

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Insurance
Semester-VIII (Batch: 2013-18)

End Semester Examination: April-May 2017

Date: 27th April, 2017

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- **Bare Act is not allowed.**

Marks

Q.1 Mr. Anil Kumar had taken life insurance policy from LIC for assured sum of Rs.5,00,000/- commencing from 01-04-2015 and made his father, Ramachandran as a nominee. Though, he got married to Ms. Vimala as per the Hindu rites and customs on 01-06-2016, but had not changed the said nomination. On 10-01-2016, he had assigned the policy in favour of Insure Profit Pvt. Ltd. Company for consideration of Rs. 2,00,000/- and continued in payment of monthly premiums of Rs.6000/-. The Insured had sent an instrument of transfer to effectuate the assignment and same was received by LIC on 25-01-2016. Meanwhile, on 10-02-2016, Anil Kumar was admitted in the Hospital due to severe headache and was diagnosed for brain hemorrhage. While he was in coma from 15-04-2016, the policy was due for the payment of premium on 01-05-2016 and same was supposed to be paid latest by 01-06-2016 including grace period of one month. But, the insured after spending almost for three months in coma, died on 16-07-2016. The Insure Profit Pvt. Ltd, approached the LIC for claiming the amount as the assignment instrument had already been sent by the insured to them. Both Mr. Ramachandran and Ms. Vimala approached LIC for claiming the amount as nominee and legal heir respectively of the insured.

(06)

Analyze the above mentioned issue in the context of rights of the Nominee, Assignee, and Legal heirs based on the relevant provisions of the Insurance Laws (Amendment) Act, 2015. Whether Insurer can absolve from liability to pay policy money for either or all of them? If yes or no, specify the grounds.

Q.2 Ramadas, aged about 48 years, was working as a software Engineer in Infosys Software Solutions Pvt. Ltd. drawing monthly net salary of Rs. 60000/-. On 27th July, 2015 at about 1.30 a.m. Ramadas along with his friend Sanjay, aged about 28 years, working as a software engineer in the same company, while returning home on his scooter met with an accident with a Tanker Truck driven by its driver in rash and negligent manner. On account of the said accident, Ramadas fell down and sustained grievous injuries all over the body. Though, he was shifted to Victoria Hospital immediately but died due to multiple organs failure. Ramdas had left behind his parents, wife, and two children. Mr. Sanjay, a Pillion rider in the same scooter also sustained grievous injuries and lost his right leg but survived his life. Sanjay was an unmarried bachelor and had spent Rs.600000/- as medical expenses and was remaining absent for the duties for 5 months

(08)

with loss of pay. Both them filed a case under Section 166 of the Motor Vehicles Act, 1988 before Motor Accident Claims Tribunal (MACT).

Discuss the nature of remedy available as per Section 166 of the Motor Vehicles Act, 1988 and ascertain the approximate computation of compensation in both the above mentioned cases by applying the settled principles of law laid down by the Hon'ble Supreme Court with the help of decided cases and the appropriate multiplier from the below mentioned chart.

Age of the deceased	Multiplier Scale
Upto 15 years	--
15-20 years	18
20-25 years	18
26-30 years	17
31-35 years	16
36-40 years	15
41-45 years	14
46-50 years	13
51-55 years	11
56-60 years	09
61-65 years	07
Above 65 years	05

- Q.3 Discuss the nature and general exclusion clauses under the fire Insurance Contracts. Analyse, whether the cause of fire is essential to prove in each and every case by the insured to claim the insurance amount with the help of decided cases. Briefly discuss the issues pertaining to the spontaneous combustion with the help of decided cases. (10)
- Q.4 What is the nature and scope of remedy available as per Section 163A of the Motor Vehicles Act, 1988? Discuss the issues pertaining to the importance of contributory negligence of the driver while assessing the computation of compensation, categories of persons covered under third party with the help of recent leading cases. (06)
- Q.5 Explain the concept of '*Uberrima fidei*' applicable in Marine Insurance contract with the help of provisions of the Marine Insurance Act, 1963? Discuss the different kinds of Warranty Clauses and their consequences of breach. Briefly discuss the relation between marine insurance related Inco terms and settlement of marine insurance claims with the help of decided cases. (10)
- Q.6 Answer **any two** of the following: (2x5=10)
- Agricultural Insurance
 - Re-Insurance
 - Nuclear Liability Insurance
