



UNIVERSITY EXAMINATIONS 2020/2021
SCHOOL OF BUSINESS & PUBLIC MANAGEMENT
OPEN BOOK EXAM.

FIN 2101: Insurance and Risk Management.

(DL and WKD)

DATE:

TIME:

INSTRUCTIONS: Answer all questions

QUESTION ONE (20 MARKS)

- a) Using suitable local illustrations explain the various types of liability insurance covers available in the insurance market in Kenya. (5 Marks)
- b) In the world, Risk management is a continuous, tedious and a dynamic process at individual, organizational and national level. Discuss this statement using various illustrations in the Kenyan set up. (5 Marks)
- c) There are several historical factors that brought the need for insurance system across the globe. Discuss any FIVE such factors that have propelled the development of insurance business in the country, Kenya. (10 Marks)

QUESTION TWO (15 MARKS)

Ceitag insurance Company, an upcoming insurance co. writing life and Health, Liability and property contracts seeks to increase their clientele and has hired you as an agent.

- (i) Comment on the factors you will raise in discussions with prospective clients to convince the parties on the need to purchase insurance covers.
- (ii) From your position as the agent, demonstrate on the elements considered as necessity for insurability.
- (iii) Comment on the requisites or essentials of the law of insurance to ensure effective contract is entered into between the clients and Ceitag.
- (iv) In your venture, an employer approaches you to help secure a cover for the employees. Discuss the nature or dynamics of the cover that you would give them.

QUESTION THREE (15 MARKS)

The current pandemic in the world (COVID-19) has resulted to multisector crippling with discussions of economic stimulus packages emanating therein. With reference to this;

- (i) Explain the concept of risk in Individual mindset, Organizational mindset and National mindset and demonstrate how todays risk managers should be able to think about risk, identify the risk adequately and their willingness to buffer against risk realization.
- (ii) Prepare a risk management mindset checklist that should assist the risk managers to design a clear framework for response to organizational risk and how they can adopt effective risk mind set.