

Specialisation Course II: Banking and Insurance Law

Objectives:

Banking Institutions play a pivotal role in the growth of industry, trade and commerce and thereby, lead to economic development of the nation. In order to cope with the economic needs and developments, Ministry of Finance and Reserve Bank of India has initiated various policy and legislative measures to change the role of banks from mere economic institutions towards a vehicle of social change. Likewise, insurance sector in India is also one of the booming sectors which accelerate economic growth by providing conducive climate. The law relating to contracts of insurance is part of the general law of contract and also includes regulations to control the operations of the insuring body, investment of funds entrusted to its care, returns it has to submit and matters incidental thereto. This course is designed to acquaint the students with the conceptual and operational parameters, recent trends and emerging dimensions of both banking and insurance law.

Course Content:

UNIT I

History and evolution of Banking laws in India- *Reserve Bank of India Act, 1934 - Banking Regulation Act, 1949*; Nationalisation and social control over banks; Types of banks and their functions -State Bank of India- Co-operative banks -Regional rural banks- Local area banks- Development banks (UTI and IDBI)

UNIT II

Employment of funds by banks- Loans and advances- Guarantees- Modes of creating charge on securities- Default and recovery; The Recovery of Debts due to Banks and Financial Institutions Act, 1993; *The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002*

UNIT III

Banker and Customer Relationship- their rights and duties; *Negotiable Instruments Act, 1881*- Kinds – Holder and holder in Due Course- Negotiation and Endorsement Crossing of Cheques

-Material Alteration- Paying Banker, its Rights and Duties - Collecting Banker, its Duties and Protection - Dishonour of Cheques - Noting and Protest - Penal provisions.

UNIT IV

History and Development of Insurance in India- Insurance Act, 1938 -Insurance Regulatory and Development Authority Act, 1999; Contract of insurance and its principles- Contract of indemnity- Contract of utmost good faith -Contract of subrogation and contribution- Insurable interest- Proxima Cause - Premium and Risk

UNIT V

Recent trends in Insurance - Life Insurance - Fire insurance - Marine insurance -Motor Vehicle Insurance; Banking and Insurance Services

Prescribed Books for Banking Law:

1. M.L.Tannan, (2010) – *Law of Banking*.
2. R.K.Gupta, (2012) - *Banking Law and Practice*.
3. Khergamvala, (1988) – *The Negotiable Instruments Act*.
4. Justice Bhagabati Prasad Banerjee, (2002) – *Guide to Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002*.
5. Avtar Singh, (2011) – *Laws of Banking and Negotiable Instruments*.
6. S.K Basu, (1974) - *A Review of current banking theory and practice*.
7. Paget, (2014) - *Law of Banking* (14th edn.)
8. L.C.Goyle, (1995) – *Law of banking and Bankers* – (Eastern Book Co).

Prescribed Books for Insurance Law:

1. John Hanson and Christophals Henly, (1999) - *All risks property Insurance*
2. Peter Mac Donald Eggers and Patric Foss, (1998) - *Good Faith and Insurance Contracts*.
3. Banerjee, (1994) - *Law of Insurance*
4. Birds John, (1997) - *Modern Insurance Law*
5. Edwen. W.Patterson, (1955) - *Cases and Materials on Law of Insurance*
6. K.S.N Murthy and K.V.S Sharma, (2009) – *Modern Law of Insurance in India*
7. M.N. Srinivasan, (2004)- *Principles of Insurance Law*
8. Avtar Singh, (2004)- *Law of Insurance*
9. Andrew Mc Gee, (2006)- *The Modern Law of Insurance*