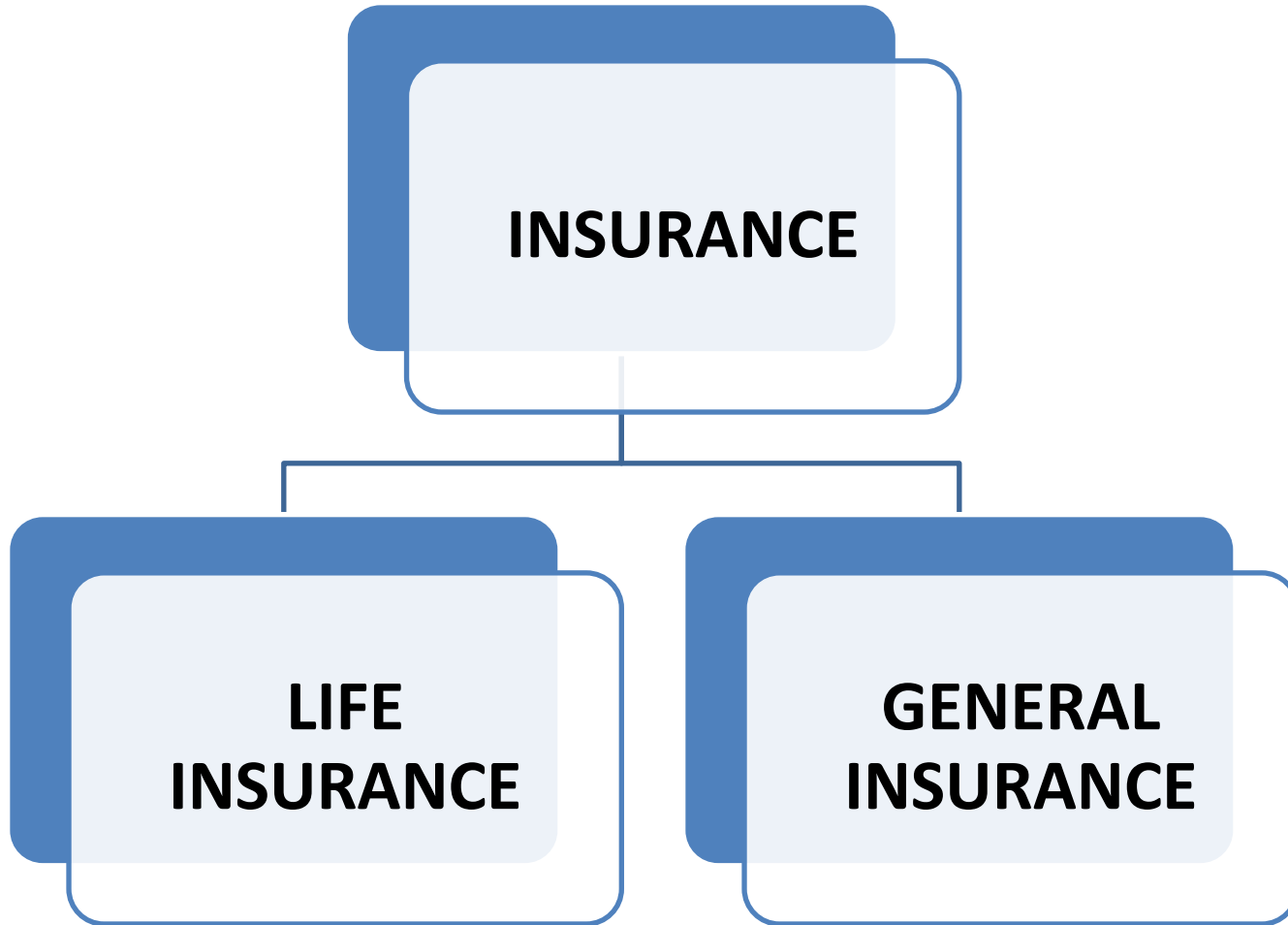


ACCOUNTS OF INSURANCE COMPANIES

DEFINITION

“a contract , whereby one person in consideration of a certain sum known as premium agrees to pay on the happening of an event or an expiry of a period a sum of money or to compensate the loss to the other”

TYPES



TERMS:

- **INSURER:**

the company or corporation that conducts the insurance business

- **INSURED:**

The person in whose favour the insurance is effected

- **POLICY:**

The document containing the terms and conditions of an insurance contract

TYPES OF LIFE INSURANCE POLICIES

- WHOLE LIFE POLICY
- ENDOWMENT LIFE POLICY
- WITH-PROFIT POLICY
- WITHOUT PROFIT POLICY

REINSURANCE: the insurance effected by an insurance company with another insurance company in order to reduce the risk in respect of policies accepted.

DOUBLE INSURANCE: If the same subject matter is insured with more than one insurance company.

CLAIMS: the amount payable by the insurance company to the insured as per the insurance contract.

ANNUITY: Annual payment which a life insurance company guarantees to pay for a lumpsum money received in advance

SURRENDER OF POLICY: Outright sale of a policy by the insured to the insurance company before the maturity of the policy.

BONUS: Share of profit which a policy holder gets from the insurance company