2025

LAW

Paper: LLB 603

(Insurance Law)

Full Marks: 80
Pass Marks: 36

Time: 3 hours

The figures in the margin indicate full marks for the questions

1. Choose the correct answer: 1×10=10

(a) Insurance is listed in entry _____ of the Seventh Schedule to the Constitution of India.

(i) 47

(ii) 42

(iii) 50

(iv) 52

(b) _____ insurance is the oldest form of insurance.

(i) Fire

(ii) Marine

(iii) Life

(iv) Property

(c) In the absence of insurable interest in the subject matter of insurance, a contract of insurance becomes _____ and is reduced to a mere wager.

(i) void

(ii) voidable

(iii) legal

(iv) illegal

(d) Life insurance business is defined under section _____ of the Insurance Act, 1963.

(i) 2(i)

(ii) 2(ii)

(iii) 2(iii)

(iv) 2(iv)

(e) 'Marine insurance' is defined under section _____ of the Marine Insurance Act, 1963.

(i) 2

(ii) 3

(iii) 6

(iv) 8

(f) Any offence punishable under section 9 of the Personal Injuries (Compensation) Act, 1963 _____ be compounded by the Central Government.

(i) may be

(ii) may not be

(iii) shall be

(iv) shall not be

(g) Third Party Liability Insurance is a kind of _____ insurance.

(i) mandatory

(ii) non-mandatory

(iii) compulsory

(iv) non-compulsory

(h) Principle of utmost good faith is also known as _____.

(i) uberrimae fides

(ii) proximate cause

(iii) subrogation

(iv) Both (a) and (b)

(i) The Insurance Act, 1938 applies to _____.

(i) General Insurance

(ii) Property Insurance

(iii) Life Insurance

(iv) Health Insurance

(j) According to section 113 of the Insurance Act, 1938, an insured can surrender the policy if premium has been paid for _____ consecutive years.

(i) two

(ii) three

(iii) four

(iv) five

2. Answer the following questions: 2×5=10

(a) Is contract of life insurance a contract of indemnity?

(b) What is 'composite negligence' and 'contributory negligence'?

(c) What is causa proxima in insurance?

(d) Mention two objectives of Life Insurance Corporation.

(e) What is 'burglary insurance'?

3. Write a brief note on the historical development of the law of insurance in India. Explain relevant constitutional provisions relating to insurance in India. 6+6=12

OR

What is insurance? Discuss in detail about the nature, scope and objectives of insurance. Is insurance a wager?

2+8+2=12

4. Explain the important provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (IRDA) Act, 1999. 12

OR

What do you understand by nomination and assignment of the policies? Discuss the provisions of the Insurance Act, 1938 relating to nomination and assignment. 4+8=12

5. Explain the important features of the Fatal Accidents Act, 1855. Under what circumstances is compensation payable under the Fatal Accidents Act, 1855? 6+6=12

OR

Write short notes on (any two): 6+6=12

(i) Double insurance and Re-insurance

(ii) Procedure for settlement of insurance claim

(iii) Persons entitled to claim compensation under the Fatal Accidents Act, 1855

6. Discuss the legal provisions as regards 'compulsory insurance' under the Personal Injuries (Compensation Insurance) Act, 1963. Is an employer made liable for not effecting a compulsory insurance under the Act? 8+4=12

OR

What is a Third Party Insurance? Discuss in detail the law relating to third party insurance in India. 4+8=12

7. What is 'property insurance'? What are the different kinds of property insurance? Whether a peril of loss to one's property on account of criminal act of third party can be insured? 2+5+5=12

OR

What is Marine Insurance? Discuss the subject matter of Marine Insurance. Explain the kinds of risks which are covered under a marine insurance policy. 2+5+5=12

2026

LAW

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(Insurance Law)

Full Marks: 80

Pass Marks: 36

Time: 3 Hours

The figures in the margin indicate full marks for the questions

1. Choose the correct answer: 1x10=10

i) Which principle of insurance requires both parties to act with complete honesty and disclose all materials

(a) Principle of Indemnity

(b) Principle of Utmost Good Faith

(c) Principle of Insurable Interest

(d) Principle of Subrogation

ii) According to the "Constitutional perspective" which, Entry in the Union List (List I) specifically governs insurance?

(a) Entry 24 (b) Entry 29

(c) Entry 30 (d) Entry 47

iii) The requirement that a person must have a legal or financial relationship with the subject matter of insurance is known as:

(a) Consideration (b) Insurable Interest

(c) Proposal (d) Policy

iv) Which principle refers to the insurer's right to "step into the shoes" of the insured to recover the amount of a loss from a third party?

(a) Assignment (b) Alteration

(c) Subrogation (d) Commencement

v) The period for which an insurance company is legally responsible for covering a loss is defined by-

(a) The effect of war

(b) Commencement, attachment, and duration of risk

(c) The history of Indian Insurance Law

(d) The settlement of Law

vi) What legal process is used to transfer the rights of an insurance policy from one person to another?

(a) Subrogation (b) Assignment

(c) Attachment (d) Development

vii) Which of the following legal principles generally does not apply to a life insurance contract?

(a) Principle of Utmost Good faith

(b) Principle of indemnity

(c) Principle of Insurable Interest

(d) Principle of Proximate Cause

viii) Under the principle of Utmost good faith, what must be prospective policyholder disclose to the insurer?

(a) Only facts they deem important

(b) Every material fact affecting the risk, such as pre-existing medical conditions

(c) Financial statements of their extended family

(d) General hobbies that carry no physical risk.

ix) Under the Personal Injuries (Compensation Insurance) Act, 1963 which of the following is a specific requirement mentioned regarding insurance.

(a) Voluntary insurance coverage

(b) Third-party property damage

(c) Compulsory insurance

(d) Life insurance policy

x) Which type of insurance is specifically designed to protect the policyholder against legal liability for injuries or damage caused to other people of their property?

(a) Life Insurance

(b) Third Party Risk Insurance

(c) Personal Fire Insurance

(d) Marine Cargo Insurance

2. Answer the questions in brief: 2x5=10

(a) Proposal

(b) Double Insurance

(c) Contributory negligence

(d) Compulsory Insurance

(e) Risk vs. Peril

3. Define an insurance contract and critically analyze its fundamental legal principles, specifically focusing on Utmost Good faith, Insurable interest and indemnity. How do these principles distinguish from a regular commercial contract?

3+6+3=12

(Or)

Examine the Constitutional perspective of insurance legislation in India with reference to Union List and Concurrent List. 12

(Turn Over)

4. Explain the Fundamental principles of Insurance Law. In your answer, detail the concepts regarding the commencement and duration of risk, and discuss the legal significance of assignment and Subrogation in insurance contracts. 3+6+3=12

(Or)

"Trace the historical development of Insurance Law in India. Discuss its general nature and the evolutionary stages it underwent to reach its current legal framework." 12

5. Define Life insurance. Elaborate on its Fundamental nature as a contract of guarantee rather than indemnity and discuss the broad scope of its application in modern financial planning. 3+6+3=12

(Or)

Detail the different types of amounts recoverable under a life policy. Distinguish between the sum assured, maturity value, surrender value and bonus. 6+6=12

6. Discuss the historical necessity and primary objective of the Fatal Accidents Act, 1855. Explain how this Act provides a remedy to the families of a person whose death was caused by a wrongful act or neglect. 6+6=12

(Or)

Critically evaluate the Compensation insurance scheme formulated under the Act. What are the obligations of employers regarding the payment of premiums and the realization of claims? 6+6=12

7. Define Property Insurance and provide an in-depth analysis of Insurance against Third-party risk. Discuss the legal necessity of third-party liability coverage and how it protects the policyholder against claims from external parties. 2+3+3+4=12

(Or)

Discuss about Marine Insurance policies. Explain the different types of losses that are typically covered under a standard marine insurance policy. Explain about the fundamental principles that are applicable to marine insurance contract. 4+6+2=12
