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| **FINAL EXAM** |

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| Course Name:  | **InsuranceManagementAndPractices** |  |  |

**BBA**

**Q1)** How the Insurers can claim for what is actually paid off? Write in your own words?

Insurance claiming could be a terribly susceptible method by that through need the correct info and its arrangements it needed. Similarly the insured policy holder or client if they faces some issues or loss against specific insured object of the corporate

More specifically the claim could be a formal question by entity holder of no depository financial institution for a profit or advantage for lined loss or policy act. So as per the no depository financial institution entity it could not be correct for such policy than in such commitment. Insurance corporations will created such styles of policies to resolve such styles of issues.

Similarly some corporation square measure created for the simplest interest of the entity holder and no depository financial institution by itself. Public adjusters additionally offer policy interpretation to see lined and uncovered things and to barter with the insurance Carrier to a final and truthful settlement.

A public investigator could be a representative of the client who advises, manages, and submits a claim to the policy holder no depository financial institution.

The adjustor investigates insurance claims to see the extent of the insuring company liability. Claims adjusters could handle property claims involving injury to structures or liability claims involving personal injuries or third-person property injury.

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**Q2)** which marketing tools the insurance companies used for its Marketing purpose? Support your answer with some examples.

**Marketing purpose:**

Insurers can usually use insurance agents to at first market or underwrite their customers. Agents may be captive, which means they write just for one company, or freelance, which means that they'll issue policies from many corporations. The existence and success of corporation’s victimization insurance agents is probably going thanks to improved and personalized service. Corporations additionally use Brooking companies, Banks and different company entities (like Self facilitate teams, Microfinance establishments, NGOs, etc.) to plug their merchandise. Any risk may be quantified can probably be insured. Specific styles of risk that will bring about to claims referred to as perils. Associate policy can take off intimately that perils are coated by the policy and that don't seem to be. Below the non-exhaustive lists of the various differing kinds of insurance that exist. One policy that will cowl risks in one or additional of the classes taken off below. as an example, vehicle insurance would usually cowl each the property risk (theft or injury to the vehicle) and therefore the liability risk (legal claims arising from associate accident).Marketing is a vital piece of the puzzle once it involves prospecting, lead generation, and stigmatization, however most insurance professionals can admit that promoting their merchandise and services takes an excessive amount of time off from their main task commercialism.

**There are differing kinds of promoting tools are uses by insurance corporations some are**

Social Media computer hardware. Social media plays a key role in building sturdy shopper relationships. Feebly, Automated, Email, Marketing, Scrubber, Canvas, Biteable, Survey Tool, Bigly or Google uniform resource locator agent.

**Example of the Automated Email:** in 2019, 90% of the nearly 290 million web users within the U.S are going to be victimization email monthly. Clearly, email selling can still be one in all the foremost efficient and economical ways in which of reaching prospects and customers.

**Example of the Canvas**: Whether you just got to release it slow or simply don’t have associate degree artist’s skills, you'll like an internet style resolution like Canvas, that uses drag-and-drop options and skilled layouts to assist you style beautiful graphics. Templates and per-designed things will assist you produce distinctive and crowd pleasing pictures for social media, email, brochures and junk items.

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**Q3)** Explain the Underwriting and Investing process in your own words?

**Underwriting:**

Insurance underwriters square measure professionals UN agency appraise and analyze the risks concerned in insuring individuals and assets. Insurance underwriters establish rating for accepted insured risks. The term underwriting means that receiving remuneration for the temperament to pay a possible risk. Through underwriting, the method by that insurers choose the risks to insure and choose what quantity in premiums to charge for accepted those risks. Underwriting performance is measured by one thing known as the "combined ratio", that is that the quantitative relation of expenses/losses to premiums. A combined quantitative relation of but 100 percent indicates Associate in nursing underwriting profit, whereas something over a hundred indicates Associate in nursing underwriting loss. Corporation with a combined quantitative relation over 100 percent might ne'er the less stay profitable because of investment earnings.

**Investment Definition:**

In simple word Investment is economic activity. Economic activity means profit generating or profit earning activity.

Investment profits on "float". Float, or out there reserve, is that the quantity of cash reachable at associate given moment that an insurance company has collected in insurance premiums however has not paid enter claims. Insurers begin finance insurance premiums as presently as they collected and still earn interest or alternative financial gain on them till claims are paid out.

**Categories of investment process:**

**Four Categories.**

1) Economic investment.

2) Investment In general sense.

3) Business investment.

4) Financial investment.

1. **Economic Investment:**

Its means to invest anything due to capital formation. Capital formation means due to further production.

**For Example:** Plant and machinery.

1. **Investment in general sense:**

 Investment in general sense means to generally invest. Not capital growth.

 **For Example:** T.V, car, Furniture (investment for own purpose)

 **3)** **Business investment:**

 Investment in a new or existing business.

 **For example:** setting up of new business.

**4) Financial investment:**

 Investment in the financial assets or investment in securities. Generate income in form of interest of dividend.

 **For example:** shares and debentures.

**Investment Process and Steps**

Many investors have no plan and simply blindly throw money into an account or worse they choose not to save because they find the process overwhelming.

**Step in investing:**

1. **Meeting investment prerequisites.**
* Adequately provide for necessities of life, including funds for meeting emergency cash needs.
* Adequate protection against various common risks, such as death, illness, disability.

 **2) Establishing investment Goals.**

 **For Example:**

* Accumulating retirement funds.
* Enhancing income.
* Saving for major expenditures.
* Sheltering income from taxes.
1. **Adopting an Investment plan.**
* Develop a written investment plan.
* Specify target date and risk tolerance for each goal
1. **Evaluating investment vehicles.**
* Access potential return and risk.
1. **Selecting suitable investment.**
* Research and gathering information on specific investment.
* Make investment selection.
1. **Constructing a diversified portfolio.**
* Use portfolio comprised of different investment.
* Diversification can increase return and decrease risks.
1. **Managing the portfolio.**
* Compare actual behavior with expected performance.
* Take corrective action when needed.

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**Q4)** what are the different types of Insurance? Explain any four with Examples.

**Insurance Definition:**

An arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness or death in return for payment of a specified premium.

**Types of Insurance**

**Life Insurance:**

* It is an insurance contract which cover the life risk of the person insured.
* It is a form of investment.
* Long term.
* Premium has to be paid over the year/month.
* Insurable amount is paid either on the occurrence of the event or on maturity.
* Insurable interest must be present at the time of contract.
* Policy value can be done for any value based on the premium policy.

**Example:**

* Upon the insured's death, the insurance firm needs acceptable proof of death before it pays the claim. If the insured's death is suspicious and therefore the policy quantity is giant, the insurance firm could investigate the circumstances close the death before deciding whether or not it's associate degree obligation to pay the claim. Payment from the policy is also as a payment or as associate degree rented that is paid in regular installments for either a fixed amount or for the beneficiary's period of time

**Health Insurance**

* A general health insurance plan is an indemnity plan that pays for hospitalization expenses up to the sum insured. While you can avail a standalone health policy. Family floater plans provided coverage to all the members of your family.

**Example:**

* Example of the health law, a premium is calculated victimization five specific factors concerning the insured. These factors are calculated the age, location, tobacco use, individual vs. family enrollment, and that set up class the insured chooses. Below the reasonable Care Act, the govt. pays a reduction to hide a part of the premium for persons who purchase personal insurance through the Insurance Marketplace.

**Car insurance:**

* Car insurance cover your vehicles against accident, damage, theft and so on. This form of insurance comes in two forms comprehensive and third party.

**Example:**

* I have example of my own car. My car company is Toyota. Therefore after I bought the automotive I even have been first of all insured my when the insurance of my got a little the accident of my automotive. The left door Measure} tiny broken therefore after I came back to automobile insurance company they told me that your door expense is close to 40000 to 80000 .So after I utterly update my door. The expenses 42000 therefore i paid 50000 rupees to no depository financial institution.

**Travel insurance**

* A travel insurance policy is that the protects you again losses suffered due to loss of baggage delays in flight and trip cancellation. When you are travelling abroad. In some cases if you are hospitalized while travelling a travel insurance may also cashless hospitalization.

**Example:**

* In the event of minor injury or health problem overseas, medical advantages supply coverage for visits to general practitioners, medicine, auto fees, and restricted medical specialty advantages. Within the event of medical care, most travel insurance policies embody emergency help services, which might supply guarantees of payment to hospitals for treatment, negotiate treating doctors, and organize transfers between hospitals or medical evacuations back to the insured person's country of origin.

**Principle of Insurance:**

 **Principle of utmost good faith:**

* According to this principle the insurance contract must be signed by both parties. (Insurer and insured) in an absolute good faith or belief or trust. They should not hide anything from each other.

**Principle of insurable interest.**

* The principle of insurable interest states that the person getting insured must have insurable interest in the object of insurance.

**Principle of indemnity**:

* According to the principle of indemnity, an insurance contract is signed only for getting protection against unpredicted financial losses arising due to future uncertainties.

**Principle of contribution:**

* It applies to all contract of indemnity if the insured has taken out more than one policy on the same subject matter.
* The insured can claim the compensation only to the extent of actual loss either from all insurers or from any one insurer.
* If one insurer pays full compensation then that the insurer can clam proportionate clam from other insurers.

**Principle of subrogation:**

* When the insured is compensated for the losses due to damage to his insured property, then the ownership right of such property shifts to insurer.

**Principle of loss Minimization:**

* According to the principle of loss minimization insured must have always to level best to minimize the loss of his insured property. In case of uncertain events like fire outbreak or blast etc.

**Principle of causa proximate (nearest cause):**

* Proximate cause is concerned with how the actual loss or damage happened to insured party and whether it is result of an insured peril.

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