

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA SEMESTER- III - EXAMINATION-SUMMER-2024

Subject Code: 4539223**Date: 02/05/2024****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.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Define the following terms: (a) Term Policy (b) Insurable Risk (c) Micro Health Insurance (d) Perils (e) Persistency ratio (f) Risk Transfer (g) Underwriting	14
Q.2	(a) Discuss in detail various principles of insurance.	07
	(b) Define Risk. Explain the classification of risk in brief.	07
OR		
	(b) Describe in brief the process of Risk Management.	07
Q.3	(a) What is reinsurance? Discuss various techniques of reinsurance.	07
	(b) Explain the impact of Covid-19 on insurance industry.	07
OR		
Q.3	(a) Define TPA's. Also explain the role of TPA's in claim evaluation and settlement.	07
	(b) Which points should be considered at the time of claim settlement of fire insurance policy? Elaborate it in detail.	07
Q.4	(a) Write a note on IRDA as a controlling authority for Insurance Industry.	07
	(b) "The core of insurance operations is the underwriting" – Explain the statement with regards to role of underwriters in insurance industry.	07
OR		
Q.4	(a) What is risk management and why is it important?	07
	(b) Life Insurance is essential for breadearner. Discuss various benefits of life insurance policy.	07

Q.5

CASE STUDY:

Bob is a 25 year old qualified carpenter who is a subcontractor to various builders. He is earning \$70,000 gross but pays \$20,000 in expenses, most which are fixed expenses ie a leased car and leased equipment. Bob rents an apartment and spends the rest of his earnings of \$50,000 on living and entertainment expenses. Bob has little in the way of savings.

Bob has a car accident and is hospitalised for one month. He then faces a long and painful rehabilitation process of 12 months to try to regain the use of one of his arms. Even with private health insurance there are medical bills to be paid particularly for physiotherapy and rehabilitation sessions. Bob has no income for 13 months but must continue to pay his lease costs of \$20,000 per annum. What little money Bob receives in disability payments from the government won't cover his rental costs. Bob has to move back home and borrow money from his parents. If he doesn't recover the use of his arm, Bob will never be able to work as a carpenter again and will have to retrain into a potentially lower paid job.

- (a) What Insurances could Bob have taken out? **07**
- (b) What if Bob had these insurances? Take reference from answer of previous question. **07**

OR

Q.5

- (a) What is the benefit of taking insurance? **07**
- (b) Explain the possible impact on Bob's future life as a result of not having an insurance policy. **07**
