

## NATIONAL LAW UNIVERSITY, JODHPUR

(School of Insurance Studies)

End Term Examination- April-May 2023

Semester: MBA (Insurance) IV

Subject: Engineering, Petrochemical, and Energy Risk

Time: 3.0 Hours

Maximum Marks:100

## Important Instructions

- (A) Attempt any five questions, all questions carry equal marks.  
(B) Simple calculator is permitted in examination hall.

Q.No 1:

M.M. 20.0

- (A) Discuss Vapor Cloud Explosions (VCE)  
(B) Boiling Liquid Expanding Vapor Explosion (BLEVE)  
(C) Upper Explosive Limit(UEL) and Lower explosive limit (LEL)  
(D) Dust Explosion

Q.No 2:What do you mean by conventional and unconventional upstream of oil exploration.

Discuss

M.M. 20.0

Q.No 3.

M.M. 20.0

In Shreeram Cement Factory, because of power cut DG was used to generate electricity. Because of weak foundations and excessive vibrations there was breakdown in the D.G.Set on 22-4-2022.(Make of D.G.Set 01.01.2022) The Cost of DG set was Rs. 6,00,000 lacs and was insured from 01.04.2022 to 31.03.2023 under MBD policy.

The RI value of the generator set as on the day of break down was Rs.5,00,000 lacs. Other details are as under:

- Deprecations @ 10% per annum Subject to Maximum 50%
- Deprecation on Piston @25% per annum subject to Maximum of 75%
- Deductible 1%

It was observed that the crank shaft bearings(Limited Life), Voltage Regulator and one piston(limited life) of the diesel engine were damaged. The R.I. values of bearings is 12,000/-

ESOS YAM E

Voltage Regulator Rs 9,000 and Piston is Rs. 25,000/-

The salvage value of damaged bearings is 500, Voltage regulator Rs 700 and piston is Rs. 1500/-.

Calculate the loss payable to the insured.

**Q.No. 4 :** Discuss Mega Risk Insurance Policy, and its special characteristic. M.M. 20.0

**Q.No 5 :** Define and discuss:

M.M. 20.0

1. Silent Risk in Petrochemical Industry:
2. Points to be taken care while establishing a Petrochemical Industry:
3. Factors considered in Calculation of Sum Assured in EAR Policy
4. Way of Premium Payment in EAR Policy

**Q.No.6:** There are 5 Design Defect exclusions relating to CAR policy. Discuss M.M. 20.0

---



All Questions are of equal marks (Simple Calculator is permitted in the Examination)

**Q.No1:** Discuss the following

1. MBD insurance cover the risk of break down in certain situations, what are those situations
2. Unsatisfactory features of process plant/machinery
3. Five important Points to be kept in mind while issuing the MBD policy.
4. What are exclusions under the Boiler and Pressure Plant insurance

**Q.No.2:** Discuss the Electronic Equipment policy with reference to covers given in the different sections of the policy:

**Q.No.3:** Discuss the rating factors on basis of which DOS policy is underwritten.

**Q.No.4:** What are the add on cover available in the CPM policy. Discuss each of the them

**Q.No.5:** (A)The windings of Electric motors burnt due to Excessive voltage during the currency of MBD policy. Excess 1% .

M.M.5.0

Electric Motor H.P.	Value of New Motor (Rs.)	Sum Insured (Rs.)	Renewal Charges of windings (Rs.)
15	15,000	15,000	5,000
20	22,000	18,000	7,000
35	30,000	35,000	12,000
Salvage value all the damaged motors considered as Rs. 5,000/-			

Calculate the loss amount payable per motor to insured as per the details given above.

(B)

M.M.5.0

The genset (Make 2013) was covered under MIBD policy from 01.01.2021 for one year with S.A. of Rs. 6.0 lacs and its current market value is 6.0 Lac.

The bearing of Crank Shaft and One piston were jammed and the Crank Shaft (All limited life part) of an engine of Genset was also broken on 1-3-2021 due to insured peril.

R.I. value of the Bearing is Rs15,000, Piston Rs 25,000 and Crank Shaft and Rs. 50,000/- respectively.

Salvage value of the damaged parts is Rs 4,500

Depreciation @ 10% per annum, Deprecation on Piston is @25% per annum subject to Maximum of 75% and special excess on the crank shaft 20%

Find out the amount payable to insured under the policy.

---