



The Co-operative University of Kenya

SUPPLEMENTARY / SPECIAL EXAMINATION AUGUST-2019 EXAMINATION FOR THE DIPLOMA IN RISK MANAGEMENT (YR II SEM I)

UNIT CODE: DMRI 1102

UNIT TITLE: RISK MANAGEMENT AND INSURANCE

DATE: 29TH AUGUST, 2019

TIME: 11:30 AM – 1:30 PM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- a) Define risk management and show relevant examples (2 marks)
- b) Discuss FIVE types of insurance (10 marks)
- c) Establish the relationship intermediary organisations and insurance companies (4 marks)
- d) Differentiate between insurance brokers and agents (6 marks)
- e) Describe the insurance risk associated with intermediaries (8 marks)

QUESTION TWO

- a) Demonstrate how to manage intermediary risks (10 marks)
- b) Establish the factors to look for in intermediary risk identification and management (10 marks)

QUESTION THREE

- a) Discuss the following items used in risk management and insurance
 - i. Risk appetite (3 marks)
 - ii. Risk tolerance (3 marks)
 - iii. Risk appetite management in insurance (3 marks)
- b) Establish the importance of risk management in insurance (8 marks)
- c) Describe the strategy paradox (3 marks)

QUESTION FOUR

- a) How would PESTEL Analysis be used to aid in insurance risk management (12 marks)
- b) Outline and discuss the objectives of risk management in insurance (8 marks)

QUESTION FIVE

- a) Outline and discuss the strategic risk management framework in insurance (8 marks)
- b) Demonstrate the relationship between strategic planning and risk management (8 marks)
- c) Establish the importance of risk management regulation (4 marks)