

CHUKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

**THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF COMMERCE**

BCOM 344: AUTOMOBILE INSURANCE

STREAMS: BCOM Y3S2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 11/4/2012

2.30 P.M. - 4.30 P.M.

INSTRUCTIONS:

Answer Question 1 and any other TWO Questions

QUESTION ONE

- (a) Discuss the general conditions in motor insurance policy. [6 marks]
- (b) Outline the application of the principle of indemnity to motor insurance. [6 marks]
- (c) Enumerate and exhaustively explain the four principal documents used in motor insurance. [12 marks]
- (d) Explain the legal position and functions of IRA. [8 marks]

QUESTION TWO

- (a) Shantel is a graduate of Chuka University College, majoring in horticulture. She has recently been appointed to marketing department of a flower farm in Naivasha. She requires motor insurance cover for her recently acquired Toyota Vista private car. Identify and explain to her the various types of cover available. [8 marks]
- (b) Briefly discuss the contents of a motor insurance policy document. [6 marks]
- (c) For an additional premium, the motor commercial policy can be extended to provide additional benefits. Discuss. [6 marks]

QUESTION THREE

There are various inter-pendent and mutually subsisting parties in motor insurance industry. Exhaustively discuss and outline their various points of convergence. [20 marks]

QUESTION FOUR

With regard to rating of risks, discuss the classification of commercial vehicle and outline the rating considerations in each class. [20 marks]
