



Chhatrapati Shahu Ji Maharaj  
University, Kanpur

**Answer Script Details**  
**Barcode** 12459028

**Roll No.** 23072000277  
**Total Mark** 58/75.00

**Exam** BCOM-V\_ODD\_EXAM\_NOV\_2025  
**Subject** C010504T - Principles and Practices of Insurance

**Question wise Mark Summary**

**Q.No Mark Q.No Mark Q.No Mark Q.No Mark**

1A 4/5

1B 4/5

1C 4/5

1D 4/5

1E 4/5

1F 4/5

1G 4/5

1H 4/5

1I 4/5

2 11/15

3 0/15

4 0/15

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6 0/15

7 11/15

8 0/15

9 0/15

Paper Code: **CO10504T** Subject: **Principles of Insurance** Year/Sem: **5<sup>th</sup> Sem**  
 Name of Candidate: **DISHA PORWAL**  
 Roll No. **23072000277**

Signature of Candidate: *Disha*  
 Signature of Investigator: *[Signature]*  
 COE Facsimile: *[Signature]*

**Chhatrapati Shahu Ji Maharaj University  
 Kanpur, Uttar Pradesh**

**PART-II**


MARKS OBTAINED										
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**CO10504T**  
 Paper Code  
 Signature of Evaluator

**B.com**  
**2025-26** Year/Semester **5<sup>th</sup> sem.**  
**Principles & Practices of Insurance**  
 Paper Code: **010504T**  
 Exam Date: **1122025**  
 Name of Candidate: **SHA PORWAL**  
 Father's Name: **AVEEN KUMAR P WAL**

कॉलेज का कोड College Code: **EW02**  
 परीक्षा केंद्र का कोड Exam Centre Code: **EW02**

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L	5	5	5
R	6	6	6
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L	8	8	8
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परीक्षा का प्रकार Type of Exam:  
 Regular Ex. Student  
 Private Ex. Student  
 ANSWER BOOKLET NO. **12459028**  
**CO10504T**  
 Paper Code  


किस संख्या Registration Number: **CSJMA23000131507**

परीक्षार्थी का/कांकी संख्या Candidate's Roll Number: **3072000277**

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पैपर कोड Paper Code: **CO10504T**

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*Disha*  
 Signature of Candidate  
*[Signature]*  
 Signature of Investigator  
**परीक्षा केंद्र-EW 02**  
 C S Facsimile  
 COE Facsimile

नोट : 1. परीक्षार्थी को निर्दिष्ट किया जाता है कि आवरण पत्रों को खूब सावधानी से भरना है।  
 2. कोडों में त्रुटि करने वाली प्रतिक्रियाएँ नहीं देनी हैं।  
 3. कोडों को काले या नीले स्याने से भरना है।



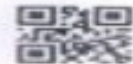


### Answer 1(a) Main kinds of Insurance

Insurance is a legal agreement between insurer and insured, whereby insurer promises to compensate the loss or damage of insured in exchange for premium payment.

A wide range of insurance classified as follows.

1. Life Insurance - It is legal agreement between insured & insurer, where by insurer promises guarantee payment of death benefit to beneficiary upon the death of insured in exchange for premium payments.
2. Marine Insurance :- It is legal agreement b/w insurer & insured as it covers the loss or damage regards with ship, cargo, freight, goods in transit for specific voyage/period or as specified perils in exchange for regular premium payments.
3. Fire Insurance :- It is one of the oldest & most destructive risks or events occurred. Fire insurance is a contract which give protection to insured against loss,



an damage due to fire, explosion lightning, etc. As specified perils in return for regular premium Payments

4. Health Insurance -

It covers medical expenses causes due to accident, injury or illness

5. Motor Insurance -

It is legal liability towards third party to cover loss or damage. if occurred  
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6. Agricultural Insurance : It covers loss of agriculture farmers.

7. Liability Insurance :- It covers loss  
to third party.

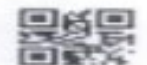
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Answer 1(b)

### Advantages of Life Insurance.

1. **Financial Protection to Dependents:**  
The life insurance provides financial protection against death of insured untimely, early death.
2. **Pay off debt:** It also provides sufficient amount to pay off debts if any arise.
3. **Child's Education fund:-**  
It provides a lump sum amount or assured amount to Beneficiaries to facilitate education of children.
4. **Steps in Peace of mind-**  
Life insurance transfer the risk of money to insurer which ultimately provides peace of mind to insured party.
5. **Encourages saving & Investment!** Life Insurance Policy like Endowment Policy, Unit Linked Insurance Policy helps in Investment & saving.
6. **Retirement Benefits:** It also provides a lump sum money after Retirement.



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### Answer 1 (c) - Types of Insurance Organisation

#### Ancient civilisation


- a) Babylonian Policy (1750 BC.)
- b) Chinese Merchant (1000 BC.)
- c) Hindu & Vedic Era (14<sup>th</sup> century)
- d) Greco-Roman Era

#### Medieval Era

- a) Guild & Aid Society
- b) Lloyds of London
- c) Great fire of London

#### Modern Era

a) Life Insurance Corporation of India, 1956 : It is one of the dominated organisation in the market of insurance which provide a wide range of life Insurance to the insured.

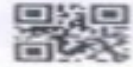
 b) General Insurance Corporation, 1972  
It is one of insurance company which covers wide range of insurance.

c) Pradhan Mantri Jeevan Jyoti Beema Yojana, (PMJJBY)



- d) Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- e) Ayushman Bharat for Health Insurance
- (f) Bombay Mutual
- (g) Hindustan Insurance
- (h) HDFC Life
- (i) ICICI Prudential
- (j) SBI Life & Health Insurance Co.
- (k) Insurance Regulatory & Development Authority of India (IRDAI)





Answer 1(d) Warranty

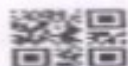
### Note on Warranty

'Warranty' is a term which is used for providing protection for a certain goods or product. It gives the security against the damage or loss occurred in product or goods' parts. or inside parts of goods which gets damage after specified period of warranty.

#### Features

- It provides protection to inside parts of goods, machinery after use of products.
- It also covers loss until a specified period.
- Warranty mostly provided on Machinery, electrical items, Batteries, Inverters, in the market.
- It is short term process
- The time period is specified in warranty document.
- Warranty is a term initiated way before modern era but in informal way or unstructured way.

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Answer 1 (e) Advantage of Re-insurance.

Re-insurance means the insurance of insurance organisation or company to sharing risk of insured company.

Advantages of Re-insurance are

- (1) Pooling of Risk spreads the Risk which leads to Risk sharing.
- (2) Risk transfer - The risk of insurance company transfer to some extent.
- (3) Helps in National Economic Growth :- Pooling of Risks means accumulate the risk of individuals to compensate the risk of a few. which helps insurance company to invest in market linked funds.
- (4) Employment Generation - The agents, Brokers, underwriters are proximate generated employments.
- (5) Encourages Saving & Investment in Market linked funds.
- (6) Protection to Insurance company.

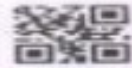


## Answer 1 (f) Essential Element of Life Insurance.

Life Insurance contract is a legal agreement between insurer & insured to compensate the loss or damage occurred due to untimely death of insured to the Beneficiary of insured in exchange for premium. To be a valid agreement, it includes essential elements such as:

- (1) offer & Acceptance - There should be proposal or offer legally made by insured to insurer & acceptance after examination by insurer.
- (2) Consideration :- The consideration by the insured is premium. Should be there.
- (3) Competent Parties :- The insured party must be competent enough to enter into contract. Sound Mind, No Minor, Not disqualified by law.
- (4) Free consent :- There should be free consent without coercion, undue influence, fraud, mistaken, misrepresentation.
- (5) Lawful Object of Policyholder
- (6) Insurable Interest :- The person insured party must have financial or legal interest in subject matter of a

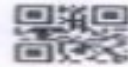
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policy at the time of taking out policy & at the time of loss.

- (7) Not a Part of The Principle of Indemnity
- (8) Long term in Nature
- (9) Lawful consideration
- (10) Utmost Good faith between Insurer & Insured.





Answer 1(g): Whole Life Insurance Policy

### Note on Whole Life Insurance Policy

"Whole Life Insurance Policy" is a type of life insurance which covers lifetime benefit to insured either on death or maturity. It gives two type of benefits to insured (policy holder)

→ After Maturity - Whole life insurance provides lump sum amount of money after the maturity if insured survive beyond maturity.

→ After Death :-

It also provides benefits to Beneficiaries on death insured.

→ The insured must have insurable interest while taking policy or at the time of loss.

→ The insured must disclose all material facts related with policy terms & condition.

→ Payment of Premium should made regularly as specified in a Policy.

→ The Policyholder also reveals the material facts which affects the risks.



## Answer 1 (h) - Insurance

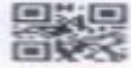
Insurance is a legal agreement between two parties i.e. insurer (insurance company) & insured (policy holder) in which insurer undertakes to indemnify the loss occurred due to natural calamities, accidents in exchange for regular premium payments.

### Features

- (a) It is a legal contract
- (b) Risk Sharing in Nature
- (c) Transfer of Risk
- (d) Confidence Building
- (e) Economic Growth
- (f) Capital formation
- (g) Facilitates Trade & Commerce
- (h) Encourages Saving & Investment
- (i) Credit Facilitate
- (j) Employment Generation
- (k) Protection against Security

Valid Insurance needs essential elements i.e.

- (a) Offer & Acceptance
- (b) Free consent
- (c) Consideration
- (d) Competent Parties
- (e) Lawful Object
- (f) Insurable Interest
- (g) Utmost Good faith b/w Insurer & Insured party



### Principles of Insurance

- (a) Principle of Indemnity
- (b) Principle of Contribution
- (c) Principle of Subrogation
- (d) Principle of Insurable Interest
- (e) Principle of Loss Mitigation
- (f) Principle of Proximate Cause
- (g) Principle of Legal Compliance
- (h) Principle of Pooling Risk
- (i) Principle of Risk Management
- (j) Principle of Utmost Good Faith

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Answer 1 (i) :- Five Benefits of Salary Saving Scheme.

Under salary saving scheme of Insurance company, various Benefits are provided as covered as follows

(1) Employee Benefits :-

This scheme provides Benefits to employee of a company in numerous ways in order to boost and foster employee work.

(2) Encourage Savings & Investment

Under this scheme, the employees save & invest partly amount in market linked funds.

(3) Building Confidence

It boost & foster the confidence of policyholder as it encourages saving & investment

(4) Protection against Damage or loss

Under this scheme, the amount can be used to settle down loss or damage accrued to employee or any distress to employee.

(5) Helps in National Economic Growth.

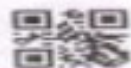


Answer 2 : Difference Between Life Insurance, Marine Insurance and Fire Insurance.

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Basis	Life Insurance	Fire Insurance	Marine Insurance
Definition	Life Insurance is a legal agreement in which insurer compensate the insured party <sup>beneficiary</sup> against death of insured party in exchange for Premium Payment.	Fire Insurance is a legal agreement between insurer & insured to compensate for loss or damage due to fire or related perils in exchange for Premium.	Marine Insurance is a legal agreement between insurer & insured, in which insurer compensate the insured against loss or damage of marine, ships, cargo etc. in exchange for Payments.
Principle of Indemnity	Not Applicable	Applicable	Applicable
Types	Term Life / Whole-Life / Endowment / Money-Back / Unit Linked Insurance Policy	Value Policy / Specified Policy / Comprehensive Policy / Floating Policy / Reinstatement / Average Policy	Value Policy, Unvalued Policy, Specific Policy, Time Policy, Floating Policy, Block Policy, Mixed Policy.





## Life Insurance :-

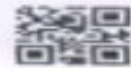
Life Insurance contract is a legal agreement between insurer and insured party, whereby insurer agreed guarantee payment of death benefits upon the death of insured to beneficiary of insured person in exchange for regular premium payment.

### Features

- (1) Legal Contract
- (2) Insurable Interest
- (3) Utmost good faith b/w insurer & insured party.
- (4) Long term contract
- (5) Not Part of Indemnity Principle

### Types

- (1) Whole life Insurance Policy :- It covers the life time protection in two ways either death or on maturity.
- (2) Term Insurance - It covers the less or a specific period until maturity. No benefit given after maturity if insured survive the maturity date.
- (3) Endowment Insurance :- It partly invests in market linked. It covers the protection after retirement. A lump sum money has given to insured.
- (4) Unit Linked Insurance Policy  
(ULIPS)
- (5) Money-Back Policy :-



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## Fire Insurance

It is one of the oldest & most destructive risks

It is legal agreement between two parties i.e. insurer & insured, whereby insured party <sup>promises to</sup> compensate the insured party against loss or damage occurred due to fire in exchange for Regular Premium Payments.

## Features

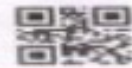
- (a) Law of Indemnity Principle
- (b) legal agreement
- (c) Insurable Interest
- (d) Utmost Good Faith

## Types

- (a) Valued Policy
- (b) Specific Policy
- (c) Comprehensive Policy
- (d) floating Policy
- (e) Reinstatement Policy
- (f) Average Policy

## Settlement of claims

- (a) Notice send to Insurer promptly
- (b) Submission of Documentation
- (c) survey & Inspection
- (d) Settlement of claims as per loss specified in Terms of Policies.



## Marine Insurance

It is legal agreement between insurer and insured party, where by insurer party promises to compensated the other party, insured on occurrence of loss or damage due to accidents, natural calamities & perils of Maritime Insurance in exchange for Premium Payments.

### Features

- (a) Part of Indemnity
- (b) legal Agreement
- (c) Insurable Interest
- (d) Utmost Good faith b/w insurer & insured
- (e) Payment of Premium
- (f) Indemnify Insured Party

### Types

- (a) value Policy
- (b) Voyage Policy
- (c) Time Policy
- (d) Unvalued Policy
- (e) Mixed Policy
- (f) Floating Policy
- (g) Block Policy



## Answer 7 : Marine Insurance.

Marine Insurance is a legal agreement between insurer & insured, whereby insurer undertakes to indemnify the loss or damage of ship vessels, cargo, freight, shipowner etc. as specified perils in exchange for regular Premium Payments.

### Types

#### (a) Ships (Hull Insurance)

• It covers the loss regarding ship vessels.

#### (b) Cargo Insurance

It covers the loss regarding goods in transit

#### (c) Freight Insurance

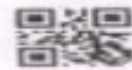
It covers the loss/damage regarding shipowner's

#### (d) Liability Insurance.

### Other types

(a) Value Insurance :- The value of goods is agreed at the time of policy inception, if occurred any loss.

(b) Unvalued Insurance - The value of goods is not agreed at the time of policy inception.



Voyage Policy:- It covers the loss or damage for specific Voyage (Journey)

Time Policy:- It covers the loss or damage for specific period.

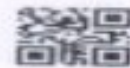
Mixed Policy:- It covers the loss or damage of specific voyage for a specific journey.

Block Policy:- It covers the loss or damage regards to Godown or warehouse of origin to its destination.


Floating Policy:- It covers the loss or damage every goods at different places but assured under one sum.

Essentials of Valid Marine Insurance Contract.

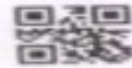
- (1) Offer & Acceptance.
- (2) Free Consent
- (3) Consideration.
- (4) Lawful object
- (5) Competent Parties
- (6) Insurable Interest
- (7) Utmost Good faith
- (8) Rule of Indemnity Principle



## Scope of Marine Insurance

- (a) Facilitates International Trade & Commerce by Reducing Risk regards with maritime
- (b) Protection to Shipowners & ship crews - It also helps the shipowners & ship crews to operate ship smoothly
- (c) Employment Generation
- (d)  Wealth creation
- (e) Risk Transfer to Insurer (Insurance company)
- (f) Easy to Trade through ships, which increase in economic wealth.
- (g) Tax Benefits :- Marine insurance provides with tax exemptions under section 80C.
- (h) It works on Principle of Utmost Good faith

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## Procedure for Marine Insurance.

- (a) Application form offer by Insured with
- (b) Negotiation of terms and condition & exclusion of policies
- (c) Acceptance of Proposal
- (d) Premium Payment Specification
- (e) Commencement of Risk
- (f) Issuance of Marine Insurance Policy

## Duties of Insurer

- To explain terms & condition Regards Policy
- Payment of Premium

## Duties of Insured

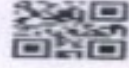
- To disclose all relevant material facts that affect risk.
- Regular Payment of Premium of Insurance.

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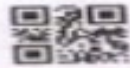
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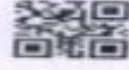
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