overdistribution of surplus

4TH YEAR SECOND SEMESTER CAT FOR BACHELOR OF SCIENCE IN ACTUARIAL SCIENCE

HRD 2401: LIFE ASSURANCE THEORY

(a) Briefly describe the different major categories in which life-based contracts falls [3 marks]

(b) A life insurance company has, for several years, been one of the leading providers in its country of without profits immediate annuities. One of its actuaries has raised concerns regarding the level of mortality risk arising from this business. Describe briefly the other risks that the life insurance company might face as a result of selling this business. [4 marks]

(c) A life assurance company is considering expanding its products distribution channels through Bancassurance.

tied insurance

i) Describe what is meant by Bancassurance. [2 marks]

ii) Discuss the advantages and disadvantages of this proposal to both parties involved in this distribution arrangement. [6 marks]

distribution of vast database of other loyal customer

(d) Describe the principles appropriate for setting the supervisory reserves for a life insurance policy [4 marks]

(e) Describe the Revalorization method for distributing any surplus which may arise from a profit life assurance contract. [3 marks]

(f) A proprietary life insurance company is considering launching a new without profitswhole life assurance contract. Regular monthly premiums will be payable frominception for the first 20 years of the policy or until earlier death.Describe the factors that the company would take into account in deciding whether tolaunch this product. [4 marks]

(g) Outline the ways in which the government of a country may use its fiscal regime to increase the consumer demand for savings products of life insurance companies. [4 marks]

THE END

options and guarantee