



Register Number:

Date: 30-11-2020

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BENGALURU-27
B.COM REGULAR- V SEMESTER
SEMESTER EXAMINATION- NOVEMBER 2020
BCDEB 5618 – PRINCIPLES AND PRACTICE OF LIFE INSURANCE

Time: 2 ½ Hours

Max Marks: 70

Section-A

Answer any **FIVE** questions. Each question carries 2 marks. (2x5 = 10)

1. Give the meaning of risk management.
2. What is a peril?
3. Give the meaning of underwriting of insurance.
4. What is a credit life insurance?
5. What are riders? Give examples.
6. Mention the distribution channels of marketing insurance products.

Section- B

Answer any **THREE** questions. Each question carries 5 marks. (3X5=15)

7. Differentiate between risk and uncertainty.
8. Briefly explain the types of hazards.
9. Chalk out the Advantages and limitations of Life insurance.
10. Briefly explain the types of Re- insurance.

Section- C

Answer any **TWO** questions. Each question carries 15 marks. (2x15=30)

11. a) Briefly explain the types of life insurance products. (10 marks)
b) Write a short note on insurance ombudsman. (5 marks)
12. a) Highlight and explain the factors affecting rate of mortality. (10 marks)
b) Write a short note on claim management. (5 marks)
13. a) Explain the functionality of Indian contract act. (10 marks)
b) Briefly explain the importance and role of sales manager in insurance sector. (5 marks)

Section- D

Answer the following **compulsory** question carrying 15 marks. (1x15=15)

14. Case study.

Jane and Terry are aged 40 and did not take up any insurance policy. Terry is a highly paid executive earning \$170,000 per year. Jane hasn't worked since having their two children aged 11 and 9 but used to work as a kindergarten teacher. They live close to the city in a house valued at \$1.5M with a mortgage of \$600,000. Both children attend private schools. On Terry's income they are able to comfortably afford living expenses, school fees and the mortgage and have accumulated \$50,000 in savings.

Terry maintains a regular fitness routine but has an unexpected heart attack while jogging one morning. Because he is not found by passer-bys until too late Terry dies on the way to hospital. Although still in mourning Jane has to take stock of her finances. She makes plans to return to work but on her salary of \$50,000 she will be unable to meet the mortgage payments and private school fees. Jane decides she has to sell the family home, purchase a house in the outer suburbs and enroll the children in the local public school. Just when Jane and the children need the support of their friends and neighbors the most they have to give up the family home, move far away from their support networks and start a substantially different life than before.

- a) What insurances do you think Jane and Terry could have taken? Justify.
(5 marks)
- b) Briefly explain the principles of Insurance. (10 marks)

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