

Elective Course Proposal - Spring Semester (2026)

Legal Aspects of Insurance Contracts

The course aims to introduce students to the many nuances of Insurance Contracts and their underlying legal aspects. As a contract of indemnity, insurance agreements are designed to protect the insured against any losses that they may incur in the future. This transpires when in return for a premium, the insured is compensated in monetary terms on occurrence of an incident, as stipulated in the contract. As such, the triggering of the contract is reliant on a contingency. This, along with the element of utmost good faith, sets Insurance Contracts apart in legal theory.

Seeking to acquaint the students with the historical context and the foundational principles of insurance, the syllabus will delve into the regulatory and legal landscape. The course framework would distil the intricacies of the basic concepts involved in insurance contracts while distinguishing between general insurance contracts and life insurance contracts. In that endeavour, the syllabus will focus on different types of insurance contract while noting their objectives and features. It aims to do that by analysing statutory provisions and case laws which have shaped the business of insurance in India.

The course pays particular importance to the regulatory and legal framework in India, with the objective to provide students with practical and theoretical insights into the practice of insurance in the country. At the end of the course the students should be familiar with the rights and obligations of the parties involved, along with various terminologies like subrogation, insurable interest, insured, insurer, etc. Students choosing to study this elective should also develop an understanding of insurance, both as a risk mitigation mechanism and a viable forum of dispute resolution.

A brief outline of the course is provided below, along with the relevant legislation and recommended readings.

Week 1: Introduction of Insurance and Its Evolution

Week 2: Principles of Insurance

Week 3: Utmost Good Faith

Week 4: Risk Evaluation and Risk Management

Week 5 and 6: Insurance Underwriting and Claims

Week 7 and 8: Insurance Contracts – Life and General Insurance

Week 9: Liability Insurance

Week 10: Reinsurance

Week 11: Insurance Intermediaries

Week 12 and 13: Corporate Governance and Compliance

Relevant Legislation:

1. Insurance Act, 1938.
2. General Insurance (Business) (Nationalization) Act, 1972.
3. The Life Insurance Corporation Act, 1956.
4. Motor Vehicles (Amendment) Act, 2019.

Relevant Readings:

1. K. S. N Murthy and Dr. K. V. S Sarma, Modern Law of Insurance in India
2. M. N. Srinivasan, Principles of Insurance Law

Instructor's qualification – I have worked as an in-house counsel for 6 years at the New India Assurance Co. Ltd., New Delhi, gaining practical experience on insurance claims and related case laws from the perspective of the insurer, insured and the courts of law.

Learning Outcome: On completion of this course, students will be able to:

- have a fine grasp on evolution and legal principles of insurance;
- develop comprehension of terminologies like insurable interest, subrogation, co-insurance, etc;
- appreciate insurance as a risk mitigation mechanism;
- critically analyse the nuances of insurance underwriting and claims disposal;
- distinguish between life and general insurance contracts and their many features and objectives, respectively;
- critically examine the regulatory and legal framework of insurance in India;
- understand the role of reinsurance in perpetuating risk management and financial capacities of insurance companies; and,
- examine the role of insurance intermediaries, their rights and duties, and statutory obligation, in the complex landscape of insurance business and law.