

RISK MANAGEMENT AND INSURANCE

Semester	IV	CIE Marks	140
Course Code	18NIBAFM402	SEE Marks	160
Teaching Hours / week (L:T:P)	3-0-0	Exam Hours	1.03
		Credits	03

Course Objectives:

1. To provide an understanding of different types of risk.
2. To provide an understanding of the risk identification and measurement.
3. To give an overview of role of Life Insurance in risk management.
4. To provide an understanding of general insurance contract.

Unit 1:

Introduction to Risk Management and Risk Identification: Risk-Risk handling Risk-Degree of Risk-Burden of Risk-Sources of Risk-Methods of 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).

Unit 2:

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).

Unit 3:

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).

Unit 4:

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-Unit Linked Plans. Annuities-Need of Annuities. (Theory).

Unit 5:

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 Policy. Motor Vehicles Insurance-Need for Motor Insurance, Types of Motor Insurance, Factors to be considered for Premium Fixing. (Theory).

Unit 6:

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).

Question Paper: 100 % Theory

COURSE OUTCOME:

At the end of the course, the students will be able to:

1. Understand various types of risks.
2. Assess the process of identifying and measuring the risk.
3. Acquaint with the functioning of life Insurance in risk management.
4. Understand general insurance contract.

RECOMMENDED BOOKS

1. Principles of Risk Management and Insurance, George E Rejda, (2009), Twelfth Edition, Pearson, New Delhi.
2. Insurance and Risk Management, P.K. Gupta, (2010), First Edition, Himalaya Publishing House, Mumbai.
3. Introduction to Risk Management and Insurance, Dorfman, Mark S., (2008), 10th Edition, Prentice Hall India, New Delhi.

REFERENCE BOOKS:

1. Risk Management and Insurance, Scott E. Harrington, Gregory R Nichaus, (2007), Second Edition, Tata McGraw Hill Publishing Company Limited, New Delhi.
2. Principles and Practice of Insurance, P. Periasamy, (2009), Second Edition, Himalaya Publishing House, Mumbai.
3. Risk Management and Insurance, C. Arthur Williams, Jr. Peter Young, Michael Smith, (2007), Eighth Edition, Tata McGraw Hill Publishing Company Limited, New Delhi.

CO-PO MAPPING

CO	PO				
	PO1	PO2	PO3	PO4	PO5
CO1	X				
CO2	X				
CO3	X				
CO4	X				


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