

AT-1454

M.B.A. Semester-IV Examination
INSURANCE MANAGEMENT
Paper-MBA/4106/CGF

Time : Three Hours]

[Maximum Marks : 70

- Note :-** (1) Attempt **all** questions.
(2) Figures to the right indicate marks.

SECTION-A

1. (a) Describe the main kinds of insurance and examine briefly the nature of risks protected by each kind of insurance. 14

OR

- (b) "Good faith lies at the root of insurance contract." Discuss the principle with reference to life, fire and marine insurance. 14

SECTION-B

2. (a) What is an insurable interest ? Discuss in relation to life insurance. 7
(b) If the annual premium for an endowment assurance of Rs. 1,000 for person aged 40 years for a term of 20 years is Rs. 30. Calculate the office premium having the following provisions :
(i) initial expenses Rs. 40 per 1000 sum assurance
(ii) renewal expenses at 10% office premium
(iii) a constant expenses of Rs. 2.50 per 1000 sum assured (given, a 40 : 19 = 16) 7

OR

- (c) Describe the process of construction of mortality table. 7
(d) 1000 person all aged 50 years are insured for Rs. 2,00,000 for 1 year. If the rate of mortality (q_{50}) is 0.004, calculate net single premium of this term assurance provided that insurer earns no interest. 7
3. (a) What are the various kinds of endowment policies ? 7
(b) Find the following probabilities that :
(i) a life aged 30 survives 10 years
(ii) a life aged 30 dies within the next 10 years
(iii) a life aged 30 dies after 10 years
Values given as per mortality table are $l_{40} = 963206$ and $l_{50} = 980776$. 7

OR

- (c) What is an annuity ? What are the basic differences between annuity and life insurance ? 7
- (d) Find the probability that 2 persons X and Y aged 30 and 35 respectively that both died before attaining age 55. Values given as per mortality table $l_{35} = 973550$, $l_{36} = 980776$ and $l_{55} = 876889$. 7

SECTION-C

4. (a) What are the rights of the insurer, once a claim is admitted under the fire policy ? Explain. 7
- (b) Discuss the various types of General Insurance and their features. 7

OR

- (c) "Fire insurance is a contract of indemnity." Explain. 7
- (d) Explain the procedure of taking out and renewal of Fire Insurance Policy. 7

SECTION-D

5. Health is a human right. It's accessibility and affordability has to be ensured. The escalating cost of medical treatment is beyond the reach of common man. While well-to-do segment of the population both in rural and urban areas have accessibility and affordability towards medical care, the same cannot be said about the people who belong to the poor segment of the society.

Health care has always been a problem area for India, a nation with a large population and larger percentage of this population living in urban slums and in rural area below the poverty line. The Government and people started exploring various health financing options to manage problem arising out of increasing cost of care and changing epidemiological pattern of diseases.

In the light of escalating health care costs, coupled with demand for health care services, lack of easy access of people from low income groups to quality health care, health insurance is emerging as an alternative mechanism for financing health care.

Health insurance is very well established in many countries, but in India it still remains an untapped market. Less than 15% of India's 1.1 billion people are covered through health insurance. And most of it covers only Government employees. Given the health financing and demand scenario, health insurance has a wider scope in present day situation in India. However, it requires careful and significant efforts to top Indian health insurance market with proper understanding and training.

- (a) Explain the various challenges faced by the health insurance industry in India. 7
- (b) What are the health care reforms needed in India ? 7