ASSIGNMENT

1 ⇒ Bachelor without dependents needs a specific type of insurance. As he has no nominee or dependants. He has no benefits on death. Instead he needs insurance which give him claims on his survival so he can utilise its benefits.
(Annuity plans, Pure endowment plans etc.) (Products, home, non life insurances.)

2 ⇒

4 ⇒ Dying prematurely leaving the dependent family to fend for itself is more serious and difficult to manage. As an earning member is no more, he/she cannot take neccessary responsibities and non-earning members cannot develop any earning skills ~~imedi~~ immediately so, they would suffer from great difficulties till making any source of income. ~~Is~~ living too long can still be managable even if anyone ~~in~~ is not to support As they would probably have some retirement money or join some charity old age homes.

Q-6 → Adverse selection is the case where the insured may know some things that the insurer does not know and eventually it would end up being a bad risk and higher probablity of mortality. Thus making loss in claims.

→ Moral hazard, if it is right or wrong, intentional actions done by insured would not affect life insurance as insurer right to reject claims and insurer can specify moral hazard cases in its policy. (To be rejected if any done).

Q-12 Bob could have taken life insurance for him her wife

A → and daughter as ~~insur~~ beneficiary. He cannot take any loan for ~~[illegible]~~, equipments & house as all are on rent ~~and~~ he doesn't own it, Rather he can take insurance for items he had bought for his house and own it. He can also take child rider. He can also take ULIP linked products as he is willing to invest too. He can take liability insurance for his leased car.

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B→ People buy insurance policies because it brings peace of mind, the Premium you pay guarantees that the insurance company will cover the damage in case of unfortunate events. It ~~brings~~ ensures family's financial stability. A few years of savings can vanish in case of any emergency if insurance is not taken. Some think it is unnecessary expense, but you just cover a whole future's savings risk which could end up being worst nightmare. It reduses stress and future responsibilities during difficult times.

Q-15.) If underwriting were not permitted in private, voluntary markets for life and health insurance then insurer and company would not have any medical detail or information about anything in specific which would lead to adverse selection, moral hazard, Morale hazard, fasess, unfair prizing. eventually company could suffer from ~~many~~ having more bad risks and face.

~~from~~ huge losses because of unexpected ~~claim~~ higher claims. ~~Eventually~~ whole life & health insurance market, crash companies would go bankrupt disrupting ~~a~~ ~~hue~~ whole economy significantly.

Q→18 → life insurance → On death nominee gets claim
→ Term life insurance → upto certain age of death your nominee gets claim
→ ~~Pure endowment → Survival till certain~~
Not cut. ~~age gets insured paid~~. Pure endowment
→ Endowment → death or survival in any case claims are paid and settled.
→ Unit-linked product → propotion of your prium gets invested with sharing risk.
→ Riders → small benefits in any product adds prices to premiums.
→ Annuity → Regular payments to insured
→ Group insurance → Insurance for more than one.

Higest to lowest depends upon the price of claim and underwriting conclusions. If insured health is weak premiums will eventually increase. It depends upon probablity of claims. Products with claim probablity of 1 in any time frame obviously would have higher premiums by default.

Pure endowment. Survival till certain age gets paid.