Assignment No. 1.

Q1.)

Ans. Life insurance is a type of financial help to your dependants after ~~yo~~ the death of the insured.
If a person is a bachelor and has no dependents then too he needs to have an ~~life~~ insurance. Here are some reasons:

(a) If the bachelor has some loans, example, home loan car loan, etc., ~~for the~~ ~~fu~~ insurance can be taken so that after ~~to~~ the insured dies the repayment of the loan is ~~completed~~ done.

(b) Future plans should be made like if the bachelor gets married & in future then he ~~can have an~~ ~~at~~ already has an insurance for his family.
~~He~~ ~~If he buy~~ If the bachelor ~~buys~~ buys insurance at a young age then he gets the benefit of paying less premium, than waiting to get married and taking insurance after.

Q4.)

~~Ans.~~ Living too long without visible means of support is more serious hazard compared to that of dying ~~prep~~ prematurely leaving the dependent family to fend for itself.
If a person lives too long and he is the only bread earner of the family then it becomes difficult for him to complete the needs of his family members and pay premium for his life insurance also.
Dying ~~prep~~ prematurely can profit ~~us~~ the dependents of the bread earner financially with a huge amount

which they can invest somewhere and earn interest, which can run their house to some extent.

Q6.)

Ans. Adverse Selection:

Adverse Selection refers to a situation in which the amount paid to the insured is higher ~~and the actual risk of the~~ to a applicant whose actual risk is subsequently higher than the risk known by the insurance company.

Moral Hazard:

It is a risk that a party has not entered into a contract in good faith or has provided misleading information abouts ~~it~~ its assets & liabilities. ~~&~~

~~It can~~ Moral Hazard can also mean that a ~~party ha~~ insurance company likes to take unusual risks in a greed of earning profit before the contract comes to an end.

Q12.)

Ans. (B) Insurance ~~helps~~ ensures that you & your family are financially ~~sec~~ secured to face any kind of problem in your life. ~~If you have~~ You may need money in any time of your life at that time if the savings are not enough then insurances of different types ~~can~~ help us in ~~fulfill~~ fulfilling the need of money. Due to these ~~insurances only~~ the ~~o~~ reasons only an insurance is important.

Q18.)

Ans. Types of life insurance are:

(i) Term Life Insurance:
If the death of the insured occurs during the term of life insurance then only the amount can be claimed.

Term life insurance has more premium. ~~than as the~~ As the ~~[illegible]~~ for the insurance decreases premium increases.

(ii) Whole-life insurance:
The amount of insurance may be claimed ~~anytim any~~ at the time of death of the insured whatever age it may be 100, 60, 85, ~~or~~ etc.

Whole life insurance has less amount premium payments. ~~com~~ As the time of the cover of life insurance increases premium decreases.