

**UNIVERSITY OF ESWATINI**

**MAIN EXAMINATION SECOND SEMESTER, 2019**

**INSTITUTE OF DISTANCE EDUCATION (IDE)**

**DEPARTMENT OF LAW**

**COURSE: INTRODUCTION TO INSURANCE LAW**

**IDE- LAW218**

**TIME: 3HRS**

**INSTRUCTIONS:**

- 1. DO NOT OPEN QUESTION PAPER UNTIL INSTRUCTED ACCORDINGLY.**
- 2. ANSWER ANY FOUR (4) QUESTIONS**
- 3. NUMBER YOUR WORK ACCORDINGLY.**
- 4. EACH QUESTION CARRIES A TOTAL OF 25 MARKS.**

### **QUESTION ONE**

Cyril takes out a funeral (assistance) policy with ABC Insurance Co (ABC) insuring his life, spouse and his two daughters. The benefit to be paid by ABC in the event he or any of his family members dies is E50, 000. To be sure that he has full cover, he takes out a second funeral (assistance) policy with XYZ Insurance Co (XYZ), which covers his family for E30, 000.

Is Cyril and his family entitled to get the full E80, 000 from both insurance companies in the event he or any of his family members dies? If, not how much can Cyril and his family be entitled to claim under the law?

**(25 marks)**

### **QUESTION TWO**

(a) Explain the doctrine of subrogation. Include in your answer (but do not limit your answer to) discussion of the specific requirements for subrogation?

**(25 marks)**

### QUESTION THREE

(a) Matilda insures her house against damage for E100 000. A fire destroys the house. The insurance company tenders to pay Matilda E75 000.

Matilda insists on being paid the full amount of E100 000 and comes to you for advice on where to lodge a complaint against the insurance company.

**(15 marks)**

(b) What is a “*Premium*”?

**(10 marks)**

### QUESTION FOUR

(a) Sicelo approaches New Dawn Insurance Company (NDIC) and purports to take out a funeral insurance policy to cover three elderly women in his community that he goes to church with.

Discuss whether Sicelo is allowed, in law, to take an insurance policy covering these women.

**(25 marks)**

## **QUESTION FIVE**

What are the benefits of insurance?

**(25 marks)**

**END**