

Risk Assessment and Underwriting Practices in General Term Insurance in Mumbai region.

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Abstract:

Risk assessment and underwriting practices in general term insurance in the Mumbai region play a vital role in the life insurance industry by evaluating policyholder risk and determining appropriate premium rates. General term insurance offers financial protection to families in the event of the insured's untimely death, providing coverage for a fixed term, usually from five years up to age 85. Its affordability and substantial death benefits make it suitable for diverse demographic groups, including young professionals and retirees.

The risk assessment process involves analyzing factors such as age, health condition, occupation, lifestyle habits, and medical history. Based on this evaluation, underwriters classify applicants into different risk categories that directly influence premium calculations and policy approval decisions. In recent years, insurers in Mumbai have increasingly adopted advanced technologies such as data analytics and artificial intelligence to improve accuracy, speed, and personalization in underwriting.

Despite these advancements, the sector faces challenges including regulatory changes, technological disruptions, competitive pressures, and emerging risks such as climate change and cyber threats. Ensuring data privacy and regulatory compliance remains crucial as insurers depend heavily on personal data for risk evaluation and decision-making.

Keywords: Risk Assessment; Underwriting Practices; General Term Insurance; Life Insurance Industry; Premium Determination; Policyholder Risk; Mumbai Insurance Market; Data Analytics; Artificial Intelligence; Regulatory Environment; Cyber Security Risk; Climate Change Risk; Data Privacy; Technological Disruption; Competitive Market Dynamics.