Unit 1

Practice Question

INSTITUTE OF ACTUARIAL & QUANTITATIVE STUDIES

Subject:

Chapter:

Category:

3. Write a note on the essential features of an insurable risk.

4. How does life insurance benefit society?

5. What do we mean when we say 'cost of insurance'?

6. Is insurance different from gambling? Support your argument with relevant points.

7. Why is the principle of indemnity not applicable to life insurance contracts?

Products

1. Term and endowment are two forms of life insurance. Compare and contrast the product characteristics and objectives of these two coverages.

2. Explain the nature of whole life insurance. Compare and contrast with endowment and term life insurance.

3. What is the recent product innovations brought out by insurers to enhance value of the existing policies?

Group Insurance

1. "Minimum cost". Discuss.

2. How can an employer help his employees to manage their retirement risk through group insurance?

3. What are the income tax benefits to employer and the employees flowing out of the implementation of the group schemes?

4. What are the major benefits of group employees benefit schemes?

5. Discuss the difference between group and individual insurance?

Product design

1. Why might an actuary be looking at a possible new product design in the first place?

2. Give an example of a product where an allowance for expected future mortality change is essential.

3. Why is it important to treat customers fairly?

Underwriting

1. How does society bene t from the practice of underwriting?

2. What are the guiding principles in underwriting life and health insurance?

3. What are the objectives of underwriting?