

Roll No:

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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2020

Course: Insurance Law

Program: BBA, LL.B. (Hons.) Corporate Laws 2017/ B.COM, LLB. (Hons.) Taxation Laws 2017

Time: 03 hrs.

Semester: 6th

Course Code: CLCC 3011

Max. Marks: 100

Instructions: As this examination is open book, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concepts by the students and any similarity found from resources online/offline shall be penalized in terms of deductions of marks and even cancellation of paper in requisite cases. The online examination committee of the school would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copies and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from any unfair means and provide answers in their own word.

All the questions are compulsory.
Answers each question in not more than 500 words

S. No.		Marks	CO
Q 1	Vikas purchased a comprehensive fire insurance policy for his residence on 01-01-2020 which is valid till 31-12-2020. Around 800 meters away from his house there is ammunition depot and on 10-07-2020 fire broke out at ammunition depot which result to explosion. Due to this explosion a beautiful glass theatre which was specially designed by vikas was completely shattered. Vikas raised the claim against the company for the loss he has suffered. Company rejected the claim. On the basis of above mentioned facts kindly adjudge the matter with suitable and relevant case laws. Also explain the term "science of fire" and does heat due to fire amounts to ignition.	20	CO2
Q 2	Amit, aged 48 years had a cardiac angiography test in 2006. It was found that one of his valves was critically blocked and needed to be inflated by the stent. Doctor recommended urgent angioplasty surgery. Amit being spiritual minded and a vehement critique of surgical interventions, rather adopted Yoga practice. In 2012 he again underwent angiography and the report suggested only 30% improvement in blockage. He underwent angioplasty surgery due to pressure from the family. In 2014, he suffered from frequent aches in the chest. He took a Life Insurance policy of Rs. 10,00,000 from the Life Insurance Corporation (LIC) in July 2015. In the proposal form it was asked <i>whether he underwent any surgical operation in the last 10 years</i> . He answered 'No'. He was examined by the doctors of the LIC who advised the Insurer to issue him sub-standard Insurance policy on a bit higher premium. He died in July 2018 and his nominee presented claim in August 2018. The insurer denied the claim on the ground that the insured did not disclose the material fact (about surgery) and on the ground of fraud and misrepresentation. Decide the liability of the insurer. Explain	20	CO1

	the principle of good faith and the concept of material and non-material facts. Whether the insured may plead estoppels and bar of Section 45 of the Insurance Act, 1938(as amended in 2015)?		
Q 3	Sameer a shipping tycoon, decided to purchase a fleet vessel policy. While obtaining the fleet vessel policy necessary documents such as Seaworthiness and Cargo-worthiness documents were provided to the insurance for the verification. After the successful verification the fleet vessel policy was provided to Sameer. The vessel were designed in such a manner that they can carry either the dry goods or sealed liquid goods. During a voyage, vessel was carrying gaseous goods, and vessel met with an accident which result a spill over and enormous loss to Sameer. Sameer raised a claim but the insurance company rejected the claim on the ground that Cargo-worthiness was missing. While explaining the concept of Seaworthiness and Cargo-worthiness draft the contentions from both the sides.	20	CO4
Q 4	Ram Transport Co. Hired a driver Raju, while hiring the driver necessary tests have been taken and also other documents such as Driving license was checked. One day while driving lorry, Raju met with an accident resulting injuries to himself as well as third party. Transport company raised a claim against the insurance company but the claim was rejected on the grounds that Raju was not holding license at the time of accident and therefore they are not liable to pay the claim neither to the company nor the third party. On the basis of above-mentioned facts and with the help of relevant case laws decide whether the contention raised by the insurance company is justified. Also decide whether both the parties are allowed to compensation or not.	20	CO3
Q 5	Udit obtained a health insurance on 01-01-2020 which is valid till 31-12-2020. Due to financial stringency Udit is not in a position to renew the insurance. The insurance company provided a 15 days grace period from 01-01-2021 to 14-01-2021 so that the insurance can be renewed. On 10-01-2021 Udit was hospitalized and a bill of total 2 lakhs rupees was generated. Udit raised a claim against the insurance company but the claim was rejected by the company. On the basis of abovementioned facts adjudicate the matter. Also explain the concept of grace period under health insurance.	20	CO 4