

Register Number:

M.B.A DEGREE EXAMINATIONS: NOV/DEC 2010

Fourth Trimester

MASTER OF BUSINESS ADMINISTRATION

MBA528: Insurance and Risk Management

Time: Three Hours

Maximum Marks: 100

Answer ALL Questions:-

PART A (1 x 20 = 20 Marks)

1. Case Study:

"We will design our products specifically for every segment of Indian consumers and not just hawk our North American products in the country."

- Gary M C Standard, Vice President, Sun Life Canada, in 1997.

"We would not lack in our efforts to innovate new products."

- G. Krishnamurthy, former LIC Chairman, in 2000.

Recently, India's state-owned insurer Life Insurance Corporation of India (LIC) launched a new insurance policy, 'Anmol Jeevan' (Priceless Life). This was seen by industry observers as something LIC 'had' to do in the wake of the increasing competition in the insurance sector. Before the launch of Anmol Jeevan, two of LIC's major competitors, ICICI Prudential Life and HDFC Standard Life had launched similar, competitively priced insurance products. In the newly opened Indian insurance sector, private insurers were coming up with many innovative products, offering riders on the policies in order to woo the consumers. LIC, which had been exercising monopoly in the Indian insurance sector, had been offering only 'plain' policies without any riders to its policyholders. Analysts pointed out that LIC never seemed to have had any proper strategy for bringing out innovative products and customer-friendly pricing of its products. Though LIC offered more than 60 products, only seven to eight were popular with policyholders. With almost all private players' premium rates being more or less similar to LIC's premium rates. The private insurers decided to develop products that would not compete with LIC's money back and endowment policies at the initial stages

Thus, the new players launched a host of group insurance and term-life schemes, as LIC had not focused intensively on these aspects of insurance. However, the private players soon began to launch products that competed with LIC's 'core products.' With innovative

product designing and intelligent pricing methods being adopted by these players, industry observers commented, LIC seemed to have realized that it would have to rapidly adapt itself to the changing market dynamics. The decision to launch 'Anmol Jeevan' was, thus, not entirely unexpected.

Mention the strategies that LIC can adapt to face Competition.

PART B (10 x 2 = 20 Marks)

2. Define insurance.
3. Who is called Insurer and Insured?
4. Write short notes on ULIP?
5. What are the components of Life Insurance Pricing?
6. What is risk?
7. Brief about Mortality Table?
8. What do you mean by Marine Insurance?
9. Write on Insurance underwriting risk.
10. What is the purpose for auditing in claim?
11. Documentation required in auditing – why?

PART C (4 x 15 = 60 Marks)

12. (a) Explain the Principles Of Insurance
(OR)
(b) Explain the Types Of Life Insurance Plans with suitable examples.
13. (a) Determine any three the Different Economic Uses of Life Insurance Offers.
(OR)
(b) How will you deal the concealment, non disclosure or misrepresentation by the insured?
14. (a) Explain the provisions in an insurance contract aimed at protecting the policy Owner.
(OR)
(b) Elaborate the objectives and Process of Underwriting.
15. (a) Explain the advantages of Motor Insurance.
(OR)
(b) Enumerate the need and important of documentation.
