ASSIGNMENT

Course Code	**:**	**MMPF-011**
Course Title	**:**	**Management of Insurance Services**
Assignment Code	**:**	**MMPF-011/TMA/JAN/2026**
Coverage	**:**	**All Blocks**

Note: Attempt all the questions and submit this assignment to the coordinator of your study centre. Last date of submission for January 2026 session is 30th April, 2026 and for July 2026 session is 31st October, 2026.

1. Explain the term Life Insurance and the need to have life insurance products. Discuss the different types of Life Insurance.

2. Select any two Group Insurance Schemes and discuss about those Schemes in detail.

3. Visit the website of any Insurance Company and study the Agriculture Insurance Products being offered by the company. Prepare a report on the important aspects of any one product in detail.

4. Discuss the important features/aspects of the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016.

5. Explain the scope of coverage and benefits of the following schemes:
   (a) Pradhan Mantri Suraksha Bima Yojana (PMSBY)
   (b) Aam Aadmi Bima Yojana (AABY)

1. Explain the term Life Insurance and the need to have life insurance products. Discuss the different types of Life Insurance.

Answer

Meaning of life insurance

Life insurance is a contract under which an insurer agrees to pay a specified amount of money on the death of the insured person, or on survival up to a stated date in policies that contain a maturity benefit, in return for the premium paid by the policyholder. The basic purpose is to transfer the financial risk arising from premature death from an individual family to an insurance company. Unlike insurance of property, the value of a human life cannot be measured exactly. Therefore, the sum assured is chosen in relation to income, family needs, liabilities and the ability to pay premium.

Life insurance is also a long-term financial arrangement. Some policies provide only risk protection, while others combine protection with savings, investment or retirement benefits. A policy may cover one life or more than one life, may be participating or non-participating, and may offer riders such as accidental death or critical illness cover. The central element, however, is financial protection against the uncertainty of human life.

Need for life insurance products

1. Income replacement for dependants: When the earning member of a family dies, regular household income may stop immediately although expenses continue. Life insurance creates a financial fund that can replace a part of the lost income and help the family meet food, education, housing and medical expenses.

2. Protection of long-term family goals: Families plan for children’s education, marriage, purchase of a house and other long-term commitments. An early death can disturb these plans. A suitable life insurance amount allows important goals to continue even when the person who was financing them is no longer alive.

3. Repayment of loans and liabilities: Housing loans, vehicle loans, business borrowings and personal loans do not automatically disappear on the death of the borrower. Life insurance can provide money to repay such liabilities so that dependants are not forced to sell assets or use all their savings.

4. Protection at relatively low cost: Pure term insurance generally provides a large death cover for a comparatively low premium because it mainly covers