



**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

Test 1 Examination

Winter Semester: 2021-22

Course Code: LAW401

Course Name: Insurance Law

Program & Sem: All Programs & VI Sem

Date: 27 April 2022

Time: 01:30 PM to 02:30 PM

Max Marks: 30

Weightage: 15%

Instructions:

- (i) *Read the Question properly and answer accordingly.*
 - (ii) *Complete the test within the time given*
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Part A [Memory Recall Questions]

Answer all the Questions. Each question carries of One Mark

(10Qx1M=10M)

1. When Life Insurance Corporation came into existence? (CO1) [Knowledge]
a. 1st January 1950 b. 1st September 1956 c. 1st January 1956 d. 1st July 1960
2. The main purpose of having Life Insurance is: (CO1) [Knowledge]
a. As an avenue for long-term investment
b. As a medium for getting income tax benefits from savings
c. As a governmental programme for reducing poverty
d. As an avenue for short-term investment
3. _____ may be described as a social device to reduce or eliminate risk of loss to life and property. (CO1) [Knowledge]
a. Investment b. Saving c. Insurance d. Loan
4. The document which embodies the contract in insurance is called _____. (CO1) [Knowledge]
a. Security b. Policy c. Certificate d. Document
5. The principle of _____ ensures that an insured does not profit by insuring with multiple insurers. (CO1) [Knowledge]
a. Subrogation b. Contribution c. Co-insurance d. Indemnity

Answer the following in one sentence (6-10)

6. Which event was the breakthrough for emerging of concept of Fire Insurance in England? (CO1) [Knowledge]
7. Marine Insurance in India is regulated by which act? (CO1) [Knowledge]
8. Define Insurance Contract? (CO1) [Knowledge]
9. What is Liability Insurance? (CO1) [Knowledge]
10. Life Insurance business was nationalised in_____ . (CO1) [Knowledge]

Part B [Thought Provoking Questions]

Answer both the Questions. Each question carries FIVE marks (2Qx5M=10M)

11. "A contract of Fire insurance is a contract of indemnity". Discuss. (CO1) [Comprehension]

"Insurance contracts are a vital element of risk pooling and determine the risks covered, the premiums charged and the value of the insurance cover. Although insurance contracts are governed by the usual laws of contract, in practice there are important features of an insurance contract that fundamentally impact the relationship between the insured and the insurer. Insurance contracts are governed by the principle of 'utmost good faith'".

12. Share your opinion about nature of insurance. (CO1) [Comprehension]

Part C [Problem Solving Questions]

Answer the Question. The question carries TEN marks. (1Qx10M=10M)

12. As per "The earliest reports of body part insurance come from the 1920s, when a policy insuring silent movie star Ben Turpin's signature crossed eyes from the risk of going straight was issued. It might seem odd anyone famous for crossed eyes could make it big in the first place but, the fact Turpin took out insurance protecting his asset is rather interesting.

The policy provided payment only in the event his eyes became uncrossed. That never happened so Lloyd's never made any payments under the policy".

In the light of above statement:

- a) Discuss Personal Insurance and the reason for its popularity of Body part insurance among celebrities.
- b) Describe the classification of Insurable Contract. (CO1) [Application]



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**PRESIDENCY UNIVERSITY
BENGALURU
SCHOOL OF LAW**

TEST -2

Winter Semester: 2021 - 22

Course Code: LAW 401

Course Name: Insurance Law

Program & Sem: BALLB(Hons.)/BBALLB(Hons.)/BCOMLLB(Hons.) & VI SEM

Date: 02/JUNE/2022

Time: 01:30 PM – 02:30 PM

Max Marks: 30

Weightage: 15%

Instructions:

- (i) Read the all questions carefully before answering.
 - (ii) Complete the test within time
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Part A [Memory Recall Questions]

**Answer all the Questions. Each question carries ONE mark.
(10Qx1M=10M)**

1. What is meant by an insurance claim?
 - A. Any demand made by the policyholder on the insurer
 - B. A demand to fulfill the policyholder's obligation.
 - C. A demand made by the policyholder to fulfill the insurer's obligations.
 - D. A demand to fulfill the third party. (C.O.No.2) [Knowledge level]
2. IRDA refers to_____.
 - A. Indian Regulatory Development Authority.
 - B. Institute of Regulatory Development Authority.
 - C. Insurance Regulatory Development Association.
 - D. Insurance Regulatory Development Authority. (C.O.No.3) [Knowledge level]
3. Committee of reforms in Insurance sectors during 1993 headed by _____.
 - A. R.N. Malhotra.
 - B. S. Narashiman.
 - C. Manmohan Singh.
 - D. P. Chidambaram. (C.O.No.3) [Knowledge level]

4. The danger of loss from the unforeseen circumstances in future refers to _____.
 A. Perils.
 B. Hazards.
 C. Risk.
 D. Damage. (C.O.No.2) [Knowledge level]
5. The principle of _____ does not apply to life insurance.
 A. Subrogation.
 B. utmost good faith.
 C. Contribution.
 D. Indemnity. (C.O.No.2) [Knowledge level]

Answer the questions in one word or sentence.

6. What do you understand from the term Risk under Insurance Law. (C.O.No.2) [Knowledge level]
7. Which section provides for composition of IRDAI. (C.O.No.3) [Knowledge level]
8. Describe the Principle of Uberrimae fidei. (C.O.No.2) [Knowledge level]
9. Explain the concept of 'Days of Grace' with respect to premium. (C.O.No.2) [Knowledge level]
10. What is insurable interest, Explain with an example. (C.O.No.2) [Knowledge level]

Part B [Thought Provoking Questions]

**Answer all the Questions. Each question carries FIVE marks.
 (2Qx5M=10M)**

11. "The mere receipt and retention of premium until after the death of the applicant or the mere preparation of the policy document is not acceptance. It must be signified by some act or acts agreed on by the parties or from which the law raises a presumption of acceptance...the general rule is that the contract of insurance will be concluded only when the party to whom an offer is made accepts it unconditionally and communicates his acceptance to the person making the offer." Discuss (C.O.No.2) [Comprehension level]
12. "Insurable interest is not synonymous with legal interest". In light of above statement, Comment with special reference to Insurable interest of Bailee.

level]

Part C [Problem Solving Questions]

Answer the Question. The question carries TEN marks.

(1Qx10M=10M)

13. As the massive tsunami waves crushed against the shores of South India killing lakhs of people and destroying properties worth Crores. The respondent is a victim of such loss caused by tsunami, as the two ships that belonged to them were damaged. The two ships, namely, XYZ 50 and ABC 100, were found floating on the sea and the respondent towed the ships back to the port incurring a sum of Rs.14,400/-, which amount was compensated by the appellant the Magic Insurance Co.

The counsel appearing for the Magic Insurance Co. pleaded that the massive undersea earthquake and tsunami were directly linked as cause and effect and since their Marine Policy specifically excluded earthquake, the claim made by the respondent deserves to be repudiated.

Argue for the respondent.

1. Explain the concept of Proxima Cause.
2. Can IRDAI regulate the conduct of Magic Insurance Co, if yes describe in brief the powers of IRDAI. (C.O.No. 2)

[Application level]



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**PRESIDENCY UNIVERSITY
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SCHOOL OF LAW**

END TERM EXAMINATION

Date: 4th July 2022

Time: 01.00 PM to 04.00 PM

Max Marks: 100

Weightage: 50%

Even Semester: 2021 - 22

Course Code: LAW 401

Course Name: Insurance Law

Program & Sem: BALLB(HONS)/ BBALLB(HONS)/BCOMLLB(HONS)

and VI SEM

Instructions:

- (i) Read all questions carefully and answer accordingly.

Part A [Memory Recall Questions]

**Answer all the Questions. Each question carries three marks.
30M)**

(10Qx 3M=

1. Following the recommendations of the _____ Committee Report, in 1999, the IRDA was constituted. (C.O.No. 1)
[Knowledge]
2. IRDA stands for _____. (C.O.No. 2)
[Knowledge]
3. Life insurance in India was nationalized in the year _____. (C.O.No. 2)
[Knowledge]
4. Ubberimae Fidei is the principle of _____. (C.O.No. 2) [Knowledge]
5. Who is a Policyholder under insurance law? (C.O.No. 2) [Knowledge]
6. Risk means _____. (C.O.No. 6) [Knowledge]
7. What is Assignment of insurance policy? (C.O.No. 3) [Knowledge]
8. Section _____ provides for the powers of the IRDAI under the IRDA Act, 1999. (C.O.No. 3) [Knowledge]
9. What is premium? (C.O.No. 2)
[Knowledge]
10. What is risk Causa Proxima? (C.O.No. 2) [Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries five marks.

(5Qx8M=40M)

11. Marine insurance is the oldest type of insurance that is essential to boost trade. Any business that is engaged in trade including import and export of goods, is exposed to a number of risks that can lead to loss or damage of valuable goods during transit. With globalization and increasing trade, the demand for marine insurance is also mushrooming among companies. In this light, write a short note on law of marine insurance on India.

(C.O.No. 1) [Comprehension]

12. When the damage or loss of an item, event, or action will result in financial loss or other problem, a person or entity has an insurable interest in it. In this light, elucidate on your understanding of the terms 'insurable interest' and 'risk' with respect to insurance law.

(C.O.No. 2) [Comprehension]

13. Re-insurance is a form of an insurance cover for insurance companies. There is a possibility that in a bad year, the total value of claims may be much more than the premium collected by an insurance company. Therefore, re-insurance becomes significant. Elucidate on the re-insurance provision(s) provided under the Insurance Act, 1938.

(C.O.No. 3) [Comprehension]

14. Registration of insurance company with IRDAI is mandatory to start an insurance business in India. Explain the process and steps of registration of an insurance company as provided under the Insurance Act, 1938 (as amended from time to time).

(C.O.No. 3) [Comprehension]

15. Explain the principles of utmost good faith, non-disclosure and proximate cause under insurance law with examples.

(C.O.No. 2)

[Comprehension]

Part C [Problem Solving Questions]

Answer both the Questions. Each question carries two marks.

(2Qx15M=30M)

16. You have been hired as a legal advisor to Ms. O. She is the policy holder of a life insurance policy. She wishes to make an Assignment of the insurance policy to her elder daughter. The elder daughter after receiving the Assignment wishes to appoint her younger brother as a nominee under the insurance policy. You have been asked to help them understand the law on Assignment and Nomination under the Insurance Act, 1938(as amended from time to time).

(C.O.No. 3) [Application]

17. You have been appointed as a member of the ABC Committee, which has been tasked with the re-evaluation of the powers of IRDAI under the IRDA Act, 1999. Your first duty is to provide a report on the existing powers of IRDAI under the Act. Write the report.

(C.O.No. 3) [Application]