



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions:

(6x5=30)

- 1) What is difference between pure risk and speculative risk? Illustrate with examples
- 2) What are the steps of risk management process? Briefly explain the measurement and analysis of loss exposure.
- 3) What is premature death? Briefly explain the various cost associated with premature death.
- 4) Briefly describe the characteristics of insurance.
- 5) What is risk control? Illustrate the risk prevention technique with example.
- 6) What is indemnification? Illustrate the calculation of actual cash value of loss.

Q.2. Answer the following questions.

(3x10=30)

Buildings in flood zones are difficult to insure by private insurers because the ideal requirements of an insurable risk are difficult to meet.

- a. Identify the ideal requirements of an insurable risk.
- b. Which of the requirements of an insurable risk are not met by the flood peril? Explain Explain the objectives of risk management both before and after a loss occurs.

Briefly explain the following types of reinsurance methods for the sharing of losses:

- a. Quota-share treaty
- b. Surplus-share treaty
- c. Excess-of-loss reinsurance
- d. Reinsurance pool