PAC UNIVERSITY
BCM 307/ BUS4313: INSURANCE AND RISK MANAGEMENT EXAM
ONLINE
DATE: TIME:

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION 1 COMPULSORY (10 MARKS)

(a) Roy was involved in a motor vehicle accident which resulted in the damage of his car. He was also injured in the process. Upon seeking compensation, the insurance company declined. Explain **FOUR** reasons that made the insurance company to make that decision. **(4 Marks)**

(b) Data from the Insurance Regulatory Authority has shown that there is a low uptake of insurance policies by Kenyans. Discuss **THREE** reasons for this, and for each reason, suggest what could be done to reverse this trend. **(6 Marks)**

QUESTION 2 (10 MARKS)

(a) Discuss **TWO** benefits that are provided for under the Workers' Compensation Laws in Kenya. **(4 Marks)**

(b) Lucy 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 3 (10 MARKS)

(a) Jairus wants to prepare a risk management document. As an expert in this area, discuss to him the **FOUR** steps that should be in the risk management process. **(4 Marks)**

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

QUESTION 4 (10 MARKS)

(a) Discuss, with a relevant example for each, **TWO** types of contract bonds. **(4 Marks)**

(b) Susan was approached by an insurance broker who convinced her to purchase a life policy. She took the policy. Explain **THREE** reasons that made her to commit to this policy. **(6 Marks)**

QUESTION 5 ***(10 MARKS)***

(a) Perus intends to start a jewelry business. Advise her on **FOUR** factors that she needs to take into consideration before signing up for an insurance cover for her business. **(4 Marks)**

(b) JIMTY Enterprises is seeking a consultant to prepare a risk management document for the organization. Recommend to the management any **THREE** risk management approaches that must be in the document. **(6 Marks)**

QUESTION 6 ***(10 MARKS)***

(a) ANEX Insurance Company was recently deregistered by the Insurance Regulatory Authority. Discuss **TWO** reasons that prompted IRA to make that decision. **(4 Marks)**

(b) Explain **THREE** types of crime insurance policies that a business should consider.**(6 Marks)**

End of Exam