

IC - 104

Fellowship

EXAMINATION QUESTION PAPERS NOV 2009



भारतीय बीमा संस्थान

INSURANCE INSTITUTE OF INDIA

Universal Insurance Building,

Sir P. M. Road, Fort,

Mumbai - 400 001.

FELLOWSHIP EXAMINATION REINSURANCE

Time: 3 Hours]

[Total Marks : 100

Answer any **FIVE** questions only.
All questions carry 20 marks each.

- | | Marks |
|--|--------------|
| 1. Calculate profit commission payable on | 20 |
| a) Annual basis | |
| b) Three years average basis, from following Treaty results for the year 2008- | |
| | Rs. |
| Premium | 50,00,000 |
| Premium Reserve brought forward | 15,00,000 |
| Outstanding Reserve brought forward | 7,00,000 |
| Commission | 30% |
| Claims paid | 20,00,000 |
| Foreign Tax | 10,000 |
| Premium Reserve carried forward | 15,20,000 |
| Outstanding loss carried forward | 7,50,000 |
| Management Expense | 1,15,000 |
| Profit Commission | 20% |
| Deficit for 2007 | 80,000 |
| Deficit for 2006 | 25,000 |
| 2. What are the factors involved in determining the underwriting philosophy while accepting inward reinsurance business. | 20 |
| 3. Briefly differentiate any four of the following:- | 5 each |
| a) Gross Line and Net Line. | |
| b) Written Premium and Earned Premium. | |
| c) Ground-up Loss and Ultimate Net Loss. | |
| d) Set-off clause and offset. | |
| e) Reciprocal and Non-Reciprocal Treaties. | |
| f) Hard Market and Soft Market. | |

4. ABC General Insurance Company is about to be set up in India. Please clarify:-
- a) The specific IRDA regulation applicable regarding Reinsurance. 1
 - b) Minimum rating stipulated by IRDA for a reinsurance company with which business can be placed. 1
 - c) Limit of statutory cessions (%) to GIC during 2009-2010. 2
 - d) What are the criteria for security evaluation adopted by credit agencies? 16
5. Outline the functions of Intermediaries in global Reinsurance Market. 20
6. What are the factors influencing the retention levels of an insurance company? 20
7. Outline the need for and functions of Reinsurance. 20
8. a) Elaborate the proportional methods of reinsurance with examples. 10 each
- b) How is the use of information technology simplifying reinsurance administrative procedures?

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