Assignment - 1

Non Life Insurance - PPP

Question 1 → A reinsurance contract is a contract of indemnity - True.

Question 2.

Reinsurance is a form of insurance purchased by insurance companies in order to mitigate risk. With reinsurance, the company passes on some part of its own insurance liabilities to the other insurance company.

Reinsurance

Proportional — Non-Proportional

Quota Share — Surplus — Individual excess loss — Stop loss

There are 2 types of Reinsurance
1) Proportional Reinsurance
The direct writer & the insurance share the cost of all claims. This has 2 types → Quota share, Surplus.

- Quota Share - Reinsurer and writer share all premium and losses according to a fixed percentage

for example - Bajaj Allianz enters into a reinsurance contract with Munich Re with retained ~~profit~~ proportion of 80%. This means Bajaj Allianz pays 80% of the claim amount and gets to keep 80% of the premium recieved. Munich Re has to pay 20% of the claim amt. and recieves 20% of the premium.

- Surplus share reinsurance: A surplus share treaty is a reinsurance treaty in which the ceding insurer retains a fixed amount of policy liability and the reinsurer takes responsibility for what remains

for example: Bajaj Allianz forms a surplus share reinsurance contract with Munich Re and underwrites policy with a coverage of Rs. 50,00,000 with a retention of Rs. 20,00,000. The remaining are ceded to reinsurer

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Question 3.

Various Ratios used in profit analysis of reinsurance →

1) Combined Ratio → Indicates the profitability of an insurance company from its insurance business. It does not include the impact.

Combined Ratio → Loss Ratio + Net Comm Ratio + expense Ratio

2) Loss Ratio → The percentage of losses incurred to premium earned during the period. It is indicator of as insurer's underwriting discipline and skill at mitigating risk

Loss Ratio → Incurred losses / Earned Premium

3) Net Commission Ratio → represent the cost of obtaining the insurance business. It includes the intermediate commission net of reinsurance commission other related expenses which relates to acquisition of business

NCR = (Acquisition − RI commission) / NWP

4) Expense Ratio - It is calculated as underwriting expenses divided by net written Premiums, the expenses ratio measures an insurer's efficiency.

Operating Expense Ratio = Operating Expenses / NWP

Question 4.

The following contingencies are usually excluded under the Motor Insurance Policy :-

- Not having a valid Driving Licens
- Under Influence of Intoxicating liquour / drugs.
- Accidents taking place beyond Geographical limits
- ~~Vehile~~ vehicles is used for unlawful purposes
- Electrical / Mechanical Breakdowns
- Damage to tyres and tubes unless the vehicles is damaged at same time
- Consequential losses, depreciation wear and tear.

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Questions.

- Triton Insurance company Ltd. established in Calcutta in 1850 A.D.

- Indian Mercantile Insurance company Ltd. Started in Bombay in 1906-07. 107 insurers were amalgamated and grouped into 4 companies

- National Insurance company Ltd. the new India Assurance company Ltd., the Oriental Insurance company Ltd. and the United Insurance company Ltd.

- The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1, 1973.

Question 7.

Add ons available on a motor-Insurance :-

1. Zero depreciation cover
2. Engine protect cover
3. Return to Invoice cover
4. Loss of Personal Belongings cover
5. No claim Bonus
6. Personal accident cover for the passangers
7. Key replacements cover
8. Roadside assistance cover
9. Consumables cover
10. Daily Allowance cover

Question 8.

Documents Required to claim Health Insurance :-

- Health card
- Duly filled claim form
- Medical certificate / form which is signed by the treating doctor
- discharge summary or card
- All Bills and reciepts
- Prescriptions and cash Memos
- Investigation reports
- In an accident case then FIR & MLC is required.

Question 9.

Third party Liability Insurance cover :-

Third party liability is the manda--tory insurance cover for your vehicle to be safe and secured One has to buy TP liability cover for the mandated purpose under the law of motor vehicle act, 198

This cover protects you against the loss and damage that occured to the third party vehicle or the property that causes someone's death or injury due to your vehicle. In this circumstance, you have to deal with the situation

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Types o

1. Indivi
2. Famil
3. Critica
4. Senio
5. Top-U
6. Hospi
7. Perso
8. Medi
9. Gro
10. Dis
11. ULIP

Question 10.

Types of Health Insurance

1. Individual Health Insurance
2. Family Health Insurance
3. Critical Illness Insurance
4. Senior Citizen Health Insurance
5. Top-Up Health Insurance
6. Hospital Daily Cash
7. Personal Accident Insurance
8. Mediclaim
9. Group Health Insurance
10. Disease Specific
11. ULIP's

Question 9.

Third party Liability Insurance cover :-

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This cover protects you against the loss and damage that occurred to the third party vehicle or the property that causes someone's death or injury due to your vehicle. In this circumstance, you have to deal with the situation