Claim

$$\text{Claim} = \text{loss} \times \frac{\text{Policy value}}{\text{property value}}$$

∴ Important : This formula is used when policy value is less than property value.

ex :

property value = 10,00,000
policy value = 5,00,000
loss = 200,000
claim = ?

→

$$\text{Claim} = 200{,}000 \times \frac{5\,00\,000}{10\,00\,000}$$

$$\boxed{\text{Claim} = 100{,}000}$$

Q. S.Ex : 3 (Page no. 18)

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property value = 540,000, Policy value = 450,000
loss = 2,40,000

$$\therefore \text{Claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$$

$$= 240{,}000 \times \frac{450{,}000}{6{,}\cancel{40}{,}000}$$

$$= 40{,}000 \times 5$$

$$\therefore \boxed{\text{Claim} = 200{,}000}$$

Q. A car worth RS 600,000 is insured for RS 360,000. The car is damaged to the extent of 500,000 in an accident. Find the amount of compensation that can be claimed under the policy.

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property value = 600,000, policy value = 360000
loss = 500,000

$$\therefore \text{claim} = \text{loss} \times \frac{\text{Policy value}}{\text{Property value}}$$

$$= 500{,}000 \times \frac{360{,}000}{600{,}000}$$

$$\therefore \boxed{\text{claim} = 300{,}000}$$

Q. Ex: 2.1 Q 9. (Page no. 20)

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$$\text{claim} = \text{loss} \times \frac{\text{Policy value}}{\text{Property value}}$$

$$\underline{\text{From A}} = 9000 \times \frac{160{,}000}{400{,}000} = 3{,}600$$

$$\underline{\text{From B}} = 9000 \times \frac{100{,}000}{400{,}000} = 2{,}250$$

$$\underline{\text{From C}} = 9000 \times \frac{140{,}000}{400000} = 3{,}150$$

Total claim = 3600 + 2250 + 3150

$$\boxed{\text{Total Claim} = 9000}$$

Q. S.Ex : 6 (Page no. 19)

→ Claim = loss × $\frac{\text{Policy value}}{\text{Property value}}$

from x = 240,000 × $\frac{120,000}{400,000}$ = 72000

from y = 240,000 × $\frac{80,000}{400,000}$ = 48000

from z = 240,000 × $\frac{100,000}{400,000}$ = 60,000

Total Claim = 72000 + 48000 + 60,000

Total Claim = 180,000

Q S.Ex : 5 (Page no. 18)

→ property value = 10,00,000 , policy value = 700,000
Rate of premium = 0.4 %

i) premium = policy value × Rate of premium

= 700,000 × $\frac{0.4}{100}$

= 700,000 × $\frac{4}{1000}$

premium = 2800

ii) loss = 6,00,000

$$\text{Claim} = \text{loss} \times \frac{\text{Policy value}}{\text{Property value}}$$

$$= 600{,}000 \times \frac{700{,}000}{1{,}000{,}000}$$

Claim = 420,000

iii) $$\text{loss} = 600{,}000 + (1000{,}000 - 600000) \times 40\%$$

$$= 600{,}000 + 400{,}000 \times \frac{40}{100}$$

$$= 600{,}000 + 160{,}000$$

loss = 760,000

$$\text{Claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$$

$$= 760{,}000 \times \frac{700{,}000}{1{,}000{,}000}$$

claim = 532,000

Q. A cargo valued at Rs 20,00,000 was insured for Rs 15,00,000 during a voyage. If the rate of premium is 0.6%. Find i) amount of premium ii) the amount that can be claimed if the cargo worth Rs 800,000 is destroyed iii) the amount that can be claimed, if the cargo worth Rs 800,000 is destroyed completely and the remaining cargo is so damaged that its value is reduced by 40%.

→

property value = 20,00,000
policy value = 15,00,000
rate of premium = 0.6%

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i) premium = policy value × Rate of premium

$= 1500,000 \times \frac{0.6}{100}$

$= 1500,000 \times \frac{6}{1000}$

premium = 9000

ii) loss = 800,000

$\text{claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$

$= 800,000 \times \frac{150,000}{2,000,000}$

claim = 600000

iii) loss = $800,000 + (20,00,000 - 800,000) \times \frac{40}{100}$

$= 800,000 + 12,00,000 \times \frac{40}{100}$

$= 800,000 \times 480000$

loss = 12,80,000

$\therefore \text{claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$

$= 12,80,000 \times \frac{150,000}{2,000,000}$

$\therefore$ claim = 9,60,000

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Q. Ex: 2.1 Qs (page no. 20)

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property value = 700,000
policy value = 450,000
loss = 300,000 + 400,000 × 75 T. 3 / 100 4

= 300,000 + 300,000

loss = 600,000

claim = loss × policy value / property value

= 600,000 × 450,000 / 700,000

= 60,000 × 6.4285

claim = 3,85,710

Q. A stock worth Rs 900,000 was insured for Rs 800,000. Fire burnt stock worth Rs 400,000 completely and damaged the remaining stock to the extent 80% of its value. what amount can be claimed under the policy?

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property value = 900,000
policy value = 800,000

loss = 400,000 + 500,000 × 80% / 100%

= 400,000 × 800,000

loss = 800,000

$$\text{claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$$

$$= 800{,}000 \times \frac{800{,}000}{900{,}000}$$

$$= \frac{6400000}{9}$$

$$\boxed{\text{Claim} = 7{,}11{,}111.11}$$

Mis. Ex: Q6 (Page no. 30)

Q.

→ property value $= \frac{15000 \text{ articles}}{12} \times 200$

$= 1250 \times 200$

$= 250{,}000$ ~~do~~.

policy value $= 100{,}000$

$$\text{loss} = \frac{15000 \text{ articles}}{12} \times 20\% \times 200 + \frac{2400}{12} \times 200 \times 80\%$$

$$= 1250 \text{ dozen} \times \frac{20}{100} \times 200 + \frac{2400}{12} \times \frac{200}{100} \times \frac{80}{100}$$

$$= 50{,}000 + \frac{48000}{12} \times 8$$

$$= 50{,}000 + 32000$$

$$\boxed{\text{loss} = 82{,}000}$$

$$\text{Claim} = \text{loss} \times \frac{\text{policy value}}{\text{property value}}$$

$$= 82000 \times \frac{100{,}000}{250{,}000}$$

$= \frac{820000}{25}$

claim = 32800

Q. 60,000 articles costing Rs 200 per dozen were ~~burnt~~ insured against fire for 240,000. If 20% of the articles were burnt completely and 7,200 of the remaining articles were damaged to the extent of 80% of their value, find the amount that can be claimed under the policy.

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property value = $\frac{60{,}000}{12}$ articles × 200

$= 5000 \times 200$

$= 10{,}00{,}000$

policy value = 240,000

loss = $\frac{60000}{12}$ articles × 200 × 20% × 200 + $\frac{7200}{12}$ × 200 × 80%

$= 5000 \times 200 \times \frac{20}{100} \times 200 + \frac{7200}{12} \times 200 \times \frac{8}{10}$

$= 100{,}000 \times 200 + 96$

$= 100{,}000 \times 296$

$= 2{,}96{,}000$

∴ claim = loss × $\frac{\text{policy value}}{\text{property value}}$

$= 296{,}000 \times \frac{240{,}000}{1{,}00{,}000}$

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$= 2960 \times 24$

Claim = 71040