

NON LIFE INSURANCE ASSIGNMENT 2

SABYASACHI RATHORE, ROLL NUMBER – 28

1. (C) The term earned premium refers to the amount that an insurance company has received for the portion of an expiring policy.
2. (B) Third party liability insurance covers damage caused to another vehicle when hit by the insured's vehicle.
3. Types of motor insurance covers-
 - a. Third party car insurance
 - b. Own damage
 - c. Comprehensive policies
4. The few add on coverages in motor insurance are-
 - a. No claim bonus
 - b. Nil depreciation
 - c. Total cover
 - d. Engine protection cover
 - e. Consumables cover
 - f. Return to invoice
 - g. Roadside assistance
5. Health insurance covers ambulatory patient services, emergency services, hospitalization, pregnancy, maternity, mental health, prescription drugs and much more.
6. Factors considered under underwriting of motor insurance-
 - a. Age of proposer
 - b. Sex
 - c. Marital status
 - d. Driving history of proposer
 - e. Address of proposer
 - f. Proposer's history involving insurance in general
 - g. Ownership of or financial interest in motor vehicle
 - h. Description of use and distance to be covered by the motor vehicle
 - i. Particulars of the motor vehicle

Factors considered under underwriting of fire insurance-

- a. Maintenance and repair standards
- b. High risk notifications

- c. Adjacent exposure data and related general liability exposure
- d. Loss estimates
- e. Estimated replacement costs
- f. Risk improvement recommendations
- g. Construction
- h. Occupancy
- i. Fire protection
- j. Common and special hazards
- k. Claims history
- l. Credit rating of the owner

Factors considered under underwriting of marine insurance -

- a. Past claim experience
- b. Conditions of insurance
- c. Trade routes and limits
- d. Cargo carried
- e. Management quality and ownership

Factors considered under underwriting of travel insurance-

- a. Age
- b. Trip cost
- c. Trip length
- d. Destination
- e. Departure window
- f. Departure month
- g. Number of destinations

7. Motor Insurance-

- a. Third party liabilities
- b. Insured driving drunk
- c. Driving without a license
- d. Add on not bought
- e. Consequential damages
- f. Contributory negligence

Travel Insurance-

- a. Warfare
- b. Pre-existing ailments
- c. Sporting injury during travel
- d. Pregnancy
- e. When the tour operator cancels trips

Marine Insurance-

- a. Willful, planned or intentional misconduct
- b. Strike, rioting, war
- c. Poor packaging quality of the cargo
- d. Delays
- e. General leakage or wear and tear of the cargo
- f. Financial distress or insolvency of the shipping line
- g. Removal of wreck

Fire Insurance-

- a. Loss due to fire caused by earthquake, invasion, act of foreign enemy, hostiles or war
- b. Loss caused by subterranean (underground) fire
- c. Loss caused by burning of property by order of any public authority
- d. Loss by theft during or after the occurrence of the fire
- e. Loss or damage to the property caused by its own fermentation or spontaneous combustion
- f. Loss or damage by lightning or explosion is not covered unless these actual ignitions which spread into fire

Health Insurance-

- a. Elective or cosmetic procedures
- b. Beauty treatments
- c. Fertility treatments
- d. Off-label prescriptions
- e. New technology in product or services

8. Insurance fraud is an act committed to defraud an insurance process. It occurs when a claimant attempts to obtain some benefits or advantage they are not entitled to, or when an insurer knowingly denies some benefit that is due.

The most common health insurance fraud is Filing a claim for treatments or services that were never administered. This is often done by forging genuine patient information and manufacturing admission in connivance with service providers.

The underwriting for health insurance is also called medical underwriting. During the medical underwriting process, insurance companies examine the medical history, demographic profile, lifestyle, and other factors that may relate to a candidate's current and future medical needs. Through actuarial analysis, an estimate of the risk associated with providing health coverage to that person is determined and priced.

Factors which effect the Claim frequency or Severity

- a. Age

- b. Sum Insured
- c. Demography
- d. Medical Condition
- e. Gender
- f. Policy Type

Factors which are used in Rating are called Rating Factors.

9. Personal Accident Insurance-
 - a. Accidental death cover
 - b. Permanent disability cover
 - c. Permanent partial disability cover
 - d. Temporary total disability

Travel Insurance-

- a. Trip cancellation
- b. Trip interruption
- c. Travel delay
- d. Baggage damage or loss
- e. Baggage delay
- f. Emergency medical or dental
- g. Emergency evacuation
- h. Repatriation or remains
- i. Rental car or collision damage

Marine Insurance-

- a. Hull
- b. Cargo
- c. Contingency insurance policy
- d. Damages due to inappropriate packing
- e. Infestation
- f. Customs rejection
- g. Employee's dishonesty
- h. Voyage
- i. Freight
- j. Liability

10. A characteristic of travel insurance is the potential overlap with other insurance products. For example, automobile insurance may provide rental car collision damage insurance, Home owner insurance may cover lost or damaged baggage, and health insurance may cover emergency costs while traveling. Even in cases where a traditional policy may provide a benefit, travel insurance remains distinctive because it only covers exposures related to travel, and is usually tied to a specific trip.

11. History of Marine Insurance - Marine insurance was the earliest well-developed kind of insurance, with origins in the Greek and Roman marine loan. It is the oldest risk hedging instruments to mitigate risk in medieval times were sea/marine (Mutuum) loans, commend a contract, and bill of exchanges. Separate marine insurance contracts were developed near Genoa, in Camogli. in 1853 and other Italian cities in the fourteenth century and spread to northern Europe. Premiums varied with intuitive estimates of the variable risk from seasons and pirates.

Types of Marine Insurance Policies -

- a. Voyage policy
 - a. This policy gives more importance to the voyage. A voyage policy is that kind of marine insurance that is valid for a particular voyage. It covers the risk from the port of departure up to the port of destination. This type of policy is considered more useful for cargo. The insurance company give indemnity for loss/damage of any property of the insured during the voyage. The liability of the insurer continues during the landing and re-shipping of the goods. The policy ends when the ship reaches the port of arrival.
- a. Time Policy
 - a. The policy which is issued for a fixed period of time is known as time policy. A marine insurance policy is valid for a specified time period generally valid for a year. All the marine perils during that period are insured. This type of policy is suitable for full insurance. The policy is more commonly used for hull insurance than for cargo insurance. The ship is insured for a fixed period irrespective of voyages.
- b. Mixed Policy:
 - a. A marine insurance policy which offers a client the benefit of both time and voyage policy is recognized as a mixed policy.
- c. Open (or) Unvalued Policy:
 - a. In this type of marine insurance policy, the value of the cargo and consignment is not put down in the policy beforehand. Therefore, reimbursement is done only after the loss of the cargo and consignment is inspected and valued.
- d. Valued Policy:
 - a. A valued marine insurance policy is the opposite of an open marine insurance policy. In this type of policy, the value of the cargo and consignment is ascertained and is mentioned in the policy document beforehand thus making clear about the value of the reimbursements in case of any loss to the cargo and consignment.
- e. Port Risk Policy:
 - a. This kind of marine insurance policy is taken out in order to ensure the safety of the ship while it is stationed in a port.
- f. Wager Policy:
 - a. A wager policy is one where there are no fixed terms for reimbursements mentioned. If the insurance company finds the damages worth the claim then the reimbursements are provided, else there is no compensation offered. Also, it has to be noted that a wager policy is not a written insurance policy and as such is not valid in a court of law.
- g. Floating Policy:
 - a. A marine insurance policy where only the amount of claim is specified and all other details are omitted till the time the ship embarks on its journey, is known as a floating policy. For clients who undertake frequent trips of cargo transportation through waters, this is the most ideal and feasible marine insurance policy.

- h. Single Vessel Policy:
 - a. This policy is suitable for small shipowner having only one ship or having one ship in different fleets. It covers the risk of one vessel of the insured.
- i. Fleet Policy:
 - a. In this policy, several ships belonging to one owner are insured under the same policy.
- j. Block Policy:
 - a. This policy also comes under maritime insurance to protect the cargo owner against damage or loss of cargo in all modes of transport through which his/her cargo is carried i.e. covering all the risks of rail, road, and sea transport.

12. Given,

Expenses = 8500

Commission = 5700

Net Claims (NIC) = 1500000

NWP = 50000

NEP = 75000

$$\begin{aligned} \text{Net Combined Ratio} &= \frac{NIC}{NEP} + \frac{\text{Net Expenses}}{NWP} + \frac{\text{Net Commission}}{NWP} \\ &= \frac{1500000}{75000} + \frac{8500}{50000} + \frac{5700}{75000} \end{aligned}$$

=2.246

13. Crop Insurance is a comprehensive yield-based policy meant to compensate farmers' losses arising due to production problems. It covers pre-sowing and post-harvest losses due to cyclonic rains and rainfall deficit. These losses lead to reduction in crop yield, thus, affecting the income of farmers. It covers localized calamities, sowing/planting/germination risk, standing crop loss, post-harvest losses.

It does not cover:

- a. Losses arising out of war, nuclear risks
 - b. Malicious damage or other preventable risk arising out of negligence by the farmer or the manpower employed by the farmer
 - c. Burning of the crop by order of public authority
 - d. Damage caused by birds or animals
 - e. Ionizing radiations or contamination by nuclear waste
 - f. Harvested crops bundled and heaped before threshing
14. Underwriting factors for credit insurance-
- a. Geographical location
 - b. Character, reputation and lifestyle of applicant
 - c. Claims history
 - d. Implementation of safety precautions by the applicant
 - e. Previous criminal convictions
 - f. Nature and particulars of liability exposures

15. Engineering insurance refers to the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation. Product categories: Depending on the project, it can be divided into construction project all risks insurance and installation project all risks insurance; depending on the attribute of the object, it can be divided into project all risks insurance, and machinery breakdown insurance.

Insurance Period is the same as the construction period of the project.

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