

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2021

Programme: BBA-BI

Full Marks: 100

Course: Life and Health Insurance

Pass Marks: 45

Time: 3 hrs.

*Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.*

## Section "A"

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. What is life insurance?
2. Differentiate between individual and group insurance.
3. List out the factors that determine premium in life insurance.
4. What do you understand by premature death?
5. Distinguish term and endowment plan.
6. What do you understand by Policy Lapse and Revival?
7. Define the economic value of life insurance.
8. List out the various endowment policies practice in Nepal.
9. Highlight the importance of group insurance.
10. Why health insurance is important?

## Section "B"

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Explain the financial impacts of premature death on different types of families.
12. Describe the various types of Endowment Life Insurance.
13. Briefly explain the importance of life insurance in country like Nepal.
14. Explain the process and purpose of underwriting in life insurance.
15. Briefly explain the status and trend of life insurance market in Nepal
16. Discuss the various investment opportunities of life insurance fund in Nepal
17. "There are many problems to implement the health care insurance in Nepal" Explain with your argument.

## Section "C"

### Case Analysis

18. *Read the case situation given below and answer the questions that follow:*  
[20]

### Health Care Expenditure in South East Asia

Demand for healthcare is growing rapidly in Southeast Asia (SEA). Overall health expenditures increased two and a half times between 1998 and 2010,

reaching nearly USD 68 billion. Private insurance accounts for 4% of this total. Three major factors are driving this development: steady population growth, steep increases in medical costs, and – most importantly – increases in per capita consumption of healthcare services.

The maturity of the healthcare market varies widely across Southeast Asia. Cambodia, Laos and Myanmar are still at an early stage of development, while Indonesia, Vietnam and the Philippines provide basic healthcare services to their populations. Malaysia and Thailand are at a more advanced stage of development and now focus on providing high-quality care. The most advanced market is Singapore, which promotes private contributions to the financing of healthcare.

We anticipate that health expenditures will maintain their growth trajectory, with overall health expenditures in the region reaching USD 173 billion by 2020 – two and a half times its 2010 level. Private health insurance stands to benefit greatly from this growth, increasing its share of expenditures from 4% to 6%. Overall, private health insurance will be driven by the fast-growing mass affluent segment looking for better access to higher-end private healthcare while trying to minimize out-of-pocket expenditures. However, differences will exist between markets. In Indonesia, Vietnam and to a lesser extent.

Thailand, we anticipate that private health insurance will gain in popularity with less affluent consumers too, as a substitute for the inadequate public insurance schemes in those countries. Overall, the region will see a fourfold increase in the total personal accident and health premium, reaching USD 24 billion in 2020 (2010: USD 6 billion). Malaysia, Singapore, Thailand and Indonesia will remain the four largest markets by far. Health insurance has historically been driven by the more profitable individual segment in most Southeast Asian countries. This segment of the market is characterized by low-price policies, limited coverage and riders on personal accident or life policies. The next decade will see the group segment making an increasing contribution to the total market, with insurers taking greater advantage of the potential represented by the large numbers of medium-sized enterprises across Southeast Asia.

The health insurance sector in Southeast Asia offers significant opportunities. But it is not immune to challenges, such as boosting customer acquisition, balancing product affordability and coverage, and coping with fast-rising medical costs. Ultimately, insurance companies must build customer trust in their brand and service offering by providing adequate coverage, guaranteed payouts and a smooth, hassle-free claims



process. Players who rise to these challenges by implementing best practices on a local level will benefit richly from the growth in the market and, in turn, contribute to the growth and maturity of Southeast Asian healthcare.

- a) What is the main theme of the report?
- b) What are the major factors of the impressive growth of the health insurance market?
- c) Suggest the factors to be considered by health insurance players to make the market boom.
- d) Describe the characteristics of the health insurance market of Southeast Asia.