EXAMINATION FOR INSURANCE SURVEYORS
LOSS OF PROFITS (FIRE)

May, 2013

[Time: 3 Hours] (Total Marks: 100)

Answer EIGHT questions only. Question number TEN carries 16 marks but this is not compulsory.
All other questions carries 12 marks each.

In case of dispute in respect of Hindi translation of question, the English version shall be valid.

 Marks

Q.1 Write short notes on any three:
   a) Insured Standing Charges
   b) Departmental Clause
   c) Standard Turnover
   d) Material Damage Proviso

   4 each

Q.2 Briefly explain any three of the following:
   a) Carry over provision under dual basis of wages insurance
   b) The measure of indemnity of gross profit under LOP policy
   c) Due Diligence Clause
   d) Variable Charges

   4 each

Q.3 निम्नलिखित को परिभाषित कीजिए (किन्हीं तीन):
   a) व्यापार हानियाँ
   b) एस.ओ.पी. बीमा के अंतर्गत 'टर्न ऑवर'
   c) "बिना प्रतिकूल प्रभाव डाले"
   d) निवल लाभ

   4 each
Q.3 Define the following (any three):
   a) Trading Losses
   b) ‘Turn over’ under L.O.P Insurance.
   c) “Without Prejudice”
   d) Net Profit

Q.4 Write short notes on any two:
   a) Inclusion of “add-on covers” under C.L.Policy.
   b) Summary of the contents of the specification
   c) Limitations applicable for the payment of increased cost of working.

Q.5 Answer any two:
   a) State the cover is provided by customer’s premises extension.
   b) What are limitations applicable to their extension?
   c) What is ‘Standing Charges’ and explain any six Standing Charges?

Q.6 Distinguish between the followings (any two):
   a) Addition and Difference Basis of Gross Profit
   b) Annual Turnover and Standard Turnover
   c) Output Basis and Turnover Basis

Q.7 Explain the following term(s):
   1) What is the difference between a ‘Statement of Affairs’ and a ‘Statement of Accounts’?

Q.7 As a surveyor, you have been entrusted with a Loss of Profits Insurance (Fire) Survey. Elaborate how you will assess the loss?

Q.9 Determination of Sum Insured, Indemnity Period and Selection of Standing Charges are very important in Loss of Profits (Fire) policy. Elaborate with examples.

Q.10 Assess the loss amount payable with following data :-

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity period</td>
<td>12 Months</td>
</tr>
<tr>
<td>Sum Insured</td>
<td>₹ 1,00,000</td>
</tr>
<tr>
<td>Gross profit during previous financial year</td>
<td>₹ 1,00,000</td>
</tr>
<tr>
<td>Turnover during previous financial year</td>
<td>₹ 10,00,000</td>
</tr>
<tr>
<td>Standard Turnover</td>
<td>₹ 4,00,000</td>
</tr>
<tr>
<td>Actual Turnover during Indemnity Period</td>
<td>₹ 2,00,000</td>
</tr>
<tr>
<td>Increased cost of working to save reduction in turnover of ₹ 40,000</td>
<td>₹ 12,000</td>
</tr>
<tr>
<td>Annual turnover</td>
<td>₹ 15,00,000</td>
</tr>
</tbody>
</table>

**SUMMARY-END**