

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER –III-EXAMINATION – SUMMER-2022**

**Subject Code: 4539223****Date: 18-07-2022****Subject Name: Insurance and Risk Management****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

| Q. No.    | Explain the Following terms:  | Marks    |
|-----------|---|----------|
| Q.1       | (a) Insurance<br>(b) Value at Risk<br>(c) Insurer<br>(d) Risk Transfer<br>(e) Cause Proxima<br>(f) ALM<br>(g) Insurable Risk  | 14       |
| Q.2       | (a) Explain basic Principles of insurance with suitable example.<br>(b) Define Risk, Peril and Hazard. Enumerate major risks which create an economic burden for society.   | 07<br>07 |
| <b>OR</b> |   |          |
|           | (b) Sarah works in a small local company; she owns a small a apartment on the third floor and has several things in her house like computer, Smartphone, TV set, Air conditioner etc.) She has an old bike, which she uses to commute to the work as well as for recreation purposes. However, She likes riding quite fast and from time to time she hits pedestrians. And past three years, two bikes were stolen. What are risk or loss exposures? Identify an appropriate risk management technique that could have been used to deal with the exposure? | 07       |
| Q.3       | (a) Elaborate concept of underwriting. Which are requisites of good underwriting?<br>(b) Define: TPA's. After claim evaluation and settlement, the judgment given by TPAs is considered final. Would you agree with this statement? Give an explanation.  | 07<br>07 |
| <b>OR</b> |   |          |
| Q.3       | (a) Explain the various types of life and non-life insurance covers available in India.<br>(b) Briefly explain the health insurance and motor insurance and it is useful in life? What kind of malpractices done by the people in the insurance sector?   | 07<br>07 |

- Q.4** (a) Loss forecasting need to be consideration in risk management process. Explain it with various Risk measuring techniques. **07**
- (b) “Underwriting is the heart of insurance Operations” Explain the statement in detail **07**

**OR**

- Q.4** (a) “Insurance Regulatory and development Authority plays vital role in the development of insurance industry in India” comment on this statement **07**
- (b) Explain the any one insurance product of your choice offer by public sector and private sector organizations offering insurance products in India. **07**

**Q.5 Case Study:**

Abhyukt is recently promoted as Assistant Manager in JBY Pvt Ltd. By getting increment, He purchased a new car Tiago worth 8,00,000 Rs. he obtained a 7, 00,000 loans from the ICICI Bank for the same. Usually he parks his car in Guarded places during work hours she parks it in the FYP company's underground garage. One day, after the work he noticed something unexpected: a "drawing" on her car's bonnet. Unfortunately, it was made by a nail. After that, he went to the garage to get solution of damage. The cost of the car's renovation was valued at 10000 Rs. Parallelly; he reported this to the police and his insurer, because acts of vandalism were included in auto insurance. After short investigation, with help of monitoring CCTV camera in the garage, the police identified the culprit to be Zenith, one of Abhyukt's colleagues.

- (a) Explain the Act of Vandalism in Auto Insurance in details. **07**
- (b) Which of the parties (Abhyukt, FYP Company, or Abhyukt insurer) should Abhyukt claim for compensation? Why? Explain in detail. **07**

**OR**

- Q.5** (a) What are the major coverage are available in the auto insurance? **07**
- (b) Could Abhyukt's insurer use the right of subrogation after applying the compensation to Abhyukt? Explain in details. **07**

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