

Instructions: This section consists of **six (6)** essay questions. Answer **four (4)** questions only in the answers booklet.

QUESTION 1

- (a) Fundamental objectives of legislation enforce by government are to ensure that policyholders are sufficiently protected. State the advantage deriving from government supervision through legislation.
(4 marks)
- (b) Insurance uses a common pool concept. It involve contribution from many insured to pay for losses suffered by a few. Explain the common pool mechanism involves in insurance.
(7 marks)
- (c) Marketing is a system tool of business activities designed to plan, promote and distribute wants to satisfy goods and services to potential customers. Describe:
- i. Marketing concept in Insurance
(3 marks)
 - ii. **FOUR (4)** roles of sales people in marketing insurance product
(8 marks)
 - iii. Sales concept in Insurance
(3 marks)

QUESTION 2

- (a) What is market penetration?
(3 marks)
- (b) Market segmentation is the process of sub dividing a market into distinct sunsets of customers who behave in the same way or have similar needs. Identify with example the bases of segmentation.
(15 marks)
- (c) Marketing research is the systematic design, collection, analysis and reporting of data relevant to a specific marketing situation facing in an organization. Describe **FOUR (4)** steps in the marketing process.
(7 marks)

POLITEKNIK
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EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2011 SESSION

P3306 : INSURANCE MARKETING

DATE : 27.04.2012
DURATION : 2 HOURS (08:30AM – 10:30AM)

This paper consists of **FOUR (4)** pages including the front page.
Section A: Essay (6 questions – answer 4)

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CHIEF INVIGILATOR

QUESTION 5

- (a) Distribution channels are a method of getting a product to its consumer. The channel used can be an on-site store, a virtual store, a retailer, a wholesaler, an agent, a telemarketer or direct mail. Discuss the distribution channels used in life and health insurance. (9 marks)
- (b) Explain the use of following distribution:
- i. Tied agent (6 marks)
 - ii. Brokers (8 marks)
 - iii. Home service agent (2 marks)

QUESTION 6

- (a) Sales force serves as the company personal link to the customers. Discuss how insurance company give its deepest thought to issue in sales force design. (15 marks)
- (b) Many company sent their new sales representatives into the field almost immediately after training program. Describe the importance of training program to the sales representatives. (10 marks)

QUESTION 3

- (a) State **FOUR (4)** profiles of a potential customer. (8 marks)
- (b) Market can be address through evaluating the market segment and selecting market segment. Elaborate how company decides which and how many segments. (12 marks)
- (c) Define the following possible strategies open to an insurer:
- i. Market development (2 marks)
 - ii. Service/product development (2 marks)
 - iii. Diversification (1 marks)

QUESTION 4

- (a) Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Elaborate:
- i. **Two (2)** types of advertising with **One (1)** example. (8 marks)
 - ii. How to develop an advertising program (6 marks)
- (b) Personal selling is a personal presentation by the firm's sales force for the purpose of making sales and building customers relationship. Identify **SIX (6)** steps for effective personal selling. (11 marks)