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Assignment-1

Name : Het Shah
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Subject : Non Life Insurance - PPP
Section : F.Y - B

① A reinsurance Contract is Contract of indemnity?

Sol^n True.

② What is reinsurance? Discuss the types of reinsurance with examples.

Sol^n. Reinsurance is the form of the insurance purchase by insurance companies to mitigate the risk.

Types of reinsurance -

(i) Propotional Reinsurance

→ Under the propotional reinsurance agreement, the direct writer & the reinsurer will share the cost of the claim for every risk.

eg: For a particular property proget, the insurance company will give 75% of the premium, howeve the large or small ratio is , he will to payment.

and the other left out payment have to made by the reinsurance company.

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(ii) Non-Propotional Reinsurance

→ Under a non-propotional reinsurance, the Insurance Company will pay a fixed prem at the reinsurance company.

→ The reinsurance company will require to make the payment if the claim amout falls in its parts.

eg: Here Insurance company will say that it will pay all the claim which lies under 25 lakhs.

Thus if the claim size lies under 25 lakhs insurance company will handle & after the 25 lakhs, the claim will go to reinsurance company.

③ Discuss the various Ratio used in the profit Analysis of the Reinsurance.

Sol^n The ratio which are used in profit analysis are—.

(i) Net loss ratio = $\frac{\text{Net incurred claim}}{\text{Net earned premium}}$

(ii) Net expense ratio → $\frac{\text{expense}}{\text{Net written premium}}$

(iii) Net Commission ratio = $\frac{\text{commission}}{\text{Net written premium}}$

(iv) Net Combined ratio = $\frac{\text{Net incurred claim + expense + Commission}}{\text{Net written premium.}}$

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④ List the general Exclusion under a Motor Insurance Policy.

Sol^n.

→ If you don't have a valid license.
→ Driving the vehicle for unlawful purpose.
→ Accident take place beyond the geographical reason.
→ Under the influence of the liquor/drugs.
→ Damag to tyre or tube along with car damage at same time.
→ Consequential loss, depreciation, wear & tear etc....

⑤ Write about the history of General Insurance in India.

Sol^n → The first General Insurance Company was Triton Insurance Company Ltd. establish in Calcutta in 1850 AD.

→ The Indian mercantile Insurance Company started in Bombay in 1906-07. 107 insurers were amalgamated & group into four Companies

(i) National Insurance company Ltd.
(ii) The New India Assurance Company Ltd.
(iii) Oriental Insurance Company Ltd.
(iv) United India Insurance Company Ltd.

→ The General Insurance Corporation of India was incorporated as a Company in 1971 & it commence business on January 1st, 1973.

(6) Calculate Combined ratio using the following information: expense amount is $8500, commission is $5700, net claim incurr in the period amount to $150000. The Net written premium is $50000 & net premium earned is $75000.

Solⁿ Combined ratio = loss ratio + net commision ratio + expense ratio

Loss ratio = $\frac{\text{net Claim incurred}}{\text{Net earn Premium}} = \frac{150000}{75000} = 200\%$

Commission ratio = $\frac{\text{Commision}}{\text{net written Prem}} = \frac{5700}{50000} = 11.4\%$

Expense ratio = $\frac{\text{expense}}{\text{Net written premium}} = \frac{8500}{50000} = 17\%$

$\boxed{\text{Combined ratio} = 228.4\%}$

(7) List the various add-ons available on motor Insurance policy.

Solⁿ

(i) Zero depreciation cover
(ii) Engine protect cover
(iii) Personal belonging cover
(iv) Return to Invoice cover
(v) Roadside assistance cover
(vi) Personal accident cover for passenger
(vii) Consumable cover
(viii) Daily Allowance cover
(ix) No claim Bonus protect cover
(x) Key replacement cover.

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(8) List the documents require to claim Health Insurance.

Soln → Health Card
→ All bills & receipt of hospital.
→ Duly filled Claim.
→ Investigation report
→ hospital certificate of treating doctor.
→ Prescription of the doctor

(9) Explain in detail Third Party liability Insurance Cover.

Soln → Third Party liability Insurance cover is compulsory in our country.

→ It is compulsary to buy uncer the law of motor Insurance act, 1988.

→ If an accident happen, & their is damage in third party Property, or something happen to their life, it will compensate from the third party liability Insurance cover.

→ It doesn't cover your own loss & damage to your own vehicle.

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(10) List any 7 types of Health Insurance products.

Solⁿ (i) Mediclaim
(ii) Personal Accident Cover
(iii) Group Heath Insurance
(iv) Sineor Citizen Heath Insurance
(v) Family Health Insurance
(vi) Individual Health Insurance
(vii) Disease-specific Health Insurance

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