



Subject: Insurance

Chapter: Unit 4

Category: Practice question

Claim settlement

1. The effectiveness of the claims management is dependent on two important elements such as well defined structure of claims department and well defined 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 writing without-profits term assurances for the first time, and it plans to use the per-policy expenses from its endowments as its expense assumption for the term assurances. Suggest reasons why this might not be appropriate.
2. Discuss the extent to which mortality represents a risk on without-profits term assurance, for an 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, to get 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?



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