Assignment 2

Ans 1) The two main types of personal accident insurance are :-

1) Individual Accident Insurance - It covers accidental death, loss of limbs/injury, permanent disabilities owing to accident. It covers one individual in case they meet with an accident.

2) Group accident Insurance - It covers accidental damage for a group of individuals. In most cases, it is bought by an employer for his employees. Based on the group size, insurers provide discount on the premium which acts as an incentive for organisations.

Ans 2) Liability insurance refers to a product that covers the insured from the risk of causing damage/injury to other parties and being found legally liable. In this case, the Insurer covers ~~the~~ legal costs & payouts. The insured is protected against risk owing to being legally held or sued for breaking the law & causing damage.

Ans 3) Travel Insurance covers the costs of risks and losses while travelling. It majorly covers emergency medical needs such as hospitalization, emergency room fees, ambulance costs & prescription drugs. It sold by companies selling tickets & travel packages to their customers as an option.

Following are the reasons one should buy travel insurance -

→ If one is unsure of steps to take in case of a medical emergency while travelling, having a travel insurance can be quite useful.

→ It covers the risk of cancellation or any interruption on the trip

→ It provides coverage for loss, damage or theft of personal belongings.

→ It provides travel help in case of emergencies

→ It provides cover against major risk & losses associated with travelling.

Ans 4) The two types of cover provided under marine insurance are -

1) Hull - Under this, coverage is provided to 'hull' i.e. the main body of the ship and not there cargo/frieght. It covers damage to vessels, machinery & fuel and related expenses. It is similar to car insurance, however it provides cover for ship damage.

2) Cargo - It covers physical damage or loss of good in transit owing to land, sea or air. It provides protection/coverage against physical externalities that cause risk of damage to cargo.

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Ans 5) Inclusions in ~~an~~ engineering insurance –
- Fire, lightning, explosion, aircraft damage
- Riot, strike, malicious acts
- Flood, inundation, storm, cyclone & allied perils.
- Landslide, subsidence & rockslide
- Burglary & theft
- Faults in erection
- Human negligence & errors
- Short circuiting, arcing, excess voltage
- Electrical & mechanical breakdown
- Collapse, damage due to foreign objects, impact damages
- Any other sudden, unforseen, accidental damages not explicitly excluded.

Exclusions in engineering insurance –
- War invasion
- Nuclear reaction, nuclear radiation or radioactive contamination
- Willful Act or willfull negligence
- Cessation of work
- Defective material or bad workmanship
- Wear & tear, corrosion, oxidation, deterioration
- Breakage of glass
- Disappearance or shortage (inventory losses)
- Design defects
- Loss of files, drawings, cash, cheque etc.
- Consequential loss
- Terrorism
- (*) Insured's contribution (deductible)

Ans 6) The claim process for aviation insurance requires the following documents:-

i) Aircraft details document
ii) Flight details document
iii) Details of the crew members
iv) Documented proof of accident
v) Information on aircraft's maintainence & engineering
vi) Documents of operational manual passenger

Ans 7) → Doctors & professionals should buy professional indemnity insurance.

→ Professional indemnity insurance is a specific type of liability insurance that covers businesses or individuals who provide professional service & advice to their clients as in the case of doctors, lawyers etc.

→ It covers the compensation claims when the business is sued by its clients for making a mistake

Ans 8) The various types of travel insurance are as follows:-

1) Domestic Travel Insurance plan - This is a product designed for people travelling within the country. It covers medical emergencies, loss of personal belongings, delays / cancellations, permanent disabilities & personal liability.

2) International Travel Insurance - This is designed for people travelling internationally. Apart from the usual coverage provided domestic travel insurance; it also covers flight hijack, repatriation to India etc.

3) Medical Travel Insurance :- This policy covers medical emergencies & health care - related concerns. However the terms & conditions may be subjective & vary across insurers.

4) Senior Citizen Travel Insurance :- ~~It~~ This policy is intended specifically for senior citizens i.e people between age group of 61 - 70 years. It offers coverage for dental treatments & cashless hospitalization.

5) Single & multi - trip Travel Insurance - Single trip travel insurance covers medical & non-medical expenses for a single trip. Thus it expires at the end of trip.
multi - trip travel insurance policy provides travel insurance coverage for a time period (1 year generally) and is thus most suitable for frequent flyers.

6). Travel Accident Insurance - This policy covers term life & accidental death or unexpected losses owing to travel/ flight accidents. Its ~~#~~ benefits are applicable during the coverage period.

7) Medical Evacuation Insurance - This policy ~~covers~~ provides coverage for evacuations, repatriation, term life, AD&D benefits to protect the person & their family & provides non-medical benefits such as loss of belongings, adventure sports etc.

8) Package Travel Insurance - They are customised as ~~per~~ the needs of various travellers vary from one another. A typical plan covers evacuations, luggage problems, medical & dental costs, returning minors home, delays etc. Some plans also extend cover for pre-existing medical conditions, passport services, adventure activities, roadside assistance etc.

Ans 9) Following are types of engineering insurance policy :-

1) Plant ~~All Ri~~ All risk Insurance - It covers loss & damage to operationals tools along with construction equipment & operational machinery ~~that~~ owing to wear & tear due to their exposure to extreme conditions.

2) Machine Breakdown policy - This policy covers losses or damage of equipment in use. The damages could be external & internal ~~due~~ caused by electrical damage, overheating, lubrication defects etc.

3) Electronic equipment policy - It covers the cost of replacement or repairs for low-voltage systems & devices to reinstate their former state.

4) Contractor's All Risk cover - It covers loss or damage to plant & equipment during construction projects owing to on-site uncertainities. It is specific to civil engineering projects.

5) Erection All risk - It covers risks which arise during erection / testing period owing to accidents while testing of manufacturing units or individual machineries.

Ans 10) The benefits are :-

i) Provides financial security to family.
ii) No external tests / documents required
iii) Extensive coverage at affordable rates
iv) Plans available in - self & family.
v) It offers coverage worldwides
vi) Easy, seamless & hassle free claim process.
vii) Support centres available 24x7
viii) The policy can be customised to suit specific customer needs.