

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA – SEMESTER III – EXAMINATION – WINTER 2019****Subject Code: 4539223****Date: 05/12/2019****Subject Name: Insurance & Risk Management****Time: 10.30 AM TO 01.30 PM****Total Marks: 70****Instructions:**

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

	Marks
Q.1 Explain the following: (2 marks each)	14
(a) Loss Frequency	
(b) Underwriting	
(c) Fire Insurance	
(d) Insurance	
(e) Life Insurance	
(f) Non-Life Insurance	
(g) Term Policy	
 Q.2 (a) Define Risk? Explain the classification of Risk in detail.	07
(b) Explain various kinds of policies in Life Insurance.	07
Or	
Q.2 (b) Explain the risk management process.	07
Q.3 (a) Explain the principles of Insurance in detail.	07
(b) What is the role of IRDA in insurance?	07
Or	
Q.3 (a) What is the importance of risk management for all people?	07
Q.3 (b) What is insurance? How is it different from hedging?	07
Q.4 (a) Explain Fire Insurance? Features of fire insurance.	07
(b) What is the financial aspect of insurance companies?	07
Or	
Q.4 (a) Throw some light on underwriting of life insurance and non-life insurance.	07
Q.4 (b) What is reinsurance? What are the techniques of Reinsurance?	07

Q.5 **Read the following case and answer:** “Mr. X took a policy in February 2008. He died within two years, in August 2009. The insurer investigated the claim and found that he had consulted a doctor, and had taken medicine on various occasions in 2006, 2007 and 2008. In the proposal for the question: Have you within the past five years consulted any medical man for any ailment not necessarily confining to your house? The response given was ‘NO’. The insurer repudiated the claim alleging that the insured had deliberately suppressed facts about his illness which was a material fact. When the issue was taken to court, the insurer could prove that the insured had been taking medicines and injections but not that he was suffering from any particular disease. The doctor who gave evidence about the medicines taken also stated ‘the diseased was usually of neurasthenic type, that his condition was almost normal. Occasionally took medicines from him and used to make much fuss about even small ailments, and he would be quite upset over such small ailments.’ The judgment was in favour of the claimant.” Hyperchondria: an abnormal condition characterized by a depressed emotional state and imaginary ill health, referable to the physical condition of the body or one of its parts.

- (a) Is it a case of non-disclosure of material facts by the insured? Explain the principles of insurance. **07**
- (b) If yes, what made the Court to decide the case in favour of the insured? **07**

Or

- Q.5** (a) What is the benefit of taking insurance? **07**
- (b) Discuss the claim settlement procedure along with required documents in Life Insurance. **07**
- a. Maturity of Policy
- b. Death of insured person
