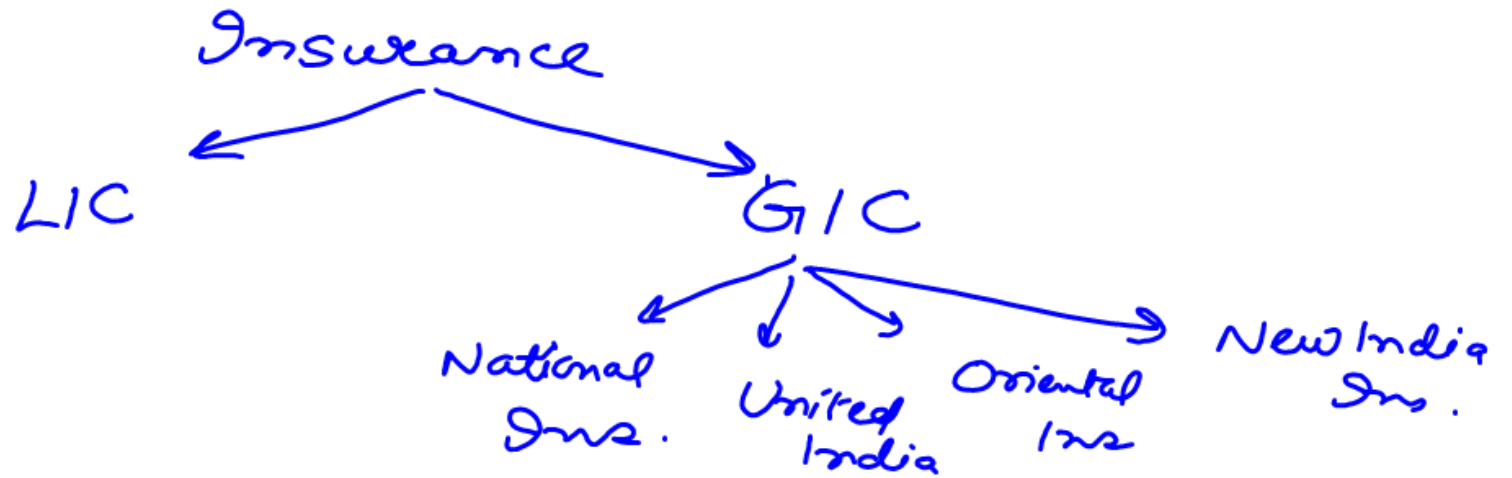
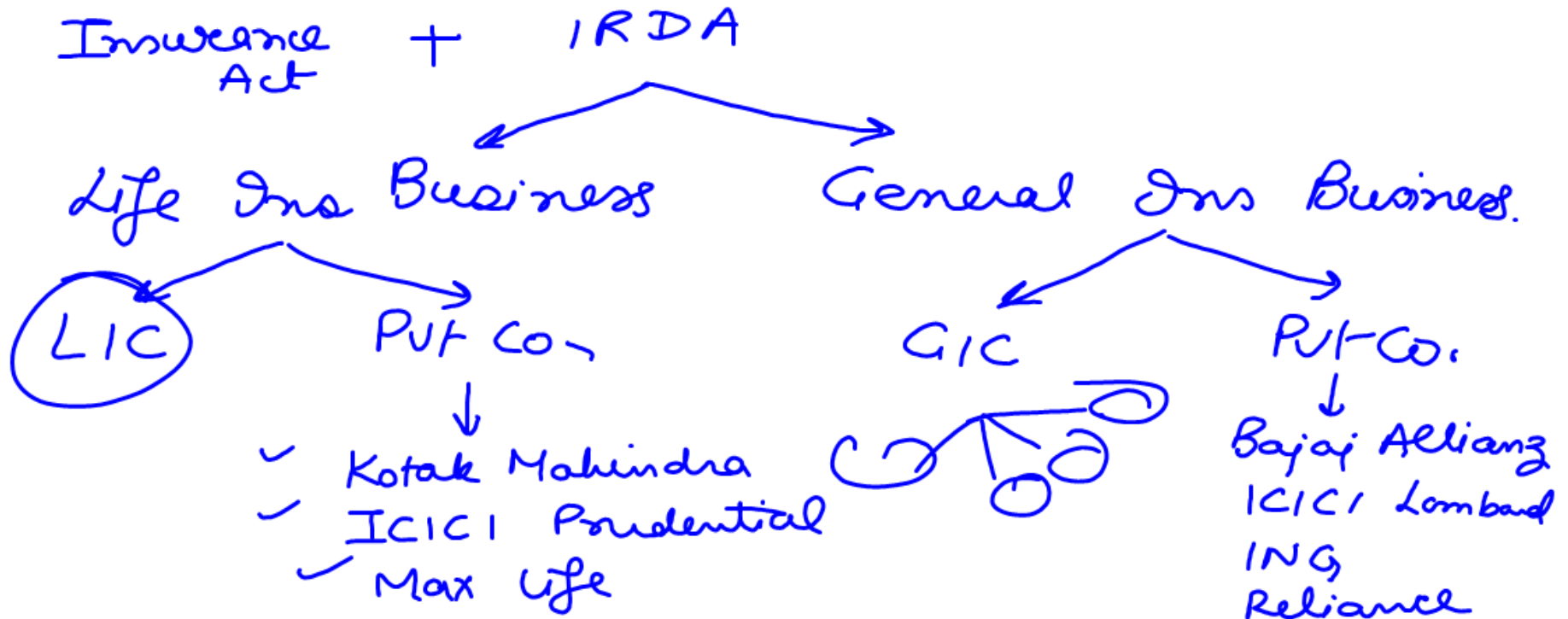


Final Accounts of Insurance Co.

1942
Before 2000



IRDA → Insurance Regulatory & Development Act
After 2000



Life Insurance

General Insurance

Right of indemnity.

do not exist

Exist.

Right of subrogation
(stepping into shoes)

does not exist.

Exist.

Premium

treated like deposit.

treated like Revenue

Claim

sure → maturity/event

Only when there is loss

Life of Policy

Long term

① - 4 years

Types of Business

1 type

3 types → Fire
→ Marine
→ Misc

Final a/c

LIC

GIC.

Revenue A/c

Form A-RA

Form B-RA

Profit & Loss A/c

A-PL

B-PL

Balance Sheet.

A-BS.

B-BS

General Insurance Companies

Form B-RA Revenue Account

Particular	Schedule	Five	Machine	Misc
Premium	1			
Other Income	-			
Claims	2			
Commission	3			
Expenses	4			
Net Surplus / Net deficit trf to P&L a/c				

Profit & loss a/c Form B-PL		Balance Sheet Form B-BS	
Surplus/deficit from Fixed Machine Misc		Share capital	5
Intt, dividend, Rent P/L on Investment Other Income		Reserve & Surplus	6
		Fair Value change	-
		Borrowings	7
		Investments	8
Expense		Advances	9
Provisions (Other than tax)		Fixed Assets	10
		Cash & Bank	11
		Other Current assets	12
<u>Profit before tax</u>		(-) current Liabilities	13
<u>- Tax</u>		(-) Provisions	14
Profit after tax less: Appropriations		Misc Expd	15
<u>Balance c/d</u>			

Premium

Premium received
 + c/o/s
 - op o/s
 + Prem on bs accepted
 - Prem on bs ceded
 - Unearned premium
 - Premium in Advance

Claim

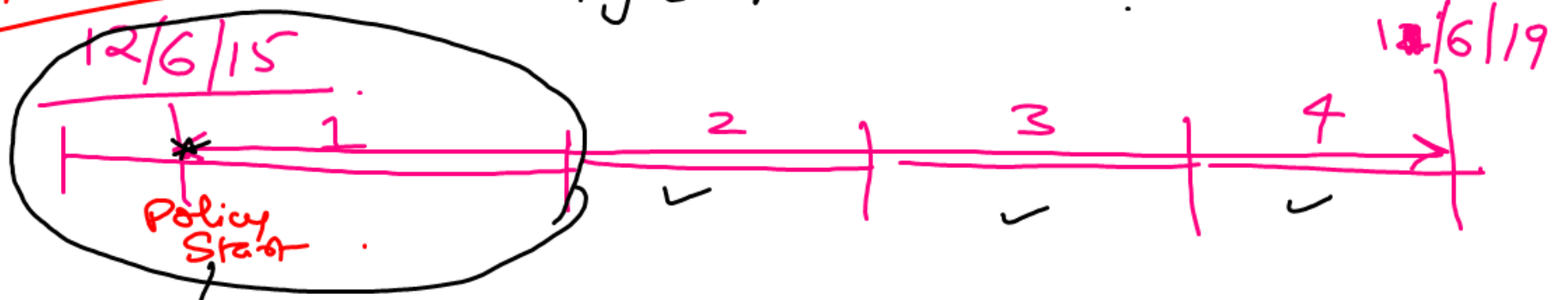
Claims paid
 + c o/s
 - op o/s.
 + Claim on bs accepted
 - Claim on bs ceded
 + IBNR
 + IBNER.
 + Medical Expense
 + Survey fees

Commission

Commission Paid
 + c o/s
 - op o/s
 + Comm on bs accepted
 - Comm on bs ceded

Prem in advance

4 yr premium.



64VB → Prem collect → Income for that yr only

Bank of (4)
to Premium. (4)

Premium of (3)
to prem in advance (3)
(sch 13)



12/3 Chq sent for policy to be starting 7/4

15/3 Chq received by Co.

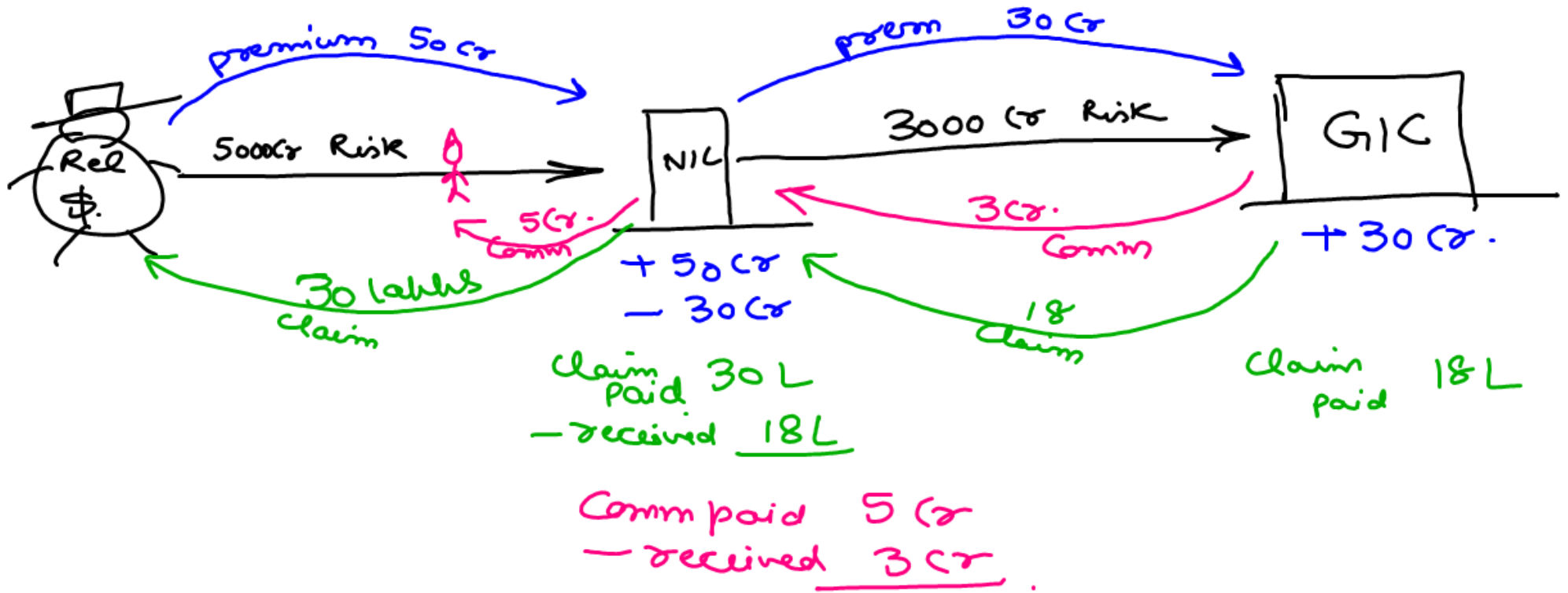
18/3 Chq realised in Bank → Bank Dr to premiums

———— 31/3. Policy No known X
 Policy Start ? X

Prem Dr to Unearned prem

Reinsurance = Insurance of Insurer
 Business Ceded Insurer
 Business Accepted Reinsurer

Insured



IBNR

claim incurred
but not reported

Accident → ~~30/3/15~~ 31/3/15.
Intimation → 2/4/15

claim Dr (sch2)
to IBNR → sch13

IBNER

Claim Incurred But
Not Enough Reported

Accident 28/3
Intimation 30/3.
3/3 IBNER
Full loss Intimation 15/4

claim Dr
to IBNER

Q7

	Direct	Reins	Reins.
Premium received	460000	720000	460000
+ c/o/s	336000	340000	620000
- op/o/s	(248000)	(270000)	(375000)
<hr/>			
Premium Accrued:	4688000.	+ 727000	- 484500.
	=	4930500	

Q7

	Direct	Reins	Reins.
Claims Paid	2350000	300000	170000
+ c/o/s	208000	44000	23000
- op o/s	(166000)	(39000)	(16000)

Claim Accrued: $2392000 + 305000 - 177000$

$= 2520,000$
 + Expense $40,000$

Claim : $25,60,000$

Comm 220000
 + accepted 19000
 - Ceded 26000

Comm 213000

Q6.

Premium	590000.
	+ 120000
	<hr/>
	710000

+ Prem on reins accepted	90000
- Prem on reins ceded	(70000)

Prem Accrued : 730000
