REV-01
BLB/09/14

2025/06

SET A

BA LLB
FOURTH SEMESTER
INSURANCE LAW
BLB - 406 H_2 BL

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective

Time: 30 min. **Marks: 20**

Choose the correct answer from the following: ***1×20=20***

1. Which of the following options best describes the nature of insurance practices?
   a. A form of donation
   b. A social security benefit
   c. A contract between parties
   d. A loan agreement

2. The constitutional entry regulating insurance appears in which of the following lists?
   a. State List
   b. Union List
   c. Concurrent List
   d. Both B and C

3. Insurance is primarily a contract involving which of the following?
   a. Compensation and reimbursement
   b. Donation
   c. Profit-sharing
   d. Guarantee

4. The concept of 'risk' in insurance usually refers to-
   a. The certainty of a loss
   b. The probability of a financial loss
   c. A guarantee of gain
   d. All of the above

5. The principle that states the insured should not gain from a loss is known as-
   a. Utmost good faith
   b. Indemnity
   c. Subrogation
   d. Contribution

6. Which principle obliges the insured to disclose all material facts?
   a. Causa Proxima
   b. Contribution
   c. Utmost good faith
   d. Indemnity

7. The legal right of the insurer to recover the amount paid to the insured from a third party is called-
   a. Assignment
   b. Contribution
   c. Indemnity
   d. Subrogation

8. Which principle applies when more than one insurer covers the same risk?
   a. Proximate cause
   b. Subrogation
   c. Contribution
   d. Insurable interest

9. The Insurance Act, 1938 regulates-
   a. Banking laws
   b. Insurance companies and practices
   c. Capital markets
   d. Cooperative societies

10. Which authority was created under the IRDA Act, 1999?
    a. RBI
    b. SEBI
    c. IRDAI
    d. TRAI

11. After how many years can a life insurance policy not be questioned for misstatement?
    a. 1 year
    b. 3 year
    c. 2 year
    d. 5 year

12. Reinsurance refers to-
    a. Double insurance
    b. Government regulation of insurance
    c. An insurer insuring a part of its risk with another insurer
    d. Renewal of insurance

13. The insurable event in a life insurance contract is typically-
    a. Death or survival
    b. Fire
    c. Marine Peril
    d. Theft

14. Which of the following affects the risk in a life insurance contract?
    a. The insured's occupation
    b. The insured's habits
    c. The insured's health
    d. All of the above

15. Who is entitled to the sum assured under a life insurance policy?
    a. The nominee
    b. The insurer
    c. The government
    d. The bank

16. The term 'amounts recoverable' in life insurance refers to-
    a. Loan recovery
    b. Death benefit
    c. Premium paid
    d. Bonus only

17. Which of the following is *not* a type of marine insurance?
    a. Voyage policy
    b. Time policy
    c. Floating policy
    d. Employment policy

18. Warranties in marine insurance are-
    a. Not legally binding
    b. Not legally binding
    c. Oral promises only
    d. Suggested practices

19. Perils of the sea include-
    a. Earthquake
    b. War
    c. Storm
    d. All of the above

20. A fire insurance policy does not typically cover-
    a. Spontaneous combustion
    b. Intentional fire
    c. Electrical fire
    d. Fire caused by lightning

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(Descriptive)

Time : 2 hrs. 30 min. **Marks : 50**

[Answer question no.1 & any four (4) from the rest]

1. Discuss in detail as to how the general principles of the law of contract is applied in insurance practices. Illustrating with examples and/or relevant case laws. **5+5=10**

2. Explain the nature and scope of life insurance. Who are the persons entitled to receive payment under a life insurance contract? **7+3=10**

3. Explain the regulatory legal framework governing the insurance sector in India. What is the role and responsibility of IRDAI? **5+5=10**

4. What is the meaning of popular doctrines of 'insurable interest' and 'utmost good faith'? Explain their applicability in insurance practice with illustrations. **5+5=10**

5. Evaluate the elements of marine insurance with reference to special principles of insurance. Explain the concept of 'sea perils'. **10**

6. Write an essay on the entries relating to insurance under different lists of the Constitution of India. How are the legislations relating to insurance practice related to these lists? Explain. **5+5=10**

7. Elaborate on the concept of subrogation and contribution in insurance contracts. How do courts interpret them? **7+3=10**

8. With reference to the Indian Insurance Act, 1938, explain the provisions related to settlement of claims and misstatement in insurance policies. **10**

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