THE CO-OPERATIVE UNIVERSITY OF KENYA

END SEMESTER EXAMINATION DECEMBER-2022

EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE BUSINESS

UNIT CODE: BCOB 3208/HCOB 2307

UNIT TITLE: PRINCIPLES OF CO-OPERATIVE INSURANCE

DATE: WEDNESDAY 14TH DECEMBER, 2022

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

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

QUESTION ONE

a) Differentiate between:
   i. A cover note and a certificate (4 Marks)
   ii. Express and Implied conditions (2 Marks)
   iii. Physical amd Moral hazard (5 Marks)

b) Define endorsements (2 Marks)

c) Owners of road vehicles are exposed to losses and damages caused by accidents that have specific features. Discuss (5 Marks)

d) Discuss five exclusions under property insurance. (5 Marks)

e) Sum insured in fire insurance Ksh. 2,500,000 and premium rate is 3.5%. Stamp duty charged is Ksh. 50. Policyholder compensation fund of 0.25% Calculate the total premium required on the policy: (5 Marks)

QUESTION TWO

a) Discuss five characteristic of an insurance contract. (5 Marks)

b) There are three **conditions** which must be fulfilled in order to constitute a fire in the insurance sense. (3 Marks)

c) Discuss express stipulations and conditions of money policy. (5 Marks)

d) Discuss five exclusions of the money insurance policy. (5 Marks)

e) List two examples of employees who do not necessarily handle cash as such but are still able to commit fraud. (2 Marks)

QUESTION THREE

a) Discuss four ways of signifying acceptance of an insurance contract. (8 Marks)

b) From an underwriting point of view, there are five important areas to considered in fidelity insurance. Discuss the areas. (10 Marks)

c) What are two types of credit policies. (2 Marks)

QUESTION FOUR

a) The inland marine insurance definition has evolved over time to cover a wide range of property and materials. They include. (10 Marks)

b) Discuss four ways of terminating an insurance contract. (4 Marks)

c) Four methods of combating infalation. (4 Marks)

d) Define fidelity insurance. (2 Marks)

QUESTION FIVE

a) Discuss the factors limiting indemnity. (5 Marks)

b) There are three types of Goods-in-Transit policies. Discuss them. (6 Marks)

c) Differentiate between Marine Cargo and Inland Marine insurance policies. (4 Marks)

d) Discuss underwriting factors in motor insurance. (5 Marks)