DSE (Stream)- Banking and Insurance

Insurance and Risk Management

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Insurance and Risk Management	**4**	**3**	**1**	**0**	**Pass in Class XII**	**NIL**

Learning Objectives
The course aims to give students an in-depth knowledge about risk management and insurance.

Learning Outcomes
After completion of the course, learners will be able to:
1. Recognise basics of risk management.
2. Describe the basic concept and principles of insurance.
3. Analyse different types of life insurance policies.
4. Analyse different types of general insurance policies.
5. Recognise the regulatory aspect of insurance in India.

Course Contents:
Unit 1: Concept of Risk and Risk Management (7 hours)
Risk- Meaning, Types of Risk, Sources and Measurement of Risk, Risk Retention and Transfer. Objectives of risk management, Risk management process, Identifying and evaluating potential losses, selecting appropriate technique for treating loss exposure, Risk financing, Implementing and administering risk management program, Personal risk management. Concept of Disaster Risk Management. Meaning of Actuary and Actuarial Science.

Unit 2: Introduction to Insurance (16 hours)
Concept and Nature of Insurance Contract, law of large numbers, Characteristics of insurance Principles of insurance contract: utmost good faith, indemnity, insurable interest, proximity cause, contribution & subrogation, and indemnity. Legal Aspects of Insurance Contract. Globalization of Insurance Sector, Reinsurance, Co-insurance, Assignment, Endowment, Types of Insurance: Life insurance, General Insurance.

Unit 3: Life Insurance and General Insurance (18 hours)
Meaning of Life Insurance, Features-classification of policies, Types of life insurance policies: Term insurance, Whole life insurance and its variants, Endowment insurance and its variants, Annuities. Surrender value. Policy Process: Application, and acceptance, prospectus, proposal forms and other

related documents, Age proof, Special reports, Assignments, Nomination. Claim Settlements: Loans, surrender, Foreclosure Policy, Maturity claims survival benefit, Payments death claims, Waiver of evidence of title-Early claims, Claim concession, Presumption of death, Accident and disability benefits. Types of general insurance: Fire and Motor Insurance, Health Insurance, Marine Insurance, Automobile Insurance, Burglary and personal accident Insurance in India, Liability insurance, Miscellaneous insurance, Claims settlement.

Unit 4: Regulation of Insurance in India (4 hours)
Control of Malpractices, Negligence, Loss Assessment and Loss Control, Exclusion of perils, Regulatory Framework of Insurance: Role, Power, and Functions of IRDA, Composition of IRDA, IRDA Act 1999.

Exercises:
The learners are required to:
1. Identify the various kinds of risks they are exposed to.
2. Discuss the concept and principles of insurance.
3. Compare the terms different life insurance policies offered in the market.
4. Compare the terms of different general insurance policies offered in the market.
5. Discuss different aspects of the regulatory framework of insurance in India.

Suggested Readings

- Dorfman, M. S. (2015). Introduction to Risk Management and Insurance. (10th ed.) Pearson.
- Rejda, G.E. (2014). Principles of Risk Management and Insurance. Essex, United Kingdom: Pearson Education.
- Gupta. P.K. (2020). Insurance and Risk Management. Delhi, India: Himalaya Publishing House.
- Kumar, S. (2019). Essential of Insurance and Risk Management. Delhi, India: JSR Publishers.
- Mishra, M. N. (2020). Principles and Practices of Insurance. Delhi, India: Sultan Chand and Sons.
- Farooqui, A. (2019). Principles and Practices of Insurance. Wisdom Publications.

Additional Resources

- Black, K., & Skipper, H.D. (2012). Life and Health insurance. Pearson Education.
- Crane, F. (2014). Insurance Principles and Practices. New York, United States: John Wiley and Sons.
- Vaughan, E. J., & T. Vaughan. (2016). Fundamentals of Risk and Insurance. Hoboken, United States: Wiley & Sons.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.