PAC UNIVERSITY

BCM307/ BUS4313: INSURANCE AND RISK MANAGEMENT ONLINE EXAMS

DATE: THURSDAY 8TH DECEMBER 2022 TIME: 6.00 - 9.00 P.M.

QUESTION 1 COMPULSORY (10 MARKS)

(a) Discuss, with relevant examples, **TWO** approaches to Risk Management. **(4 Marks)**

(b) Rose wanted to take a domestic insurance cover. Two officials from PENT Insurance Company visited her home for a fact finding mission. Later on, the insurance company declined to cover her. Explain **THREE** circumstances that prompted the insurance company to make such a decision. **(6 Marks)**

QUESTION 2 (10 MARKS)

(a) Differentiate between Performance Bonds and Tender Bonds as they are used in Insurance. **(4 Marks)**

(b) Joel, a comprehensive car holder was involved in an accident. His car was extensively damaged. Upon seeking compensation, the insurance company declined. Explain **THREE** reasons for that. **(6 Marks)**

QUESTION 3 (10 MARKS)

(a) Discuss the concept of Crime Insurance. **(4 Marks)**

(b) Explain, with practical examples, **THREE** benefits that are provided for under the Workers' Compensation laws in Kenya. **(6 Marks)**

QUESTION 4 **(10 MARKS)**

(a) Fridah was approached by an insurance broker who convinced her to purchase a life policy. She took the policy. Explain **TWO** reasons that made her to commit to this policy. **(4 Marks)**

(b) Salim attended an insurance seminar where the topic of presentation was: *Principles of Insurance.* Discuss any **THREE** of these principles as shared by the facilitator. **(6 Marks)**

QUESTION 5 **(10 MARKS)**

(a) Explain **TWO** factors that an insurance company can use to determine the coverage that is needed by a business. **(4 Marks)**

(b) Insurance Regulatory Authority (IRA), in their latest report, noted that there was a low uptake of insurance policies by Kenyans.

(i) Discuss **THREE** reasons for this trend. **(3 Marks)**

(ii) Suggest what could be done to reverse each of the reasons mentioned. **(3 Marks)**

QUESTION 6 **(10 MARKS)**

(a) Discuss **TWO** exclusions on the WIBA Insurance Policy in Kenya. **(4 Marks)**

(b) Felix, the founder and CEO of Global Construction Company took a disability insurance policy for his company. Explain **THREE** advantages of having this type of policy. **(6 Marks)**

End of Exam