Kris Rodrigues
Roll no 61
classmate
Date
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Non life insurance assignment 1:-

1)(a) True

2) Reinsurance is a type of insurance purchased by an insurance company to metigate the risks bear.
- There are 2 general categories of reisurance ie proportional and non proportional reinsurance
- proportional reinsurance refers to the claims being split in proportion with the insurance company, while non-proportional splits the claims insured by the insurance company on excess terms of the insurance layer
- 2 types of proportional are: Quota share (where the reinsurer takes liability of the amount that exceeds a certain unit until which the insurer is liable) reinsurance.
- 2 types of non proportional are: Individual excess loss (where the reinsurer pays for an individual claim that exceeds a certain limit) and surplus share (where the reinsurer ~~takes liability of the amount that exceeds a certain~~ pays for claims insurered by the insurance company over a period of time that exceed a certain amount or percentage of buisness measure

3) The probability of an insurance company is measured by the combined ratio

combined ratio = loss ratio + expense ratio + net commission ratio.

If the combined ratio has a value greater than 100% the company paying out more than it is taking and vice versa where the ratio is < 100%.

$$\text{loss ratio} = \frac{\text{losses incurred}}{\text{earned premium}}$$

$$\text{expense ratio} = \frac{\text{operating expenses}}{\text{NWP}}$$

$$\text{net commission ration} = \left(\frac{\text{Acquisition ratio} - \text{RI commission}}{\text{NWP}}\right)$$

4 Exclusions under insurance policy:
- not having a valid driving license
- driving under influence of intoxicating liquor or drugs
- accident beyond geographical limits
- vehicle being used for unlawfull purposes
- electrical / mechanical breakdowns
- consequential depreciation, loss,
- damage to tyre / tube unless vehicle is damaged at the same time (eg. puncture)

5. The first general insurance company was triton insurance company Ltd estabilished in calcutta in 1850.
- Indian merchandise company Ltd started in Bombay in 1906-07. 107 insurers

were grouped into 4 companies ~~peer~~ mainly :- National insurance company Ltd, are New India assurance company Ltd, and One United India Insurance company Ltd.

6. expenses = \$8500 net claims = \$150000
commission = \$5700 NWP = \$50000
Net earned premium = \$75000

combined ratio = loss ratio + expense ratio + commission ratio

$$= \frac{150000}{75000} + \frac{8500}{50000} + \frac{\cancel{1500}\ 5700}{50000}$$

$$= 2.284$$

$$= 228.4\%$$

7. Add one on a motor Insurance policy

- zero depreciation cover
- Engine protect cover
- return to Invoice (RTI) cover
- loss of personal belongings cover
- No claim Bones (NCB) ~~protect~~ protect cover
- Personal accident cover for the passenger
- key replacement cover
- consumables cover
- Daily allowance cover.

8. Documents required to claim health insurance are:
- health aid
- duly filed claim form
- Medical certificate / form signed by doctor
- Discharge summary / card (original) from hospital
- All bills and reciept
- prescription and cash form pharmacies and hospital
- investigation report
- If accident case, then FIR or MLE

9. Third party liability insurance cover:
It is a manadatory cover for the insured vehichle. It protects you against the loss and damage that occured to the third party vehicle or property that causes deaths or injury due to your vehicle. It does not cover damage to your own vehicle. It also doesnt process for the stolen/ vandalized vehicle.

10. Health insurance products:
- family health ~~ins~~ insurance
- critical illness insurance
- senior citizen health insurance
- Top-up health insurance
- Medication
- Hospital daily cash