

FIVE YEAR B.A./B.B.A./B.Com., LLB (HONOURS) DEGREE**EXAMINATION, AUGUST 2026****Eighth Semester****FL 26 – INSURANCE LAW**

(2022 Admissions-Regular, 2018-2021 Admissions-Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Write short notes on any five of the following.

Each question carries 3 marks.

1. Powers and functions of IRDAI.
2. Wager and Insurance.
3. Hull insurance and Cargo insurance.
4. Endowment life insurance policy.
5. Cover note and slip.
6. Public Liability Insurance.

(5 × 3 = 15 marks)

Part B

Answer any three of the following problems.

Each question carries 10 marks.

7. A warehouse is insured against damage by fire. An earthquake, an uninsured peril, causes a gas pipe in the warehouse to burst, which then leads to a massive explosion and fire, destroying the building and its contents. The insurer rejects the claim, stating the proximate cause was the earthquake, which is not covered. Is this correct? Decide giving reasons.
8. A ship insured for Rs. 100 crores is feared to be lost at sea in a storm. The insurer pays the owner the full insured sum. Two months later, the damaged ship is found and towed to a port. Its salvage value is determined to be Rs. 30 crores. Is the shipowner entitled to keep the Rs. 100 crores from the insurer and the Rs. 30 crores from the sale of the salvaged ship? Explain how the principle of indemnity operates in this situation.

Turn over

9. A cargo policy is issued for a voyage from Ho Chi Minh City (Vietnam) to Rotterdam (Netherlands). Before loading commences, the Vietnamese government suddenly imposes a total ban on the export of rice and coffee due to severe domestic shortage caused by prolonged drought, and the intended voyage is lawfully cancelled. No cargo is ever shipped, and the risk never attaches. Discuss whether the assured is entitled to a return of premium and, if so, on what legal basis under the Marine Insurance Act.
10. A's car is insured under a comprehensive motor policy. His car is damaged in an accident caused entirely by the negligent driving of another person, 'B'. A's insurer pays him Rs. 2,00,000 to repair his car. After paying 'A', can his insurance company sue 'B' to recover the Rs. 2,00,000 ? Decide explaining the legal principles involved.

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. The principles of Indemnity, Subrogation, and Contribution are intrinsically linked in property and liability insurance. Elucidate the jurisprudential basis of each principle and critically analyze their inter-relationship, explaining how Subrogation and Contribution act as essential corollaries to ensure the true spirit of Indemnity is not defeated.
12. Discuss the legal principles governing partial loss in marine insurance, distinguishing between particular average and general average. Evaluate the legal and commercial justification behind the York-Antwerp Rules and their relevance in Indian insurance practice. Explain how insurers assess and settle partial losses when there is contributory negligence or delay by the assured.
13. Examine the legal principles governing the measure of indemnity in fire insurance claims under Indian law. Discuss reinstatement value policies, market value clauses, depreciation, salvage, over-insurance, under-insurance, and average clause applications. Evaluate whether current judicial approaches maintain fairness between insurer and insured.

(2 × 15 = 30 marks)