

CHUKA



UNIVERSITY

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**EXAMINATION FOR THE AWARD OF
CERTIFICATE IN BUSINESS MANAGEMENT**

CIBM 00114: INSURANCE AND RISK MANAGEMENT

STREAMS: CIBM

TIME: 2 HOURS

DAY/DATE: FRIDAY 09/08/2019

8.30 AM – 10.30 AM

INSTRUCTIONS:

Answer Question One and any other Two Questions

Question One

- (a) State two types of hazards. [2 marks]
- (b) Using examples, explain the difference between the following terms:
 - (i) Particular risk and fundamental risk [4 marks]
 - (ii) Business risk and personal risks [4 marks]
- (c) Explain five burden of risk. [10 marks]
- (d) Discuss five characteristics of insurable risks [10 marks]

Question Two

- (a) Discuss five risk management techniques. [10 marks]
- (b) Discuss the insurance claim process. [10 marks]

Question Three

- (a) Explain six insurance principles used in the insurance market. [12 marks]
- (b) Explain four differences between insurance and gambling. [8 marks]

Question Four

(a) Explain five sections of a typical insurance policy document used in the Kenyan markets. [10 marks]

(b) Discuss five reasons for regulating insurance market. [10 marks]
