1. True

2.Reinsurance is insurance for insurance companies.
Types:
Proportional reinsurance - the direct writer and reinsurer share the cost of all claims for each risk. The direct writer must pay a premium to effect this reinsurance. There are two forms of proportional reinsurance:
I.)quota share- proportions same for all risks
II.)surplus-proportions can vary from one risk to the next
Non proportional reinsurance- the direct writer pays a fixed premium to the reinsurer who will only be required to make payments where part of the claim amount falls in a particular reinsurance layer which will be defined by a lower limit and an upper limit. Furthermore, there are two forms of non proportional reinsurance:
I.) individual excess of loss- reinsurer is required to make a payment when the claim amount for any individual claim exceeds a specified excess point.
II.)stop loss- reinsurer is required to make payments of the total claim amount for a specified group of policies exceeds a specified amount.

3.The various ratios used in profit analysis are as follows:
I.)expense ratio: expenses/gwp
II.) commision ratio: commision/gwp
III.) loss ratio: gic/gwp
IV.) combined ratio: (gic+expenses+commision)/gwp
V.)net loss ratio: net claims incurred/nep
VI.) net expenses ratio: expenses/nwp
VII.)net commision ratio: commision/nwp
VIII.)net combined ratio: sum of loss ratio, expense ratio and commision ratio.

4.The exclusions under motor insurance include
- [ ] Not having a valid driving license
- [ ] Driving under the influence
- [ ] Accident taking place beyond geographical limits
- [ ] Vehicle used for unlawful purposes
- [ ] Electrical/mechanical breakdowns
- [ ] Damage to tyres and tubes(unless vehicle damaged at same time)
- [ ] Consequential loss, depreciation, wear and tear

5.
In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (Manusmrithi), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers' contracts. Insurance in India has evolved over time heavily drawing from other countries, England

in particular.

1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.

In 1914, the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.

The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

An Ordinance was issued on 19th January, 1956 nationalising the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

The history of general insurance dates back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business.
1957 saw the formation of the General Insurance Council, a wing of the Insurance Associaton of India. The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices.

In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then.

In 1972 with the passing of the General Insurance Business (Nationalisation) Act, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1sst 1973.

This millennium has seen insurance come a full circle in a journey extending to nearly 200 years. The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially. In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector.The objective was to complement the reforms initiated in the financial sector. The committee submitted its report in 1994 wherein , among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners.

Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market.

The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests.

In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.

Today there are 34 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies operating in the country.

The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country

6. Expenses: 8500
commision: 5700
Net claims incurred 150000

Nwp: 50000
Net premium earned: 75000

7. The various add ones available in a motor insurance policy are as follows:
I.) zero depreciation cover
II.) engine protect cover
III.) return to invoice cover
IV.)loss of personal belongings cover
V.) no claim bonus protect cover
VI.) personal accident cover (for passengers)
VII.) key replacement cover

8. Health card
- [ ] duly filled claim form
- [ ] Medical certificate
- [ ] Discharge summary or card(original)
- [ ] Bills and receipts(original)
- [ ] Prescription and cash memos from pharmacies/hospital
- [ ] Investigation report
- [ ] If accident, then FIR

9. Third party liability is mandatory insurance cover for your vehicle to be safe and secured. It is compulsory to be bought since the motor vehicle act was passed in 1988. It protects you against the lass and damage that occurs to the third party vehicle or property that causes some casualty or injury due to your vehicle.
10. Individual health insurance
- [ ] Family health insurance
- [ ] Critical illness insurance
- [ ] Senior citizen health insurance
- [ ] Top up health insurance
- [ ] Personal accident insurance
- [ ] Group health insurance