Assignment-2

Ques1. Various distribution channels are
(i) Market Intermediaries
(ii) Direct Response
(iii) Financial Institute

Ques2. Causes for lapsation of the policy:-
(i) Policy term is greater than ability to pay
(ii) Lack of agency hotelisation
(iii) Policy Mismatch
(iv) Found other letter policy
(v) worst in after sale service

Ques3. (a) Yes, the insurance company is right Mr. Harvey and nurse are at fault, nurse for not writing it correctly and Mr. Harvey for signing without checking the information written in it
(b) Mr. Harvey can file a complaint against the medical examiner for her mistake
(c) Reasons for denying any claims are-
- Non Disclosure
- Avoiding medical test
- Fraud

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(d) Process of calculation risk of insurance is called Underwriting.
Reasons for underwriting are :-
→ To give policyholder best premium rates
→ To reduce risk of insurance companies

(e) Types of Underwriting are :→
→ Financial
→ Medical

Ques 4. The rates of insurance are fair, adequate and not excessive as :→

→ To avoid insolvency, the rates must be fair and adequate

→ Rates should not be excessive.

→ Adequate rate means it must ~~to~~ cover for the future probable liability of insurance company.

Ques 5. Various Payment plans of premium are :→
→ Single Payment - a big single payment is made of a term as policy
→ Yearly → Smaller yearly payment is made
→ Quatedly → Smaller Quaterly payment is made
→ Monthly → Smaller Monthly payment is made.

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Ques 6.

→ In Traditional form of life Insurance, the saving element is the premium payment, here it cannot be divided into saving and risk element.

→ In universal life insurance, saving element is often more dependent

→ Under this premium is divisible into risk for saving.

Ques 7. Different types of claim settlement process are :-

→ payment of claim are in full to insured or the beneficiary

→ payment of claim as a annuity

Different types of claims are :-

→ Death claim
→ Maturity claim
→ Accidental claim
→ Annuity

Ques 8.

A. Death claims basic requirements are –

- Obtaining satisfactory proof of Death
- Obtaining satisfactory proof of title

B. Maturity claims basic requirements are –

- Policy Document
- Discharge voucher to be sent in advance

Ques 10.

The future scenario of claim settlement

- The insurance has be grown such that it has over 600 insurance companies
- Influence of IT in insurance has helped insurance companies to manage claims more effectively.

Ques 11. Valuing any project to get the actual value of it is called valuation. Since, valuation of insurance company done by an "actuary" applying actuarial principles It is termed as actuarial valuations

Ques 13. Surplus is accumulated when there is a favourable deviation from projected value with respect to mortality savings excess interest loading savings.

Ques14. Methods of distributing of Surplus →

- → Bonus or Cash
- → Contribution Method
- → Simple Reversionary Method
- → Compound Reversionary Method
- → Gauranteed Bonus
- → Bonus in reduction of premium
- → Final Additional Bonus