

PEBBLE CAR INSURANCE

Fear of car theft? Fear of hitting other vehicle? A flexible car insurance at your convenience

About the project (GE2326 Area: Insurance)

Pebble (A fiction insurance company created for GE2326 group project only) is a leading insurance company in Hong Kong that provides insurances in different areas like health, automobiles and housing. We introduce our first ever car insurance plan in Hong Kong. Third party liability insurance for car is necessary in Hong Kong as per the Hong Kong government law and it is a serious offence to drive the car if not insured. In Probable insurance, two types of car insurances are provided. Basic plan that covers third party liability, and prestige plan that covers third party liability as well as self-vehicle repair plus value added services.

Profits for the firm

The business model of the insurance scheme is designed in such a way that main source of income is through two streams

1. Underwriting (Premiums vs claims) (Minor profit)
2. Investment (Return on investment of premium amount collected) (We are considering 8% average annual return for this project purpose)

Areas of Research

To calculate the insurance premium for a car, we are going to research on four important factors 1. Price of the Car, 2. Age 3. Driving Experience and 4. Plan Requirements

Price of the car: The price range of cars are categorized into three sections for this insurance scheme project and the plan costs are different for each section

1. Less than HKD100K. 2. HKD100K to 500K. 3. More than HKD 1M.

Age: While considering the insurance plan for cars, age plays an important role. For instance, number of accidents per 1000 licensed drivers for certain age group would be higher when compared to other age group, which shows that the probability of that certain age group meeting with an accident is high. *A research on the statistics of past 5 years will be done later on this project.*

Driving experience: Carefully considering the statistics and trends of the accidents in the past years, the driving experience appears to plan an important, hence driving experience has been taken into account as one of the factor. *A research on the statistics of past 5 years of three categories 0-2 years, 2-4 years, 4 and further years will be done later on this project.*

Plan coverage: There are two types of insurance plan offered and both has significant difference in claims as well as premium costs

BASIC PLAN	PRESTIGE PLAN
<i>The basic plan covers may cover damage costs to the third part. In rare cases, the plan may cover your car damages</i>	<i>Prestige plan covers accidental damages and theft in addition to basic plan. it may also help pay for damages caused to your car as well as many value added services like towing service, loss of keys, roadside assistance and much more</i>

Expected deliverables of the project

1. A presentation deck (By week 13).
2. A website for instant calculation of premium.
3. A case analysis report showing the profits of the firm for 1 year.

Research details

1. Research will be done on Hong Kong statistics and all the currency considered is HKD.
2. The general interest rate of 8% will be considered for investment

References

1. <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/1115/88736.0001.001.pdf>
2. http://www.td.gov.hk/en/road_safety/road_traffic_accident_statistics/index.html
3. https://www.thb.gov.hk/eng/policy/transport/issues/rehs/e_chp4.pdf
4. <https://www.aig.com.hk/personal/auto>
5. <https://kwiksure.com/quote/motor/basic-details/>

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