Unit 2

Practice Question

INSTITUTE OF ACTUARIAL
& QUANTITATIVE STUDIES

Subject:

Chapter:

Category:

3. Explain various elements, which influence effective pricing of life insurance products.

4. Explain interaction among insurance pricing elements and how asset share calculation provides a perspective on the relationship among the cash surrender value, policy reserve, and asset share of a life insurance policy.

Distribution channel of Life Insurance

1. Discuss the strengths and weaknesses of three major distribution channels in life and health insurance. What competitive advantages might each of these distributions possess in the marketing of specific life and health products?

2. What is the role of multinational insurers in Indian life insurance market?

3. Describe the various compensation practices used for management and intermediaries involved In the marketing of life insurance.

4. How do different compensation practices seek a balance between the interests of both the owners and employees of a life insurer?

5. Discuss the future of life insurance marketing in India.

Claim settlement

1. The effectiveness of the claims management is dependent on two important elements such as well de ned structure of claims department and well de ned working of the department – discuss.

2. What is a 'Claim' in regard to Life Insurance Contract.

3. List out the functions of claims department

4. Discuss the role of Information Technology in claims settlement.

5. Discuss the powers of

a) Central Govt.

b) Ombudsman

c) IRDA

d) Consumer Protection Act in claim settlement

Lapsation and Revival

1. What is lapsation?

2. Identify some of the causes of lapsation of life insurance policies

3. Discuss the consequences of lapsation of life insurance policies on a) Insurance Companies b) Policyholders c) Intermediaries d) Government

4. Discuss various revival methods of lapsed life insurance policies?

Risk

1. A life insurer has written large numbers of with-profits endowment assurances over many years. It has performed a careful analysis of the average expense per policy of this business. It is about to start

individual insurance company operating in an established insurance market in a country with a developed economy.

3. Why don't companies just charge a fixed fee for contracts, irrespective of their size, toget round the problem of mix by size of contract?

4. Describe the risks, associated with administration, caused by: (a) too much new business (b) too little new business.

5. A life insurance company has decided to add a renewal option to its ten-year without-profits term assurance contracts. It will charge for this option by increasing the premium for the original contract to cover the expected cost of the option. Has the risk for the company increased by giving this option?