

1)

True

2)

Reinsurance is a form of insurance purchased by insurance companies in order to mitigate risk. Types of reinsurance is as follows:

a) Proportional:

In proportional reinsurance, the reinsurer shares liabilities of the insurer along with sum insured, premiums and claims in the same proportion as per agreement in the treaty.

E.g., Surplus, Quota Share

b) Non-Proportional:

Here the reinsurer agrees to indemnify the reinsured for the losses that are in a specific monetary layer identified by the reinsured in return of a fixed premium.

E.g., Individual excess loss, Stop Loss

3)

Profit analysis in Reinsurance is done by using Combined Ratio which is the sum total of Expense Ratio, Commission Ratio and Loss Ratio.

Combined ratio = Loss ratio + net commission ratio + expense ratio

a) Loss Ratio:

The percentage of losses (claims) incurred to premium earned during the period. It is indicator to as insurer's underwriting discipline and skill at mitigating risk.

Loss Ratio = Incurred losses / Earned premium

b) Net Commission Ratio:

It represents the cost of obtaining the insurance business. It includes the intermediaries commission net of reinsurance commission other related expenses which relates to acquisition of business

Net commission ratio = (Acquisition cost – RI commission) / Net Written Premium

c) Expense ratio:

It is calculated as underwriting expenses divided by net written premiums; the expense ratio measures an insurer's efficiency.

Operating exp ratio = Operating expenses / NWP

4)

The exclusions of motor-insurance policy are as follows:

- a) Not having valid driving license
- b) Driving while under the influence of alcohol, drugs etc.
- c) While vehicle is used for unlawful purposes
- d) Electrical or Mechanical breakdowns
- e) Consequential Loss, Depreciation, wear and tear

5)

The history of General Insurance dates back to 1850 where Triton Insurance Company Ltd. Was established in Calcutta by British. Later, Indian Mercantile Insurance Company Ltd. Started in Bombay in 1906-07.

After Independence in 1972, General Insurance Nationalization Act was passed due to which 107 insurance companies were amalgamated into 4 companies namely:

- a) National Insurance Company Ltd.
- b) The New India Assurance Ltd.
- c) The Oriental Insurance Company Ltd.
- d) The United India Insurance Company Ltd.

The General Insurance Corporation was incorporated in 1971 and commenced its business on January, 1973.

6)

Given,

Net Premium Earned = \$75000 (NEP)

Net Loss Incurred = \$150000 (NLI)

Net expenses = \$8500 (NE)

Net Commission = \$5700 (NC)

Combined Ratio = $(NLI + NE + NC) / NEP = (150000 + 8500 + 5700) / 75000$
= 218.93%

7)

Following are the add ons available in motor insurance policy:

- a) Zero Depreciation Cover
- b) Engine Protect Cover
- c) Return to Invoice Cover
- d) Loss of Personal Belongings Cover
- e) No Claim Bonus Protect Cover
- f) Personal Accident Cover for Passengers

g) Key Replacement Cover

8)

The list of required documents is as follows:

- a) Health Card
- b) Duly Filled Claim form
- c) Medical Certificate
- d) Discharge Summary Card
- e) Any Bills/receipts
- f) Prescriptions and cash memos from hospital
- g) Investigation Report
- h) FIR or Medico Legal Certificate in accident case

9)

TP liability is the mandatory insurance cover for your vehicle to be safe and secured. One has to buy third party liability cover for the mandated purpose under the law of motor vehicle act, 1988.

In the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of:

- a) death of or bodily injury to any person including occupants carried in the insured vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet the requirements of Motor Vehicles Act, (the insurer shall not be liable where such death or injury arises out of and in the course of the employment of such person by the insured),
- b) damage to property other than property belonging to the insured or held in trust or in the custody or control of the insured.

The insurer shall not be liable in respect of:

- a) Any accidental loss damage and/or liability caused sustained or incurred outside the Geographical Area.
- b) Any claim arising out of any contractual liability.
- c) Any consequential loss

10)

Types of Health Insurance Products:

- a) Individual Health Insurance
- b) Family Health Insurance
- c) Critical Illness Insurance
- d) Senior Citizen Health Insurance
- e) Top Up Health Insurance
- f) Hospital Daily Cash
- g) Personal Accident Insurance
- h) Mediclaim
- i) Group Health Insurance