

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

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2014/2015**

**YEAR 3 SEMESTER I EXAMINATION FOR THE DIPLOMA IN BUSINESS ADMINISTRATION**

**HCB 0104: INSURANCE RISK MANAGEMENT**

**DATE: APRIL 2015 TIME: 1**$\frac{1}{2}$ **HOURS**

**INSTRUCTIONS:**

**Answer Question One (Compulsory) and Any Other Two Questions**

**QUESTION ONE (30 MARKS)**

1. Describe the main functions of a Risk management department of a modern organization (4marks)
2. Explain the advantages of managing risks in an organization (4marks)
3. Differentiate between a risk philosophy and a risk policy and explain the main areas to be covered by a risk management policy (5marks)
4. Discuss the roles of the government in the insurance industry in Kenya (4marks)
5. As the risk manager of ABC ltd company discuss the different strategies you would contemplate using to manage risks in the organization (5marks)
6. Discuss the factors affecting choice between risk retention and risk transfer (4marks)
7. Briefly explain the key activities involved in risk assessment (4marks)

**QUESTION TWO (15 MARKS)**

1. Risk management is a continuous exercise that is done systematically. Discuss the steps in a risk management process. (8marks)
2. Explain the different categories of risks that an organization is likely to be exposed to (7marks)

**QUESTION THREE (15 MARKS)**

1. Discuss the principles of insurance (8marks)
2. Describe the different tools and techniques for risk identification (7marks)

**QUESTION FOUR (15 MARKS)**

1. Discuss the different parts into which insurance contracts can be divided (7marks)
2. Explain the meaning of micro-insurance and discuss the main features of micro-insurance (8marks)