**KENYATTA UNIVERSITY**

**UNIVERSITY EXAMINATIONS FOR THE DEGREE OF**

**SECOND SEMESTER EXAMINATIONS FOR THE BACHELOR OF COMMERCE**

**BMS 101: INTRODUCTION TO INSURANCE**

**Date: Monday 15th May, 2017**

**INSTRUCTIONS:**

***Answer question one and any other two questions***

1. Discuss the fundamental steps in setting out to create an effective insurance risk management. (7 marks)
2. Explain the essentials in risk identification activities. (7 marks)
3. Discuss the risk financing plan. (6 marks)
4. Explain the process of underwriting in the insurance practice. (6 marks)
5. Explain the concept of risk. (4 marks)
7. Life assurance is not subject to the principle of indemnity. Discuss. (10 marks)
8. Explain the classifications of risks. (10 marks)
10. Risk represents change of negative. This condition forces the concerned to make efforts to counter any eventuality arising from the same. Clearly illustrate the process of risk management. (8 marks)
11. Discuss the methods of handling risks in our society today. (8 marks)
12. Outline four legal characteristics of insurance contracts that distinguish it from other contracts. (4 marks)

a)

1. Explain the principle of subrogation. (2 marks)
2. Outline the main purposes of subrogation. (8 marks)

b). briefly explain the social significance of insurance to the society. (10 marks)