

BUSINESS COMMUNICATION

(UNIT –III)

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WHAT IS CORRESPONDENCE?

- Any written or digital communication exchanged by two or more parties.
- Correspondence may come in form of letters.



BANKING CORRESPONDENCE

- Banking correspondence is of a special nature because it deals with finance. Letters have to be carefully written to protect the interest of the bank as well as its clientele.
- The financial status of its clientele can be quite fluctuating owing to extraneous reasons.
- The correspondence should also be tactful. A bank cannot afford to be judgmental in issues connected with a transaction.
- The correspondent bank performs several services for the other banks, such as accepting deposits, collecting documents and more.

FUNCTIONS OF A MODERN BANKER

- To receive deposits & grant loans & advance.
- To discount bills of exchange.
- To provide safe deposit vault facilities for their customer.
- To pursue references regarding the financial standing of others.
- To issue letters of credit, bank, travelers cheques etc.
- To act as agent to buy shares & stocks for the customer.

Types of banking correspondence

- Form letters.
- Individual letters.

1. Letters between the bankers and their clients:

Letters from the banker to the customer.

Letters from the customer to the banker.

2. Letters from one bank to another.

3. Letters between the head office and the branch office:

Letters from Head office to the Branch office.

Letters from Branch Office to the Head Office.

VASANTH KULKARNI & COMPANY

61, 5th Main,
Vijayanagar,
Bangalore,
May 17,
200....

Dear Sir,

Sub : **Request for opening an account**

I am desirous of opening a current account with you. I have sent your printed application form duly filled in with specimens of my signature and the letters of introduction from one of your customers, Shri N. Guru, Proprietor Madhu Sweet Mart” through my personal assistant, Miss N. Maya, who will pay a sum of Rs. 5000 (Rupees five thousand only) as initial deposit.

Kindly send with her a cheque book containing 25 leaves, a Pass Book and paying-in-slip book for purposes of remittances.

Thank you,

Yours faithfully,
Vasanth Kulkarni,
Proprietor.

WHAT IS INSURANCE CORRESPONDENCE

- **Business & even Human life is full of risks.**
- Risks such as **accidents, fire, theft, loss, damage, illness, or death** in return for payment of a specified premium.
- Insurance is a contract by which the insurer the insurance company, in consideration of the payment of a sum money called **premium, agree to pay specified sum of money** to the insured on the happening of a certain event insured.
- The life and property of an individual are surrounded by the risk of death, disability or destruction. These risks may result in financial losses. Insurance is a prudent way to transfer such risks to an insurance company.

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LIFE INSURANCE

- **Life insurance** is a contract between an [insurance policy](#) holder and an [insurer or assurer](#), where the insurer promises to pay a designated [beneficiary](#) a sum of money (the benefit) in exchange for a premium, upon the death of an insured person (often the policy holder)
- Depending on the contract, other events such as [terminal illness](#) or [critical illness](#) can also trigger payment.



KINDS OF LIFE POLICIES



**Endowment
Policy**

**Whole Time Life
Policy**

Joint Life Policy

TECHNICAL TREMS USED IN LIFE INSURANCE

- **Premium** : Premium refers to the cash or amount payable by the assured. The rate of premium depends on the amount of the policy period etc.
- **Surrender Value of the Policy** : The surrender value of a policy is the amount that the insurance corporation will pay in cash to the assured.
- **Nomination** : The assured has a legal right to designate any person to receive the effects of the policy in the event of his policy. Such person who is nominated to receive payment is called “NOMINEE”
- **Assignment** : The assured may assign the policy to anyone by endorsement on the policy or by executing a separate assignment deed.
- **Claim** : A claim may be either on the death of the policyholder or on the maturity of the policy.
- **Loan against Life Policy** : The policyholder can also obtain a loan against the life policy. He can either get a from bank or from the Life Insurance Corporation.

Life Insurance Correspondence

- Enquiry related to terms and conditions
- Submission of proposal for insurance
- Acceptance or refusal of the proposal
- Reminders from the LIC to pay the prem overdue
- Notice of the ~~lapse~~ of the policy
- Proposal for surrendering the policy or conversion into paid up policy

Sample Letter Format for Surrender of Life Insurance Policy

From:

Rakesh Sharma

54 Gandhi Path

Karol Bagh

Delhi

Date: 25.02.19

To,

The Manager

Life Insurance Corporation of India

Delhi

Sub: Surrendering LIC Policy No. 123456

Dear Sir,

On February 5th, 2005, I had opened a Life Insurance Policy with your branch. My LIC policy number is 123456 and till present date, all the premium stands clear for this policy. Due to some financial issues at my personal end, I am compelled to surrender this policy because I will not be able to manage this policy and moreover, I will have handsome amount of money which I will be able to use for handling the economic situations I am facing at the present.

Therefore, I request you to please consider this application as formal request for surrendering the LIC policy. Please feel free to contact me in case of any other formalities that are required to be completed in this process.

Please acknowledge the receipt of this letter. It is a humble request to please consider this matter and have the process completed at the earliest.

Thanking in anticipation.

Sincerely,

Rakesh Sharma

FIRE INSURANCE



- Fire insurance is a contract, under which the insurer, in return for the premium paid by the insured undertakes to pay or make good the loss suffered by the insured due to fire or lightning during the specific period and up to the amount specified in the contract.
- It may be paid in the form of cash or replacement or repair of the property damaged by fire.
- Indemnity is the main mark of this insurance.



LETTERS IN FIRE INSURANCE

- 1) A request for the insurance of a proposal submitted.
- 2) Letter from the insurance company enclosing a covering notes.
- 3) Notice intimating change in the address & reply.
- 4) Notice of damages by fire.
- 5) Settlement of the claim.
- 6) Letters admitting or refusing the claim.

April 18, 2013

Julio Arias/Justin Tinnin
Cutting Edge Restoration
41083 Sandalwood, Suite K
Murrieta, Ca 92563

Re: Restoration of 907 Riviera Avenue, Banning, CA

Dear Sirs;

I want to extend my gratitude and praise for the restoration and repairs to the extensive water damage on my father's home in Banning.

From the beginning, you (Justin) reassured me that the work would be thorough and completed as quickly as possible. Your construction crew, headed by Manuel proved to be polite, professional and very skilled. I have seldom seen such attention to detail. Through out the weeks, my questions and requests were attended to promptly. Further, I greatly appreciated your patience with the all of challenges given to us by the bank holding the repair funds.

I will recommend you to everyone I learn needs your service.

Once again, thank you,



Karen E. Bowles

MARINE INSURANCE



- Marine insurance is a contract where by the insurer or the underwriter agree to compensation the owner of a ship or cargo for a partial or total loss due to destructions at sea.
- It is a contract of indemnity providing protection to ship or cargo against risks incidental to “**marine voyage**”.
- The risks against which the insurance is made are called “ Perils of the sea” such as storm, collision of ships, accidents, damage of cargo due to sea water, sinking of the ship etc.,



KINDS OF MARINE POLICIES

- Valued Policy.
- Open Policy.
- Voyage Policy.
- Time Policy.
- Mixed Policy. (Time Policy + Voyage Policy)
- Floating Policy.
- Fleet Policy.



LETTER IN MARINE INSURANCE



- Sending proposal for effecting insurance.
- Enquiring about the rates of premium.
- Advising declaration of shipment of goods.
- Notifying claims in the events of loss.
- Acceptance of the risk.
- Issuance of certificate of declaration.
- Settlement of claims etc.



TOYAMA KAIGAI BOEKI SHIPPING

14 august 2008 r.

TO: Agriculture - Industry - Marine Control Inspection Group
ATTN: Dr Capt Nguyen Rte Nhan

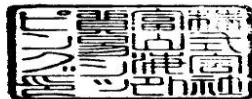
Re: mv TKB Natalia in HCMC / wet damage to cargo.

LETTER OF AUTHORIZATION

Dear Sirs,

We, Shipowners/ Managers of mv TKB Natalie, hereby agreed and confirm to appoint your good company, Agriculture - Industry - Marine Control Inspection Group, and to be representative for and on behalf of Toyama Kaigai Boeki Shipping Co., Ltd to solve all of status of cargo and incident happened on mv TKB Natalia in Ho Chi Minh City port, Vietnam.

Yours faithfully,



S. Kaji
Chief of Shipping department

TKB Shipping Co., Ltd
3034-5 Takagi, Toyama, 930-0106, Japan
T. +(81) 076-434-9999
F. +(81) 076-434-9911

AGENT CORRESPONDENCE

- Agency correspondence is the correspondence between the principal and the agent. The **application for an agency, the appointment of an agency, its tenure and renewal, facilities provided by the agent, the support he receives from the principal**, etc.,
- **An Agent is one who is appointed to act for another. The person who appoints the agent is known as the principal. The agreement between them is known as the agency agreement.**



KINDS OF AGENTS

Commission Agent

Del Agent

Factor

Brokers

Auctioneers

Underwriters

Warehouse Keepers

Clearing & Forwarding Agent

TERMS OF AGENCY

**Allowance or
Commission**

Duration of the Agency

Area under the agent

Terms of Payment