

2018

(June)

LAW

(Optional)

Paper : 6.3

- 1. Insurance Law**
- 2. Principles of Taxation Law**

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Insurance Law

1. Choose the correct answers : $1 \times 10 = 10$
 - (i) As per Insurance Act, every year insurer has to prepare at the end of financial year —
 - (a) Balance Sheet
 - (b) Profit and Loss Account
 - (c) Revenue Account
 - (d) All of the above.

(ii) In 'Hit and Run' cases claims are settled from —

- (a) IRDA's Contingency Fund
- (b) Solatium Fund
- (c) Insuring Company's Reserves
- (d) Motor Third Party Pool.

(iii) The concept of Indemnity is based on the key principle that policy holders should be prevented from

- (a) making false insurance claims
- (b) paying excessive for insurance cover
- (c) insuring existing losses.
- (d) profiting from insurance.

(iv) As per structured formula under the Motor Vehicle Act, victims of fatal injuries are paid compensation on the basis of :

- (a) Age and Sex
- (b) Age and number of dependants
- (c) Income and Size of family
- (d) Age and Income.

(v) Once an absolute assignment is effected under a life insurance policy who will be the title holder of this policy?

(a) The assignor in all cases

(b) The assignee in all cases

(c) Either the assignor or Assignee depending on the type of policy involved

(d) The assignor and assignee jointly.

(vi) Insurable interest of one's own life is limited up to

(a) Assets

(b) Liabilities

(c) Unlimited

(d) All the above.

(vii) Breach of duty of utmost good faith is —

(a) Non-disclosure of material facts

(b) Concealment of material facts

(c) Fraudulent presentation

(d) All of the above.

(viii) Insurance business is transacted in India primarily as per provision of —

(a) Insurance Regulatory and Development Authority Act, 1999

(b) Insurance Act, 1938

(c) Life Insurance Corporation Act, 1956

(d) Motor Vehicle Act, 1938.

(ix) 'A' takes a term plan for 20 years. Due to financial losses he failed to pay premium in the 3rd year within grace period and died after 1 month. The nominee files a claim and is rejected because —

(a) Policy was not in force

(b) The claim is fraudulent

(c) This condition was excluded in policy

(d) The claim is an early claim.

- (x) Property insurance may not include —
- (a) Burglary
 - (b) Fidelity
 - (c) Insolvency
 - (d) Sickness.

2. Write briefly within 4/5 lines : $5 \times 2 = 10$

- (a) What do you mean by insurance coverage?
- (b) What is General Insurance Policy and what does it cover?
- (c) State difference between assignment and nomination in life insurance.
- (d) What is Re-insurance?
- (e) What is contributory negligence?

3. "A proposal is the basis of insurance." Explain and highlight which insurance principle substantiate this statement with examples.

In some of the cases while filling of the form material fact is not disclosed by the insured. State the consequences of concealment of material facts by the insured.

$6 + 6 = 12$

OR

Discuss the state control of Insurance business in India. 12

4. Explain the history and growth of Insurance in India. 12

OR

Why do insurer require pure risk only? Define Risk and distinguish between pure risk and speculative risk. 6+6=12

5. Discuss the law relating to insurable interest in the case of life insurance.

Discuss the procedure of effecting a life insurance policy.

'X' owes 'Y' Rs. 20,000. 'Y' insures 'X's life for a like amount. 'X' pays the debt to 'Y'. 'X' then dies. 'Y' claims Rs. 20,000 from the insurance company. Is the insurer liable to pay? 5+5+2=12

OR

Discuss the procedure for settlement of claims of life insurance. State the liability of insurer on a life policy in case of suicide of the assured where the policy is silent.

'A' takes policy on his own life on 1st January, 2016 and later commits suicide on 1 February 2017. Is the insurer liable to pay? $6+4+2=12$

6. Discuss various types of disablements and provisions relating to compensation payable under the Personal Injuries (Compensation Insurance) Act, 1963. 12

OR

Critically examine the Fatal Accident Act, 1855. 12

7. Who can make an application for compensation for an accident involving death on bodily injury to persons arising out of motor vehicles? State the relevant provisions of the Motor Vehicle Act, 1988. 12

OR

What do you mean by Property Insurance? Explain briefly the different types of property insurance with illustrations. $2+10=12$
