

Life Insurance Company- Examples

1. Without Considering the below mentioned transactions outstanding balance of Jivanbima fund was Rs. 30,11,115 in the revenue A/c. of the SBI Life Insurance Co. Ltd. as on 31-03-25:

(1) Claims covered under re-insurance-6,500

(2) Bonus in reduction of premium- 2,300

(3) Interest accrued on securities- 4,135

(4) Outstanding premium- 3,215

(5) Claims admitted but not paid- 15,465

Find out the fund of insurance company after giving effect of above particulars.

2. Without considering the below mentioned transactions outstanding balance of Jivanbima fund was of Rs. 87,76,500 in the books of ICICI Jivanbima company as on 31-03-2025.

1. Interest on Investment- 4,80,000

2. Tax on Interest- 48,000

3. Claims covered under re-insurance- 4,23,000

4. Bonus in reduction of premium- 8,77,500

5. Claims admitted but not paid- 7,62,000

Find out the fund of insurance company after giving effect of above particulars.

3. The Revenue A/c. of Ronak Life Insurance Company showed at the end of the 31-3-2025 a credit balance of 14,01,400. Before taking in to account the following Items:

(1) Claims intimated but not admitted- 21,500

(2) Bonus utilized in reduction on premium- 5,000

(3) Interest accrued on securities- 28,250

(4) Claims covered under re-insurance- 3,250

(5) Outstanding premiums-23,500

Find out the fund of insurance company after giving effect of above particulars.

4. The Revenue Account of Chirag Life Insurance Company showed at the end of the 31-3-2025 a credit balance of 72,07,200 before taking into account the following items:

- (1) Claims intimated but not admitted- 1,87,500
- (2) Outstanding premiums- 1,33,320
- (3) Bonus utilized in reduction on premium- 30,000
- (4) Claims covered under re-insurance- 49,500
- (5) Interest accrued on securities- 1,69,200

Find the Life-Fund after the effects of above particulars.

5. A life insurance co. determines its net liability every two years. On 31-3-2025 the books of the company shows life fund of 40,00,000. In two years company has paid 50,000 interim bonus. Dividend of 40,000 for year 2024-25 is still unpaid to equity shareholders. Net liability on 31-3-23 is determined as 38,00,000 by the insurance rate officer. Compute:
(a) The valuation Balance sheet (b) The net profit payable as bonus to the insurance policy holders.
6. The life fund of a Jaitra Jivan assurance company was ₹ 58,18,176, On 31.3.2025. The interim bonus paid during the valuation period was 86,400. The period of actual valuation, determined the net liability at 46,74,760. Surplus brought forward from the previous valuation was 6,48,000. The directors of the company proposed to carry forward 6,80,000 and to divide the balance between the shareholders and the policy holders, in the ratio of 2:8.

Prepare:

- (1) The valuation balance sheet (2) The net profit for the valuation period
- (3) The distribution of the surplus.

7. The life fund of Jivan assurance company was ₹ 90,00,000, On 31.3.2025. The interim bonus paid during the previous two years to policy holders was 94,500. The period of actual valuation, determined the net liability at 85,50,000. The directors of the company proposed to carry forward 90,000 and to divide the balance between the shareholders and the policy holders.

Prepare:

- (1) The valuation balance sheet (2) The net profit for the valuation period
- (3) The distribution of the surplus.

