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NATIONAL LAW UNIVERSITY, JODHPUR

(School of Insurance Studies)

End Term - August-December 2025

Semester First : MBA(Insurance and Risk Management)

Subject: Fire Insurance

Time Limit 3.0 Hours

M.M: 100

Instruction

1. Attempt any five questions, all question carries equal marks.
2. Start each question with new page with clearly mentioning Q. No and subsection if any.
3. Simple calculator is permitted in examination hall.

Q.No 1(A) M/S Prateek fertilizer has taken a **Standard Fire and Special Perils (SFSP) Policy** with your HDFC ERGO General insurance company. The Insured have provided following details to the company.

- Sum insured Rs 12,00,000,
- Claim Amount Rs 11,50,000.
- Actual Debris Removal charged paid Rs 70,000.
- Customer has taken 50,000 as add on cover for debris removal above normal cover.

Calculate the amount of claim payable under the policy, clearly showing your workings and the treatment of the add-on cover for debris removal.

There is no excess clause applicable.

(B) : M/S Rohit industry has taken SFSP for Sum Insured Rs 20,00,000 for Reliance general industry. There was a fire claim for Rs 19,00,000, Fee paid to Architect and surveyor Rs 1,60,000. Customer has not taken any ADD-ON COVER for Architects, Surveyors and Consulting Engineers Fees. Excess clause 7% of claim amount subject to minimum of 15,000

Calculate the amount of claim payable SFSP.



Q.No 2: (A) Discuss the fire floater Declaration Policy and its significance

(B) M/S Rajkumar Chemical Industry was issued a fire floater declaration policy from Bajaj Allianz General Insurance company as per the details given below. Customer have opted "Monthly average of highest values of each day of the month."

Policy Sum insured - Rs 250.00 crores. Policy Period is 01.04.2022 to 31. 03.2023

- Policy rate: 2.50 per mille including earth quake + Floater Extra .
- Initial premium – Rs 70.00 lacs
- Month Declarations made (crs) Declaration considered (crs)

Month	Declarations made (crs)
• April	• 110
• May	• 200
• June	• 190
• July	• nil
• August	• 90
• Sept.	• Missed
• Oct	• 70
• Nov.	• 130
• Dec	• 140
• Jan	• 260

- Feb

- missed

- March

- 180

Calculate the actual premium changeable and the refund to be made to insured, if any

Q.No: 3: Raw Material is an important component industrial manufacturing activity. Discuss how the sum assured is decided in following

- a) Raw Material
- b) Finished goods
- c) Imported goods
- d) Stock in process Stock in Process/ Work-in-Progress – WIP -

Q.No. 4: What are the benefits of Industrial All Risk Policy. How this policy differs from Standard Fire and Special peril policy.

Q.No.5: (A) What are Built-in free additional coverages in Bharat Laghu Udyam Suraksha Insurance

(B) What are exclusions in Bharat Laghu Udyam Suraksha Insurance

Q.No 6: (A) What is the Provision of Property Damage insurance and its advantages in Business Interruption policy,

B) Discuss the following:

- i) Supplier's premises extension in fire business interruption policy.
 - ii) Failure of Utility Supply extension (FOUS) in fire business interruption Policy
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NATIONAL LAW UNIVERSITY, JODHPUR

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Mid Term Examination - August-December 2025

Semester First: MBA (Insurance and Risk Management)

Subject: Fire Insurance

Time Limit 90 Minutes

M.M: 50

Instructions:

1. All questions carry equal marks
 2. Simple calculator is permissible in the examination hall
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Q.No.1: Discuss the following add on cover in the standard fire and special peril policy:

- a) Contract Price Insurance Clause
- b) Reinstatement Clause

Q.No. 2: What is escalation clause, its terms and conditions as extension in standard fire and special peril policy. If M/S Rohit chemical industry opted escalation in fire insurance policy with following details:

- Policy period 01.01.2025 to 31.12.2025 and Sum Insured is Rs 10,00,000.
- The premium charged @ 2.0%
- The escalation opted is 25% policy. If loss takes place on 20th day (On 20th January 2025) in above case,

What will be the sum assured at time of loss and what will be the chargeable premium.

Q.No.3: Valuation of the property is important in fixing of the sum insured. Discuss the various modes of valuation from insurance point of view. How sum insured of the plant and machinery is derived.

Q.No.4: What type of losses the insurers are not obliged to pay, but can be covered in the business interruption policy or FLOP.

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Q.No.5: What is excess clause in the fire policy and how it is different from the franchise. Calculate the excess in given example;

Calculate the excess applicable for the following loss:

Sum insured of the policy 50 00 Crores

Loss 1 Rs. 2,00,000

Loss 2 Rs. 1,00,000

Excess applicable- 10 % of claim amount subject to a minimum of Rs 15,000/-

