Roll No										

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Even Semester End Term Examination, May / June 2026		
Date: 19/05/2026		**Time: 01.00 PM - 04.00 PM**
Course Code: MBA3075	**Course Name: Insurance and Risk Management**	
Semester: Fourth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4
Marks	29	29	41	41

Part A: Answer Following Questions. 30 M

Qn.No	Questions	M	CO	BT
1	Recall a situation each that represents 'Moral Hazrd' and 'Morale Hazard'.	3	CO1	BT1
2	Mr Bishan was suffering from Hypertension for the past 2 years. Recenlty when he purchased a Heal Insurance Policy, he did not disclose this fact. Given this situation, identify the principle of insurance that is voilated and state its impact.	3	CO2	BT1
3	Health Insurance policies generally contain clauses relating to 'Deductible' and / or 'Co-Payment'. Recall the difference between 'Deductible' and 'Co-Payment' with an example.	3	CO4	BT1
4	Health Insurance and Motor Indurance Policies provide an incentive to the policy holder called as 'No Claim Bonus' for claim free years. State how does the 'No Claim Bonus' benefit the policyholder in case of Health Insurance.	3	CO4	BT1
5	Underwriting is an important function carried out by every insurance company. In this regard, list out the types of Underwriting that is done in case of Life Insurance.	3	CO3	BT1
6	Risk Prevention and Risk Reduction are Risk Control measures. State how is Risk Prevention different from Risk Reduction ?	3	CO1	BT1
7	Insurable Interest is a important principle in insurance. In Gneral Insurance it is always necessary that the Insurable Interest must exist at the time of loss. Recall why is it insisted that Insurable Interest must there at the time of loss.	3	CO2	BT1
8	Ms Nanda recently purchased a Traditional Money Back Life Insurance Policy with a Sum Assured of Rs 3 Lacs maturing in 20	3	CO3	BT1

	years. The policy promises to pay 25% of Sum Assured as Money Back in Years 5, 10 and 15 and balance 25% on Maturity along with Accured Bonuses. Assuming that Ms Nanda dies in year 12 after receiveing 5th and 10th year Money Back, what is the Death Benefit that the Nominee of this policy will receive ?			
9	Describe what is 'Fortuitous Loss' and what is 'Catastrophic Loss'. State whether these losses be covered by Insurance.	3	CO1	BT1
10	Recall the 'Principle of Subrogation' along with an example of a practical situation.	3	CO2	BT1

Part B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
11	'Risk Management Techniques to be adopted are based on the frequency and severity of losses'. Explain this statement with suitable examples.	10	CO1	BT2
12	Orion Manufacturing Ltd., a medium-sized company producing industrial equipment, has recently faced multiple challenges including frequent machine breakdowns, workplace injuries, fire hazards, and supply chain disruptions. These issues have led to financial losses, production delays, and employee dissatisfaction. The company currently does not have a structured risk management system and relies mostly on reactive measures. As a Risk Management Expert, you are required to sketch the steps involved in Risk Management Process.	10	CO1	BT3

Part C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
13	Mr Gulati a 35 year old salaried employee with three dependents (his wife and two children aged 4 and 2) is considering purchasing life insurance plan. As his Financial Advisor, you are required to explain the features, suitability and disadvantages of 1) Term Insurance 2) Whole Life Insurance Policies.	10	CO3	BT2
14	Mr. Arvind, a 35-year-old professional, is planning to purchase a life insurance policy and is evaluating whether to add riders such as critical illness and accidental death. He is not sure what these riders offer as benefits. As you an Insurance Specialist, explain the concept of riders in life insurance, its role, advantages and limitations of adding riders to a base policy.	10	CO3	BT2

Part D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
15	AGILE TILES LTD. a manufacturing firm suffers a loss due to fire and files a insurance claim. During investigation, it is found that the firm	10	CO2	BT2

	had taken multiple insurance policies on the same asset and had also failed to disclose certain material facts at the time of policy issuance. Considering this situation, identify and explain the relevant key insurance principles and how these principles influence claim settlement.			
16	Mr. Rohan takes a life insurance policy on his wife and also purchases fire insurance for a commercial property that he has leased to another business. Additionally, he insures goods that are in transit but not yet owned by him at the time of policy purchase. Later, claims arise under all three policies. Expalin the concpet of Insurable Interest and discuss whether Mr Rohan has valid insurable interest at the relevant stages. Also, discuss how the requirement of insurable interest differs across life, general, and marine insurance.	10	CO2	BT2

Part E: Answer Any 1 Following Questions. 10 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17	Mr Yogi recently joined TCS after his MBA. As per the Offer Letter received, he is covered under TCS Group Health Insurance for a Sum Assured of Rs 5 Lacs. Mr Yogi has never been insured earlier and so is not aware of Individual Health Insurance and Group Health Insurance. As a Insurance Specialist, you are required to prepare a note on the advantages and disadvantages of Individual Health Insurance and Group Health Insurance Plans.	10	CO4	BT3
18	Mrs. Meera, a 45-year-old policyholder, is hospitalized and files a claim under her health insurance policy. During settlement, she got a rejection due to waiting period. She is confused about this term waiting period. As her advisor, you are now required to prepare a note explaining : a) what is waiting period b) types of waiting period ; and c) where waiting period may not be applicable	10	CO4	BT3

Part F: Answer Following Questions. 30 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19	Mr. Kumar holds a health insurance policy and undergoes hospitalization. His claim is partially rejected due to non-disclosure	15	CO4	BT3

	of medical history and application of policy conditions like co-payment and waiting period. Questions: 1) Articulate the role of policy terms and principles in claim settlement. 2) Assess whether the insurer's decision is justified. 3) Suggest measures to avoid such disputes.			
20	An insurance company has received multiple life insurance proposals from individuals with varying profiles. The underwriting team must assess these proposals to determine risk classification, premium rates, and policy terms. 1) Analyze the concept and role of underwriting in life insurance. 2) Eplian the various medical and non-medical factors considered in underwriting decisions; 3) Show the range of possible underwriting outcomes; and 4) Write a note on how effective underwriting contributes to risk management and profitability of insurance companies.	15	CO3	BT3