

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2016/2017**

**YEAR II SEMESTER II EXAMINATION FOR THE DIPLOMA IN BUSINESS ADMINISTRATION**

**HCB 0207: INSURANCE AND RISK MANAGEMENT**

**DATE: JULY 2017 TIME: 1.5 HOURS**

INSRUCTIONS: Answer question one (compulsory) and any other two questions.

QUESTION ONE

a. Define the following terms as used in insurance industry citing relevant examples.

i. Peril (1 mark)

ii. Hazard (1 mark)

iii. Loss (1 mark)

iv. Insured (1 mark)

v. Risk (1 mark)

vi. Insurance (1 mark)

vii. Premium (1 mark)

viii. Insurer (1 mark)

b. List and explain any six benefits of insurance. (12 marks)

c. What is risk management? Highlight on any four methods of handling risk.

(10 marks)

QUESTION TWO

Describe any seven characteristics of insurable risks. (15 marks)

QUESTION THREE

What are the factors that determine competition in the insurance industry? Discuss.

(15 marks)

QUESTION FOUR

Describe any five principles of insurance. (15 marks)

QUESTION FIVE

Why is insurance industry being regulated and supervised? Explain. (15 marks)