

RISK MANAGEMENT AND INSURANCE			
Course Code	22MBAFM405	CIE Marks	50
Teaching Hours/Week (L:P:SDA)	2:2:0	SEE Marks	50
Total Hours of Pedagogy	40	Total Marks	100
Credits	03	Exam Hours	03
Course Learning objectives: <ul style="list-style-type: none"> To provide an understanding of different types of risk. To provide an understanding of the risk identification and measurement. To give an overview of role of Life Insurance in risk management. To provide an understanding of general insurance contract. 			
Module-1 (6 hours) Introduction to Risk Management: Risk Identification: Risk-Risk and Uncertainty-Types of Risk-Burden of Risk-Sources of Risk-Methods of handling Risk-Degree of Risk-Management of Risk. Risk Identification-Business Risk Exposures-Individual Exposures-Exposures of Physical Assets - Exposures of Financial Assets -Exposures of Human Assets - Exposures to Legal Liability - Exposure to Work-Related Injury. (Theory).			
Module-2 (6 hours) Risk Measurement: Evaluating the Frequency and Severity of Losses-Risk Control-Risk Financing Techniques-Risk Management Decision Methods-Pooling Arrangements and Diversification of Risk. Advanced Issues in Risk Management: The Changing Scope of Risk Management-Insurance Market Dynamics-Loss Forecasting-Financial Analysis in Risk Management -- Decision Making Other Risk Management Tools. (Theory).			
Module-3 (6 hours) Introduction to Insurance: Risk and Insurance- Definition and Basic Characteristics of Insurance-Requirements of an Insurable Risk-Adverse Selection and Insurance-Insurance vs. Gambling Insurance vs. Hedging Types of Insurance-Essentials of Insurance Contracts. Indian Insurance Industry -Historical Framework of Insurance, Insurance sector Reforms in India. IRDA-Duties and powers of IRDA-IRDA Act 1999. (Theory).			
Module-4 (8 hours) Life Insurance: Basics of Life Insurance-Growth of Actuarial Science-Features of Life Insurance-Life Insurance Contract-Life Insurance Documents-Insurance Premium Calculations. Life Insurance Classification-Classification on the Basis –Duration-Premium Payment Participation in Profit-Number of Persons Assured-Payment of Policy Amount-Money Back Policies-Module Linked Plans. Annuities-Need of Annuity Contracts, Annuity V/s Life Insurance, Classification of Annuities. (Theory).			
Module-5 (8 hours) General Insurance: Laws Related to General Insurance-General Insurance Contract-General Insurance Corporation (GIC). Health Insurance-Individual Medical Expense Insurance – Long Term Care Coverage – Disability Income Insurance – Medi-claim Policy – Group Medi-claim Policy – Personal Accident Policy – Child Welfare Policy-Employee Group Insurance – Features of Group Health Insurance –			

Group Availability Plan. Fire Insurance-Essentials of Fire Insurance Contracts, Types of Fire Insurance Policies, Fire Insurance Coverage. Marine Insurance-Types of Marine Insurance – Marine Insurance principles Important Clauses in Marine Insurance– Marine Insurance Policies –Marine Risks-Clauses in Marine Policy. Motor Vehicles Insurance-Need for Motor Insurance, Types of Motor Insurance, Factors to be considered for Premium Fixing. (Theory).

Module-6 (6 hours)

Management of Insurance Companies:

Functions and Organization of Insurers- Types of Insurance Organization, Organizational Structure of Insurance Companies-Functions of Insurers. Underwriting-Principles of Underwriting, Underwriting in Life Insurance, Underwriting in nonlife Insurance. Claims Management-Claim Settlement in General Insurance-Claim Settlement in Life Insurance. (Theory).

Assessment Details (both CIE and SEE)

The weightage of Continuous Internal Evaluation (CIE) is 50% and for Semester End Exam (SEE) is 50%. The minimum passing marks for the CIE is 50% of the maximum marks. Minimum passing marks in SEE is 40% of the maximum marks of SEE. A student shall be deemed to have satisfied the academic requirements (passed) and earned the credits allotted to each course if the student secures not less than 50% in the sum total of the CIE (Continuous Internal Evaluation) and SEE (Semester End Examination) taken together.

Continuous Internal Evaluation:

There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE.

CIE Marks shall be based on:

- a) Tests (for 25Marks) and
- b) Assignments, presentations, Quiz, Simulation, Experimentation, Mini project, oral examination, field work and class participation etc., (for 25 Marks) conducted in the respective course. Course instructors are given autonomy in choosing a few of the above based on the subject relevance and should maintain necessary supporting documents for same.

Semester End Examination:

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks with 3 sub questions.
- Each full question will have sub question covering all the topics.
- The students will have to answer five full questions; selecting four full question from question number one to seven in the pattern of 3, 7 & 10 Marks and question number eight is compulsory.
- 100 percent theory in SEE.

Suggested Learning Resources:

Books

1. Principles of Risk Management and Insurance, George E Rejda, Pearson, 12/e, 2009.
2. Insurance and Risk Management, P.K. Gupta, Himalaya, 1/e, 2010
3. Introduction to Risk Management and Insurance, Dorfman, Mark S., Prentice Hall India, 10/e, 2008.
4. Risk Management and Insurance, Scott E. Harrington, Gregory R Niehaus, TMH, 2/e, 2007.

Web links and Video Lectures (e-Resources):

- <https://vulms.vu.edu.pk/Courses/FIN725/Downloads/Risk%20management%20and%20insurance.pdf>
- <http://www.insurance-institute.ru/library/zothers/mcnamara.pdf>
- <https://www.coursera.org/lecture/family-planning/introduction-to-risk-management-sxEMr>
- <https://cob.unt.edu/firel/rmi>
- <https://slideplayer.com/slide/4760242/>

Note: The aforesaid links and study materials are suggestive in nature, they may be used with due regards to copy rights, patenting and other IPR rules.

Skill Development Activities Suggested

- Should visit insurance companies and understand the types of policies
- Understand how insurance premium are fixed
- Interact with insurance agents and understand the ground reality of insurance investors.
- Understand how different insurance companies settles the accident claims/death claims
- Understand the functioning and organisation structure of insurances companies.
- Compile and analyse General and Life insurance policies offered by Indian insurance companies (one public sector and one private sector)
- Visit policy bazaar portal and study the different types of insurance policies offered by the Indian insurance companies.
- Analyse the Systematic and unsystematic risk of any two companies
- Analyse the types of Risk in different sectors of India due to Covid- 19 Pandemic

Course outcome

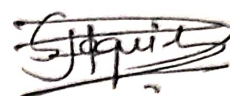
At the end of the course the student will be able to :

Sl. No.	Description	Blooms Level
CO1	Understand various types of risks.	L2
CO2	Assess the process of identifying and measuring the risk.	L6
CO3	Acquaint with the functioning of life Insurance in risk management.	L1
CO4	Understand general insurance contract.	L2

01.02.2023

Mapping of COS and Pos

	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1	2					2			
CO2	1	2					2		
CO3	1					1			
CO4	1			3	1		3		



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