SPECIALIZED DIPLOMA EXAMINATION
(CASUALTY ACTUARIAL SCIENCE-NON LIFE)
ESTIMATING UNPAID CLAIMS USING BASIC TECHNIQUES

[ Time : 3 Hours ]
[ Total Marks : 100 ]

Answer EIGHT questions only.
Questions 10 carries 16 marks and all other Questions carry 12 marks each.

Q.1 Write Short Notes on any three of the following:
   a) Salvage, Subrogation, and Collateral Sources.
   b) Claims Reserve.
   c) Re-Insurance and Aggregate Limits.
   d) Recoveries.

Q.2 Distinguish between any three of the following:
   a) Reported Claims and Ultimate Claims
   c) Unpaid Claim Estimate and Carried Reserve
   d) A.L.A.E. and U.L.A.E.

Q.3 Answer any three of the following:
   a) What are the types of Frequency Severity Techniques?
   b) What are the common uses of the Expected Claims Method?
   c) What are the components of data review?
   d) What are the common uses of Frequency Severity Techniques?

Q.4 Describe any two of the following:
   a) Mechanics of the Berquist-Sherman Case Outstanding Adjustment.
   b) Suitability of the Cape Cod Technique.
   c) Enhancements of the Frequency Severity Techniques.

Q.5 Explain, with examples, any two of the following:
   a) Claim-related Expenses.
   b) Multiple Currencies’ Claims.
   c) Recoveries.
Q.6 Attempt, any two of the following :

a) Define Average Reported claim, Average Paid Claim, and Average Case Outstanding

b) Which examples are cited by Berquist and Sherman, for selecting alternative data to respond to potential problems related to a changing environment?

c) What is the suitability of the Case Outstanding Development Technique?

Q.7 Explain the basic steps of the Development Method.

Q.8 What are the key assumptions and mechanics of frequency-severity approach number 1-Development Technique with Claim Counts and Severities?

Q.9 What characteristics should be reviewed by Actuaries while selecting claim development factors?

Q.10 Given are the Reported claim counts of a General Insurance Company:

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<th>12</th>
<th>24</th>
<th>36</th>
<th>48</th>
<th>60</th>
<th>72</th>
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Develop the selected age-to-age factors by using Frequency Severity Technique Frequency Severity Approach-3 for the above reported claim counts.

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