

LIFE INSURANCE

ASSIGNMENT-2

1. Agents, insurance brokers, reinsurance brokers banks online websites, etc are the most recognized insurance purchase channel.
2. Methodology financial burden misselling of policies
3. I think the insurance company is right because it was the mistake of a nurse who didn't check the reports as well as of mr Harvey's because even while signing he didn't check the reports I don't think there was anyone's fault and it was a sheer case of miscommunication.
 - Claims are not filed on time. Every claim is given a specific amount of time to be submitted and considered for payment. ...
 - Inaccurate insurance ID number on the claim. ...
 - Non-covered services. ...
 - Services are reported separately. ...
 - Improper modifier use. ...
 - Inconsistent data.
 - Underwriting is **the process through which an individual or institution takes on financial risk for a fee.** ... Underwriting helps to set fair borrowing rates for loans, establish appropriate premiums, and create a market for securities by accurately pricing investment risk.

They **determine the risk and exposure of clients and also**

how much insurance should be granted to a client, how much they should pay for it and whether or not to offer an insurance policy to the client in the first place.

There are five types of underwriting that are used to assess risks for a variety of important contracts, including:

- Loan underwriting.
- Insurance underwriting.
- Securities underwriting.
- Real estate underwriting.
- Forensic underwriting

4.

5. Most insurance providers offer several modes of premium, the most common of which come annually, **semi-annually, quarterly, or monthly**. The mode of premium payment is not the same as your mode of payment. Your mode of premium payment determines the frequency with which payments are made

A life insurance policy is essentially a contract between the insurer and policyholder. To validate this contract, an amount known as the 'premium' is paid by the policyholder when buying the policy and again later at set time periods, depending on the frequency and mode of payment. There are three important factors that determine the process of premium calculation for every insurer. Such premium amount differs across insurers due to these factors, for the same coverage/sum insured

6. Traditional cash value plans are also known as **Bundled plans**. Bundled plans consist of multiple types of health coverage that a consumer can purchase together, typically

with one integrated premium. The plans are generally designed to complement each other, or to provide varying benefits.

Universal life insurance is **a type of permanent life insurance**. With a universal life policy, the insured person is covered for the duration of their life as long as they pay premiums and fulfill any other requirements of their policy to maintain coverage.

7. Maturity & Survival Claims

The payment made by the insurance company on completion of term of policy or maturity date is called maturity payment. The amount payable consists of sum assured plus any bonus/incentives.

The insurance company informs the policy holder in advance by sending bank discharge form for filling details in it. The form needs to be returned back to the insurance company with original policy document, ID proof, Cancelled Cheque and copy of pass book.

Rider Claims:

Different riders can be attached to the base life insurance policy for enhanced protection. The riders can be accidental rider, critical illness rider, waiver of premium rider etc. For different riders, different claim proceedings are required. Some riders may be valid with the death claim like accidental death rider or some riders need to be processed standalone like waiver of premium rider in case of disability.

For Critical Illness Rider- necessary medical documents such as first diagnosis report, Doctor's report, etc are required. For Accidental disability rider - copy of FIR, Certificate of disability by the treating doctor, doctor's report etc are required.

8. Death claim settlement process

The details required for intimation are **policy number, name of the insured, date of death, cause of death, place of death, name of the nominee etc**

Maturity claim settlement

Once the documents are sent to the insurance company, upon verification, the insurance company will process the maturity claim and make the payment to the policyholder.

The maturity proceeds will be **credited directly to the bank account of the policyholder after the policy maturity date.**

9.

Going 'Touchless' for a Better Claims Experience

10. Recognizing that speed is of the essence when it comes to claims processing, insurers are adopting digital technology solutions such as mobile FNOL apps, apps to capture photos and videos of damage, and so on, by leveraging AI and IoT. These efforts are paving the way for touchless and automated claims processing which has become even more pressing a need in the ongoing pandemic situation. Touchless claims processing, remote investigation and virtual adjudication of claims, and straight-through processing are on insurers' radar now. Almost 60% to 90% of claims in personal lines and small-business insurance can be automated, enabling carriers to achieve straight-through and seamless claims processing, thereby reducing the claim settlement time from days to a matter of hours...or even minutes!

11. The purpose of an actuarial valuation is **to calculate the 'present value' of payments that would be made to employees in future as part of an employee benefit plan.** ... The assumptions are then used to project the

benefit payments that will be made from the employer to its employees, as per the rules of the plan.

12. A policyholder surplus is **the assets of a policyholder-owned insurance company** (also called a mutual insurance company) minus its liabilities. ... It gives an insurance company another source of funds, in addition to its reserves and reinsurance, in the event the company must pay a higher than expected amount of claims.

13. When Life Insurance companies make profits and share the profits with their policyholders they do so by **calling it a Bonus**. But the bonus is not shared with every customer or every policyholder. There are a select few who are awarded bonuses in their life insurance policies.

14. Surplus is the term used to describe the amount by which a life insurance company's assets exceed its liabilities and capital. On the other hand, profit refers to **the extra income that is not needed to pay for** the cost of providing insurance.

15. An actuarial valuation is **an analysis performed by an actuary that compares the assets and liabilities of a pension plan**. Actuarial valuations are necessary to assess the long-term sustainability of a defined benefit pension plan and can serve as a decision-making tool for plan sponsors.