

CS/BIRM/SEM-5/BIRM-505/2011-12

2011

**UNDERWRITING & CLAIM MANAGEMENT**

*Time Allotted : 3 Hours*

*Full Marks : 70*

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) Greater the risk ..... should be the premium.  
a) Equal b) Greater  
c) Lower d) Less.
- ii) ..... is the person who decides to accept or reject an insurance application.  
a) Proposer b) Claimant  
c) Insured d) Underwriter.
- iii) Which one of the following statements is correct ?  
a) An underwriter charges extra premium for physical hazards  
b) An underwriter charges extra premium for moral hazards  
c) Both the statements above are correct  
d) Both the statements above are wrong.
- iv) Before paying a death claim, which of the following have to be verified ?  
a) Proof of death of life insured

- b) Receipts of all premiums paid from commencement
  - c) Entitlement for accident benefits
  - d) All of these.
- v) Moral hazard may be suspected in cases where
- a) the life to be insured is old
  - b) the insurance is for a very large amount
  - c) in both the above cases
  - d) in neither of the above cases.
- vi) Which one of the following statements is correct ?
- a) The underwriter assess the risk
  - b) No policy can be issued without the underwriters decision
  - c) Both the statements above are correct
  - d) Both the statements above are wrong.
- vii) The underwriter's assessment will include
- a) the genuineness of the need for insurance
  - b) the intentions of proposal in applying for insurance
  - c) both genuine and intentions
  - d) neither genuineness nor intentions.
- viii) Under the system of nonmedical underwriting
- a) there is no restriction on age
  - b) there is no restriction on SA
  - c) there is restriction both on the SA and Age
  - d) only sum towns are covered.
- ix) Which one of the following statements is correct ?
- a) Working women are treated at par with men
  - b) Educated women are treated at par with men
  - c) Both the statements above are correct
  - d) Both the statements above are wrong.
- x) Which one of the following statements is correct ?

- a) Underwriting standards are changing
  - b) Underwriting standards of all insurers are the same
  - c) Both the statements above are correct
  - d) Both the statements above are wrong.
- xi) A missing person will be presumed to be dead only after
- a) 3 years b) 9 years
  - c) 7 years d) 5 years.
- xii) The quality of products and services maintains the globally acceptable ..... standard.
- a) ISO
  - b) ISI
  - c) FCI
  - d) IRDA.

### **GROUP – B**

#### **( Short Answer Type Questions )**

Answer any *three* of the following.  $3 \times 5 = 15$

2. Enumerate the different underwriting principles.
3. Write a note on the use of IT in Insurance.
4. While scrutinising a proposal, what are the basic things, an underwriter looks for ?
5. What is fire insurance ? What are the objectives of fire insurance ?
6. What are hazards ? Write briefly about physical hazards.

### **GROUP – C**

#### **( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

7. Explain the objectives of claim settlement. In this context, discuss the different steps involved in claim settlement.  $6 + 9$
8. a) State the components of premium.
- b) Explain various methods of rate making.  $5 + 10$

9. a) Write down the different sources of information used by underwriter.

b) What are the various kinds of underwriting decisions involved in life insurance underwriting ? 6 + 9

10. a) What are the basic steps involved in a claim procedure ?

b) Write down the information that must be contained in a claim form. 7 + 8

11. Write short notes on any *three* of the following : 3 × 5

a) Re-insurance

b) Types of claim adjustors

c) Claim concession

d) Arbitration

e) Principles of rate making.