Classmate
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1 ~~A~~ reinsurance contract is a contract of indemnity.

a) True

2 what is reinsurance? Dicuss the types of reinsurance with examples

Reinsurance is a form of insurance purchased by insurance companies in order to mitigate risk. with reinsurance, the company pases on some part of its own insurance liabilites ~~to~~ to the other insurance companies

The types of reinsurance are as follows

a) Proportional Reinsurance- the direct writer (Original insurance company) & reinsurer share the cost of all claims. This is of 2 types

1) Quota share reinsurance - Reinsurer and writer share all premium and losses according to a fixed percentage. Example - A insurance company enters into a contract with B insurance company with retained proportion of 70%. This means a pays 70% of claims and gets to keep 70% premium received. B has to pay 30% claim and keeps the 30% premium

2) Surplus share reinsurance- It is a reinsurance treaty in which the ceding insurer retains a fixed amount of policy liability and reinsurer takes responsibility for what remain. It is known as pro-rata treaty and commonly used with property insurance Example - A forms surplus share reinsurance with B and underwrites a coverage of 5,00,000 with retention 2,00,000 The remaing 3,00,000 will be ceded to reinsurance

b) Non-proportional reinsurance- The direct writer pays a fixed premium to reinsurer. The reinsurer will only be require to make payment when part of claim amount falls in reinsurance layer.

1) Individual excess loss: Reinsurer makes payment when claim amount for an individual claim exceeds a specified excess point or retention. Example A enters treaty with B insurance and reinsurance layer is fixed to 50 lac to 1 crore.

2) Stop loss Reinsurance- Reinsurer is liable for the insured's losses incurred over a certain period that exceed a specified amount or percentage

of some business measure, such as earned premiums written up to the policy limit. Example- A and B enter into an insurance contract and the contract states that A is responsible for loses upto $500000 thus the reinsurance company-B is responsible for any loses above it.

3 Discuss the various ratios in profit analysis of reinsurance.

The ratios that are used in the profit analysis of reinsurance are as follows:-

1) Net Loss Ratio: $\frac{\text{Net insurance claim}}{\text{Net earned preimium}}$

2) Net expense ratio = $\frac{\text{Expenses}}{\text{Net written premium}}$

3) Net commission ratio = $\frac{\text{Net commission}}{\text{Net written Premium}}$

4) Net combined Ratio: $\frac{\text{Net insurance claim + Expenses + commission}}{\text{Net written premium}}$

Q4 List the general exclusions under a Motor Insurance Policy.

The general exclusions under a Motor Insurance Policy are as follows:

- Not having a valid Driving License.
- under Influence of intoxicating liquour /drug.
- Accident taking place beyond Geographic Limit
- while vehicle is used for unlawful purpose
- Electrical / Mechanical Breakdowns
- Damage to tyres and tubes unless the vehicle damages at the same time
- consequential loss, depreciation, wear and tear.

5 Write the history of general insurance in India.

→ 1) The first General Insurance company was Triton Insurance company ltd establish in Calcutta in 1850 AD.

2) The Indian mercentile Insurance company started in Bombay in 1906 07 107 insurers were amalgamated and grouped into four companies namely.

3) National Insurance company Ltd, the New India Assurance Company Ltd the Oriental Insurance company Ltd and the United India Insurance company Ltd.

4) The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1st 1973

6 Calculate Combined Ratio using the following information: expenses amount is $8500, commission is $5700, Net claim incured in the period amounts to $ 160000. The Net written premium is $50000. Net premium earned is $75000.

Combined Ratio = Loss ratio + net commision ratio + Expense ratio

$$\text{Loss Ratio} = \frac{\text{Net Claim incurred}}{\text{Net Earned Premium}} = \frac{150000}{75000} = 200\%$$

$$\text{Commission Ratio} = \frac{\text{Commission}}{\text{NWP}} = \frac{5700}{50000} = 11.4\%$$

$$\text{Expense Ratio} = \frac{\text{Expense}}{\text{NWP}} = \frac{8500}{50000} = 17\%$$

$$\text{Combined Ratio} = 200 + 11.4 + 17$$

$$= \underline{\underline{218.4\%}}$$

7 List the various add-on available on Motor Insurance Policy.

The various add on's are in motor Insurance policy as follows

1 Zero Depriciation Cover

2 Engine protect cover

3 Return to Invoice (RTI) cover

4 loss of personal be longing cover
5 No claim Bonus (NCB) protect cover
6 Personal accident cover for the passanges
7 Key replacement cover.
8 Roadside assistance cover
9 Consumables cover
10 Daily allowance cover.

8 List the documents required to claim health insurance
The documents required for claiming health insurance are as follows:-

- Health card
- Duly filled claim form
- Medical certificate / form which is signed by the treating doctor.
- Discharge summary or card (original) availed from the hospital
- All bills and receipts (original)
- Prescription and cash mentors from pharamacies / the hospital
- Investigation report.
- If its is a accident case, then FIR or MLC is required.

9 Explain the detail Third Party Liability Insurance Cover.

- The Third Party liability Insurance cover is the mandatory Insurance for the vehicle in India. If one does not have the same he / she is liable to pay the penalty for the same. It is mandatory under the vehicle act, 1988.
- This covers the damage or loss to the third party's vehicle or property that causes death or injury to others because of your vehicle.
- The third party liability Insurance Cover does not include any claims on personal accidents or damage to own vehicle / property. For the damage of personal vehicle you will need an own damage plan.

10 List any 7 types of health insurance.

The types of health insurance are as follows

1) Individual Health Insurance
2) Family Health Insurance
3) Critical illness Insurance
4) Mediclaim
5) Top up Health Insurance
6) Group Health Insurance
7) ULIPs