

GE Pool for Students other than that of BA (VS) Insurance Management

BASICS OF 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
Basics of Life Insurance GE – 6.1	4	3	1	0	Pass in class 12th	Nil

Learning Objectives: The course aims to familiarize students with the role and importance of life insurance in protecting individuals against financial risks. The course also provides basic knowledge and skills necessary to evaluate life insurance needs and make informed decisions.

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

1. differentiate between policies based on the coverage requirements of individuals
2. examine the benefits offered by different types of policies
3. explain the underwriting process and use of mortality tables
4. develop ethical sales practices for life insurance policies

Unit 1: Introduction

12

Hours

Definition and purpose of life insurance, need for life insurance & factors, evaluating financial risks and liabilities, methods for calculating insurance coverage amount, Role of life insurance in financial planning, tax implications.

Unit 2: Types & Forms of Life Insurance

12

Hours

Term, Whole, Universal, Variable, Hybrid and specialized life insurance, features & riders: death benefit options and riders, Cash value accumulation and surrender options, Policy loans and withdrawals, Riders for accelerated benefits and long-term care

Unit 3: Underwriting & Claim settlement

11

Hours

Underwriting process and risk assessment, premium determination and rating, mortality tables, Claims: death claim process, contestability period and investigations, settlement options, policy reinstatement and lapsed policies

Unit 4: Ethics & Life insurance

10 Hours

Professional ethics and standards, Disclosure and transparency in sales practices, Suitability and fiduciary responsibilities, Ethical dilemmas in life insurance.

Exercises: The learners are required to:

1. compare insurance policies suiting the coverage requirements and financial plans of different individuals. (Unit1)

2. make a matrix representing the type of insurance policy, its features and the needs of different individuals to aid decision making for a potential policy holder(Unit2).
3. make a presentation on the use of mortality tables in the underwriting process and risk assessment (Unit3).
4. create an ethical sales pitch for a potential policyholder (Unit4).

Suggested Readings:

- Black, K. Jr. & Skipper, H. D., & Black, K. (2013). *Life Insurance*, CBS publication.
- Heo, W. (2020). *The demand for life insurance*. Springer.
- Mishra, K. (2016). *Fundamentals of Life Insurance Theories and Applications*. PHI Learning Pvt. Ltd.
- Mishra, K.C. & Kumar, C. S. (2009). *Life Insurance- Principles and Practice*, Cenage Learning India Pvt. Ltd.
- Murthy, H. S. N. & Sarma. K.V.S. (2019). *Modern Law of Insurance in India*. Delhi: Universal Book Traders.
- Sadhak. H. (2009). *Life Insurance in India*, New Delhi: Response Books.
- Shashidharan K. (2008). *Managing Life Insurance*, Prentice- Hall of India Pvt. Ltd.
- Sethi, J., & Bhatia, N. (2023). *Elements of Banking and Insurance*. PHI Learning Pvt. Ltd.

Additional Readings:

Publications of Insurance Institute of India, Mumbai

1. IC-02 Practice of Life Insurance
2. IC- 23- Application of Life Insurance
3. IC- 24- Legal Aspects of Life Insurance
4. IC- 33- Life Insurance

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.**