



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Law of
Life Insurance
Program: BBA
LLB BFIL
Course Code:
CLBN 5001

Semester : 9
Duration : 03 hrs.
Max. Marks: 100

Instructions: Attempt all the questions

SECTION A
(Type the answers in test box)

Objective Type Questions/Definitions/fill in the blanks 5Q x2M=10 Marks

Q. No.		Marks	CO
1	In which year recommendations of Sir R N Malhotra Committee was accepted.	2	CO 1
2	Name the life insurance policy which provides maximum time coverage with minimum premium.	2	CO 1
3	Name the different committees which insurance company need to establish.	2	CO 1
4	Name the 3 core facets of New economic policy.	2	CO 1
5	What do you understand by term Uberimma Fide?	2	CO 1

SECTION B
(Scan and upload)

(Conceptual based question) 4Q x5M=20 Marks

Q. No.		Marks	
1	In brief explain the concept of endowment scheme under life insurance policy.	5	CO 2
2	What do you understand by term Insurable interest?	5	CO 2
3	List out all the exclusions clause mentioned under Life Insurance.	5	CO 2
4	Write a short note on grievance redressal mechanism of IRDA.	5	CO 2

SECTION-C
(Scan and upload)

(Descriptive/Analytical Questions) 2Qx10M=20 Mark

Q.No.		Marks	CO
1	With the passage of time insurance sector in India has witnessed a complete paradigm shift. On the basis of abovementioned statement answer the following a. Explain the role played by Sir R. N. Malhotra Committee in revamping the insurance sector. (5 Marks) b. What were the triggering events which changed the entire dynamics of insurance	10	CO 3

	sector? (5 Marks)		
2	Although Insurance company is also a company but the registration process of an insurance company is quite different from registration of a company under Companies Act, 2013. On the basis of abovementioned statement explain the registration process of an insurance company. Also explain the role and functioning of various committee of an insurance company.	10	CO 3

SECTION-D

(Scan and upload)

(Case Studies/ Application Based Questions)

2Qx25M =50 Marks

Q.No.		Marks	CO
1	<p>Mr. Ram Sharan, aged 54 years had a cardiac test in 2009. It was found that one of his valves was critically blocked and needed to be inflated by the stent. Doctor recommended urgent angioplasty surgery. Ram Sharan being spiritual minded and a vehement critique of surgical interventions, rather adopted Yoga practice and attended several yoga camps. In 2012 he again underwent angiography and the report suggested only 30% improvement in blockage and operation is the only solution available. In the same year he underwent angioplasty surgery due to pressure from the family. In 2015, 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 whether he underwent any surgical operation in the last 10 years. He answered 'No'. He was examined by the team doctors empaneled with LIC and this team advised the Insurer to issue him sub-standard Insurance policy on a high 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 the claim need not to be settled</p> <p>A. On the basis of abovementioned statement decide the liability of the insurer. (5 Marks)</p> <p>B. What do you understand by term Sub-Standard Life Insurance Policy? (5 Marks)</p> <p>C. Explain the principle of good faith and the concept of material and non-material facts. (5 Marks)</p> <p>D. Also Explain the concept of Uberimma Fide, and its relevance in insurance sector. (10 Marks)</p>	25	CO 4
2	<p>Mr. Vinod obtained a Life Insurance policy on 01-01-2020 which is valid till 31-12-2020. Due to financial stringency Mr. Vinod is not in a position to renew the insurance, and therefore due to non-payment of premium, policy got lapsed. He applied for the renewal of insurance policy. In the application form for renewal, one of the questions was whether between the date of lapse of policy and the application for the renewal of the policy, he suffered from any illness, to this question Vinod answered "NO". The renewal of the policy was granted, but subsequently insurance company came to know that during that period Vinod underwent treatment for some skin trouble (Laser treatment of Acne). Insurance company wants to avoid the liability. On the basis of abovementioned facts and with relevant case laws</p> <p>A. Analyse, whether the rejection of renewal of life insurance policy by Insurance Company is valid. (12.5 marks)</p> <p>B. With the help of relevant case laws explain the role of Section 45 of Insurance Act in such types of situations. (12.5 marks)</p>	25	CO 4