

The logo for the Institute of Actuarial & Quantitative Studies (IAQS) features the letters 'IAQS' in a bold, serif font. The 'Q' is a vibrant orange color, while the 'I', 'A', and 'S' are dark navy blue. The letters are closely spaced, with the 'Q' partially overlapping the 'A' and 'S'.

IAQS

The background of the entire image is a grayscale, high-angle photograph of a dense urban skyline, likely New York City. The Empire State Building is a prominent feature in the upper center. The image is slightly faded to allow the text to stand out.

**INSTITUTE OF ACTUARIAL
& QUANTITATIVE STUDIES**

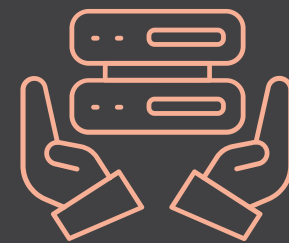
Law of Large Numbers

The law of large numbers states that as a sample size becomes larger, the sample mean gets closer to the expected value.

For example, the chance of rolling a 1 on a fair die is $1/6$.

In just 10 rolls, we might get 1 several times or not at all.

But with thousands of rolls, the proportion of 1s gets closer to $1/6$.



Premiums

Insurance is not free

A premium is the amount a person pays to the insurance company for coverage.

It's like a membership fee — you pay regularly (monthly/yearly), and the company promises to help if something bad happens (like a death, accident, or illness).



Why is General Insurance essential?

General Insurance is a type of insurance that provides financial protection against losses other than life. It covers valuable things you own — like your car, home, health, and travel plans — against risks such as damage, theft, illness, or accidents.

General insurance protects against non-life risks like damage, theft, or accidents. It includes home, car, travel, health, liability, business, marine, cyber, and pet insurance, each designed to cover unexpected losses and provide financial security.

Financial Protection

Prevents financial loss due to unforeseen risks



Legal Compliance

Many insurances are mandatory (health, auto, business)



Peace of Mind

Ensures long-term security for individuals & companies.



Types of General Insurance



Car Insurance

Car insurance is a type of general insurance that protects you and your vehicle against financial losses from accidents, theft, or damage. It can cover repair costs, medical expenses, and even damage caused to others. In many countries, having car insurance is a legal requirement to drive on public roads.

Because sometimes your car needs protection from your driving adventures.



Home Insurance

Home insurance protects your house and belongings from risks like fire, theft, or natural disasters. It covers repair or replacement costs, helping you recover financially. Some policies even include temporary housing if your home is unlivable. It ensures peace of mind by safeguarding your biggest asset. For when your house decides it's time for a little "unexpected renovation."



Travel Insurance

Travel insurance covers unexpected problems during trips, like flight cancellations, lost luggage, or medical emergencies abroad. It helps you recover costs and get support while you're away from home. Some policies also include emergency evacuation or trip interruption. It ensures a safer, stress-free travel experience. So when your vacation goes off-track, you don't end up off-budget.

Unconventional POLICIES

Body Part Insurance:

Celebrities in particular are famous for their insured body parts. Think of body part insurance as an extension of disability insurance. Everyone is eligible for disability insurance in the event they are injured or unable to work for an extended period of time.

Rajinikanth insured his voice, Vijender Singh his fingers, and Sania Mirza her hands. Cristiano Ronaldo has also insured a body part—do you know which one?



Unconventional POLICIES

Other:

- Paranormal Insurance: Covers damages caused by supernatural events like hauntings or demonic possession.
- "Change of Heart" Insurance: Protects against financial loss if a party backs out of a commitment or deal.
- Prize Indemnity Insurance: Covers the cost of prizes, such as for a hole-in-one at a golf tournament.
- Alien Abduction Insurance: Provides coverage for medical bills and property damage from alleged alien abductions.



Policy Architect

In this interactive game, each student is assigned a type of insurance policy—such as motor, home, liability, or other. They are given a list of possible policy parameters (e.g., premium, deductible, risk factors, claim limits, etc.) and must:

1. Select the parameters most relevant to their assigned policy.
2. Assign weights to each parameter based on its perceived importance in risk assessment and pricing.



The differences in how students weighted policy parameters stem from their understanding of the specific risks and priorities associated with each type of insurance. For example:

- motor insurance emphasized driver history and vehicle type
- home insurance focused on location risk and property value
- liability insurance prioritized business size and third-party exposure.



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THANK YOU



