

CHUKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

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

BCOM 340: PROPERTY AND LIABILITY INSURANCE

STREAMS: B.COM Y3S1

TIME: 2 HOURS

DAY/DATE: MONDAY 17/12/2012

2.30 P.M – 4.30 P.M.

INSTRUCTIONS:

Answer Question One and any other two (2) questions.

- Q1. (a) Explain the basic types of Homeowners policies that are used today. [9 marks]
- (b) The Section 1 property coverage provides different types of coverage to an insured. For each of the following coverage, explain the type of coverage provided and give an example of a loss that would be covered.
- (i) Coverage A [2 marks]
 - (ii) Coverage B [2 marks]
 - (iii) Coverage C [2 marks]
 - (iv) Coverage D [2 marks]
 - (v) Additional coverage [2 marks]
- (c) Distinguish between property and liability insurance. [4 marks]
- (d) Describe the legal defenses that can be used by defendants who are accused of Negligence.
- (i) Contributory Negligence [1 mark]
 - (ii) Last dear chance rule [1 mark]
 - (iii) Assumption of risk doctrine [1 mark]

- Q2. Explain the standard of care to protect others from harm from the following situation.
- (a) Property owner [4 marks]
 - (b) An attractive nuisance [4 marks]
 - (c) Owner of animals [4 marks]
 - (d) Government units [4 marks]
 - (e) Employer and employee [4 marks]
- Q3. (a) Explain the duties imposed on the insured under the homeowners policies after a property loss. [10 marks]
- (b) Outline the exclusions under Section 1 of Homeowners Policy. [10 marks]
- Q4. (a) Explain the General liability loss exposures. [10 marks]
- (b) Discuss the nature of Inland marine floaters. [10 marks]
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