1. No, I don't agree with the view that a bachelor without dependents needs no insurance. He needs insurance for the following reasons

1) Even if the person has no dependents currently, but he may have a family in later part of his life for which he may require insurance for a sense of safety and protection. Also,he can enjoy the benefits of affordable premiums and get larger cover as he is young.
2) He could avail tax benefits from different types of insurance.
3) There are critical illnesses that can be both emotionally and financially devastating and may cause financial strain that may be unimaginable for which he needs health insurance.
4) He may not have dependents but a lot of assets that need protection. For example a car, a home etc. for which he may require insurance.

2. Life insurance in short is concerned with two hazards that stand across the life path of every person 'that of dying prematurely leaving dependent family to fend for itself' and 'that of living too long without visible means of support'. Out of the two hazards I think dying prematurely leaving dependent family to fend for itself is more serious and difficult to manage because if the only bread earner of the family dies it is very difficult for the family to fend for itself, and it is the main motive of life insurance to eliminate this risk. Most people have adequate savings and retirement plans which reduces their risk of living too long without visible means of support. So I feel the first one is more serious also as it is more common.

3. Adverse selection refers to a situation where sellers have more information than buyers have, or vice versa, about some aspect of product quality.

   Moral hazard is the risk that one party has not entered the contract in good faith or has provided false details about its assets, liabilities, or credit capacity.

4. A) Bob could take a life insurance with following features

1) Family Income benefit rider which will the beneficiary an amount equal to policyholders monthly income as his family need to pay house bills and other expenses
2) It should be traditional term insurance as he needs protection against dying prematurely leaving the family to fend for itself.
3) It should include regular premium frequency with individual ownership and term insurance.

B) Reasons for buying insurance

1) Reduces worry and fear
2) Makes available large funds for investment at low cost
3) Provides employment to many people
4) Insurance enhances credit worthiness and reduces credit risk
5) Invisible earnings
6) Social benefits

5. If underwriting was not permitted, it would lead to various undesirable consequences –

1) The insurance company will not be able to price its products properly for different people with different risks that is the pricing will be unfair.
2) It will lead to decrease in profits of the company as it has to price its products equal for everyone and if the prices are too high then no one would buy them.
3) It will result in adverse selection, which is a situation where the insurance applicant presents a possibility of loss that is higher than the average expected from a random sample of all applicants.

6. Different types of life insurance –

1) Whole life insurance - Whole life insurance is a type of life insurance that provides you coverage throughout your lifetime provided the policy is in force.
2) Term life insurance - Term life insurance is a type of life insurance that provides a death benefit to the beneficiary only if the insured dies during a specified period.
3) Endowment policy - An endowment policy is defined as a type of life insurance that is payable to the insured if he/she is still living on the policy's maturity date, or to a beneficiary otherwise.

4)Pure endowment - An insurance contract promises to pay the insured a stated sum if he survives a specified period with nothing payable in case of prior death.
5)Annuity - An annuity is a financial product that pays out a fixed stream of payments to an individual.
6)Joint life policy - A Joint Life Policy is the insurance cover that you get on a first - death basis.
7)Unit linked contracts - Unit-linked assurances (typically whole life or endowment) have benefits that are directly linked to the value of the underlying investments.

Premiums –
The premium is highest in Endowment policy and Whole life insurance as the cover is assured.
The premium is 2nd highest in Joint life policy as the cover is for 2 people.
The premium is 3rd highest in Term life insurance and Pure endowment as cover is not assured as it is for a valid for a particular period of time
The premium is lowest in Unit linked contracts as it has the lowest risk for insurance company as cover is linked to equity markets.