

**UNIVERSITY COLLEGE LONDON**

University of London

**EXAMINATION FOR INTERNAL STUDENTS**

For The Following Qualification:–

*LL.B.*

**Insurance Law**

COURSE CODE : **LAWS3011**

DATE : **12-MAY-06**

TIME : **10.00**

TIME ALLOWED : **3 Hours 15 Minutes**

## **INSURANCE LAW**

Answer **FOUR** questions.

1. An insurance contract “is a concept which it is better to describe than to attempt to define.”

Discuss.

2. Discuss the proposition that there now exists two parallel regimes governing insurance contracts: one relating to commercial insurance and one relating to consumer insurance.

3. “Insurable interest has, at long last, been rendered redundant.”

Discuss.

4. John goes shooting with some friends. He is told by the organisers of the shoot that he must only shoot at birds in flight and not birds on the ground because of the possibility that he will injure someone. John is a poor shot and fails to hit anything. He sees a bird on the ground and, although he also sees Harry walking just a few yards away from the bird, he decides, as he puts it later, “to chance it”. He shoots, misses the bird, but hits Harry, who is killed.

John is acquitted of manslaughter. After the acquittal, the trial judge said, “This was clearly an accident and the prosecution should never have been brought.”

Harry’s family sue John for the death. Can John reclaim the compensation under a policy which purports to cover any claims made against him in connection with “the accidental injury or death” of a third party?

5. “The law relating to warranties in insurance contracts is one of the best examples of how rules which were arguably necessary when created almost two hundred and fifty years ago, but which have been allowed to remain virtually unchanged by both the legislature and judiciary, can today work great hardship for one contracting party - invariably the insured.” (N J. Hird)

Discuss.

**TURN OVER**

6. Edward wishes to insure the building to which he is to move the operations of his business activities. He is the chairman and managing director of Extermo Ltd, a company which carries out experiments on animals for the cosmetic industry. The move is necessary because of violent demonstrations and threats and attempts at arson and bombing of the premises previously occupied by the company. Frank, the local agent for Ryporf Insurers Ltd, arranges insurance cover on a standard commercial buildings policy. Six months after Extermo Ltd move in, the new building is destroyed by fire caused by an incendiary device thrown through the front doors.

Discuss the possible defences available to Ryporf Insurers Ltd if:-

(a) the proposal form describes the intended use as “research and development” and makes no mention of the incidents at the former premises;

(b) those earlier events received intensive coverage in the media which identified Edward as the head of an animal experiment business but which did not identify Extermo Ltd by name (to which emphasis has only been given lately);

(c) Frank’s daughter Theresa, a policewoman, was badly injured eight months ago when policing one of the demonstrations at the company’s previous premises;

(d) the fire alarm at the new premises had been put out of action by an intruder two days before the fire causing the loss and

(i) Edward had answered “yes” to a question in the proposal form “Is there a fire alarm at the premises maintained in working order” and

(ii) the policy contains a Warranty “fire alarm to be in operation at all times”;

(e) a month before effecting the fire policy Edward had been charged by the police with cruelty to animals, fraud and driving his car without due care and attention.

7. “The deficiencies in the existing remedies for the commercial insured against an insurer who unreasonably delays settlement of a claim point to the need for a root-and-branch reform of the law. At the minimum, it requires the judiciary to take a broader view of the duty of utmost good faith by giving full effect to the reciprocity of the duty.”

Discuss.

8. In what circumstances do subrogation rights arise and to what extent are they justified?

**END OF PAPER**