TEACHING CASE LETS AND CASE-STUDY

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Case Title	**:**	**Ethical Dilemma in Insurance Claim – Mr. Jatin's Bungalow**
Case Subject	**:**	**Insurance and Risk Management**
Accession Number	**:**	**43**

Ethical Dilemma in Insurance Claim – Mr. Jatin's Bungalow

Mr. Jatin, a bachelor living in Ahmedabad, owns a spacious bungalow in a prime city location. Due to his marketing job, he frequently travels out of town, leaving the house unoccupied for extended periods. Understanding the risks, he took insurance coverage that included ₹5,00,000 for the structure of the house, ₹30,00,000 for burglary, and ₹2,00,000 for fire-related damages.

During the kite-flying festival, while he was away on a business tour, Mr. Jatin rented his house temporarily for celebration purposes. Upon returning, he noticed visible damage: the main door was broken, and a portion of the staircase had collapsed. He immediately contacted his insurance agent to assess the situation and initiate a claim.

The agent visited the property and suggested reporting the door damage as a result of fire caused by Chinese *tukkals* (flying lanterns), while attributing the staircase damage to the old age of the construction. Though Mr. Jatin had doubts, he followed the agent's advice and proceeded with the claim filing process.

He was hopeful that the damages would be covered under his existing policies. The situation, however, left him uncertain about the legitimacy of the causes and whether the insurance company would accept the claim.

Discussion Questions (Based on Bloom's Taxonomy)

1. **Understand** the significance of the principle of *Utmost Good Faith* in Mr. Jatin's case.
2. **Apply** your knowledge as an insurance assessor (TPA) to **demonstrate** how you would verify if the reported causes are genuine and qualify for a claim.
3. **Analyze** the ethical responsibilities of the insurance agent in this case. Were they upheld?
4. **Evaluate** whether it was appropriate for Mr. Jatin to proceed with the claim based on the agent's suggestions. Justify your position.

   Teaching note *: This scenario brings forward multiple concerns: Was Mr. Jatin transparent with the insurer about temporarily renting out the property? Were the reported causes truly proximate to the damages? Did the agent's advice toe the line of ethical and legal responsibility? The situation invites a deeper exploration of* ***insurance ethics****,* ***claims management****, and the application of core insurance principles like* ***Utmost Good Faith****,* ***Indemnity****, and* ***Proximate Cause****. It also tests the legal boundaries of agent-client relationships and responsibilities in facilitating claims.*