

MAHATMA GANDHI UNIVERSITY

SEMESTER V - B.A. ECONOMICS - MODEL II (VOCATIONAL)

FIRE INSURANCE

(Answers may be written either in English or in Malayalam.)

Time : 3 Hrs

Total Weightage : 25

Part A – Objective Type Questions (in bunches of 4)

I. Choose the correct alphabet only.

1. Policies issued for a time period of less than one year are known as -----
(A) Long term policy (B) Excess policy
(C) Short term policy (D) Declaration policy.
2. When there is more than one fire, the insurer is not bound to pay -----
the sum assured.
(A) More than (B) Less than (C) Equal to (D) Indemnity
3. ----- policy undertakes full protection against the fire and other risks such
as riot, commotion etc
(A) Consequential loss policy (B) Valued policy
(C) reinstatement policy (D) comprehensive policy
4. ----- is defined as the transfer of rights and remedies of the insured to
insurer who have indemnified the insured in respect of the loss
(A) subrogation (B) warranties (C) fraud (D) alteration
(Weightage 1)
5. ----- is the first insurance company started in India.
(A) Triton (B) GIC (C) Sun life (D) LIC
6. The fire insurance got momentum in ----- after the great fire.
(A) Germany (B) Italy (C) London (D) India
7. ----- is the amount of maximum liability which the insurer can assume
on a particular risk.
(A) asset (B) retention (C) subrogation (D) indemnity
8. ----- is the policy taken to cover one or more kinds of goods at one time
under one sum assured for one premium and in relation to the same owner.
(A) valued policy (B) valuable policy
(C) floating policy (D) declaration policy

(Weightage 1)

9. ----- is a type of reinsurance in which the reinsurer can accept or reject any risk presented by an insurance company seeking reinsurance,
 (A) shopping (B) facultative (C) automatic (D) treaty
10. A contract of fire insurance embodied in a written document is called a -----
 (A) claim (B) preamble (C) perils (D) policy
11. The party to the fire insurance contract who promises to pay losses or benefits is called the -----.
 (A) insurer (B) guaranteeing office (C) insured (D) ceding office
12. The task of ----- is to collect the information such as the nature and extent of the insurers interest in the property.
 (A) adjuster (B) salvage corps (C) claimant (D) insured
 (Weightage 1)
13. The amount of uncertainty that exists in a given situation.
 (A) depreciation (B) degree of risk (C) indemnity (D) at risk
14. A request for payment of loss which may come under the terms of a fire insurance contract.
 (A) claims (B) endowment (C) cash payment (D) sum assured
15. A binding agreement between two or more parties for the doing or not doing of certain things.
 (A) contract (B) insurance (C) policy (D) premium
16. The process of selecting risks for fire insurance and determining in what amounts and on what terms the insurance company will accept the risk.
 (A) reinsurance (B) facultative (C) under writing (D) syndicate
 (Weightage 1)

Part B - Short Answer Questions

II. Answer any five out of eight, not exceeding 50 words.

17. Causes of fire
18. Warranties and subrogation.
19. Fire insurance contract and reinsurance.
20. Estoppel and Waiver.
21. Declaration and adjustable policies.
22. Consequences of indemnity.
23. Advantages of Schedule rating.
24. Name the four regional committees constituted by the Tariff Advisory Committee in India

(Weightage $1 \times 5 = 5$)

Part C - Short Essays

III. Answer any four questions not exceeding 150 words. Each question carries 2 weightages.

25. What are the uses of fire insurance.
26. Discuss the methods of rate fixation in fire insurance policies
27. Discuss the procedure of settlement of fire insurance claim.
28. Discuss the methods of reinsurance.
29. Discuss the information required in a claim form.
30. What are the principles of rate fixation in fire insurance.

(Weightage $2 \times 4 = 8$)

Part D - Long Essays

IV. Answer any two questions not exceeding 450 words. Each question carries 4 weightages.

31. Explain the various kinds of policies in fire insurance.
32. Discuss the elements of fire insurance contract.
33. Briefly analyse the progress of fire insurance in India after nationalization.

(Weightage $4 \times 2 = 8$)