

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

POSTGRADUATE EXAMINATION FOR THE AWARD OF MASTERS DEGREE IN
BUSINESS ADMINISTRATION (INSURANCE OPTION)

MBAD 892: PERSONAL INSURANCES

STREAMS: MBAD

TIME: 3 HOURS

DAY/DATE: THURSDA 7/12/2017

2.30 P.M - 5.30 P.M.

INSTRUCTIONS:

- Answer Question ONE and any other THREE Questions.
- Do not write on the question paper

QUESTION ONE

- (a) Mr. Moran is a successful business person based in Nairobi. Despite of his success in business, he has been faced by challenges of being sued over and over again and ended up in losing a lot of money in form of court awards, because of his slanderous and libelous actions as he goes about his business. This time he wants to arrange insurance to cover himself against such losses at personal level. Advice Mr. Moran accordingly. [8 Marks]
- (b) Using knowledge gained from personal insurance, pick any two professionals operating in the Kenyan market and demonstrate how their liabilities arise, clearly prescribing the right policies for them. [10 Marks]
- (c) Discuss the unique characteristics of life insurance. [7 Marks]

QUESTION TWO

- (a) John contents that personal insurance for an individual is necessary as the individual is usually exposed to many risks of life, while Jane believes otherwise. Give the right position, using examples to support your answer. [16 Marks]
- (b) Discuss the persons owed a duty of care under householders comprehensive insurance. [9 Marks]

QUESTION THREE

- (a) Demonstrate on how one can use life insurance in personal risk management. [15 Marks]
- (b) An informed consumer will always take certain steps to help avoid problems and maximize health care amounts. Critically analyze these steps. [10 Marks]

QUESTION FOUR

- (a) Discuss the concept of human life values as far as individual financial planning is concerned. Draw practical examples from individual life insurance planning to illustrate your discussion. [10 Marks]
- (b) Analyze how an underwriter secures information for prudent personal insurance underwriting. [15 Marks]

QUESTION FIVE

- (a) Explain the following, and clearly show how they are used by personal health insurance underwriters to guard against negative results;
 - (i) Co-payment [6 Marks]
 - (ii) Co-insurance [6 Marks]
 - (iii) Annual caps [6 Marks]
 - (b) Personal accident insurance is a contract of indemnity. Discuss. [7 Marks]
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