

B.A. (VS) Insurance Management
Semester V
DISCIPLINE SPECIFIC CORE COURSE (DSC- 5.1)

Fundamentals of Non-life Insurance

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Total Credits	Lectures	Tutorial	Practical	Eligibility criteria	Pre-requisite of the course
Fundamentals of Non-life Insurance DSC – 5.1	4	3	1	-	Pass in class 12th	-

Learning Objectives: The course aims to familiarize students to the risks covered by non-life/general insurance. The course also provides basic understanding of the insurance cover provided by different types of general insurance policies.

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

1. describe the need for non-life insurance products and growth of the general insurance sector
2. analyse the principles of motor & commercial property insurance to various situations of any policy holder
3. analyse the principles of personal & health insurance to various situations of any policy holder
4. analyse the principles of credit insurance to various situations of any policy holder

Unit 1: Introduction

12 Hours

Need of non-life insurance, types of risk & factors affecting degree of risk, scope (products: marine, motor, personal accident, travel, home, credit, health, commercial property and business interruptions, liability, miscellaneous), exposure measurement (census and exact methods, statistical modelling, expenses), rate setting, principles & basis of rating, experience rating, return of premium, insurance providers (direct market, re-insurers, brokers), application of principles of indemnity, proximate cause, subrogation & mitigation of losses.

Unit 2: Marine, Fire Motor & Commercial property and Business interruption insurance

12 Hours

Motor insurance - nature of risk, perils, rating factors, indemnity & main types of cover, recent *National Consumer Disputes Redressal Commission (NCDRC)* judgements. Marine insurance: Features, perils, policy bases, insured value.

Fire: features, subject matter of contract, perils, scope of cover, insured value

Commercial property and business interruption - risk arising from fire, theft, contingencies, types of cover provided by these policies, clauses commonly used, application of principles and practices of these policies to various situations.

Unit 3: Personal & Health Insurance

11 Hours

Home, household buildings, household contents, accident, travel – features, risk assessment process, process of policy management, legal basis of the contract, premium, contents of policy document, mid-term amendment, cooling off period, renewal, cancellation), type of policy, modification of cover, scope of cover.

Health - purpose, nature of risk, types of policies (including indemnity, reimbursement, defined benefit), scope of cover, roles of intermediary and insurance provider.

Unit 4: Credit Insurance

10 Hours

Definition, functions (assumption of risk and claims payment, preventive function of credit insurance, prevention of claims, their minimization, and recoveries, enhances external financing), application of general principles, features, role of Export Credit Guarantee Corporation

Practical Exercises: The learners are required to:

1. make a group presentation on the growth of different types of non-life insurance products (Unit1).
2. make a group project analysing the effectiveness of the policy coverage by collecting data from motor/commercial insurance holders (Unit2).
3. make a project analysing the effectiveness of the policy coverage by collecting data from personal/health insurance holders (Unit3).
4. make a group project analysing the effectiveness of the policy coverage by collecting data from credit insurance holders (Unit4).

Suggested Readings

- Birds J., Lynch B., Paul S., (2022). *MacGillivray on insurance law: relating to all risks other than marine*. 15th ed. Sweet & Maxwell (unit3)
- Birds J., Richard K. (2022). *Bird's modern insurance law*. 12th ed. Sweet and Maxwell.
- Booth, P., Chadburn, R., Haberman, S., James, D., Khorasane, Z., Plumb, R. H., & Rickayzen, B. (2004). *Modern actuarial theory and practice*. CRC Press LLC
- Miran Jus. (2013). *Credit Insurance*. Academic Press, Elsevier. UK.
- McGee. A. (2018). *The modern law of insurance*. Andrew McGee. 4th ed. London: LexisNexis.
- Murthy, K. S. N. & K. V. S. Sarma. (2019) *Modern Law of Insurance in India*. Sixth Ed. Butterworths.
- Srinivasan M.N., Kannan. K. (2017). *Principles of Insurance Law*. Lexis Nexis.

Notes:

1. **Suggested readings shall be updated and uploaded on the college website from time to time.**
2. **Examination scheme and mode shall be prescribed by the Examination branch, University of Delhi from time to time.**

B.A. (VS) Insurance Management
Semester V
DISCIPLINE SPECIFIC CORE COURSE (DSC- 5.2)
Fundamentals of Investment

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Total Credits	Lectures	Tutorial	Practical	Eligibility criteria	Pre-requisite of the course
Fundamentals of Investment DSC – 5.2	4	3	1	-	Pass in class 12th	-

Learning Objectives: The course aims to familiarize the students with meaning of investment. The course also provides basic understanding of the returns and risk associated with different investment options.

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

1. analyse the risk-return trade off on different investments
2. compare yields from different bonds
3. appraise returns on equity investments through alternative methods
4. recognise the use of derivatives as a tool for risk management

Unit 1: Introduction

12 Hours

Meaning of investment, Investment environment, Types of investment (real & financial assets), types of investors, concept of risk, types of risk (for individuals & institutions), relationship between risk and return, computation of risk (standard deviation, variance, beta) & return

Unit 2: Bonds

10 Hours

Bond Fundamentals, types, estimating bond yield; bond valuation, bond risks and credit rating bond valuation.

Unit 3: Equity

12 Hours

Fundamental Analysis, Technical Analysis and Efficient Market Hypothesis, Computation of return & Risk, concept of portfolio management and measurement of portfolio return and risk; Diversification- Markowitz Theory.

Unit 4: Derivatives

11 Hours

Characteristics, uses, types of derivatives (forwards, future and options, swaps), types of markets, simple payoffs. Pricing of futures, Forward and options.

Exercises:

The learners are required to:

1. compute the return & risk for any three classes of assets over different time periods (Unit1).
2. compare returns by computing yields on government and other bonds (Unit2).
3. compare the returns on equity of any listed company by conducting the fundamental and technical analysis (Unit3).
4. make a class presentation comparing the payoffs from derivatives and price movements of underlying assets during the same time period (Unit4).

Suggested Readings:

- Bodie, Z., Kane, A., Marcus, A. J., & Mohanty, P. (2019). *Investments*. (11th Ed.). New Delhi: Tata Mc Graw Hill
- Chandra, P. (2021). *Investment Analysis & Portfolio Management*. (6th Ed.). Noida: Tata McGraw Hill Education.
- Jones, C. P., & Jensen, G. R. (2019). *Investments: Analysis and Management*. (14th Ed.). New Jersey: Wiley.
- Rustagi, R. P. (2021). *Investment Management*. (11th Ed.). New Delhi: Sultan Chand and Sons.
- Sharma S. K., & Kaur G. (2019). *Fundamentals of Investment*. New Delhi: Sultan Chand and Sons.
- Saunders. A., Cornett. M.M. (2018). *Financial Markets and Institutions*. McGraw Hill Education.
- Tomar, A., Agnihotri, S. (2022). *Project Finance*, A K Publications New Delhi.

Notes:

1. **Suggested readings shall be updated and uploaded on the college website from time to time.**
2. **Examination scheme and mode shall be prescribed by the Examination branch, University of Delhi from time to time.**

B.A. (VS) Insurance Management
Semester V
DISCIPLINE SPECIFIC CORE COURSE (DSC- 5.3)

Marine Insurance

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Total Credits	Lectures	Tutorial	Practical	Eligibility criteria	Pre-requisite of the course
Marine Insurance DSC – 5.3	4	3	1	-	Pass in class 12 th	-

Learning Objectives: The course aims to offer an integrated approach to the understanding of marine insurance concepts, fundamental guiding principles, different marine insurance claims, and the regulatory framework.

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

1. describe the scope of marine insurance and its underwriting practices in India and worldwide
2. explain the fundamental principles guiding marine insurance to policy coverage.
3. differentiate the claims considerations for various marine losses.
4. explain the regulatory framework for marine insurance.

Unit 1: Introduction

12 Hours

Meaning, need, types of marine insurance, Historical perspective, the marine insurance market in India, Marine insurance and world trade. Introduction to marine hull and types of vessels and covers, clauses in marine insurance, Proposal form, factors for acceptance of proposal, rating, underwriting, reinsurance.

Introduction to Marine cargo insurance, types of cargo and cargo policies. Proposal form, factors for acceptance of the proposal. Marine insurance underwriting and rating. International cargo clauses & inland transit clauses in marine insurance., documents associated with marine cargo insurance.

Unit 2: Fundamental principles, policy terms and conditions

11 Hours

Fundamental principles guiding the marine insurance contract: warranties, utmost good faith, insurable interest, reinsurance, assignment and passage of interest in marine insurance, indemnity, valued and unvalued policies, subrogation, abandonment, contribution, proximate cause. Parties to a contract of Marine insurance and role of intermediaries. Contracts of sale. Incoterms. Domestic and International trade finance.

Unit 3. Marine insurance claim

11 Hours

Types of losses and the measure of indemnity applicable to them. Types of marine insurance claims, procedure and documentation. Claims awareness and loss prevention. Case studies on marine cargo claims.

Scope & functions of insurance surveyors & average adjusters. Exchange control regulations regarding payment of claims. Salient features of Foreign Exchange Management Act 1999. Effect on claims settlements of abandonment, subrogation, recoveries.

Loss control and prevention. Maritime fraud and its treatment by marine insurers.

Unit 4: Regulatory Framework

11 Hours

International legislation: organisation of Lloyds, international maritime bureau, tariff advisory council, general insurance council. The institute cargo clauses (ICC – A, B & C)

Indian legislation: General insurance corporation of India. Marine Insurance Act, 1963. The Indian Carriage of Goods by sea Act, 1925. The Indian Railways Act, 1890. Indian Carriage by Air Act, 1972. Merchant Shipping Act, 1958. Multi-modal Transportation Act, 1993.

Exercises: The learners are required to:

1. form a group to study the underwriting practices of any marine insurance company (Unit1).
2. make a presentation on case studies showing the application of the fundamental guiding marine insurance principles before issue of the policy or at the time of claim settlement (Unit2).
3. make a comparative report on the claim settlements for a particular marine loss under differing circumstances or for different insurance companies (Unit3).
4. Write a report on the relevance and effectiveness of any one legal enactment regulating marine insurance (Unit4).

Suggested Readings

- Dunt, J. (2015). Marine Cargo Insurance. Taylor & Francis.
- Gurses, O. (2015). Marine Insurance Law. Taylor & Francis.
- Hudson, G. N., Madge, T., & Sturges, K. (2013). Marine Insurance Clauses. Taylor & Francis.
- Merkin, R. (2013). Marine Insurance Legislation. Taylor & Francis.
- Merkin, R. (2021). Marine Insurance: A Legal History. Edward Elgar Publishing.
- Rose, F. (2013). Marine Insurance: Law and Practice. Taylor & Francis.
- Soyer, B. (2014). Marine Insurance Fraud. Taylor & Francis.

Notes:

1. **Suggested readings shall be updated and uploaded on the college website from time to time.**
2. **Examination scheme and mode shall be prescribed by the Examination branch, University of Delhi from time to time.**