

1 MAY 2023

NATIONAL LAW UNIVERSITY, JODHPUR

(School of Insurance Studies)

End Term Examination- April-May 2023

Semester: MBA (Insurance) IV

Subject: Liability & Aviation Insurance

Time: 3.0 Hours

Marks:100.0

Instruction:

1. Attempt any five questions. All Question Carry Equal marks.
2. Simple calculator is permitted in the examination hall.

Q. No.1: What is Clinical Trial Insurance and what are its difference phases of trial is required.

Q.No.2: Define Commercial General Liability (CGL), what are the standard covers available under this policy.

Q.No 3 : Discuss the specific exclusions under Product Liability Insurance Policy

Q.No 4 : Abbott Drug company is international drugs manufacturing company. Client wants to take Products Liability Insurance for domestic and exports (Both)from your insurance company.

- 1.) Risk Group 3 (Rate 0.07 per mille)
- 2.) Limits of Indemnity: Rs. 1 crore AOA and Rs. 2 crores AOY
- 3) Loading factor for USA/Canada =15 and OECD countries= 5
- 4) Ratio AOA to AOY 1: 2 (Applicable %age is 80)
- 5) Turnover (i) Rs. 100 crores Indian  
(ii) Rs. 50 crores USA/Canada  
(iii)Rs. 45 crores OECD countries

6. Indemnity premium for 2.0 crores = Rs 35025

As underwriting officer how much premium you will charge if you have been provided with above details:

.Q.No 5: Write short notes on the following

- 1) Medical requirements for pilots.
- 2) Requirement for a Private Pilot to get license.



Q.No.6: What is condition on which compensation is paid to employee in employer legal liability claim is policy.

1. The nature of injury caused by the accident eg. Death, permanent total disablement, permanent partial disablement or temporary (total or partial) disablement.
2. The monthly wages of the employee concerned.
3. The relevant 'factor' for working out compensation amount.

Calculate the Compensation paid to employees as per the information given in the questions. You can refer the enclosed tables for getting the information.

(A) The employee died in accident, how much claim you will pay him if :

- Age of the deceased employee 29 year
- Monthly Wages of the deceased – Rs.14,000

(B) An injured person suffered Permanent total disablement as one of his leg is amputated. Calculated the compensation payable to him.

- Age of the deceased employee 55 year
- Monthly Wages of the deceased – Rs.1200

(C) A 60 years injured while working in factory, and he lost four fingers of one hand, how much claim you will pay him.

- Age of the employee 60 years
- Monthly Wages – Rs.13,000

(D) An employee got injury on his left hand and he had temporary total disablement. He reported on duty after 32 days. How much compensation you will pay if :

- His per day wages are Rs 250
- His age is 22 years.

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## NATIONAL LAW UNIVERSITY, JODHPUR

(School of Insurance Studies)

Mid Term Examination- 2023

Semester: MBA (Insurance) IV

Subject: Liability &amp; Aviation Insurance

Time: 90 minutes

Marks:50.0

All Questions carry equal marks(Simple Calculator is permitted in Examination)

**Q.No.1:** What is Public Liability Insurance policy-1991 Act. Discuss the exclusions of this policy.

**Q.No.2:** Mayur Chemical Factory handling hazardous substance wants to take public liability policy, approaches your organization. Details provided to you by client are as under.

- Turn over Rs. 200 crores
- Paid up Capital of the insured Rs. 50 lac
- Insured desired Indemnity limit for Any One Accident Rs. 90 lacs

Your company have following rating structure.

A.	On Limit of Indemnity	(Any One Accident)
	Limit on Indemnity (Rs.)	Rate per mille
	Upto 1.0 lac	0.70
	Upto 2.5 lac	0.75
	Upto 5.0 lac	0.80
	Upto 10.0 lac	0.85
	Upto 20.0 lac	0.90

Upto 50.0 lac	0.95
Upto 100.0 lac	1.00
Upto 250.0 lac	1.05
Upto 500.0 lac	1.10

Turnover (Rs. in cores)	Rate
Upto 1.00	Rs. 0.12 per mille sub. to min. of Rs. 1200
Upto 5.00	Rs. 1,200 + 0.084 per mille on Rv 4 crore
Upto 10.00	Rs. 4,560 + 0.072 per mille on Rs. 5 crore
Upto 50.00	Rs. 8,160 + 0.060 per mille on Rs. 40 crore
Upto 100.00	Rs. 32,160 + 0.048 per mille on Rs. 50 crore
Upto 250.00	Rs. 56,160 + 0.036 per mille on Rs. 150 crore
Upto 500.00	Rs. 1,10,160 + 0.010 per mille on Rs. 250 crore

How much premium you will charge from client as per PLI Act(1991)

**Q.No3:** Write Short notes on the following:

- Write five points where it is felt that aviation is different from the other property Insurance Business.
- Undercarriage of an Aircraft.
- Registration of Air Crafts.
- Fuselage.

**Q.No.4:** Discuss the theory of flight:

**Q.No.5:** Why Leasing arrangement is required in aviation insurance industry. Discuss different type of the leasing arrangement.