

Enrollment No.: _____

Seat No.: _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - III EXAMINATION - WINTER 2025

Subject Code: 4539223

Date: 19-12-2025

Subject Name: Insurance and 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.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Discuss following terms with example. (a) TPA (b) Perils (c) Insurable risk (d) Hazard (e) Arbitration (f) ALM (g) Underwriting	14
Q.2	(a) Discuss principles of Insurance in detail with suitable examples. (b) Imagine you are working for an insurance company that provides a variety of insurance products. A client approaches you seeking coverage, but their profile and needs are complex. Provide a brief explanation on classification of risk when determining the appropriate insurance coverage.	07 07
OR		
Q.3	(a) Discuss various types of Insurance in detail. (b) What are the key powers and functions of the Insurance Regulatory and Development Authority (IRDA) in regulating and promoting the insurance industry in India? How does it ensure policyholder protection and market stability?	07 07
OR		
Q.3	(a) Discuss Third Party Administrator (TPA) with key functions of TPA. (b) What are the different types of marine insurance, and how do they provide coverage for various risks associated with maritime trade?	07 07
Q.4	(a) What is the role of an underwriter in insurance, and what are the key requisites (skills and knowledge) needed to effectively assess and manage risk? (b) A policyholder, Mr. Coldplay, underwent emergency surgery and filed a claim with his health insurance provider for reimbursement of medical expenses. The insurance company requested additional documentation and took longer than expected to process the claim. What are the general guidelines for the settlement of health insurance claims in India?	07 07

OR

- Q.4** (a) What is reinsurance in the insurance industry and what challenges do reinsurers face in managing their risk exposure, especially in the context of changing market conditions? **07**
- (b) Mrs. Taylor Swift was involved in a minor car accident and filed a claim with her motor insurance company. After submitting the necessary documents, she received a communication from the insurer indicating that her claim was under investigation, causing her anxiety and uncertainty about the outcome. What are the general guidelines for settling motor insurance claims in India? **07**

Q.5 CASE STUDY:

Mr. Vadra is working at Beatles Ltd. and was recently promoted to the position of Assistant Manager. He was getting salary ₹60,000 and got increment of ₹15,000 a month. After receiving a salary increment, he decided to purchase a new car, a Hyundai i20, worth ₹10,00,000. To finance the purchase, Mr. Vadra took out a loan of ₹7,00,000 from HDFC Bank and rest amount he paid cash as down payment. Typically, he parks his car in secure, guarded parking areas. During work hours, he uses his office's parking lot, which is equipped with CCTV cameras.

One evening after work, Mr. Vadra discovered something unusual on his car's hood: a deep scratch that resembled a "drawing" made with a sharp object, likely a metal nail. The damage seemed to be an act of vandalism. The cost of repairing the damage was estimated to be ₹25,000. Mr. Vadra immediately reported the incident to the building's security team, hoping to identify the culprit. Simultaneously, he filed a police report and informed his auto insurance company, as his policy covered acts of vandalism.

Upon investigation, the police reviewed the CCTV footage from the office parking garage. After a thorough review, they identified the vandal as Priyanka, one of Mr. Vadra's colleagues. Priyanka had admitted to causing the damage after a dispute with Mr. Vadra at work. With the evidence from the cameras, the police took appropriate legal action, and Mr. Vadra's insurance company agreed to cover the repair costs.

- (a) Write what documents Mr. Vadra is required to submit for automobile claim? **07**
- (b) Does insurance company provide coverage on such issue? **07**

OR

- Q.5** (a) Does it allow the insurance company to recover (law of subrogation) the amount paid as compensation from the Priyanka who actually is responsible for the insured loss? Discuss. **07**
- (b) Explain the Act of Vandalism in Auto Insurance in details. **07**
