

POKHARA UNIVERSITY

Level: Bachelor
Programme: BBA-BI
Course: Life and Health Insurance

Semester: Spring

Year: 2021
Full Marks: 100
Pass Marks: 45
Time: 3 hrs.

18.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Section "A"

Very Short Answer Questions

Attempt all the questions. [10×2]

1. Define economic value of life insurance.
2. Mention different types of families according to the impact of premature death of family head in the family?
3. Outline the contractual provisions in Life insurance.
4. List out documents to be required to settle the death claim.
5. Distinguish between insurance agents and bancassurance.
6. Define term life insurance and whole life insurance.
7. Define Whole Life Insurance.
8. Describe Policy Lapse and Revival.
9. Define Cost of Life Insurance.
10. What is the meaning of exclusion and inclusions of life insurance?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Briefly explain the history of life insurance industry in Nepal outlining the major events.
12. Explain the underwriting process of life insurance.
13. What are the provisions in the life insurance contract? Categorically describe.
14. Explain the types of life insurance policies with suitable examples.
15. Discuss in details the group health insurance.
16. Explain life insurance claim settlement process and obligation of policyholders and insurers.
17. "Health insurance is urgent need of Nepal but there are many obstacles to implement" Do you agree on this statement?

Section "C"
Case Analysis

18. *Read the case situation given below and answer the questions that follow:*
[20]

Quality Stone Factory (QSF) located in Pokhara has around 600 workers for its regular operation. Their job is to find quality and attractive stone around the hill and bring in to the factory. Some skilled workers cut the stone in different shape which is used in building instead of the paints in the outer face of the wall. There are different types of stone. Black stone is more strong than white. White produces more dust but black is more hard to break as per the required share and thickness. The factory is situated near by the Seti river. They have been using traditional working style so that the physical hazard has increased.

Nepal Life Insurance (NLI) is the regular supplier of the group life insurance policy to the QSF. Every year NLI used to pay 6-7 death claims of the workers. This year, Board of Directors decided to continue the term life insurance policy of the workers of the QSF as it is not profitable business since many years. But, field manager suggested to the BOD that from this year such kind of accident which happened in last 4-5 years will not happen in QSF. He argued that Department of Labour made it compulsory to follow the right risk management techniques while working in the risky job like in QSF. BOD of NLI decided to increase the premium by NPR 4,000.00 per head particularly for the staff of QSF. QSF denied to purchase the expensive insurance policy and shifted to another company 'Himalayan Life Insurance (HLI)' with the proposal. Suppose you are the CEO of GLI, you have to decide to accept or reject the proposal of almost 600 workers.

Questions:

- a) As a manager of the HLI, what are the major threats do you observe before accepting the proposal?
- b) Do you think that the death rates of QSF is normal? What are the factors that might increase the death rate of the factory?
- c) Do you think the premium for health and life insurance of such workers should pay entirely by the company? Suggest if you have any alternatives. Why?
- d) How HLI can get the business while minimizing the both premium and risk? Suggest.