 (a) Rylands Vs Fletcher case was applied in the Indian context as well. Please give details of the Indian case and the findings. **CILO-1**

5

A-1 (b) The "product" is at the root of the Product Liability Insurance. Please define the same. **CILO-1**

5

A-2 The D&O policy is a solution to the Corporate Governance challenges. Please argue your case with relevant case studies. **CILO-2**

10

OR

A-2 The PLI Act was formulated to take care of CSR activities. How far is it true? Please quote relevant cases to support your arguments. **CILO-2**

10

A-3 (a) What are the Non Industrial Risks? Name them. **CILO-2**

5

OR

A-3 (a) The MTO Liability Insurance policy covers a lot more than just Cargo Liability. Please explain with examples. **CILO-2**

5

PTO

A-3 (b) The CGL Insurance policy is "an all risks" cover. Discuss with examples. **C110 - 2**
5

OR

A-3 (b) What relevant information is required for the risk assessment of a WC policy ?
5

Section B

Compulsory Questions. Each question carries 10 marks. C110 - 3 2*10 = 20

B-1 The facts of the case - the duty of the workmen is to load the quarry material at the quarry site in the lorry and travel along with the lorry and to unload it at the work site. After unloading they again travelled in the lorry, reached the quarry site and again loaded the lorry.

In the course of one such trip the deceased who was in the lorry saw a wild rabbit passing on the road and he attempted to hit it and in this attempt he fell down from the lorry and met with a fatal accident.

The WC Commissioner held that the injury to the workman arose by accident out of and in the course of employment.

(a) What is the meaning of "in the course of employment" ? 3

(b) Should the claim be paid in the above case ? Why ? 3

(c) What is the significance of Koduri Vs Palangi Alchamma (High Court of Hyderabad) case here ? 4

B-2 Sumeet was interested in investing a lump sum amount in a plan which can provide him with a certain level of income per year with a minimum risk of capital loss. So he went to a financial consultant, Akshay, who ran a financial consulting agency, to get some advice. Akshay suggested investing in a particular fund according to Sumeet's requirements.

However, Sumeet did not receive any yearly income from the fund, but in fact, suffered a capital loss during the two year investment period. Akshay has not even provided any updates to Sumeet during the investment period of two years regarding the performance of his fund. Later, Sumeet came to know from other sources that the fund was not performing well at the time of the original investment.

- | | |
|-------------------------------------------------------|---|
| (a) What legal remedies are available to Sumeet ? | 3 |
| (b) Can Sumeet get back his lost money ? | 3 |
| (c) Which Insurance Policy could have helped Akshay ? | 4 |

SECTION A

Explain the role of the regulator in the context of insurance business in India and the various regulatory acts responsible for it.

OR

Explain the structure of EPF scheme under EPF & MP Act. What is the role of EPF member's union? Explain the various features of the EPF scheme.

Distinguish between defined benefit & defined contribution schemes. Why are defined contribution schemes now being preferred over defined benefit?

OR

Explain with suitable examples the applicability of the fixed premium of life insurance.

What are the different possible ways of managing the retirement liabilities? Why is actuarial accounting considered a better option for an employer to have a mechanism for the funding of defined liabilities?

OR

Explain in brief the available income tax related benefits associated with an approved retirement schemes for an employer & employee.