

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
COMMERCE**

BCOM 442: LIFE ASSURANCE

STREAMS: BCOM (Y4S1) (ODEL)

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 07/08/2024

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS

- **Answer question ONE and TWO other questions**
- **Do not write on the question paper**

Question one

- Assume you have been employed by a life assurance company in the marketing section and assigned a responsibility of designing an agency building distribution system as a strategy to distribute your life products. Explain any four agency building distribution channels that you could focus on. (12 Marks)
- Is life insurance of any value? (10 Marks)
- Explain the following clauses as commonly used in Life assurance contracts
 - Incontestable (2 Marks)
 - Misstatement of age (2 Marks)
 - Beneficiary (2 Marks)
 - Grace period (2 Marks)

Question two

- Bring to understanding key-man insurance clearly demonstrating its relevance the market. (10 Marks)

- b) XYZ life insurance Company, a specialist in individual life wants to diversify to group life. As an insurance expert, you have been approached to enlighten management on the available benefit options for group schemes. Show them the options of benefits they can adopt for their schemes. (10 Marks)

Question three

- a) Demonstrate on how you can handle a sub-standard risk that manifests itself in a life insurance proposal. (10 Marks)
- b) Explain endowment life policy, clearly showing its various modifications. (10 Marks)

Question four

- a) Assume you have been employed by Mavuno Life Office in the marketing department. Assume further that your key responsibility is to increase the group life schemes. Explain to management your possible target market for this class of business (10 Marks)
- b) Explain the meaning of 'Risk Appraisal' in life insurance and evaluate the objectives of such appraisal (10 Marks)
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