



## Exam for Bachelor students:

### Place and role of private insurance in the wider landscape of risk management, finance and social protection

Prof. em. Herman Cousy

#### Reminder

We agreed that the actual exam material is:

- Lesson I entirely, including the reading material
- Lesson II, 1 (Lloyd's) and 2 (Insurance Cultures)
- Lesson IV entirely (Risks and Uncertainties)
- Lesson V, 1 Life insurance linked to investment funds

#### Exam

The exam is an *open book exam* (access to all the course materials that were distributed).

*Question 1 must be answered.*

In *question 2* you have the *choice between question a* and *question b*. Answer one of them and *only one*.



1. It has taken the European Member States a long time before they came to agree on a legal framework for the internal market of insurance (in 1992). Can you explain in your own words how these difficulties are connected to the existence of two insurance traditions within the framework of the internal market? Is the EU legal framework for an internal market now completed? Are there criticisms?
  
2. Answer one of the following two questions.
  - a. With respect to the “precautionary principle” theory, explain
    - the difference between “prevention” and “precaution
    - the difference between “pouvoir” and “savoir” and the relevance of the distinction
  
  - b. Explain the role and the importance of the “indemnity principle” in insurance contract law.

## BACHELORPRÜFUNG HS 2015

### THE PLACE AND ROLE OF PRIVATE INSURANCE IN THE WIDER LANDSCAPE OF RISK MANAGEMENT, FINANCE AND SOCIAL PROTECTION (Prof. H. Cousy)

This is an open book exam, in which the questions are closely related to what is described in the course materials. Therefore it makes no sense to repeat what the correct answers should be, since you find them, so to speak, almost literally in the materials (as specified below).

In grading the exams, attention was paid to the following:

- did you answer all the questions, including the sub-questions?
- is your story clear, coherent, well-structured?
- does the answer show that you have understood well and that you have got some insight into the world of insurance?

#### **Question 1**

The existence of two insurance cultures is extensively described in Lesson II, 2.

Among the items that were especially appreciated: the detailed illustrations of the differences in legal and business cultures; the difficult genesis of the three generations of internal market directives; the different concepts of solidarity; the issue of harmonization of insurance contract law.

#### **Question 2a**

The concepts are extensively described in Lesson IV. Reading the whole text of my article (in advance) was certainly a recommendable preparation for the examination.

#### **Question 2b**

The indemnity principle is explained in Lesson I, Reading (The characteristics of the insurance contract).

Among the issues that should figure in your answer: Origins of the principle – Why not applicable to life insurance – Implications (three of them).