

Insurance Law Quiz #3

105

Question #1 (20 points)

What is your name?



Question #2 True false or "it depends." (10 points)

Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts.

TRUE

Question #3 (10 points)

The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)

Warranties only need be true on the date of the policy's effectiveness.

Affirmative → @ the time of policy vs. Promissory → throughout policy until loss

Question #5 (10 points)

How does the statute in Omaha Sky Divers impact the common law view of warranties?

Changes it to make it less strict, warranties must be material, and breach of

Question #6 (10 points) it must cause the loss

Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years. Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)

Yes, in some jurisdictions you can prove constructive fraud which →

Question #7 (10 points)

How do most states treat misstatements as to age? (Minimum 15 words)

They allow the policy to remain in effect, but rewritten as →

Question #8 (10 points)

What were the facts of Clark Peterson? (Minimum 15 words)

A company became liable in a discrimination suit, sued →

Question #9 Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points) TRUE

Bonus Question (5 points)

The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation

#6

allows the court to call a statement untrue, without determining if the insured actually lied, but not in MD

#7

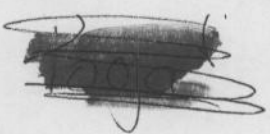
if you had paid the premiums and were issued a policy at your actual age. In MD they allow misstatements as to age to void the policy for the first two years.

(6-rev!)

#8

insured for recovery under policy, and was denied coverage. Under the strict terms of policy, intentional discrimination was excluded, but under the doctrine of reasonable expectations, the P was allowed to recover because they bought the policy thinking they would be covered for discrimination.

Insurance Law Quiz #3



105

Question #1 (20 points)

What is your name? [Redacted]

Question #2 True, false or "it depends." (10 points)

Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts.

TRUE

Question #3 (10 points)

The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)

Warranties only need be true on the date of the policy's effectiveness.

Question #5 (10 points)

How does the statute in Omaha Sky Divers impact the common law view of warranties?

Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years.

Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)

Question #6 (10 points) How do most states treat misstatements as to age? (Minimum 15 words)

Question #7 (10 points) What were the facts of Clark Peterson? (Minimum 15 words)

Question #8 (10 points) Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points)

Bonus Question (5 points) The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation

TRUE

It depends on if it is an affirmative warranty or promissory warranty. Most courts err on side of affirmative warranty (i.e. at time of K was signed).

warranty may not have to be strictly enforced like c/l, instead materiality of term. + materiality of loss matters in Nebraska

general questions of health status is not seen as misrepresentation, but if insurer can prove there was legal fraud (intent to deceive, disregard for truth, to convince a false representation on reliance that is material, it can avoid the policy.

misstatement of age is not usually considered a misrepresentation but it could affect the benefit payable or premium price.

Clark Peterson fired an employee on basis of his alcoholism.

Clark Peterson sued its insurer when employee reaped large monetary judgment on discrimination for wrongful termination and because insurer denied liability coverage to Clark Peterson because it was excluded policy.

general questions of health status is not seen as misrepresentation, but if insurer can prove there was legal fraud (intent to deceive, disregard for truth, to convince a false representation on reliance that is material, it can avoid the policy.

Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points)

answer to that question in determining her premium or that those visits were not in any way connected to the loss in some jurisdiction coverage could not be denied

not allowing Ins. com. to deny life insurance when it is discovered later that the age at time of ls is not correct. This is done by statute and some jurisdictions provide that after 2 yrs such a misrepresentation is void and has no effect

discrimination, policy actually did not cover it but court employed equitable doctrine of reasonable expectation and held that Ins. had to provide coverage.

Insurance Law Quiz #3

100

Question #1 (20 points)

What is your name?

[Redacted name]

Question #2 True, false or "it depends." (10 points)

Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts.

True

Question #3 (10 points)

The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)

Warranties only need be true on the date of the policy's effectiveness.

It depends

Question #5 (10 points)

How does the statute in Omaha Sky Divers impact the common law view of warranties?

It seeks to construe warranties less strictly by requiring a causal connection b/w breached warranty and the loss in order to deny coverage

Question #6 (10 points)

Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years. Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)

If it can be proved that the company did not rely on her

Question #7 (10 points)

How do most states treat misstatements as to age? (Minimum 15 words)

Most states treat misstatements as to age different than other misstatements

Question #8 (10 points)

What were the facts of Clark Peterson? (Minimum 15 words)

Company believed they had purchased coverage if they were sued for

Question #9 Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points)

True

Bonus-Question (5 points)

The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation

answer to that question in determining her premium or that those visits were not in any way connected to the loss in some jurisdictional course could not be denied

not allowing Ins. com. to deny life insurance when it is discovered later that the age at time of ls is not correct. This is done by statute and some jurisdictions provide that after 2 yrs such a misrepresentation is void and has no effect

discrimination, policy actually did not cover it but court employed equitable doctrine of reasonable expectation and held that Ins. had to provide coverage.

Insurance Law Quiz #3

Question #1 (20 points)

What is your name? ~~XXXXXXXXXX~~

Question #2 True, false or "it depends." (10 points)

Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts.

Question #3 (10 points)

The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)

Warranties only need be true on the date of the policy's effectiveness. ~~False~~ False → Promissory warranties deal with future occurrences
(depends if Affirmative (time of re) or promissory - Future)

Question #5 (10 points)

How does the statute in Omaha Sky Divers impact the common law view of warranties? Statute was overruled by common law; Statute must be carefully and narrowly applied

Question #6 (10 points)

Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years. Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)
if it was done recklessly (with reckless disregard for truth)

Question #7 (10 points)

How do most states treat misstatements as to age? (Minimum 15 words)
Most states treat as material misrep. Remedy: Get coverage for the actual age you were at time of contracting

Question #8 (10 points)

What were the facts of Clark Peterson? (Minimum 15 words)
discriminated and fined because of alcohol addiction. Court said was expecting to include all discrimination in policy coverage.

Question #9 Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points)

Bonus Question (5 points)

The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation

Insurance Law Quiz #3

95

Question #1 (20 points)

What is your name?

Question #2 True, false or "it depends." (10 points)

Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts.

TRUE

Question #3 (10 points)

The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)

Warranties only need be true on the date of the policy's effectiveness.

IT DEPENDS - WHETHER PROMISSORY OR AFFIRMATIVE

Question #5 (10 points)

How does the statute in Omaha Sky Divers impact the common law view of warranties?

CHANGES CL RULE AND REQUIRES THAT ~~CONTRACTS~~ IN ORDER TO AVOID LIABILITY AS A RESULT OF A BREACH OF WARRANTY - IT MUST HAVE BEEN A MATERIAL BREACH

Question #6 (10 points)

Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years.

BREACH CONTRIBUTED TO THE LOSS.

Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)

IF THERE IS SOME OTHER EXCLUSION ON THE POLICY WHICH NEGATES COVERAGE w/out showing MISREPRESENTATION OR BREACH OF WARRANTY

Question #7 (10 points)

How do most states treat misstatements as to age? (Minimum 15 words)

DO NOT TREAT AS MISREPRESENTATION UNLESS AGE IS WELL AS ANOTHER REPRESENTATION IS MISREPRESENTED -

Question #8 (10 points)

What were the facts of Clark Peterson? (Minimum 15 words)

CP TOOK OUT AN INSURANCE POLICY TO PROTECT AGAINST IMPROPER FIRING PRACTICES -

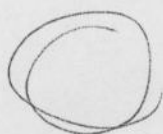
Question #9 Insurable interest is defined by statute in Maryland? (True, false or "it depends.") (10 points)

EMPLOYEE FIRED FOR BEING ACCIDENTAL INSURANCE CO. CLAIM. DIDNT WANT TO PAY SINCE FIRING WAS INTENTIONAL.

Bonus Question (5 points)

The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation



Insurance Law Quiz #3

95

Question #1 (20 points)
What is your name? [REDACTED]

Question #2 True, false or "it depends." (10 points)
Courts in other jurisdictions have found that an insurance interest is required because, otherwise, they may be an incentive to commit a crime. Maryland courts disagree and believe that the insurable interest doctrine is based solely on the public policy against encouraging gambling contracts. *True*

Question #3 (10 points)
The standard of review for interpreting whether an insurance contract is ambiguous is:

- A. De novo
- B. Plenary
- C. Abuse of discretion
- D. Both A and B

Question #4 True, false or "it depends." (10 points)
Warranties only need be true on the date of the policy's effectiveness. *Depends. If insurer and insured agree to a promissory warranty, the status of warranty at the time of the incident would be relevant.*

Question #5 (10 points) How does the statute in Omaha Sky Divers impact the common law view of warranties? *It liberalizes the warranty provision. I.e. where most jurisdictions strictly construe + enforce warranty breaches, NE look at whether the breach of warranty causes injury to insurer (triggers claim).*

Question #6 (10 points) Dutta Insurance seeks to prove that Morgan Jacoby's insurance claim should be invalid because when asked if she has seen a doctor in the last five years, she says "no" even though she has had 4 appointments with a doctor in the last four years. Is there a possible way in some jurisdictions that Dutta can avoid needing to prove that Morgan lied to avoid paying on the policy? How? (Minimum 15 words)
If the insurer made the insured warrant to the truth of the question as a condition on coverage. Warranties are strictly enforced in most jurisdictions.

Question #7 (10 points) How do most states treat misstatements as to age? (Minimum 15 words)
Most states have a statute which says age misrepresentation does not void the insurance policy, simply adjust the premium.

Question #8 (10 points) What were the facts of Clark Peterson? (Minimum 15 words)
Company took out policy to insure premises and contents of premise for employee. Insurer claimed that insured was not entitled to recovery due to lack of insurable interest. Court found waiver and estoppel against insurer.

Question #9 Insurable interest is defined by statute in Maryland? True, false or "it depends." (10 points) *True*

Bonus Question (5 points)
The clause at issue in Vlastos regarding the question of whether a janitor occupied the third floor was viewed by the lower court as a(n):

- A. Promissory warranty
- B. Affirmative warranty
- C. Representation
- D. Misrepresentation