

**JARAMONGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND  
TECHNOLOGY**

**UNIVERSITY EXAMINATION**

**EXAMINATIONS FOR THE DEGREE OF BUSINESS MANAGEMENT**

**BBM 407: INSURANCE THEORY AND PRACTICE**

**DATE:**

**TIME:**

**KISUMU LEARNING CENTRE**

**INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO**

**Q1 (a)** Discuss and illustrate the following terms of Insurance;

Re-Insurance

Insurer

Insured

Policy

Premium

Insured amount

Double Insurance

**(21 marks)**

**(b)** Why is the principle of indemnity not applicable to life insurance?

**(3 marks)**

**(c)** Discuss the main classes of Social Insurance? **(6 marks)**

**(Total 30 marks)**

**Q2** Discuss and illustrate the types of Insurances available to both the businessman and to the individual **(Total 20 marks)**

**Q3 (a)** Discuss the meaning & essential principles of the insurance contract

**(10 marks)**

**(b)** In what ways do the dynamic risks help a society when they occur **(10 marks)**

**(Total 20 marks)**

**Q4** Milkah has been recruited by one of the leading international Logistics Service Providers as the Company's Director Logistics and Operations. One of the assignments is to determine the efficient way of cutting down Insurance premium costs of the company. Assuming that you are Milkah, discuss the basic essentials of insurance that Milkah has to understand first to succeed in her new assignment **(Total 20 Marks)**

**Q5 a)** "Insurance is a concept, a technique, and an economic institution". Discuss these statement **(14 marks)**.

**b)** Explain the objectives of insurance theory and Practice **(6 marks)**

**(Total 20 marks)**