



Register Number:

MBA DEGREE EXAMINATIONS: MAY 2015

(Regulation 2012)

Fourth Semester

MASTER OF BUSINESS ADMINISTRATION

MBA632: Insurance And Risk Management

Time: Three Hours

Maximum Marks: 100

Case Study:-

PART A (1 x 20 = 20 Marks)

1. Mr. Ajay Lal purchased a bus by taking a loan from Swami Financers. The bus was being used as a private service vehicle, and not as a public transport one. It was insured under a comprehensive insurance policy issued by United India Insurance. The bus met with an accident, for which insurance was claimed. The insurance company appointed its surveyor, who assessed the loss at Rs 1,26,500. However, the company deducted Rs 33,125 from the assessed amount, on the ground that the driver did not have an endorsement on his license to drive a transport vehicle. Even this amount was not paid to Chauhan, but was directly paid to the financier.

Aggrieved, Chauhan filed a consumer complaint that ultimately reached the National Commission. It was held that once a person had a licence to drive a heavy goods carriage vehicle, it would mean that he/she was entitled to drive a transport vehicle, including a public service vehicle. Accordingly, the insurance company was directed to pay the balance amount, along with 12 per cent interest and costs of Rs 5,000. The commission also ruled that the practice adopted by insurance companies of directly paying to the financier, without informing the insured or without his consent, cannot be justified. If the insurance policy is taken in the name of the vehicle purchaser, there is no question of paying the amount straightaway to the financier.

A. Inder Singh Chauhan challenges the decision of the Insurance Company. Should the settlement be paid to the Insurer or the Financier? Justify with reasons.

B. On what grounds the insurer can deny sum assured in motor insurance?

Answer all the questions

PART B (10 x 2 = 20 Marks)

2. Find out the role of insurance? How does it work?
3. Recall the importance of privatization of Insurance?
4. What do you mean by Floater Policy under fire insurance?
5. Outline the importance of product life Insurance?
6. Infer the importance of Mediclaim policy?
7. How will you calculate premium in insurance.
8. What do you mean by Solvency Margins?
9. Who are eligible to take up Group Health Insurance Policy?
10. What is a static risk? Can static risks be insured?
11. What is meant by secondary market of insurance?

PART C (4 x 15 = 60 Marks)

12. a) Elaborate the Insurance Sector in India with respect to Industry dynamics, new developments, the road ahead with key statistics.

(OR)

b) Describe in detail the evolution of Indian Insurance Industry. What will be its likely future & trends? Justify with enough empirical data.

13. a) Explain the 7 Principles of Insurance with illustration and also solvency in Insurance.

(OR)

b) Explain the following insurance types' characteristics and principles pertaining to them, As well justify them with examples:- (a) motor insurance and (b) marine insurance?

14. a) Evaluate the concept of reinsurance in detail . Why is it needed in current scenario?

(OR)

- b) (i) Explain in detail the Risk Management exercised in Indian Life Insurance – Explain with statistics.
- (ii) Show the different type of risks with suitable examples.

15. a) Elucidate the powers, functions and role of IRDA.

(OR)

- b) (i) What is meant by Liability insurance ? What is the scope for liability insurance?
- (ii) How important is to have re – insurance, from the company’s perspective? What is the market for re-insurance in India? Mention any one player.