Life Insurance

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

Learning Objectives

The objective of this course is to develop a thorough understanding of life insurance products, pricing, underwriting, distribution, and regulatory framework.

It also aims to equip learners with the ability to analyze insurance policies, evaluate claims processes, and understand emerging trends in the insurance sector.

Learning Outcomes

After completion of the course, learners will be able to:

1. Explain the need, principles, and various types of life insurance products and their suitability for different customer segments.
2. Analyze premium determination, pricing elements, and underwriting processes in life insurance.
3. Evaluate different distribution channels and their effectiveness in reaching insurance customers.
4. Interpret regulatory provisions and claim settlement procedures in life insurance.
5. Assess emerging trends such as digital insurance and actuarial applications in the evolving insurance landscape.

Course Contents:

Unit 1:

(A) Introduction to Life Insurance and Types of Life Insurance Plans (7 hours)

Purpose and Need of Life Insurance, Important Terminologies: Premium, Sum Assured Insured, Proposer, Nominee, Survivor, Assignee, Assignment, Riders etc., Essential features of Life Assurance, Advantages of Life Assurance, Principles of Life Insurance, Importance of Life Insurance. Whole-life Plans, Endowment Insurance Plans, Term Insurance Plans, Whole-life and Endowment Plans: Comparison, Couple Life Insurance Policy, Female Insurance Plans, Children Plans, Plans for Handicapped Dependents, Plans for High Worth Individuals, Money Back Plans, Micro Insurance Plans, Group Insurance Schemes, Social Security Schemes, Pension/ Annuity Plans, Unit Plans.

(B) Insurance Pricing and Underwriting (8 hours)

Pricing Objectives, Life Insurance Pricing Elements, Insurance Rating Methods, Calculation of Premium, Payment of Premium, Classification of Expenses, Surrender Value, Sum Assured Value and

Paid up Value. Underwriting Process, Methods of Rate Determination, Types of Underwriters, Rate of Agents in Underwriting, Policy Bonds, Proposal Form, Certification of Insurance.

Unit 2: Channels of Distribution- Life Insurance (9 hours)
Distribution Channels, The Distribution System of Life Insurance, Intermediaries- Insurance Agents; Insurance Brokers; Third Party Administrator; Employee Sales Officials; Internet Based Selling or Direct Selling, Bancassurance in India.

Unit 3: Regulation and Claim Settlement (11 hours)
Life Insurance Act, 1956- Important Definitions, Establishment and Incorporation of Life Insurance Corporation of India, Constitution and Functions of LIC, Constitution of Tribunal, Management of LIC. Survival Benefits; Death Claims; Maturity Claims; Early Claims and Non– Early Claims, Documents Required for Processing Early Claims and Maturity Claims, Issue of Duplicate Policy, Death due to Unnatural Causes or Accidents, Nomination, Assignment, Waiver of Evidence of Title, Claims Concession Clause and Extended Claims Concession Clause, Presumption of Death, Insurance Riders, IRDA Regulations- Claim Settlements. Appointment, Qualification and Disqualification of Life Insurance Agents, Authority of an Agent, Procedure for Becoming an Agent as a Profession, Functions of Agent, Remuneration of Agent, Code of Conduct for Agent under IRDA Act, 1999, Agent's Liability for Protection of Interest of Life Insurance Policyholders, Insurance Ombudsman Scheme, 2006.

Unit 4: Emerging Trends in Life Insurance (10 hours)
Digital Insurance, Engineering Insurance, Cyber Liability Insurance, CRM in Insurance, Corporate Governance and Customer Social Responsibility in Life Insurance, Role of Actuarial Science in Life Insurance, Emerging Opportunities and Challenges of Various Health Insurance Schemes in India.

Exercises:
The learners are required to:
1. Compare a term plan and an endowment plan from insurers like LIC and HDFC Life using policy brochures from company websites or IRDAI portal; recommend based on a defined customer profile.
2. Use LIC premium calculators or IRDAI-approved product disclosures to estimate premium for a 30-year-old individual under different plans; analyze impact of age, tenure, and sum assured.
3. Analyze a sample proposal form (from insurer websites or training material) with given health and income details; classify risk and justify acceptance/rejection/loading.
4. Use IRDAI annual reports or insurer claim settlement ratios to analyze claim settlement performance; evaluate reasons for claim rejection/delay.
5. Prepare a report on the emerging trends in life insurance sector.

Suggested Readings

- Mishra M.N., & Mishra, S.B. (2015). Insurance Principles and Practice. Delhi, India: S.Chand.
- Chaturvedi, D.D., & Mittal, A. (2016). Banking and Insurance. Delhi, India: Scholar Tech Press.
- Sethi, J., & Bhatia, N. (2017). Elements of Banking and Insurance, Delhi, India: PHI Learning Private Limited.
- Gupta, A. (2019). Banking and Insurance. Delhi, India: A K Publications.
- Farooqi, A.W. (2019). Principles and Practice of Insurance. Delhi, India: Wisdom Publications.
- Mittal, A., & Gupta, S. L. (2020). Principles of Insurance and Risk Management. Delhi, India: Sultan Chand & Sons.
- Kumar, S. (2019). Fundamentals of Insurance and Risk Management. Delhi, India: JSR Publication.

Additional Resources
- Banking and Insurance-Law & Practice , The Institute of Company Secretaries of India, New Delhi

- Imam, A. (2017). Principles and Practice of Life Insurance in India. Delhi, India: Anmol Publications Pvt. Ltd.
- Singh, I., & Katyal, R. (2019). Insurance Principles and Practice. Delhi, India: Kalyani Publishers.
- Loomba, J. (2018). Risk Management and Insurance Planning. Delhi, India: PHI Learning Private Limited.

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