

NATIONAL LAW UNIVERSITY, JODHPUR
End Term Examination October-November, 2023
MBA (Insurance) III Semester
Actuarial aspects of Insurance Products

Time : Three hours

Max.Marks.100

Instructions:

1. *Answer any five questions.*
2. *All questions carry equal marks*
3. *Use of Calculator is permitted*

Q.1) What is meant by the acronym 'NAV' in unit linked insurance products? How is it computed? What regulatory norms will you consider while designing a linked insurance product for your company with respect to following aspects:

- a) Minimum death benefit
- b) Top up premium
- c) Partial Withdrawals

Marks 5*4=20

Q.2) Explain 'File and Use' and 'Use and File' regulatory system of introducing new insurance products in the market. Elaborate on the recent changes introduced by the Insurance regulatory and development authority of India regarding introduction of new life and non-life insurance products in the market.

Marks 20

Q.3) a) Explain the importance of Interest rate in pricing a life insurance policy.
b) What are the distinguishing characteristics of a group insurance contract in comparison to an individual contract?

Marks 10*2=20

Q.4) Briefly explain the relevant factors considered by an actuary to design a new life insurance product.

Marks 20

Q.5) a) What is meant by 'Solvency margin'? How is the solvency ratio calculated? How much solvency ratio is required to be maintained by the Insurers in India?

b) Mr.'Y' purchased an Endowment plan without profit from 'XYZ' life Insurance Company paying a single premium of ₹15 lakhs for a sum assured of ₹50 lakhs for 20 year term. Due to some financial problem he decided to close the policy and withdraw his policy money in the third policy year. What amount is he entitled to on such cancellation of the policy?

Marks 10*2=20

Q.6) Explain *any two* :

- a) Need for Reinsurance
- b) Guarantees offered in life policies
- c) Types of immediate annuities / Annuity options
- d) Riders

Marks 10*2=20