

Level: Bachelor

Programme: BBA-BI

Course: Principles of Insurance

Semester: Spring

Year: 2021

Full Marks: 100

Pass Marks: 45

Time: 3 hrs.

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. What are the characteristic of the insurance?
2. Mention criteria of obtaining the license for Surveyor from Beema Samiti.
3. What are the requirements of an Insurance Contract?
4. What do you understand by Claim Settlement?
5. Explain the principle of subrogation.
6. Mention the Insurance Intermediaries prevalent in Nepal.
7. Write short note on Beema Samiti.
8. Differentiate insurance and hedging, benefits of insurance.
9. Write down some of the challenges existing in Nepalese Insurance industry.
10. Describe third party administrator?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What is General Insurance? Differentiate between Endowment Life and Whole Life Insurance.
12. Who is Insurer and Insured? Discuss the functions of Insurance and Insurer.
13. Explain the principle of insurable interest and principle of indemnity. Explain different approach of indemnification of loss.
14. Underwriter need to analyse the risk properly following every rules and regulations mentioned. Discuss the Underwriting procedure to be followed in Life and Non Life Insurance.
15. Discuss the importance of intermediaries in insurance with function of agents.
16. Mention the objective, rights and duties of Beema Samiti.
17. Explain the opportunity and challenges of insurance industry in Nepal.

Section "C"

Case Analysis

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

[20]

Mr. Avash bought a a life insurance for Ms. Binita; wife of Mr. Avash, with XYZ Company for Rs. 10,00,000 for a period of 10 years paying Rs.

10,000/year. In addition to the basic insurance policy, it also has a ADB as a rider worth Rs. 10,00,000. At the end of the 4th year, unfortunately Ms. Binita dies in an accident and Mr. Avash, as mentioned in the policy contract claimed the XYZ Co. for the payment.

Now,

- a) Name out the proper insurance term for the given:
Mr. Avash, XYZ Company, Rs. 10,00,000, Rs. 10,000/year, ADB
- b) What do you think which insurance Ms. Binita has got with her? Give your reasons.
- c) If you were the company's personnel, what amount would you report to the claim department for disbursement? Provide explanation of such calculation. (Assume Rs. 65 Bonus)
- d) In your opinion, if which principles of insurance were violated, insurer would not have been liable for the payment of this policy. Give explanation also.