



KARATINA UNIVERSITY
UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER
REGULAR EXAMINATION
FOR THE DEGREE OF
BACHELOR OF SCIENCE IN ACTUARIAL
SCIENCE

COURSE CODE: ACS 221

COURSE TITLE: GENERAL INSURANCE

DATE: 22nd APRIL, 2024

TIME: 9AM-11PM

Instructions: Answer **all** questions in section A and any other **two** from section B.

See Inside.

SECTION A

Answer **all** questions from this section

QUESTION ONE (30 MARKS)

- a. Differentiate the following terms as used in General Insurance.
- i. Broker and Agent. [2 marks]
 - i. Excess and Liability. [2 marks]
- b. Discuss three types of reserves a General Insurance company should hold. [6 marks]
- c. Briefly describe FIVE benefits of General Insurance. [5 marks]
- d. State the three types of pension general insurance products in the Kenyan market [3 marks]
- e. Discuss the two forms of reinsurance agreements. [2 marks]
- f. State the roles of Insurance Regulatory Authority in the Kenyan insurance industry. [5 marks]
- f. State any FIVE principles of general insurance. [5 marks]

SECTION B (40 MARKS)

Answer **any Two** questions from this section

QUESTION TWO (20 MARKS)

- a. What is a unit-linked insurance product? [2 marks]
- b. Briefly discuss any five contractual provisions that an insured should know under general insurance. [10 marks]
- c. Re Limited is a newly registered reinsurance company. Discuss four reasons why a given ceding company would want to re-insure one of its products with Re Limited. [8 marks]

QUESTION THREE (20 MARKS)

- a. Explain ANY THREE facts that needs to be disclosed in a general insurance contract. [6 marks]
- b. Explain FOUR factors that affects the penetration of general insurance industry in Kenya. [8 marks]
- c. Explain the claims payment process by the general insurance companies. [6 marks]

QUESTION FOUR (20 MARKS)

- a. Discuss the classifications of risks distinctly based on financial results and Cause and effects. [4 marks]
- b. ACS121 Insurance company has just launched a new insurance product.
 - i. Discuss five distribution channels the company may use for its product to the potential clients. [6 marks]
 - ii. Explain the process of New Product Development in Kenyan Market. [10 marks]

QUESTION FIVE (20 MARKS)

- a. Explain any six sources of risk to a general insurance company. [12 marks]
- b. Explain any four methods of estimating future claims of a general insurance company. [8 marks]