

Paper : (SEC-2) : PRACTICE OF LIFE INSURANCE

Paper: SEC-2

PPW: 2 Hrs

Credits : 2

Max. Marks: 50 (40+10)

Exam Duration: Hrs

Objectives:a)To make the student understand Life Insurance Market in India. b) To discuss the issues related to risk management in view of life insurance.

UNIT-I: INTRODUCTION TO LIFE INSURANCE AND TYPES OF LIFE INSURANCE

POLICIES AND PREMIUM CALCULATION :Meaning evolution, growth and principles of Life Insurance —Life Insurance Organizations in India-- Competition and Regulation of Life Insurance.Types of Life Insurance Policies – Term, Whole Life, Endowment, Unit Linked and with or without Profit Policies –Customer Evaluation – Policy Evaluation — Group and Pension Insurance Policies – Special features of Group Insurance /Super Annuation Schemes – Group Gratuity Schemes.Computation of Premiums—Meaning of Premium, its calculation--Rebates – Mode of Rebates – Large sum assured Rebates – Premium Loading – Rider Premiums – Computation of Benefits – Surrender value – Paid up value

UNIT-II: SETTLEMENT OF CLAIMS RISK & UNDERWRITINGS AND FINANCIAL

PLANNING & TAX SAVING: Settlement of claims: Intimation Procedure, documents and settlement procedures.Underwriting: The need for underwriting – Guiding principles of Underwriting – Factors affecting Insurability – Methods of Life Classification – Laws affecting Underwriting.Financial Planning and taxation: Savings – Insurance vis-à-vis- Investment in the Units Mutual Funds, Capital Markets – Life Insurance in Individual Financial Planning – Implications in IT treatment.

SUGGESTED READINGS:

1. Insurance Institute of India, Practice of Life Insurance, Mumbai.
2. P.K.Gupta, Insurance and Risk Management, Himalaya Publishing House, Mumbai.
3. Kanika Mishra, Fundamentals of Life Insurance: Theories and Applications, Prentice Hall
4. Kutty, S.K., Managing Life Insurance, Prentice Hall of India: New Delhi
5. Black, Jr. Kenneth and Harold Skipper Jr., Life and Health Insurance, Prentice Hall, Inc., England.
6. K.C. Mishra and C.S. Kumar, Life Insurance: Principles and Practice, Cengage Learning: New Delhi.
7. Sadhak, Life Insurance in India, Respose Books: New Delhi