

Course No: MAN 4333  
Course Title: Insurance Management  
Date: 25/05/2015  
No. of Questions: 3  
Time: 2 hour  
Using Calculator (No)

University of Palestine



Final Exam  
2<sup>nd</sup> semester 2014/2015  
Total Grade:

Instructor Name: Dr. EzzElarab  
Elawoor  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: Business & Finance  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

## First Question

### Which of the following questions is (True) or (False):

1. Chance of loss is defined as: The probability that an event will occur?
2. Chance of loss is the probability that an event that causes a loss will not occur?
3. A peril is a condition that increases the chance of loss.
4. A direct loss is a financial loss that results from the physical damage, destruction, or theft of the property, such as fire damage to a home?
5. Inability to afford or find coverage is one of the reports of the market having problems occur regularly.
6. A bad business practice is one of the insurance industry critics?
7. In Valid Insurance Contract – Consideration, Property: monetary payment and an agreement to abide by conditions and stipulations in the contract
8. Life Insurance simply stated as the main purpose of life insurance is to pay dollars when the insured dies.
9. Accelerated Death Benefits means that, pays a portion of the face amount when an insured is certified terminally ill - expected to die within 12 months.
10. Business Interruption Problems contents Loss of income and Continuing expenses.

## Second Question

### Multiple choice, choose the right answer?

1. The two main element of defining Insurance?
  - a. Financial Definition: Premium Payment and Legal Definition: Contractual Relationship.
  - b. Production and marketing elements.
  - c. Financial and transportation.
  - d. None of the above.
2. Enterprise Risk Management combines into a single unified treatment program all major risks faced by the firm:
  - a. Pure risk & Speculative risk
  - b. Strategic risk & Operational risk
  - c. Financial risk
  - d. All the above
3. Duties of the agent:
  - a. Loyalty, not to be negligent and to obey instructions
  - b. Loyalty, not to be negligent and marketing analysis
  - c. Profits, not to be negligent and to obey instructions
  - d. None
4. Conditions for Competitive Insurance Markets contents?
  - a. Large Number of Buyers and Sellers - Low Exit and Entry Barriers
  - b. Homogenous Products - Well-Informed Market Parties
  - c. All the above
  - d. None

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5. Insurance Industry Critics includes;
  - a. Bad business practices
  - b. Inadequate rate regulation
  - c. Increasing of insurance demand and supply
  - d. A+B
  - e. B+C
  
6. In Valid Insurance Contract - Offer and Acceptance, Life insurance contents:
  - a. Agent solicits offer
  - b. Applicant offers
  - c. Insurance company accepts, rejects, or counter offers
  - d. A+B+C
  - e. A+B
  
7. In life insurance, other Types of Life Insurance includes;
  - a. Flexible Premium Variable Life Insurance (FPVLI) or Variable - Universal
  - b. Endowment Life Insurance - not sold due to changes in tax law
  - c. Family Life Insurance policies
  - d. All the above
  - e. A+B
  
8. Saving Using Life Insurance contents;
  - a. Expert investment and diversification services
  - b. Many consumers do not save unless forced to do so
  - c. Cut money from income to cover liabilities
  - d. A+B
  - e. A+C
  
9. Commercial insurance includes;
  - a. Property Damage – Liability - Inland Marine - Commercial Auto
  - b. Dwelling - Personal property - Legal liability
  - c. Some medical payments
  - d. Some medical payments
  
10. In property insurance rating, class rating contents;
  - a. Pricing the exposure by placing it in a particular class based on characteristics (e.g. automobile and homeowners)
  - b. Debits and credits are made compared to a “standard” exposure resulting in a unique rate for the property
  - c. Categorize of contracts and liabilities.
  - d. All the above.

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### Third Question

**Answer only 4 questions of the following;**

1. Mention Types of Insurance Agents?
2. In insurance industry response, Costs have gone up due to some reasons: Briefly mention these reasons?
3. What are the Requirements of a Valid Insurance Contract?
4. Mention the Legal Principles of the insurance contracts?
5. Who are the Parties to the Life Insurance Contract?
6. Define Inland Marine Classes of Property with giving examples?
7. Mention in points, Conditions for Competitive Insurance Markets?

End of Questions

*Good Luck*