

SGK GOVERNMENT DEGREE COLLEGE, VINUKONDA

DEPARTMENT OF COMMERCE



A PROJECT REPORT ON

INSURANCE SERVICE

Submitted in partial fulfillment for the award of DEGREE

BACHELOR OF COMMERCE

BY

G.PRASANNA KUMAR

II B.COM

(V202099020)

(2021-2022)

UNDER THE GUIDANCE OF

SMT.CH.VIJAYA KALPANA

DEPARTMENT OF COMMERCE
CERTIFICATE



CERTIFIED THAT THIS PROJECT STUDY AND ANALYSIS OF
INSURANCE SERVICE IS THE BONAFIDE WORK OF
G.PRASANNA KUMAR (Y202099020)
WHO CARRIED OUT THE PROJECT WORK UNDER MY
SUPERVISION

Verified
Signature

Ch Vijayakalpana
Signature of Guide

PROJECT

ON

INSURANCE

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ACKNOWLEDGEMENT

I would like to express my special thanks of gratitude to my teacher of this subject who gave me the golden opportunity to make this wonderful project on the topic "INSURANCE" which helped me in doing a lot of research and to learn many new things. I am thankful to them. Sadly I would also like to thank my parents who also helped me in preparing this project within the limited time frame.

Date:

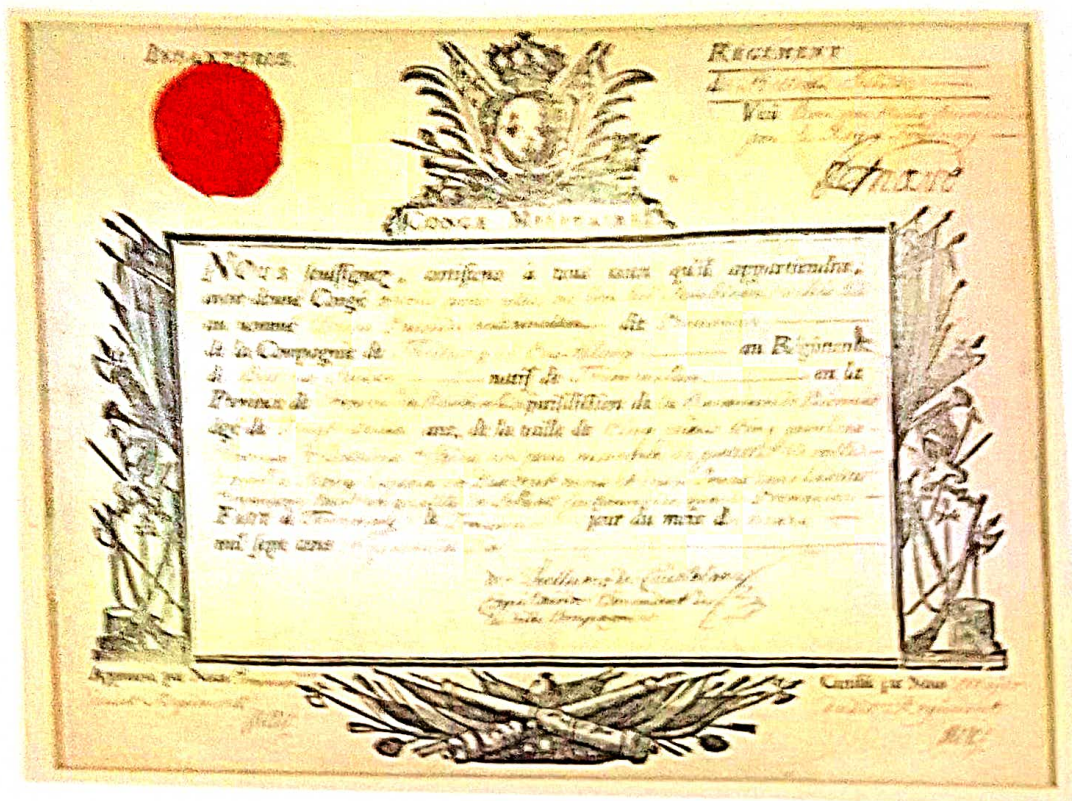
Ch. Vijaya Kalpana
Signature of the Guide

INSURANCE



Insurance is mean of protection from financial loss. It is a form of risk management, primarily used to judge against the risk of an uncertain loss. An entity that provides insurance to known as an insurer, insurance company, and Insurance carrier on the underwriter. A person on an entity who buys insurance is known as an insured assuring a guarantee and known relatively small loss in the form of payment to the insurance in exchange for the insurer's promise to compensate the insured in the event of a covered loss. The loss may it mat not be financial, but it must be reducible to financial forms and equally involves something in which the insured has an insurable interest established by ownership, possession, or preexisting relationship.

HISTORY



Insurance in its current form has its history dating back to 18 when an oriental Life insurance company was started by Antila Sharsar in Kolkata to cater to the needs of the European Community. The pre-independence era in India saw discrimination between the lives of foreigners(English) and Indians with higher premiums being charged for the latter in 1870, Bombay Mutual Life Assurance society became the first Indian insurer. At the dawn of the 20th century, many insurance companies were founded. In the year 1912, the life insurance companies Act and the provident fund Act were passed to regulate the insurance business the life insurance companies Act, 1912 made it necessary that the premium rate tables and pre periodical valuations of companies should be certified by an actuary. However, the disparity still existed as discrimination between Indian and foreign companies. The oldest existing insurance company in India is the National Insurance Compan which was founded in 1906 and is still in business. The government of India issued an ordinance on 19 January 1956 nationalising the life insurance sector and life insurance corporations came into existence in the same, e year. The life insurance corporation(LIC) absorbed 154, Indian 16 non-Indian issuers and also 75 provident societies- 245 Indian and foreign insurers in 1970 with the general insurance Business Act was passed by the Indian parliament, and consequently, the General insurance business was nationalized with effect from 1 January 11973, 107 insurers were amalgamated and grouped into four companies, namely National Insurance co. Limited the New India Insurance.Ltd, the Oriental Insurance co. Ltd.the general insurance corporation of India was incorporated as a company in 1971 and it commenced business on 1 Jan 1973.

CHARACTERISTICS OF INSURANCE

The insurance has the following characteristics which are generally, observed in the case of life, marine, fire and general insurance.

- **SHARING OF RISK**

Insurance is a device to share the financial losses which might fall on an individual or his family on the happening of a specified event the event may be the death of the breadwinner to the family in the case of life insurances, marine-perils in marine insurance, fire in fire insurance and other certain events in general insurance, eg, theft in burglary insurance, etc. This loss arising from these events of the insured is shared by all the insured in the form of a premium.

- **CO-OPERATIVE DEVICE**

The most important feature of every insurance plan is the cooperation of a large number of persons who, in effect, agree to share the financial loss arising due to a particular risk that is insured. Such a group of people may be brought together voluntarily or through publicity or solicitation of the agent

- **VALUE OF RISK**

The risk is evaluated before insuring to charge the amount of share of an individual here in called, consideration or premium. There are several methods of evaluation of risks if there is the expectation of more loss, a higher premium may be charged so, the probability of loss is calculated at the time of insurance.

- **PAYMENT AT CONTINGENCY**

The payment is made at a certain contingency insured if the contingency occurs, payment is made since the life insurance contract is a contract of certainty, because the contingency, the death is the expiry of the term, will certainly occur, the payment is certain. In other insurances contracts, the contingency is the fire or the marine perils etc, may or may not occur. So if the contingency occurs, payment is made, otherwise no amount is given to the policy holder.

- **AMOUNT OF PAYMENT**

The amount of payment depends upon the values of occurred due etc particular insured risk provided insurance is there up to that amount. In life insurance, the purpose is not to make good the financial loss suffered. The insurance promises to pay a fixed sum on the happening of an event

- **LARGE NUMBER OF INSURED PERSONS**

To spread the loss immediately, smoothly and a cheaply large number of people should be insured. The cooperation of a small number of persons may also be insured but it will be limited to a smaller area. the cost of insurance for each member may be higher so it, maybe unmark able.

- **INSURANCE IS NOT GAMBLING**

The insurance services indirectly increase the productivity of the community by eliminating worry and



- **PROVIDES SAFETY AND SECURITY TO INDIVIDUAL AND BUSINESS**

Insurance provides financial support and reduces uncertainties that individuals and businesses face at every step of their lifecycle. It provides an ideal risk mitigation mechanism against events that can potentially cause financial distress to individuals and businesses for instance, with medical inflation growing at approximately 15% per annum even simple medical procedures cost enough to disturb a family's well-calculated budget, but a health insurance would ensure financial security for the family.

- **GENERATE LONG TERM FINANCIAL RESOURCES**

The insurance sector generated funds by way of premiums from millions of policy provider holders. Due to the long-term nature of these funds, these are invested in building long-term infrastructure assets that are significant to nation-building employment opportunities and are increased by big investments leading to capital formation in the economy.

- **PROMOTES ECONOMIC GROWTH**

The insurance sector makes a significant impact on the overall economy by mobilizing domestic savings. Insurance fees are accumulated capital into production investments insurance also enables mitigation of losses, financial stability and promoted trade eg commerce activities this result in sustainable economic development and growth.

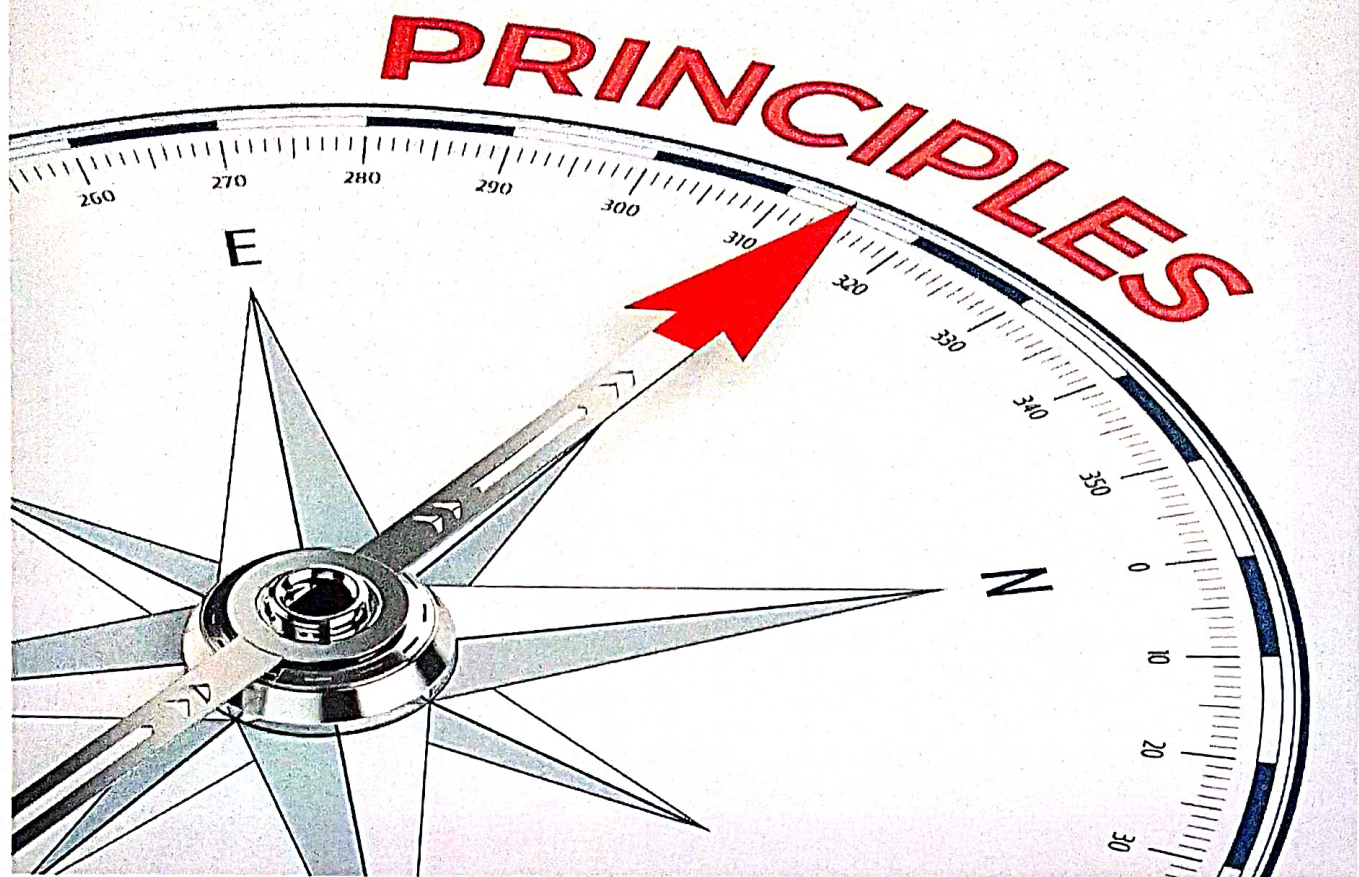
- **PROVIDES SUPPORT TO FAMILIES DURING MEDICAL EMERGENCIES**

The well-being of the family is important for all eg health of family members is the biggest concern for most from elderly parents to newborn children, medication and hospitalization play, an important role while ensuring well-being of families. rising medical treatment costs and soaring medicine prices are enough to drain your savings if not well prepared. Anyone can fall victim to critical illness (Such as stroke, heart attack etc).

- **SPREADS RISK**

insurance facilities mean the risk of loss from the insured to the insurer. The basic principle of insurance is to spread risk among a large number of people. A large population gets insurance policies and pays a premium to the insurer. whenever a loss occurs, it is communicated out of the corpus of funds collected from the millions of policy holders.

PRINCIPLES OF INSURANCE



- **PRINCIPLES OF UTMOST GOOD FAITH**

According to the principle, insurance is a contract based on faith. The insured and insurer must disclose all the material facts to each other if the insured hides any material fact from the insurance company and later on the insurer comes to know about it, then he can refuse to pay compensation. Failure to make disclosure of material fact by the insured makes the contract of insurance voidable at the discretion of the insurance.

- **PRINCIPLE OF INSURANCE INTEREST**

According to this principle, the insured must have an insurable interest in the subject matter of the insurance policy without interest taking an insurance policy is a gamble and fraudulent activity and the law does not permit it. In the case of life insurance, the insurable interest comes with the relation of insured with the person taking an insurance policy.

- **PRINCIPLE OF INTEGRITY**

According to this principle, insurance is not a contract for making a profit>the purpose of insurance is to bring back the insured in the same financial position as he was before the loss.

- **PRINCIPLE OF CONTRIBUTION**

It is corollary of the principle of indemnity according to this principle, if a person has taken more than one

insurance policy for the same subject matter then all the insurer will contribute the amount of loss and compensate him for the actual amount of loss separately he cannot claim total loss from each insurer the insurer contributes to the total loss in proportion to the amount assured by each

- **PRINCIPLE OF SUBROGATION**

According to this principle after paying the compensation, the insurer steps into the shoes of the insured in other words, when the insured is compensated for the loss or damage, to the property insured by her thing the right of ownership of such property passes on the insurer.

- **PRINCIPLE OF CAUSES PROXIMA**

According to this principle the causes or reason for the loss must be related to the subject matter of the insurance contract. If loss is due to some other cause then the insurer can refuse to pay the compensation.

- **PRINCIPLES OF MITIGATION OF LOSS**

According to this principle, the insured must take care of his property or subject matter of insurance in the same way as he would take care without taking the insurance policy. It is the duty of the insured to make a reasonable effort to make all available precautions to save the insured property.

SOCIAL EFFECTS OF INSURANCE



Insurance provides people from all walks of life and business a form of safety net and security. Because it offers protection it makes people feel safe and secure from loss and illness as well. Its benefits apply to so many aspects of life that can range from paying huge medical bills should you become seriously ill and

saving you from loss of income or having to file bankruptcy. Should a natural disaster happen that wipes your home or business people who carry the adequate amount of insurance coverage are not faced with the stress and worries of how they can recover from the catastrophe event? The social effects of insurance affect almost every part of our lives today it virtually controls the simple everyday life of what people want to do as it is required with most major purchases. A good example is a married couple who have found their dream home and are excited because it fits their budget only to find out when they call to get a homeowner insurance quote they cannot afford it spp insurance has crushed their dreams. Insurance can also cause hardships for so many people and keep them from driving a car because they cannot afford policy insurance can be costly and insurance companies gamble on the fact that the mass population will never use it. However, it's better to have insurance and not need it than to need it and not have it should something occur. Today, everyone is expected to carry insurance coverage is often frowned upon when they say no. Insurance today is woven into our social circles of daily living it protects us from loss, and has many benefits in most cases of our daily liver.

INSURANCE vs ASSURANCE

Generally, the terms insurance and assurance are considered the same thing but these two are not synonymous. These two are different in meaning assurance refers to a contract in which the sum assured is bound to be paid sooner or later in case of loss insurance the sum.

BASIS FOR COMPARISON		INSURANCE	ASSURANCE
Meaning		It refers to an arrangement, which provides cover for an event that can happen but not necessarily, like a flood, etc	It is a provision for coverage of An event, whose happening is certain, such as the death principle of certainty. A definite event
Based on		Principle of indemnity	Principle of certainty
Protect against		An anticipated event	A definite event
Type		General Insurance	Life insurance
Duration		Only for one year, renewable after a year	Long term, Running no of years

METHODS OF INSURANCE



According to the study of books of the chartered insurance institute, there are variant methods of insurance, two of which are



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- **RE-INSURANCE**

It is an insurance that is purchased by an insurance company in the classic case, reinsurance allows insurance companies to remain solvent after major claims events, risk of major disasters like hurricanes and wildfires.

- **DOUBLE INSURANCE**

The situation in which some risk is insured by two overlapping but independent insurance policies. It is lawful to obtain double insurance, and the insured can make a claim to both insurers in the event of a loss.

METHODS OF INSURANCE

- **LIFE INSURANCE**

It is different from other insurance in the sense that, here the subject matter of insurance is the life of a human being.

- **PROPERTY INSURANCE**

Under property insurance, if persons are involved against a certain specified risk. The risk may be fire,

money theft, etc.

- **MARINE INSURANCE**

It protected against the loss of marine perils. the marine perils are a collision with a rock, on the ship, captured perils.

- **LIABILITY INSURANCE**

The general insurance also includes liability insurance whereby the insureds are liable to pay the property damage.

- **FIRE INSURANCE**

Fire insurance comes with the risk of the fire in the absence of fire is insurance, the first work well increase not only for the individual but the society as well.

SOME INSURANCE COMPANIES ARE



- KOTAK Life Insurance
- National insurance company
- American Management Cooperation(AMP)
- SBI Life insurance company
- TATA AIG Travel Insurance
- ICICI Pre Life Insurance
- Apollo Munich Health Insurance
- Metlife Auto Insurance
- AVIVA Life Insurance
- Birla Sun Life Insurance

CONCLUSION

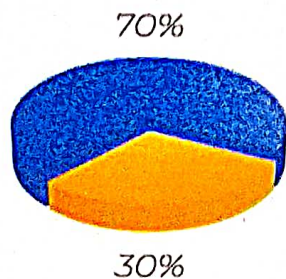
Insurance is a superior tool to other forms of savings as it provides protection, collective hearing of risk, assessment of risks, certainty factor, easy liquidity and above all the safest means of saving and investment.

- There are various insurance products

- Your needs will change according to your life stage
- Build and reconfigure your insurance portfolio
- Review your plan regularly



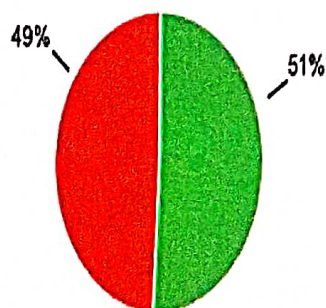
1. Does anyone in your family have an insurance policy ?



1. 70% people have insurance policy

2. 30% people don't have insurance policy

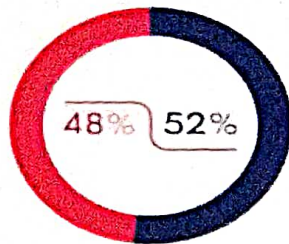
2. Are you paying the insurance premium monthly or yearly?



1. 51% people are paying insurance yearly

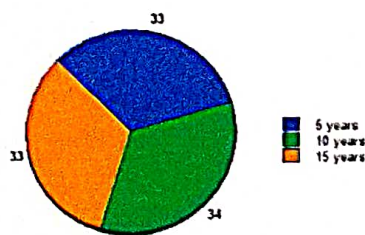
2. 49% people are paying insurance monthly

3. How much insurance premium are you paying for month?



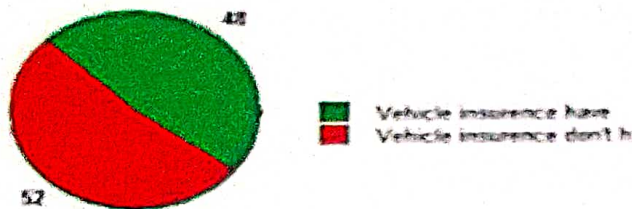
1. 52% people are paying above 5000 rupees in a year
2. 48% people are paying below 5000 rupees in a year

4. What is the maturity of your insurance?



1. THERE ARE 33% OF 5 YEARS INSURANCE POLICY HOLDERS
2. 34% POLICY HOLDERS HAVE 10 YEARS PLAN
3. 33% POLICY HOLDERS HAVE 15 YEARS PLAN

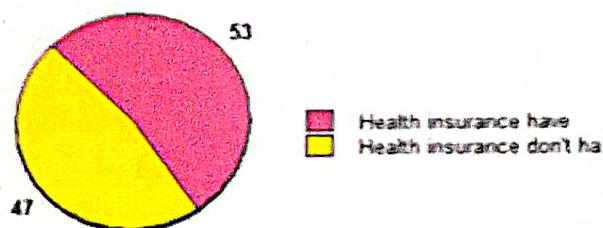
5. ARE YOU TAKING INSURANCE FOR VEHICLES ?



1. 52% PEOPLE DON'T HAVE VEHICLE INSURANCE

2. 48% PEOPLE HAVE VEHICLE INSURANCE

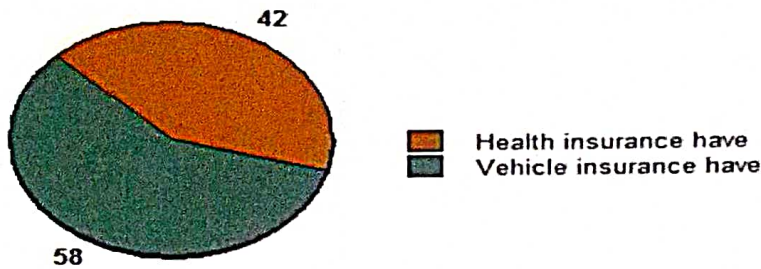
6. HOW MANY FAMILY MEMNERS HAVE HEALTH INSURANCE?



1. 53% PEOPLE HAVE HEALTH INSURANCE

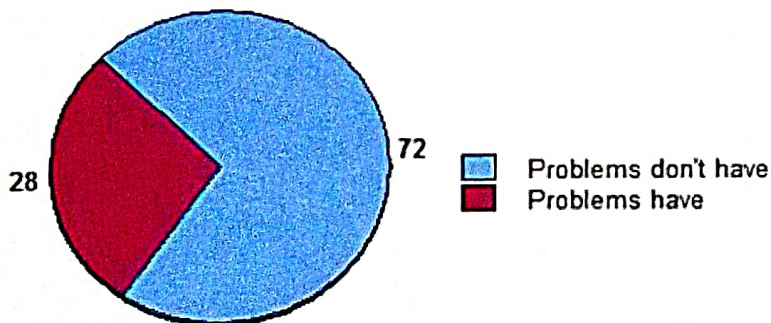
2. 47% PEOPLE DON'T HEALTH INSURANCE

7. TYPES OF INSURANCE-TERM LIFE INSURANCE OR ENDOWMENT POLICY?



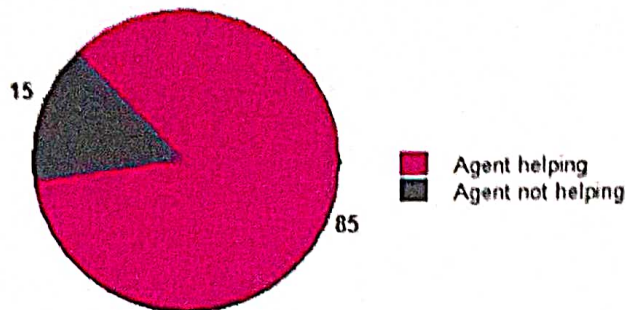
1. 58% PEOPLE HAVE HEALTH INSURANCE
2. 42% PEOPLE HAVE VEHICLE INSURANCE

8. HAVE YOU ENCOUNTERED ANY PROBLEMS WHILE MAKING AN INSURANCE CLAIM ?



1. 72% PEOPLE DON'T HAVE ANY PROBLEMS IN
INSURANCE CLAIM
2. 28% PEOPLE HAVE SOME PROBLEMS IN
INSURANCE CLAIM

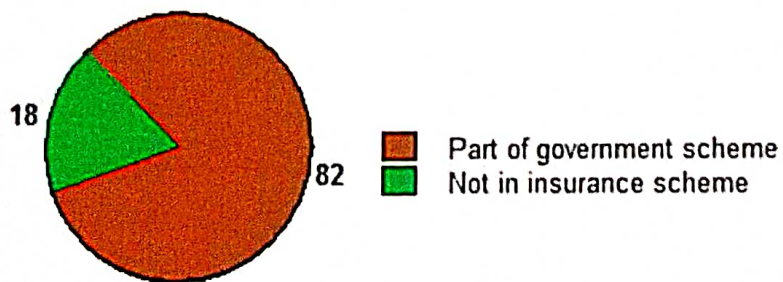
9. IS YOUR AGENT HELPING YOU?



1. 85% AGENTS ARE HELPING

2. 15% AGENTS ARE NOT HELPING

10. ARE YOU A MEMBER OF GOVERNMENT INSURANCE SCHEMES?



1. 82% PEOPLE ARE PART OF GOVERNMENT SCHEMES

2. 18% PEOPLE NOT PART OF GOVERNMENT SCHEMES

SURVEY QUESTIONNAIRE

DEPARTMENT OF COMMERCE

TITLE OF THE PROJECT: INSURANCE SERVICES and HABITS IN VINUKONDA

PROJECT EXECUTION AREA: VINUKONDA

NAME OF THE RESPONDENT: S. Venkatesh

NAME OF THE MENTOR: ch. kalpana

LOCALITY: -Ambedkar colony

NAME OF THE STUDENT: ch. Bhava

DOOR NO:

PROGRAMME: C.S.P ni pised

1. Does anyone in your family have an insurance policy?

Yes

2. Are you paying the insurance premium monthly or for the yearly?

Yes

3. How much insurance premium are you paying per month?

1000

4. What is the maturity of your insurance?

Yes

5. Are you taking insurance for vehicles?

NO

6. How many family members have health insurance?

1

7. Types of Insurance- Term life insurance or Endowment policy?

Yes

8. Have you encountered any problems while making an insurance claim?

NO

9. Is your agent helping you?

Yes

10. Are you a member of Government Insurance Schemes?

Yes

SURVEY QUESTIONNAIRE

DEPARTMENT OF COMMERCE

TITLE OF THE PROJECT: INSURANCE SERVICES and HABITS IN VINUKONDA

PROJECT EXECUTION AREA VINUKONDA

NAME OF THE RESPONDENT K. Keethi

NAME OF THE MENTOR ch. leal pamm
maida

LOCALITY kotthapeta

NAME OF THE STUDENT ch. bhav
pansad

DOOR NO.

PROGRAMME C.S.P

1. Does anyone in your family have an insurance policy?

Yes

2. Are you paying the insurance premium monthly or for the yearly?

Yes

3. How much insurance premium are you paying per month?

1000

4. What is the maturity of your insurance?

Yes

5. Are you taking insurance for vehicles?

No

6. How many family members have health insurance?

3

7. Types of Insurance- Term life insurance or Endowment policy?

NO

8. Have you encountered any problems while making an insurance claim?

NO

9. Is your agent helping you?

Yes

10. Are you a member of Government Insurance Schemes?

Yes

SURVEY QUESTIONNAIRE

DEPARTMENT OF COMMERCE

TITLE OF THE PROJECT: INSURANCE SERVICES and HABITS IN VINUKONDA

PROJECT EXECUTION AREA: VINUKONDA

NAME OF THE RESPONDENT: m. priyanth

NAME OF THE MENTOR: ch. kalpana

LOCALITY: Railpet

NAME OF THE STUDENT: ch. Bhava
nirava

DOOR NO:

PROGRAMME: C.S.P

1. Does anyone in your family have an insurance policy?

Yes

2. Are you paying the insurance premium monthly or for the yearly?

monthly

3. How much insurance premium are you paying per month?

1500

4. What is the maturity of your insurance?

Yes

5. Are you taking insurance for vehicles?

NO

6. How many family members have health insurance?

2

7. Types of Insurance- Term life insurance or Endowment policy?

Yes

8. Have you encountered any problems while making an insurance claim?

NO

9. Is your agent helping you?

Yes

10. Are you a member of Government Insurance Schemes?

Yes

GOVERNMENT DEGREE COLLEGE KALYANDURG

COMMUNITY SERVICE PROJECT

LOGBOOK FOR FIRST WEEK

COMMUNITY SURVEY

Name of the student: G. PRASANNA KUMAR

Name of the faculty mentor

S.No	Date & time of visit	Name of the person interviewed	House address	Gender & age	Mobile number	Observations made during survey
Day 1	1-6-22 01:02 am	S.K Karthik man	Dahha rental	female	—	—
Day 2	3-6-22 7:17 AM	P. Jayanthi	Railpet	female	—	—
Day 3	5-6-22 7:17 AM	T. Tubes	Ambed Kusur	male	—	—
Day 4	6-6-22 12:22	D. Devi	Rail pet	Female	—	—
Day 5	7-7-22 3:40 m	K. Anil	Ambed Kusur	male	—	—

GOVERNMENT DEGREE COLLEGE KALYANDURG

COMMUNITY SERVICE PROJECT

LOGBOOK FOR SECOND WEEK

COMMUNITY AWARENESS PROGRAMME

Name of the student

Name of the faculty mentor

S.No	Date	Village/locality	Nature and title of awareness conducted	Number of individuals participated	Observations
1	1-6-22	Vinukonda	Awasam	10	12 m light of
2			Insurance		of the need
3			scheme		for insurance
4	2-6-22	Vinukonda	Awasam	1-3	12
5			on 12/7		13
6			in 12		12
7			scheme		12

Signature of the student

GOVERNMENT DEGREE COLLEGE KALYANDURG

COMMUNITY SERVICE PROJECT

LOGBOOK FOR THIRD WEEK

PROJECT REPORT

S.No	Date	Topic or item completed	Remarks
1		Literature collection	good
2		Introduction	good
3		Methodology and data pool up	good
4		Data interpretation	good
5		Result and analysis	good
6		Preparation of graphical representation	good
7		Submission of project report	good

Ch. Vijaya Kalpana

Signature of the faculty mentor

GOVERNMENT DEGREE COLLEGE KALYANDURG

COMMUNITY SERVICE PROJECT

Logbook for 4th week

Project Presentation

S.No	Item covered	Days required	Remarks
1	Power Point presentation slides preparation	Three days	good
2	Discussion with team members or mentor	Three days	good
3	Student presentation	One day	good

Ch. Vijaya Lakshmi
Signature of the faculty mentor

Commissionerate of Collegiate Education, Government of Andhra Pradesh

Format – III – Community Service Project (CSP) – Student Daily Progress Report

1	Name of the Student	G. PRASANNA KUMAR
2	Registered Number	
3	Year	2021 – 2022
4	Program Studying	Insurance services
5	Program Combination	
6	Name of the Mentor	
7	Name of the CSP	Kalpana madan
8	Place of CSP Execution	

S · N o	Date	Work Done	No. of Hours Spent
1	17/6/22	Sl. K. Jishna	5 min
2	18/6/22	B. Prasad	10 min
3	19/6/22	G. Pooja	20 min
4	20/6/22	Ch. Naveen	35 min
5	22/6/22	T. Gopi	40 min
6	24/6/22	V. Pranav	25 min
7	26/6/22	B. Lakshmi	30 min
8	28/6/22	Ch. Ramu	5 min
9	30/6/22	V. Gopi	20 min
10	1/7/22	R. Ravi	23 min
11	3/7/22	P. Pooja	34 min
12	4/7/22	B. Naveen	40 min
13	6/7/22	Abdullah	25 min
14	9/7/22	Naveen	30 min

INTERNAL ASSESSMENT STATEMENT

NAME of the student :- ~~Ch. Bhavani Prasad~~
G. prasanna kumar

programme of study :- B. com (gen)

Year of study :- 2020

Group :- B. com (gen)

Register NO/H.T. NO :-

Name of the college :- S.G.K. G.P.C Virudhachari
University :- Anna.

Sl. No	Evaluation criterion	maximum marks	Marks Awarded
1.	Activity Log	25	25
2.	Internship evaluation	50	50
3.	oral presentation	25	24
	GRAND Total	100	99

Date :-

Ch. Vijaya Kalpana
Signature of the
Faculty Guide