

**PGDM (Insurance Business Management), 2020-22**

**Life and Health Insurance Underwriting**

**INS -305**

**Trimester III, End Term Examination: April, 2021**

Time allowed: 2½ Hours

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	All 3 question with internal choices	3*10	30
B	Compulsory Case Study	20	20
			<b>50</b>

**Section-A**

A-1. Discuss the need of a sound underwriting policy for a life insurance company? What are the considerations which goes in to the development of such policies? (CILO 3)

OR

Explain the concept & applicability of the pooling of the risk & law of large numbers in life insurance underwriting. List some of the important sources of data in India which are available for the life & medical underwriters to develop their UW policies (CILO 3)

A-2. Justify enhancement of non-medical limit in life & medical underwriting over the years. How is this decision of relaxation of the medical requirement taken? (CILO 2)

OR

Compare with examples the approach which differentiates life medical underwriting with that of health underwriting. How is the existence of co-morbidity dealt in numeric rating method (CILO 2)

A-3. Outline the different sources of risk selection information? Explain in brief the different sections of a standard life insurance proposal form used in India? (CILO 1)

OR

Illustrate the different methods used in determining the insurance cover needed by an individual? What are the different sources of information available for an underwriter to do the financial underwriting? (CILO 1)

## Section B

Case Study

20 Marks

(CILO 1 & 3)

The extract of a life insurance proposal form :

Name : Ms. Nalini , DOB : 20/11/1992 , Education : MCA , Occupation : Asst. Professor in a private college in Pune.

Salary : Rs 65k / pm , Financial Liability : Mortgage loan (jointly with spouse) 65 lakhs & vehicle loan (self) Rs 6 lakhs , Insurance status : An endowment plan of Rs. 5 lakhs in inforce status, Premium outgo Rs 20k per annum.

Financial Planning : But for compulsory PF deduction –no other saving. EMI: Rs 45k pm

Family: Spouse Mr. Shailesh , Occupation : Software Engineer , One son of age 4 ( born with c –section) , Parent & parent –in-law :Self dependent

Health status: On medication for Thyroid & Borderline diabetic (not on medication as of now), Height : 160 cm , Weight : 80 kg. , Had the appendectomy in year 2012.

Currently on family way in 4<sup>th</sup> month of pregnancy,

Family history: Father aged 62 (diabetic) , Mother aged 60 (no health complication)

Husband's Insurance details: No individual insurance. Covered for Rs 25 lakhs under employer's group policy.

Based up on the above inputs:

1. Calculate the quantum of insurance cover required for Ms. Nalini using DIME method & also suggest the plans (10)
2. Using Numerical Rating Method & other UW considerations, suggests the underwriting outcome with proper explanation. (10)

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