

BFS SEC 1: PRINCIPLES AND PRACTICE OF INSURANCE

Duration: 2 hours

Marks:60

Instructions:

- 1) *Start each question on fresh page.*
- 2) *Figures to the right indicates the full marks.*
- 3) *Q1 is compulsory.*
- 4) *Answer any FOUR from Q2 to Q6*

Q.1. Answer any FIVE of the following

(5x4 = 20 Marks)

- a. A contract can be called as a legal and valid contract if it possesses certain elements.
Comment.
- b. "An insurance company only covers pure risks or risk that embody most of the requirements of insurable risk." In light of the above statement explain any four requirements of insurable risk.
- c. Write a short note on Personal Accident Insurance and Liability Insurance.
- d. Term plan is one type of life insurance plan which is not a simple one layered plan, it has various types of term insurance plans available for various needs. Explain.
- e. Ms. Riya wants to insure her TATA Nexon Car. She takes the policy from ICICI Lombard general insurance company. Highlight the details to be stated in the policy.
- f. Explain the functions of Insurance Brokers.

Q.2. In order to ensure the proper functioning of an insurance contract, the insurer and the insured have to uphold the principles of Insurance. In light of the above statement explicate the Principles of Insurance. (10 Marks)

Q.3. Selecting the appropriate combination of techniques for treating loss exposures is a crucial step in the risk management process. Explain. (10 Marks)

Q.4. An individual must choose the most suitable life insurance policy as per their unique individual requirements as there are different types of life insurance policies in India that are offered to prospective policyholders. In consideration of the above statement explain the types of life insurance policies. (10 Marks)

Q5. Property insurance is an umbrella term. It covers several different types of insurance policies. Elaborate. (10 Marks)

Q.6. The settlement of claims is a very important aspect of service to the policyholders. Describe the claim settlement procedure for life Insurance. (10 Marks)
