



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW

EXAMINATION PAPER 2022

COURSE CODE : LLB 010
COURSE TITLE : Law of Insurance
DURATION : 3 Hours
LEVEL : 5.1
DATE :

01 JUL 2022

INSTRUCTIONS TO CANDIDATES:

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1. Answer **Section A** which is compulsory and any **three (3)** questions from **Section B**.
2. Notes, handouts and textbooks are not allowed into the examination.
3. Begin each answer to a full question on a fresh page.
4. You are required to write legibly.
5. You are directed to avoid using short hand and poor grammar.
6. During the course of your answers you must refer to any relevant case law, legal principles and legislation that may be applicable.

SECTION A

Question 1

Chipo operates a restaurant in Shamva. Her business, along with many other businesses, suffered a substantial but unquantified loss of income following the outbreak of the Covid-19 pandemic. The loss arose from the interruption of its business due to the government having instituted a national lockdown in response to the pandemic. Chipo has an insurance policy with Sable Insurance Company. The policy indemnifies Chipo against loss from business interruption against notifiable diseases and Covid -19 was one of such diseases. The policy insured Chipo against notifiable diseases occurring within a radius of 50 kilometres from her business. Sable Insurance Company argued that Chipo's loss of business was not covered by the policy because the government's generalised response to the pandemic was not covered. It further argued that what was covered was a public health response aimed only at local occurrences of the disease within 50 kilometres of business according to the wording of the policy.

Required

Advise the parties on the position of the law that governs their situation.

[25 marks]

SECTION B

Question 2

Discuss the major differences between indemnity insurance and non-indemnity insurance.

[25 marks]

Question 3

Explain the basis and consequences of non-disclosure in insurance law. [25 marks]

Question 4

Discuss the rationale of an insurance warranty in a contract of insurance.

[25 marks]

Question 5

'The right of subrogation is the insurer's right against the insured and not against the third party.' Discuss.

[25 marks]

[TOTAL: 100 MARKS]

****END OF PAPER****