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19 (Sem-6) INSL

2021

**INSURANCE LAW**

Paper : 6·3

Full Marks : 80

Time : Three hours

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

1. Choose the correct answer :  $1 \times 10 = 10$

(a) The intimation of the proposer's intention to buy insurance is the 'offer', while the insurer's readiness to undertake the risk stated, is the \_\_\_\_.

*(acceptance/consideration)*

(b) As far as the insurance contracts are concerned, only those insurers grant insurance policies that have been issued licenses by Insurance Regulatory and Development Authority (IRDA).

*(True/False)*

*Contd.*

(c) The Life Insurance made its first appearance in England in seventeenth century, the first recorded evidence in England being the policy on life of William Gybbons on June, 1653.

*(True/False)*

(d) The \_\_\_\_\_ insurance is the oldest form of insurance. *(marine/fire)*

(e) The fire insurance got momentum in England after the great fire in \_\_\_\_\_, when the fire loses were tremendous.

*(1656/1666)*

(f) In India, the 'Personal Insurance' is dealt with by the \_\_\_\_\_. (General Insurance Corporation(GIC)/Life Insurance Corporation (LIC))

(g) Insurance is listed in entry \_\_\_\_\_ of the Seventh Schedule to the Constitution of India. *(47/50)*

(h) The Life Insurance Corporation was formed in \_\_\_\_\_.

*(September, 1956/September, 1966)*

(i) \_\_\_\_\_ of The Personal Injuries (Compensation Insurance) Act 1963, “workman” means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer’s trade or business) who is employed in any of the employments specified in section 3.

*(Section 2(k)/2(m))*

(j) Third Party Liability Insurance is a kind of \_\_\_\_\_. (*compulsory insurance/non-compulsory insurance*)

2. Answer the following : 2×5=10

(a) What is insurable interest ?

(b) State *two* functions of insurance.

(c) Differentiate between ‘composite negligence’ and ‘contributory negligence’.

(d) What is meant by ‘Partial Disablement’ as provided under The Personal Injuries (Compensation Insurance) Act, 1963 ?

(e) State the object of Insurance Act, 1938.

Answer **any five** questions :

12×5=60

3. The proposal was made on 10th July, 1926 and accepted on 15th July. The insured fell ill on 21st July. A cheque was dispatched on 24th July. Receipt of cheque was issued on 26th July and on 27th July the insured died. In this case the contract would have finalized on 26th July but the cheque was not honoured due to insufficient balance.

Decide whether the contract is considered complete. And also state the various sections of Indian Contract Act that are applicable for insurance contract.

7+5=12

4. What do you understand by Insurable interest? Is insurable interest mandatory for all types of insurances? Discuss in this context, the various rules of insurance interest in relation to a contract of life insurance.

3+2+7=12

5. What do you understand by the terms 'nomination' and 'assignment' of life policies? State by citing appropriate legal provisions, the rules for nomination and assignment. Also highlight the differences between absolute and conditional assignments.

4+4+4=12

6. A (appellant) was married to the deceased insured (Son of B (Respondent No. 2)). Before the marriage, i.e. on December 15, 1975, the deceased - insured had obtained a policy on his life in which he had nominated his father B (Respondent No.2) as his nominee. The insured died on 1-2-1983. A (appellant) informed the LIC that the payment of money under the policy be not made to anyone else as the appellant was the only legal heir.

In this regard, give your opinion whether insurer will be liable to make payment to the appellant with the help of appropriate legal provisions. 12

7. “No action or suit is maintainable in any Court against a person who, by his wrongful act, neglect or default, may have caused the death of another person and it is often-times right and expedient that the wrong-doer in such case should be answerable in damages for the injury so caused by him.”

Explain the statement with the help of the detailed provision of the Fatal Accidents Act.

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8. Santhosh insured his sugar in the godown against fire for an amount of Rs. 50 lakhs. In a fire accident, his sugar stock worth of Rs. 38 lakhs lost by fire. To what extent, insurance company is liable for the loss? And also state various characteristics of a fire insurance contract. 7+5=12

9. X while driving a car unintentionally collided a car belonging to Y, which is parked beside the road. The car of Y suffered substantial damage for which he wanted it to be compensated by X. In the light of the provisions of third party insurance under the Insurance Act, what are the remedies available to Y from X in case X has a third party insurance? State whether third party insurance is mandatory in India.

10+2=12