

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**B. COMM (HONOURS) DEGREE INSURANCE AND ACTUARIAL SCIENCE**

**RISK AND INSURANCE : CIN 1202**

**JUNE 2004 SECOND SEMESTER EXAMINATION**

**INSTRUCTIONS TO CANDIDATES**

- Each question carries equal marks
  - Answer four (4) questions
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**Question 1**

Discuss the important factors to consider in processing insurance claims.

**[25 marks]**

**Question 2**

i) Define the concept of insurable interest.

**[5 marks]**

ii) Discuss the essential elements for insurable interest to exist.

**[10 marks]**

iii) Explain the extent of insurable interest that an employer has on the life of his key employee.

**[10 marks]**

**Question 3**

Discuss the advantages and disadvantages of two risk identification techniques of your choice.

**[25 marks]**

**Question 4**

Assess and suggest ways of managing the risk of loss, damage or destruction to a mud and thatch warehouse and its contents of African wood carvings. The value of the building is Z\$10 million, the selling price of the contents is Z\$200 million while the cost price of contents is Z\$100 million.

**[25 marks]**

**Question 5**

Distinguish between each of the following terms and explain how each relates to insurance:

- i) premium [1 mark]
- ii) particular risks and fundamental risks [8 marks]
- iii) excess and franchise [8 marks]
- iv) insurance broker and insured [8 marks]

**Question 6**

What makes some risks insurance and others uninsurable? Discuss  
[25 marks]

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**END OF EXAMINATION PAPER!!**