
Some Aspects of Life Insurance in Developed Countries

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Abstract: Life insurance provides protection for property interests related to the life and death of the insured person. It typically focuses on the long-term security of individuals by covering risks associated with death, survival to a certain age, or other life events like illness or disability. Historically, forms of life insurance date back to ancient times, but it became a distinct type of insurance in Europe during the 17th and 18th centuries. Today, life insurance remains one of the most widely used insurance types globally, offering a range of products to meet various personal needs such as pension and unemployment insurance.

Key words: life insurance, insurance sum, insurance premium, investment funds, personal insurance, insurance contract, insurance product.

Introduction

Life insurance is insurance that provides protection of property interests related to the life and death of the insured person. Life insurance is generally concerned with the long-term interests of the insured, as life is viewed as a long-term condition and accordingly, the event of death is considered unpredictable and long-term.

The first notes on the formation of fund funds and the distribution of damages according to the threat to human life and health date back to antiquity. The first investment funds of Roman professional and military colleges, as well as religious burial funds, can be considered as proof of this. The simplest forms of mutual personal insurance also existed within the framework of craft guilds and guilds in the Middle Ages.

Life insurance as a separate type of business appeared in Europe at the end of the XVII-XVIII centuries. In addition to marine insurance. In addition to ship and cargo insurance, life insurance contracts for ship captains began to be concluded. Later, the English businessman James Dodson in 1663 collected all the information on the various cemeteries of London, calculated the average age of the dead, the number of them per year, and used these statistics to calculate insurance premiums. In the history of insurance, it is believed that he played the role of its founder in the application of a scientific approach to the organization of life insurance.

The first specialized life insurance company, the Equitable Life Society, was founded in 1740, followed by the Equitable Life Assurance Society in 1762. In 1765, this company was officially registered as a mutual insurance company[1]. This company is still engaged in life insurance and is the oldest mutual life insurance company in the world.

In addition to the narrow concept, there is also a broad and general interpretation of this concept - often life insurance refers to a whole set of personal insurance types, including life insurance,

insurance of children until they reach adulthood or at that time to do university admission, pension insurance, unemployment insurance, etc.

Life insurance is one of the most popular types of insurance in the world. Life insurance is a type of insurance that provides protection of the insured's financial and property interests in the event of his death or other insured event related to his life and health. Usually, death is the main insured event under such an insurance contract. In practice, the policy can be extended to include other risks - illness, disability, etc.

In a broad sense, life insurance often refers to a whole range of insurance products aimed at the individual needs of the policyholder, such as unemployment insurance or pension insurance.

Life insurance is structured roughly the same in all countries and usually involves a regular, long-term relationship between the insurance company and the policyholder. First of all, life insurance focuses on two universal risks: survival to a certain age or death of the insured person. However, the policy may cover other risks such as bodily or work injury, disability or accident.

Typically, life insurance premiums are paid regularly over a period of time, for example, until an insured event occurs. Depending on the type of life insurance, the insurance amount can be paid only in case of illness, death of the insured or other insurance events specified in the contract.

There are products that provide payment of the sum assured even if nothing happens to the customer and he survives safely till the end of the contract. In such policies, the fact of survival is treated as an insured event. After survival, the accumulated amount is paid and the insurance company is paid by the investment income earned by investing the funds received from the policyholder during that time.

An important point is that the benefit of concluding a contract with the risk of death or accident for the insured person and his relatives is that the client or his relatives will receive even one insurance premium in the event of any insured event specified in the contract. They will still receive the insurance payment. However, the contract specifies different insurance amounts for different insurance events you should keep in mind that it can be attached. For example, 100% of the sum insured may be paid for death or disability of the policyholder, and 50% or less for injury or illness. Most life insurance covers only one risk - death. In this case, the policyholder pays for the policy (in one-time or regular payments) and in case of death, his relatives (or the persons designated as beneficiaries in the insurance contract) receive the insurance payment. .

An additional type of risk insurance can be called mixed insurance, in which the insured receives payment in the event of an illness or occupational injury. The peculiarity of this type of insurance is that the risk can occur at any time and the insured may not have any savings under the policy. In this case, the insured can choose the type of risk, type of injury, etc., as well as the insurance period. This type of insurance is very popular among representatives of dangerous professions. However, it should not be forgotten that the insurance company takes into account how dangerous the profession of the insured person is, and in some cases may refuse to provide insurance or significantly increase the price of the policy.

Another type of risk insurance is called credit insurance. According to such an agreement, the payment is received not by the insurer, but by the lending bank. For example, such a scheme is in demand when making a mortgage loan: the borrower can insure not only against death, but also against illness, job loss, etc.

The organization of the insurance process and the requirements for policyholders differ significantly between life and property insurance companies. In most countries of the world, life insurance companies are classified as a separate category of insurance organizations, over which state control is much stricter. Life insurance companies, as a rule, deal with a very wide range of types of personal

insurance - life insurance itself (death, survival, etc.), various types of pension insurance, from accidents some types of insurance and health insurance. They are not allowed to engage in proprietary types of insurance - property insurance and liability insurance (called general insurance or non-life insurance in foreign practice).

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