

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA - SEMESTER-III EXAMINATION – WINTER 2020 (Special)****Subject Code: 4539223****Date: 09/08/2021****Subject Name: Insurance and Risk Management (IRM)****Time: 10:30 AM TO 12.30 PM****Total Marks: 47****Instructions:**

1. Attempt any **THREE** questions from Q1 to Q6.
2. **Q7 is compulsory.**
3. **Make suitable assumptions wherever necessary.**
4. **Figures to the right indicate full marks.**

<b>Q. No.</b>	<b>Question Text and Description</b>	<b>Mark s</b>
<b>Q.1</b>	<b>(a)</b> Definitions the following terms. (a) Perils (b) Static Risk (c) Indemnity	<b>06</b>
<b>Q.1</b>	<b>(b)</b> Definitions the following terms. (a) Proximate Cause (b) Co-insurance (c) Whole life Plan	<b>06</b>
<b>Q.2</b>	<b>(a)</b> Define the Risk management. Discuss various methods to manage the risks.	<b>06</b>
	<b>(b)</b> Insurance is becoming necessities. There are some needs and economic importance of insurance. Discuss it.	<b>06</b>
<b>Q.3</b>	<b>(a)</b> List the various Principles of Insurance and discuss them in detail.	<b>06</b>
	<b>(b)</b> Life insurance is essential for breadearner. Discuss various benefits of Life Insurance Policy.	<b>06</b>
<b>Q.4</b>	<b>(a)</b> Discuss various contractual provisions for Life Insurance.	<b>06</b>
	<b>(b)</b> According to the features of policy, Fire insurance policy gives various benefits. Discuss various types of Fire Insurance Policy.	<b>06</b>
<b>Q.5</b>	<b>(a)</b> Define the Marine Insurance. Discuss various types of Marine Insurance Policies along with the Principles in Marine Insurance Contract.	<b>06</b>
	<b>(b)</b> Various factors are considered while deciding the insurance premium. Discuss the various parameters that decide the premium for Auto Insurance.	<b>06</b>
<b>Q.6</b>	<b>(a)</b> Discuss various methods of rating for deciding the prices of Insurance Product.	<b>06</b>
	<b>(b)</b> Reinsurance is essential part of Insurance Industry. Discuss various functions and challenges for Reinsurance.	<b>06</b>

Q.7

**CASE STUDY:**

## **Tata AIG Life Insurance told to pay Rs 2.5 lakh**

The district consumer disputes redressal forum ordered an insurance company to pay a complainant Rs 2.5 lakh for her treatment of a cardiac ailment.

The insurance company was rejecting her claim saying that the illness for which she was treated was not covered under the policy.

The woman had purchased a 'health first' insurance policy from Tata AIG Life Insurance Company Limited, valid for a period of 13 years, from January 9, 2004, to January 9, 2017.

As per the policy, the insurance company had to pay the complainant's hospital and medicine expenses, in case of a serious ailment. The policy amount was Rs 5 lakh. In July 2005, the woman felt pain in cardiac region and consulted several doctors for treatment, even in Mumbai. In October 2005, the woman was given a permanent pace maker by doctors. She was admitted in a hospital in Mumbai for treatment. The treatment cost her Rs 4.5 lakh and she filed a mediclaim with the insurance company.

The insurance company paid her Rs 1,500 only, for being admitted in the hospital for three days, at Rs 500 per day, as was defined in the policy. The company denied paying other expenses saying her illness was not a 'critical illness'.

After being taken for a ride by the insurance company, the aggrieved woman filed her complaint with the consumer forum.

The company confessed that it had rejected her claim because the illness for which she was treated was not covered under the said policy. The illness necessitating a permanent pace maker was also not specified in the policy taken by the woman.

The critical illness cover promised the woman 'a lump sum payment of up to Rs 5 lakh' in case she was diagnosed with a critical illness.

The policy further said that it will ensure that woman has access to the most technologically advanced treatment, and can pay for medicine related costs and other recuperation costs.

- (a) Why TATA AIG has been penalized for Rs. 2.5 lacs? Do you think it is valid? Why? **5.5**
- (b) What is the core concept of the case? Discuss it along with various types of claim. **5.5**

**OR**

- Q.7 (a) Why did the Policy holder file the complain? Do you think that it is right way? Why? **5.5**
- (b) What are the reasons for disputes in claim? Discuss various reasons for rejection of claim **5.5**

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