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Life Insurance Project

Q1) Product Design:

My idea for a new insurance product revolves around temporary unemployment or not getting the desired employment. It could be an insurance policy that covers your risk regarding temporary unemployment or under paid employment. A lot of people in India dont get their desired employment or the employment that the actually qualify for due to less jobs. Not only the bread earner but the whole family has to suffer and compromise for the lesser amount with no fault of theirs. Nowadays, with EMIs and every expenditure pre-planned, this could hamper their living lifestyle. This could happen for a lot of reasons like disguised unemployment, high population, less jobs or even something like getting Covid-19. During these tough times there is nothing that helps them maintain their previous lifestyle, further they also start exhausting their savings which could further aggravate the issue in the long future. We could build a product to cover the risk they face due to under paid employment. I also think this product could do very well in India due to its population and never ending issue of unemployment and after Covid-19 and many lockdowns people could really use this as a way for covering their risk regarding temporary unemployment. And to reach the masses we could use advertising it on television and social media networks. So, the product design would be something like you can take the policy with a particular premium which would be dependent on the time and consistency of your employment and related underwriting. Also, for every qualification we can set a minimum bar for the salary they should get. If the insured is not getting the said salar he could claim for losses he will suffer during the time he was underpaid. We could use several channels of distributions. The most important channel of distribution in our country is through Agents, but lately newer methods like online services like Policybazaar has caught everybody's attention. And for future expansion we can even take it to people outside the retail environment, where everyone with a job can buy such a product for covering the risk of underpaid employment. We have seen many companies letting their employees, and thus employees settling for less salary during the pandemic and this policy could be very helpful in this scenario. The reason I think such a product might do well in these times is because due to the pandemic a lot of people lost their jobs or sources of income. All of this was caused because there was an uncertainty regarding their employment or working capability. This product will help them manage their risks better and get through these tough times.

Q2) Case Study:

- JANUARY- Medical insurance will cover this. Yes, she has coverage. As per the policy terms, she will have to pay Rs. 30 and Rs. 10 as copay for her doctor's visit and prescriptions respectively. She will pay a total of Rs. 40.

- MARCH- Medical insurance will cover this. Yes, she has coverage. As per the policy terms, she will have to pay Rs. 50 as copay for emergency room visits and 20% of the cost of medical procedures that is Rs. 50 (20% of Rs. 250). She will pay a total of Rs. 100.

- JULY- Renter's insurance will cover this. No, she doesn't have coverage. As she doesn't have insurance, she will have to pay the entire amount of Rs. 2500.

- SEPTEMBER- Auto insurance will cover this. Yes, she has coverage. As per the policy terms, she will have to pay Rs. 300 as a deductible for her claims.

- OCTOBER- Vision insurance will cover this. Yes, she has coverage. As per the policy terms, she will have to pay Rs. 30 and Rs. 10 as copay for the doctor's visit and prescriptions respectively. She will pay a total of Rs 40.

1) Based on the insurance coverage Jamie had in place, she has to pay Rs.2149 in premiums. She also had to pay an additional cost of Rs. 480 as copays and deductibles for her claims. And as she didn't have renter's insurance, she had to pay Rs. 2500 for repairing the damages. This means she had to spend a total of Rs. 5129 on herself that year. But if she didn't have any insurance, she would have had to pay Rs. 6620 to cover all the losses and damages that year.

2) In the last year my grandmother was admitted to hospital due to previous ailments that she had met. He had a hairline fracture in his arm and was in the hospital for 2 days. Private hospitals nowadays charging exorbitant fees, it would be very difficult for us to pay for it had we not ourchased the medical insurance. Thus medical insurance helped us not losing a singnificant amount of our savings and maintaining stability.

3) Insurance is a way to manage your risk. When you buy insurance, you purchase protection against unexpected financial losses. The insurance company pays you or someone you choose if something bad happens to you. Imagine something happens to you and you get sick and have to be hospitalized, if you have a medical insurance most

of the cost medical procedures and prescriptions can be claimed under it. For example, when I damaged my car in that accident, my auto insurance help me recover the losses. But on the other hand, if I had renter’s insurance instead of paying for the damages myself, I could have claimed them from my insurance policy. So, you see insurance is a very important tool that helps you manage your risks and minimize your losses.