DSE (Stream) - Banking and Insurance

Non-Life Insurance and Reinsurance

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

Learning Objectives
The objective of this course is to provide a comprehensive understanding of non-life insurance products, underwriting, claims management, and risk coverage.
It also aims to develop the ability to analyze insurance needs, evaluate policies, and understand reinsurance and emerging insurance segments.

Learning Outcomes
After completion of the course, learners will be able to:
1. Explain the features, principles, and risk coverage of major non-life insurance products including health, motor, fire, and marine insurance.
2. Analyze underwriting processes, claim settlement procedures, and fraud risks across non-life insurance segments.
3. Evaluate specialized insurance products such as engineering, burglary, and aviation insurance in practical contexts.
4. Assess the scope, challenges, and regulatory framework of rural insurance in India.
5. Examine reinsurance methods, contract provisions, and programme design for effective risk management.

Course Contents:
Unit 1: Non-Life Insurance Products (20 hours)
Health Insurance
Introduction to Health Insurance; Health Insurance Products; Health Insurance Underwriting Basic principles and tools, Underwriting Process; Health Insurance Claims and Recovery - Claims Management, Documentation, Role of Third-Party Administrators (TPAs); Health Insurance Frauds.

Motor Insurance
Major Principles and Features of Motor Insurance; Key Insurable Risks; Different Types of Motor Insurance Policies; Financial Crime and Ethical Considerations in Motor Insurance, Underwriting Process, Claims and Recovery - General Principles in Motor Claims-Handling Process, Claim Settlement
Fire Insurance
General Principles of Fire Insurance, Risks covered by the Fire Insurance, Standard Fire and Special Perils Policy, Special Policies – Floater Policy, Declaration Policy, Floater Declaration Policy; Settlement of Claims.
Marine Insurance
Types of Marine Insurance – Hull and Machinery Insurance, Cargo Insurance, P and I Insurance, Risks covered by the Marine Insurance, Marine Claims and Recovery.

Unit 2: Engineering Insurance and Other Insurance Products (7 hours)
Types of Engineering Insurance; Project Insurance - Erection All Risk Insurance (EAR), Contractor's Plant and Machinery Insurance, Contractor's all risk insurance (CAR);Others: Meaning and Concept-Burglary insurance; Fidelity Guarantee insurance; Crime insurance; Aviation insurance and Satellite insurance.

Unit 3: Rural Insurance (7 hours)
Overview of Indian Rural Insurance Market - Need of rural Insurance, Major Types of Rural Insurance Policies; Challenges and Opportunities in Rural Insurance market, IRDA Regulations in Rural Insurance; Crop Insurance; Cattle Insurance and Insurance of other Livestock; Poultry Insurance; Companies offering Rural Insurance in India.

Unit 4: Reinsurance (11 hours)
Nature of Reinsurance, Methods of Reinsurance: Proportional - Quote Share, Surplus, Facultative Obligatory; Non-Proportional - Excess of Loss, Per Risk, Catastrophe Stop Loss. Law Relating to Reinsurance Contracts: Fundamentals of Contract Law as Applicable to Reinsurance. Reinsurance Design; Analyzing Reinsurance Needs: Based on Business Strategy, Financial Needs, Needs Based on Management Style. Construction of Reinsurance Programme: Negotiation and Placement of Reinsurance: Placement - Direct and through Intermediaries. Role of Intermediaries, Advantages and Disadvantages of Direct Placement and Dealing through Intermediaries. Reinsurance Clauses: Common Clauses, Operative Clause, Commencement and Termination Clause, Access to Records Clause, Net Retained Lines Clause, Retention and Limits Clauses, Loss Occurrence Clause, Reinstatement Clause.

Exercises:
The learners are required to:
1. Study the Health Insurance and Motor Insurance Plans of Major Non-Life Insurers in India.
2. Study the Fire Insurance and Marine Insurance Plans of Major Non-Life Insurers in India.
3. Examine the policy regulations pertaining to rural insurance in India offered by various insurance companies in India.
4. Write a comparative report on the products offered by different insurance companies in India.
5. For a hypothetical insurer portfolio, design a simple reinsurance plan (quota share vs. excess of loss) and justify choice.

Suggested Readings

- Agarwala R., Guide for Health insurance, Paperback Publications
- Agarwala R., Guide for Marine insurance, Paperback Publications
- Carter, R.L., Reinsurance, Springer

- Crane, F., Insurance Principles and Practices, John Wiley and Sons, New York.
- Dayal, H., The Fundamentals of Insurance: Theories, Principles and Practices, Paperback Publications
- Dinsdale, W.A., Elements of Insurance, Pitman.
- Dorfman, M.S., Introduction to Insurance, Prentice Hall.
- George, E. Rejda, Principles of Risk Management and Insurance, Pearson Education.
- Gupta, P.K., Insurance and Risk Management, Himalaya Publishing House, New Delhi.
- Holyoake, J. and Weipers, W., Insurance, Institute of Financial Services, U.K.
- Insurance Law Manual with IRDA Circulars & Notifications, Taxmann Publication.
- Irwin, Black, K., and Skipper, H.D., Life and Health insurance, latest edition, Pearson Education
- Kumar, S., Fundamentals of Insurance and Risk Management, JSR Publishers, New Delhi
- Mehr, R.I., Fundamentals of Insurance
- Naik, K.L., Reinsurance Manual, Sashi Publications.
- Publications of Insurance Institute of India, Mumbai.
- Practice of General Insurance (I.C.11, I.C.38), Insurance Institute of India, Mumbai
- Rana, Jagendra., Reinsurance Simplified, BlueRose Publishers
- Vaughan, Emmett J. and Vaughan T.M., Fundamentals of Risk and Insurance, Wiley.

Additional Resources

- Crane, F., Insurance Principles and Practices, John Wiley and Sons, New York.
- Insurance Institute of India - IC-85- Reinsurance Management.
- Module III, Risk Management and Reinsurance, The Institute of Chartered Accountants of India, New Delhi
- Mishra, M. N., Principles and Practices of Insurance, S. Chand and Sons .Dinsdale, W.A., Elements of Insurance, Pitman.
- Practice of General Insurance (I.C.11, I.C.38), Insurance Institute of India, Mumbai
- Vaughan, E. J. and T. Vaughan, Fundamentals of Risk and Insurance, Wiley & Sons
- www.irdai.gov.in/
- www.gicofindia.com/
- www.iib.gov.in

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