

Product Design- 40 Marks

In the insurance world, new products are made very frequently, to fulfil changing needs of people. There must always be availability of new financial instruments. So many different types of products can be made for every type of person and every kind in lifestyle.

When tasked to make a sustainable insurance product, the thought which came to my mind was of a product to fulfil a student's need. If you are a student studying in a university far from your home, you would definitely need a place to live. You being a student won't have any fixed source of income. In these cases students opt to share a flat together with other roommates. A room shared by many people, and you living without an insurance to protect your place and belongings can be risky.

An insurance that provides a combination of private liability insurance and household insurance that was created specifically for shared households and young people would be a great idea. Liability insurance is a policy that offers protection to businesses and individuals from risk that they may be held legally or sued for negligence, malpractice or injury. Liability insurance policies cover the insured against any claims due to causing bodily injuries and damages to the property of unknown people. It is a very popular product used by people living on other people's property. About the part of household insurance, it covers loss or damage to the physical building and / or contents of residential houses, flats and condominiums, excluding buildings under construction, from a range of occurrences. This insurance is very much suitable for people living on rent. Housemates and young households can find this insurance perfect for fair living together. This product will also include an opportunity that includes special coverage for up to 3 personal items – such as laptops, smartphones or instruments. This is suitable for anyone sharing a flat in a

group, best suitable for university students. A person sharing a place won't have to incurred the damages caused by their roomies mistake. So, any unfortunate event occurring with your rented place, the insurance would be taking care of it. As a bonus you also have a chance to insure any three of your belongings.

Basically this insurance product, is an combination of Liability and Household Insurance plus it also includes insurance for any three of your belongings.

Case Study About Jamie

Month	What happened?	Which insurance would cover this?	Did Jamie have coverage?	How much will Jamie have to pay? (If she has insurance, what is her copay or deductible?)
January	Jamie got sick and visited the doctor. Without insurance, the appointment cost Rs.120 and the antibiotics cost Rs.110.	Medical Insurance	Yes ☒ No ☐	Rs 40 -Copay
March	Jamie fell on ice while hiking and had to get stitches in the emergency room. Without insurance, the procedure cost Rs.250.	Medical Insurance	Yes ☒ No ☐	Rs 50 -Copay
July	A kitchen fire in the apartment next door caused the sprinkler system to activate in Jamie's apartment as well. Her couch, her television, her computer, and her bookcase were ruined. The cost of the damage was Rs.2,500.	Renter's insurance	Yes ☐ No ☒	Rs 2500
September	Jamie hit a deer when driving home from work. She wasn't hurt, but the damage to her car was Rs.3,400.	Auto Insurance	Yes ☒ No ☐	Rs 300 - Deductible
October	Jamie got dirt in her eye while picking fruit at a local farm. She went to the eye doctor when her eye became red and swollen, the doctor prescribed eye drops. Without insurance, the appointment cost Rs.150, and the eye drops cost Rs.90.	Vision Insurance	Yes ☒ No ☐	Rs 40 -Copay

1. Summarize the cost

Based on the insurance coverage Jamie had in place, she spend Rs 5067, including premiums, copays, deductibles. If Jamie didn't had any insurance she would have had to pay Rs 6620, that is Rs 1553 more .

2. Consider insurance in your life

Fortunately, none of unexpected events had taken place in my or my family's life. But if such emergency occurs in someone's life, then that person should have insurance. Like Medical Insurance, Property Insurance, Dental Insurance, Auto Insurance, Vision Insurance, Disability Insurance, etc.

3. Jamie gives advice

I would definitely suggest you to insurance. Buying insurance is important as it ensures that you are financially secure to face any type of problem in life, and this is why insurance is a very important part of financial planning. I would share my experience of the time I didn't took Renter's Insurance, I thought there is little to crime in my area and no chance of fire or floods and didn't took the insurance. But a kitchen fire in apartment next door caused sprinkler system to activate in my place and the damage caused in whooping Rs 2500. I realised that insurance is a must. Another incident happened with me when my car got hit by a deer, the damage done was of Rs 3400, but thanks to Auto Insurance I had taken, it didn't cause a financial burden to me. So, I would highly recommend you to take Insurance as you never know what would go wrong.

