



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE & ECONOMICS

DEPARTMENT OF LAW

EXAMINATION PAPER

MODULE CODE : LLB 525 Insurance Law

MODULE TITLE : INSURANCE LAW

DURATION : 3 HRS

LEVEL : 3.2

DATE : 24 NOV 2025

INSTRUCTIONS TO CANDIDATES:

1. Answer 4 questions. Answer any ONE questions in Section A and any 3 from Section B.
2. Each question carries twenty-five (25) marks.
3. Number of marks for part questions are shown in brackets.
4. Start each question on a new page.
5. This paper consists of three (3) pages
6. Answer sheets are provided

NB: DO NOT TURN OVER THE QUESTION PAPER OR COMMENCE WRITING UNTIL INSTRUCTED TO DO SO.

SECTION A

Section A- compulsory

Question 1

Old Mutual Ltd is registered insurer in terms of the Insurance Act (Chapter 24:07). It provides insurance policies in various classes among them fire and agricultural insurance policies. Wise Insurance Brokers (Pvt) Ltd is a registered insurance company of brokers in terms of the Insurance Act (Chapter 24:07). Mr Trababulus is an insurance broker working for Wise Insurance Brokers Pvt) Ltd and has remarkable experience as a broker for many insurance companies including Old Mutual Limited. He contacted Cde Mabhunu a beneficiary of the Land Reform Programme who owns a 760h farm near Harare. Cde Mabhunu inherited everything at the farm from the former farm owner white citizen of Zimbabwe. Of the six tractors he has he got **one** (1) additional tractor a Landini type from the Farm Mechanization Program and is registered in his name. His tobacco farming is doing good year in year out.

Mr Trababulus solicited insurance business from Cde Mabhunu. Cde Mabhunu took a fire insurance in respect of six (6) tractors which include three Massy Ferguson and two Wish Fussy tractors inherited and his Landini one. As an average literate person Cde Mabhunu requested Mr Trbabulus to fill the fire insurance policy form as he gives him the answers requested. On the fire insurance policy form the question requested the types of tractors to which Cde Mabhunu indicated that they were of all Landini type and all registered in his name. Mr Trababulus showed Cde Mabhunu the premium scale for different types of tractors in relation to their years of manufacturing. Massy Ferguson tractors had the top premiums and believing himself that there was no way the insurance was identify the types ad years of manufacture Cde Mabhunu chose the Landini premium scale.

Cde Mabhunu religiously paid the monthly premiums or considerable time. Some years later fire broke as result of his workers who were braying one late Saturday and destroyed the shed that housed the tractors including five (5) of the six (6) tractors under the shed.

Cde Mabhunu approaches Mr Trababulus who informed him to approach Old Mutual for compensation. Old Mutual Ltd sent its investigators who revealed that the fire was caused by negligence of farm workers who initiated the fire but most importantly tractors were of Massy Fugerson and not Landini type. It crosschecked with the bank for former white farmer and record revealed that the tractors belonged to the former white farmer Kenneth Smutts. Old Mutual Ltd denies liability. Cde Mabhunu approaches you as a newly recruited Legal Practitioner in one of the most prestigious and famous law firm in Harare for advice.

Write a legal advice for Cde Mabhunu. In your advice refer to relevant decided cases

[25 marks]

Section B- answer any 3 questions

Question 2

Explain with the aid of examples and decided cases

- (i) over insurance (5 marks)
- (ii) double insurance (5 marks)
- (iii) under insurance (5 marks)
- (iv) risk (5 marks)
- (v) insurable interest (10 marks)

[25 marks]

Question 3

- (a) The Insurance Act (*Chapter 24:07*) disqualifies some persons to register as insurers. Under what circumstances should the Commissioner refuse to register a person as insurers of any class of insurance business? (10 marks)
- (b) Distinguish between mutual insurance societies and insurance company (5 marks)
- (c) Describe persons disqualified to be appointed as directors of mutual insurance societies (5 marks)
- (d) Describe how the constitution of Zimbabwe may be described as a source of insurance contract (5 marks)

[25 marks]

Question 4

With reference to decided case discuss the essential terms of an insurance contract

[25 marks]

Question 5

Courage Dhakwa is an insurance agent of assurance company New Mutual Life (Pvt) Ltd which provide life policies mainly investments policies. He visits government institutions among them schools in both rural and urban areas. He had with him flyers showing the scales of investments. At Howard High School in 2013 he advised teachers that a US\$20 000 investment for a 45 years old person would generate US\$100 000 upon attaining 60 years. A forty- five year old teacher Mr Dhillwayo fell in love with the investments. He sold his inherited rural in Mutoko for US\$7 000. He had already had another US\$7 000 from gold panelling activities during weekend. The balance he requested his sister based in the UK who has also started investments in the UK.

Mr. Dhillwayo boasted that he had made a good decision. His colleagues thought he had made a bad decision years later when he suffered to have floating financial cover as the gold panelling activities had been closed by government. He struggled to send his two girls to school especially his University level first daughter. His wife Nyarai joined his relatives mocking him that he made the worst decision by someone of average schooling.

Early this year Mr. Dhillwayo started looking for properties in Harare where he intends to buy his life time property. He liked properties in Avondale and Marlborough suburbs. August this year 2025 now aged 60 years and has just been retired. He cannot go to Mutoko for he sold the only rural home he had. He and his wife also a teacher approach New Mutual Life (Pvt) Ltd to check his investments. They are referred to an underwriter who informs them that he would sent them their investment figures after meticulous calculations. Two weeks letter they receive the letter indicating that his investment is worth US\$40 000 for the US\$20 000 and congratulating them for investing with the company. His health deteriorated immediately. He is now suffering from blood pressure and hypertension.

Mr Dhillwayo approaches you a newly recruited legal practitioners for legal advice. Advise Mr Dhillwayo refereeing to decided case as to his chances of success.

[25 marks]

Question 6

With the aid of decided cases distinguish between

- (a) indemnity and non-indemnity (5 marks)
- (b) subrogation and cession (5 marks)
- (c) write short notes on premium (5 marks)
- (d) under what circumstances may an insurer claim subrogation (10 marks)

[25 marks]

THE END

8/50 