

MBE II Year	MBE-E303/403		Semester-III		
	Life Insurance Underwriting				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hours	30	70	100	03	40

OBJECTIVE:The course is designed to help the student understand the legal principles and provisions of the life insurance contract.

- Life Underwriting - Principles & Concepts: Concepts of underwriting – Risk assessment – Mortality and morbidity –Assessing individual risks – Selection of lives – Classification of risks – Types of extra risks: Increasing, decreasing and constant extra risks – Sub – standard and other extra risks – Level premium – Temporary extra premium – Diminishing Lien – Exclusions – Postponement of acceptance of risk – Declinature of the acceptance of risk. Numerical Rating in underwriting – Standard, sub-standard and highly sub – standard risk – Limitations of the numerical rating system — Financial Aspects & Moral Hazard –Rider Benefits – Waiver of premium benefit – ADB-(Accidental Death Benefit) – TPD (Total permanent Disability) – Term rider – Critical Illness rider – Premium Loading – Terms of acceptance – Dating – back of policies. **(9Hours)**
- Underwriting Structure, process:Processing of the Proposal (Application form) – Policy issuance process Non-medical and Medical Underwriting – Medical Examination process – Issuance of the Policy Document (Policy Bond) –Challenges faced in Underwriting. **Case Study1:** Claim Settlement Process of Life Insurance Services **(7Hours)**
- Financial Underwriting: Purpose of financial underwriting – Objectives of financial underwriting – Concept of Insurable interest & Insurable– Human Life Value – Insurance on Housewives & Women with no earned income – Insurance on Minors – Key Person Insurance – Partnership Insurance – “Employer-Employee” Insurance – Hindu Undivided Family (HUF) – Insurance under Married Women’s Property Act. **(8Hours)**
- Occupational, Avocational and Residential risks:Sources of information to assess Occupational, Avocational & Residential risks – Basic risk factors for occupation – Armed Forces, Aviation & Merchant Navy – Chemical Industry – Mining – Nuclear Power Industry – Oil & Natural Gas Industry – Basic Risk factors for Avocation –Aviation risks – Car – racing – Mountaineering – Residential Risks. **(8Hours)**
- Reinsurance:Need for reinsurance – Types of reinsurance – Facultative reinsurance – Automatic reinsurance – Catastrophe reinsurance – Advantages of reinsurance arrangements – Reinsurance treaty – Underwriting Audits by reinsurers.**Case Study2:** Life and health insurance underwriting **(8Hours)**

SUGGESTED READINGS:

1. Insurance Institute of India. Study material IC 22- Life Insurance Underwriting. Mumbai.
2. **Case Study 1:** Claim Settlement Process of Life Insurance Services - A Case study of ICICI Prudential Life Insurance Company Rajesh K. Yadav^{1,a} , Sarvesh Mohania^{2,b} ¹Maxim Institute of Technology, Bhopal (M.P.), India ²CRIM (UTD), Barkatullah University, Bhopal (M.P.), India
3. **Case Study 2:** Life and health insurance underwriting --Author – Mary C. Bickley /Barbara Foxenberger Brown / Brown Jane Lightcap

NOTE: The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.