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FY SECTION B
ROLL NO: 85

ASSIGNMENT 2

NON-LIFE INSURANCE - PRINCIPLES, PRODUCTS AND PRACTICES

1. The two main types of personal accident insurance are:
i) Individual accident insurance: This type of policy guards an individuals in case of any accidental damage. It covers accidental death, loss of limbs or sight, or other permanent disabilities resulting due to an accident.
ii) Group accident insurance: This type of policy is taken by employers to get coverage for their employees. Depending on the group size, some insurers also provide a discount on the premium. It is a good incentive for smaller organizations as it is available at low cost. However, this is a very basic plan and may offer limited benefits compared to an individual plan.

2. The term liability insurance refers to an insurance product that provides an insured party with protection against claims resulting from injuries and damage to other people or property.
Liability insurance policies cover any legal costs and payouts an insured party is responsible for if they are found legally liable. Intentional damage and contractual liabilities are generally not covered in liability insurance policies.

3. Travel Insurance is a type of insurance that covers the costs and losses associated with travelling.
Many companies selling tickets or travel packages, give consumers the option to purchase travel insurance, also known as travellers insurance.
Travel health insurance is designed to provide coverage for emergency medical needs such as hospitalisation, emergency room fees, ambulance costs and prescription drugs while in the hospital.

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You should consider buying travel insurance if:

* you're worried about something happening at your destination
* you're afraid something might happen that would make you cancel or interrupt your trip.
* you're not sure what you'd do if you had a medical emergency while you were travelling.
* you want to protect your belongings from loss, damage or theft.
* you want travel help ready and waiting in a travel emergency.

4. The two types of cover under marine insurance :-

i) Hull

It covers physical damage to vessels including machinery and fuel but not their cargo. Hull insurance is an insurance policy especially designed for covering ship damage expenses where the 'hull' refers to the main body of the ship. Hull insurance can be understood like a car insurance, with a difference of being for a water faring vehicle instead of land.

ii) Cargo

It covers physical damage or loss of goods while in transit. Cargo insurance provides coverage against all risks of physical loss or damage to freight during the shipment from any external cause during shipping, whether by land, sea or air.

5) Inclusions of engineering insurance

* Fire, lightning, explosion, aircraft damage.
* Riot, strike, malicious acts.
* Flood, inundation, storm, cyclone, and allied perils.
* Lanslide, subsidence and rockslide.

* Burglary and theft.
* Faults in erection.
* Human errors, negligence.
* Short circuiting, arcing, excess voltage.
* Electrical and mechanical breakdown.
* Collapse, damage due to foreign objects, impact damages
* Any other sudden, unforeseen, accidental damages not explicitly included.

Exclusions of engineering insurance

* War invasion.
* Nuclear reaction, nuclear radiation, or radioactive contamination
* Insured's contribution – deductible.
* Willful act or willful negligence of the insured.
* Cessation of work.
* Defective material or bad workmanship
* Wear, tear, corrosion, oxidation, deterioration.
* Breakage of glass.
* Disappearance or shortage (inventory losses).
* Design defects.
* Loss of files, drawings, cash, cheque etc.
* Consequential loss.
* Terrorism.

6) The following documents are required for a claim settlement in aviation insurance:

* Aircraft details document
* Flight details document
* Details of the crew members
* Documented proof of the accident
* Information on aircraft's maintenance and engineering
* Documents of operational manual passenger.

7) Professional indemnity insurance.
It is a type of liability insurance that covers the businesses or individuals who provide advice or a professional service to clients. It covers the compensation claims when the business is sued by its clients for making a mistake.

8) Types of travel insurance are:
* Domestic travel insurance plan
This policy is designed for customers intending to travel within the contours of the country. A domestic travel insurance policy insulates the policyholder from expenses that may result from treatment of a medical emergency, theft/loss of baggage and other valuables, delays/cancellations of flights, permanent disability, and personal liability.

* International travel insurance.
This policy is designed in keeping with what customers - travelling internationally - would want. Besides the usual coverage offered by its domestic counterpart, an international travel insurance policy safeguards the policyholder against risks of a flight hijack, repatriation to India etc.

* Medical travel insurance
This policy is specifically designed to cover expenses emanating from medical emergencies and other healthcare-related concerns. However, the exact set of inclusions and exclusions will vary across insurance providers.

* Senior citizen travel insurance
Besides the usual advantages of purchasing travel insurance, a policy that is directed at senior citizens (generally

belonging to the age group of 61-70 years) offers additional coverage against dental treatments/procedures as well as cashless hospitalization.

* Single and multi-trip travel insurance
As the name suggests, a single-trip travel insurance policy retains its validity through the time you are on a trip. It covers both medical as well as non-medical expenses (such as baggage loss, delays in flights etc).
Multi-trip travel insurance policy, on the other hand, provides extended coverage (lasting usually a year in most cases) so that frequent flyers don't have to go through the entire process of availing insurance everytime they prepare for travel.

* Travel accident insurance
The purpose of this insurance is to provide term life and accidental death and dismemberment protection for you and your family. This covers unexpected and sudden losses that occur because of travel or flight accidents. The benefits apply while you are on a trip that is insured or during the coverage period. This ~~of~~ type of trip insurance is ideal for frequent world travellers, particularly those who visit risky regions.

* Medical evacuation insurance
This type of plan focuses on covering the cost of evacuations and repatriation. If you are hospitalised while travelling with your family, it may cover the cost of an emergency medical reunion and the return of any minor children home. Some plans may also provide term life and AD & D benefits to protect your family as well as coverage for lost luggage, adventure sports and trip

interruptions.

* Package travel insurance
Package plans are customised according to the different needs of various travellers. A typical plan includes coverage for evacuations, luggage problems, medical and dental costs, returning minors home, and trip cancellations, delays and interruptions. Some plans also cover adventure activities, credit card and passport services, identity theft assistance, pet care, pre-existing medical conditions, rental car collisions, roadside assistance and sports equipment.

9) The types of engineering insurance are:
* Plant all risk insurance
This insurance policy is streamlined to cater to loss and unforeseen damages of operational tools. Construction equipment and operational machinery are susceptible to wear and tear due to their exposure to extreme environmental conditions.

* Machine breakdown policy
This policy provides cover losses for sudden or unexpected damage of equipment - especially while they're still in use. Both internal and external damages are covered in this policy. Some of these internal damages could ~~be~~ include lubrication defects, electrical damage, overheating, and the like.

* Electronic equipment policy
This policy covers systems and devices that attract low voltage and power. Therefore, the insurer will be responsible for the cost of replacement or repairs

necessary to reinstate the former state of electronic equipment and devices.

* Contractor's all risk cover

It covers contractors and provides financial protection against damage or loss incurred during construction projects. It covers ~~los~~ against loss or damage of plants and equipments. This policy resonates with our reference to on-site construction uncertainties. It is peculiar to civil engineering projects like buildings, flyovers, airports and the like.

* Erection all risk policy

This policy offers comprehensive cover by covering risks which may arise during erection or testing period. It gives financial protection to the engineering contracts in the event of any accident. This policy is for erection and testing of manufacturing units or individual machineries.

10) Benefits of personal accident insurance policy are:

* Provides financial security to your family and loved ones.
* There are no external tests and documents needed over and above the current ~~situation~~ condition.
* Extensive coverage at much affordable rates.
* Plans available in two categories, self and family.
* It offers worldwide coverage.
* Easy and seamless claim process.
* Support centres available on all days and around the clock.
* You can customise the policy to suit your specific needs.

Additional Benefits :

* Expenses incurred for carriage of dead body of insured (death due to accident only) to place of residence of subject to a maximum of 2% of capital sum insured or ₹ 1000/- whichever is lower.

* Medical expenses arising out of an accident upto 10% of capital sum insured or 40% of the admissible claim whichever is lower at an additional premium of 20% basic premium.

* Education fund for the dependant children of the insured following death or permanent total disablement as detailed below :

a) If the insured has one dependent child below the age of 23 years, an amount equal to 10% of the capital sum insured subject to a maximum of ₹ 5000/-.

b) If the insured has more than one dependent child below the age of 23 years, an amount equal to 10% of capital sum insured subject to a maximum of ₹ 10,000/-.