



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW

EXAMINATION PAPER

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

INSTRUCTIONS TO CANDIDATES:

1. This question paper comprises of two printed pages.
2. This question paper comprise of six questions.
3. Answer any four questions.
4. Each question carries 25 Marks.
5. Start each question on a new page of your answer sheet

Question 1

Write short notes on the following:

- a) Principles of construction that are applied in insurance contracts (5 marks)
 - b) The doctrine of subrogation (5 marks)
 - c) The premium (5 marks)
 - d) The difference between indemnity and non-indemnity insurance (10 marks)
- [25 marks]

Question 2

Comment on the view that the concept of insurable interest needs to be redefined, reformed and clarified to protect and reflect the reasonable expectations of the insured.

[25 marks]

Question 3

“Legal Rules, concepts, principles and doctrines are not static. Rather, they are dynamic instruments which need to be constantly reviewed and fashioned by the legislature and the courts in the light of socio-economic developments so as to facilitate socio-economic justice. Sadly, the doctrine of *uberrimae fidei* as developed by the English courts in the 18th century has remained largely untouched by any legislative or judicial changes in present day Zimbabwe. “Discuss.

[25 marks]

Question 4

With the aid of examples and case law discuss the circumstances in which the insured can recover his premiums from the insurer.

[25 marks]

Question 5

Sweettaker, an insurance broker persuaded Gullible to procure a comprehensive homeowners' policy with Ruthless Insurance Company. In response to the question whether Gullible had ever been declined or refused insurance cover or had a policy cancelled, Gullible advised Sweettaker that a motor vehicle policy had been cancelled for non-payment of premium. Sweettaker advised that this was irrelevant and inserted 'No' as an answer to the question. Gullible's house was gutted by fire and completely destroyed. Ruthless Insurance Company has repudiated liability relying on the non-disclosure.

Discuss all rights and liabilities arising from these facts. [20 marks]

Question 6

Farai was granted third party motor vehicle insurance policy with Lloyds Insurance Company. While celebrating the turn of the new century on 1 January 2000, Farai consumed a large amount of alcohol and was involved in a collision with James at the intersection of Samora Machel Avenue and Second Street. As a result of the collision James' wife Gina who was a passenger in the car was injured. She also lost her cash, jewellery and mobile phone which were stolen from her handbag by a passer-by immediately after the collision while she was still unconscious. Both Farai's Nissan Pulsar and James' Ferrari were extensively damaged. Lucky who at the time of the collision was crossing Samora Machel also sustained a fractured leg.

Farai, James, Gina and Lucky lodged claims for their losses to Lloyds Insurance Company. The insurance company has disputed liability relying on a clause in the policy which states, "Lloyds Insurance Company shall not be liable for any damages covered by the policy arising at a time when the insured has consumed alcohol in excess of the legal limit."

Discuss all legal issues arising from these facts including the rights and liabilities of all involved. [25 marks]

****END OF PAPER****