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***Question number 4***

***Answer***

***Types of insurance***

* Auto Insurance
* Property Insurance
* Credit Risk Insurance
* Burial Insurance’
* Gap Insurance
* Health Insurance
* Income Protection Insurance
* Causality insurance
* Life Insurance
* Liability Insurance

**1. Auto insurance:**

Auto insurance protects the policyholder against financial loss in the event of an incident involving a vehicle they own, such as in a [traffic collision](https://en.wikipedia.org/wiki/Traffic_collision).

[**Liability coverage**](https://www.nationwide.com/personal/insurance/auto/coverages/types/liability)

Liability coverage is required in most US states as a legal requirement to drive a car. Liability insurance may help cover damages for injuries and property damage to others for which you become legally responsible resulting from a covered accident

**Collision insurance**

Collision insurance may cover damage to your car after an accident involving another vehicle and may help to repair or replace a covered vehicle.

**Example**

When a car is insured and does an accident then it becomes a hazard. The damage will be compensated by the insurance company. That insurance is known as auto insurance.

**2. Burial insurance**

Burial insurance is a very old type of life insurance which is paid out upon death to cover final expenses, such as the cost of a funeral. The Greeks and Romans introduced burial insurance c. 600 CE when they organized guilds called "benevolent societies" which cared for the surviving families and paid funeral expenses of members upon death. Guilds in the middle Ages served a similar purpose, as did friendly societies during Victorian times.

**Example:**

This insurance would have to provide all the expenses occur on the death of the insured person

**3.** [**Property insurance**](https://en.wikipedia.org/wiki/Property_insurance)

Property insurance provides protection against risks to property, such as fire, theft or weather damage. This may include specialized forms of insurance such as fire insurance, flood insurance, earthquake insurance, home insurance, inland marine insurance or boiler insurance.

**Example**

The best example of property is imperial outlet university. When all the property of imperial was burned due to fire. Than the imperial is compensated by the insurance company under property insurance policy.

**4. Life insurance**

Life insurance provides a monetary benefit to a decedent's family or other designated beneficiary, and may specifically provide for income to an insured person's family, burial, funeral and other final expenses

**Example**

If a person dies in the family of the deceased they should receive health insurance from the providers. The best example of life insurance is Michael Jackson because he made life insurance.

***Question number 3***

***Answer***

Insurers' business model aims to collect more in premium and investment income than is paid out in losses, and to also offer a competitive price which consumers will accept. Profit can be reduced to a simple equation:

Profit = earned premium + investment income – incurred loss – underwriting expenses.

Insurers make money in two ways:

 Through underwriting, the process by which insurers select the risks to insure and decide how much in premiums to charge for accepting those risks

 By investing the premiums they collect from insured parties

• The most complicated aspect of insuring is the actuarial science of ratemaking (price-setting) of po licies, which uses statistics and probability to approximate the rate of future claims based on a given risk. After producing rates, the insurer will use discretion to reject or accept risks through the underwriting process.

• At the most basic level, initial ratemaking involves looking at the frequency and severity of insured perils and the expected average payout resulting from these perils. Thereafter an insurance company will collect historical loss-data, bring the loss data to present value, and compare these prior losses to the premium collected in order to assess rate adequacy.[23] Loss ratios and expense loads are also used. Rating for different risk characteristics involves - at the most basic level - comparing the losses with "loss relativities"—a policy with twice as many losses would therefore be charged twice as much. More complex multivariate analyses are sometimes used when multiple characteristics are involved and a univariate analysis could produce confounded results. Other statistical methods may be used in assessing the probability of future losses.

• Upon termination of a given policy, the amount of premium collected minus the amount paid out in claims is the insurer's underwriting profit on that policy. Underwriting performance is measured by something called the "combined ratio", which is the ratio of expenses/losses to premiums.[24] A combined ratio of less than 100% indicates an underwriting profit, while anything over 100 indicates an underwriting loss. A company with a combined ratio over 100% may nevertheless remain profitable due to investment earnings.

• Insurance companies earn investment profits on "float". Float, or available reserve, is the amount of money on hand at any given moment that an insurer has collected in insurance premiums but has not paid out in claims. Insurers start investing insurance premiums as soon as they are collected and continue to earn interest or other income on them until claims are paid out.

***Question number 1***

***Answer***

When you make a claim on an insurance policy, you are formally notifying the insurance company that you have suffered a loss or damage that you believed is covered by the policy and you are requesting action

This insurance can be claim by your self agent or broker. The insurer may require that the claim filed on its own property or on standard industry. The insurance may negotiate the settlement by its own or hired broker or agent for the settlement.

The insurer will review your claim and see if the event or circumstances are risks covered by policy. You will need to provide proof it is a genuine claim and the insurer will need to be certain the claim satisfies the terms and conditions of your insurance policy. If your claim is accepted, the replacement or repair of your property or any payment by the insurer is called the benefit or payout.

The insurer will work out the value of the claim and provide the appropriate benefit specified in your insurance.

***Question number 2***

***Answer***

Most insurance companies use banks and other financial institutes for marketing. They make contract to sell policies for them and in return insurance companies offer these institutes’ commissions or any other benefit. This is because most of the people finance e.g. auto financing, house loans, or business loans, from banks or other financial institutes. So, after issuing these loans, these institutes offer insurance to individuals. So this is the simple way of marketing and selling policies to individuals. Examples can be: jubilee insurance company makes contract with Bank of Khyber to sell its policy to individual, it can be home insurance, vehicle insurance etc. and in return Jubilee insurance company give rewards to the employees and to the banks also.

3. Insurance companies also use broking firms, NGOs and other corporate entities for marketing different types of insurance.

4. Posting banners, tv ads, social media marketing is also used by most of the insurance companies which helps more to these companies.