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**Scenario II**

The first thing that is needed to be kept in mind in this case is that what are some of the relevant facts that are associated with the case (Lee et al, 2010). Keeping that aspect, there are three major stakeholders, the fire insurance Company Allstate, Liberty Mutual is going to be covering the life insurance provision and Juanita herself (Lee et al, 2010). Now, the first thing that is needed to be kept in mind is that what is going to be the change in the state of the insurance as there is a change in the location by Juanita (Dehejia & Lleras, 2007). Now, the way fire insurance works (Mayers & Smith, 1982), they are dependent on the person and the corresponding location of the individual (Lee et al, 2010). Not only that, the other underlying factor that has to be kept in mind is that as her house was burnt down, there was still one month to go before her insurance expired (Dehejia & Lleras, 2007). What it means was that there was sufficient time and as the policy stays intact, the liability that Allstate had towards Juanita stays relevant (Lee et al, 2010).

The second part is that status of the liabilith of the Liberty Mutual is going to be playing out in this case, here the situation is going to be a bit complicated (Lee et al, 2010). Here the problem at the end of the Juanita is that how the payment regarding the insurance premium is being done on her part (Lee et al, 2010). There is also a certain time period before the realization of the amount of insurance is supposed to be carried out and as the age of the grandmother is on the higher side, it can be assumed that date of the maturity that was setup by the insurance company was forward dated (Lee et al, 2010). Thus, there is no liability of Liberty towards Juanita and they don’t have any financial obligation towards the recipient of the insurance holder (Lee et al, 2010).

**Summary of the Article**

One of the major premises of the bankruptcy is to make sure that some sort of chance is given to the personal, organization or an individual that has faced financial crisis to make sure that they are in the position to redeem themselves (Boettcher et al, 2014). As compared to the liquification, which comes across as an option that is quite unethical and not quite efficient, it is a much more relaxed and easier option for the businesses to take care of themselves. Despite this fact, there are many issues and ethical considerations that are needed to be kept in mind when the Chapter bankruptcy is being filed by the bank (Boettcher et al, 2014). There are many chances that the unethical act might be carried out (Boettcher et al, 2014). For instance, after the filing of the bankruptcy, there has been multiple instances when it has been found out that this type of firms had enough assets in their financial ledger to make sure that they are able to take care of their obligations in an appropriate manner (Boettcher et al, 2014). Not only that, during the court proceedings, it has been found out that some bankruptcy professionals where not completely impartial when dealing with the cases of the bankruptcy. So, this article underlines some of the concerns that are related with the bankruptcy (Boettcher et al, 2014). Bankruptcy is designed to give the debtor another chance after a financial failure, and it is often an option that is both more ethical and more efficient than liquidation.

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