

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

Kisii learning Center
UNIVERSITY EXAMINATIONS MAY/AUGUST 2014

ABA 421: INSURANCE RISK MANAGEMENT.
DURATION 2HOURS

INSTRUCTIONS: QUESTION ONE COMPULSORY AND ANSWER ANY OTHER TWO QUESTIONS IN THIS PAPER.

QUESTION ONE (30 Marks)

- a) Discuss the essentials of risk management (8marks)
- b) Explain the importance of risk perception among investors in business enterprises (8 marks)
- c) Discuss the difference between speculative risk and pure risk (4marks)
- d) Discuss the key steps that are followed when executing in the risk management process (10marks)

QUESTION TWO (20 Marks)

- i) Discuss the principles of risk management in business organization (10 marks)
- ii) Briefly explain the strategies of insurance risk management (10marks)

QUESTION THREE (20 Marks)

- a) Financial institutions prefer crime insurance than regular property insurance. Discuss this statement using relevant examples. (10marks)
- b) Discuss the business aspects highlighted on matters relating to alternate risk management Solvency I and Solvency II (10marks)

QUESTION FOUR (20 Marks)

- a) Insurance Risk management is a management tool for handling events that might adversely impact the business. Discuss. (7 marks)
- b) Illustrate the various techniques of controlling various types of risks in insurance occupations (13 marks)

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
KISII LEARNING CENTRE**

ABA 421: INSURANCE RISK MANAGEMENT:

Course Content/ outline

Session (4 hours)	Content description	Remarks
	<p>Introduction</p> <ul style="list-style-type: none"> - Definition; terms in applied in insurance, essentials of insurance; contract assurance and insurance, Classification of insurance; General insurance; property insurance, fire insurance accident insurance; Burglary and theft, House hold insurance, special perils, consequence loss insurance; marine insurance motor, insurance liability insurance ; regulation of insurance; history of insurance; the role of insurance in Kenya, nature and scope of insurance markets; agents, brokers under limited; Principles of insurance concepts; individual insurable interest, utmost Good faith subrogation; proximation contribution. Organizations pure risk. 	
	<ul style="list-style-type: none"> - RISK MANAGEMENT : objectives, policy statement and manuals, scope of risk management; identification, evaluation treatment of 	
	CAT 1 and Assignment 1	
	<ul style="list-style-type: none"> - Risk management and corporate strategy; risk management strategy/ tasks at various levels of corporate organizations/ challenges facing risk management. 	
	<ul style="list-style-type: none"> - Essence of corporate strategy; developing corporate strategy; core strategy; choosing corporate strategy and risk management 	
	CAT 2 Assignment 2	
	<ul style="list-style-type: none"> - VALUE CHAIN ANALYSIS: Scope and selection strategies/ produce positioning; importance of value chain analysis. - Generic strategies and implementing corporate strategy; organization control; strategic linkages; extension of value chain; sustaining competitive advantage. 	
	<ul style="list-style-type: none"> - risk management process - essentials of risk management - Factors which influence the assessment of risks 	
	CAT 3	
	End semester examinations. AUGUST 2014	

