



Masters of Business Administration (MBA) – Semester - 4

Course Teaching Plan

Course Title: Insurance and Risk Management (IRM)

Course Code: 340039402

Course Credit: 4

Course Coordinators: Dr. Dhara Shah

1. Course Introduction:

In India, the overall market size of the insurance sector was at US\$ 280 billion in 2020. The life insurance industry is expected to increase at a CAGR of 5.3% between 2020 and 2023. The insurance industry of India has 57 insurance companies 24 are in the life insurance business, while 34 are non-life insurers. India's insurance penetration was pegged at 3.76% in FY20, with life insurance penetration at 2.82% and non-life insurance penetration at 0.94%. In terms of insurance density, India's overall density stood at US\$ 78 in FY20. As per estimates by the National Skill Development Corporation (NSDC), the Banking, financial services and insurance (BFSI) sector in India will need an additional 1.6 million skilled workforce by 2022. This estimation gives clear signal regarding the need of qualified and skilled manpower in the BFSI segment. Looking at the penetration level of Insurance India, this industry is going to create huge employment opportunities even beyond 2022. According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion insurtech-focused venture investments made in the country.

At Individual Level Insurance is important as it ensures that an individual is financially secure to face any type of problem in life, and this is why insurance is a very important part of financial planning. Similarly general insurance company offers insurance policies to secure health, travel, motor vehicle, and home. The course will help in building a strong foundation as each segment of the program is prepared on the basis of Industries' fundamentals. The syllabus not only focuses on theoretical points but also emphasize on technical and practical aspects of insurance sector which are generally missed in traditional courses.

2. Course Objectives:

This course aims at giving in-depth knowledge of insurance business in terms of structure, products, pricing and risk management. This course will be helpful to all those who want to gain insights and deeper understanding of Insurance. This will also help in making a career in Insurance. By the end of this course, student will be able to do the following:

- Identify and explain the concept of insurable risk and the methods of avoiding, reducing or eliminating risk including the use of insurance.
- Explain the legal and regulatory aspects of insurance.
- Interpret the criteria that may be used to evaluate and select insurance companies and agencies.
- Explain the role of insurance in the overall financial planning process
- Understand the various life and general insurance products
- Explain the underwriting and claim process of insurance business

3. Course Learning Outcomes:

CLO1: Understand various types of risks and risk management process

CLO2: Understand the nature and principles of Insurance & types of Insurance

CLO3: Understand & evaluate the Underwriting & claim management process

CLO4: Evaluate the insurance industry using various financial

CLO5: Understand the concept of Reinsurance

4. CLO –PO Mapping Matrix

	PO 1	PO2	PO3	PO4	PO5
CLO1	3	3	3	1	3
CLO2	3	3	2	1	2
CLO3	3	2	3	2	3
CLO4	3	3	1	1	1
CLO5	3	1	1	-	2

Correlation levels: 3= 'High', 2='Medium', 1='Low' and '-' = No correlation

5. Course Contents and Session Plan:

Sessi on No.	Syllabus Content
Unit I: Introduction To Risk Management	
1-2	Introduction to Risk Meaning of Risk and Uncertainty, loss, perils, hazards Types of Risks - Financial and Non-Financial Risks, - Individual and Group Risks, -Pure and Speculative Risk, -Static and Dynamic Risk,

	<ul style="list-style-type: none"> -Quantifiable and non-quantifiable Risk -Risks for Financial Institutions -Classifying Pure risks.
3-4	Risk Management: <ul style="list-style-type: none"> -Risk Management Process, -Risk management objectives -Risk retention and risk transfer -Levels of risk management
5-6	Risk Management: <ul style="list-style-type: none"> -Corporate risk management -Management of risk by individuals
Unit II: Insurance And Risk	
7-8	Insurance and Risk: <ul style="list-style-type: none"> -Introduction to Insurance -Insurable risk -Types of Insurance, -Social and Economic benefits of Insurance
9-10	Government and Controlling Authorities: <ul style="list-style-type: none"> -IRDA framework Legal aspects of insurance, essentials of insurance contracts
11-12	Principles of insurance: <ul style="list-style-type: none"> -Indemnity -Utmost good faith -Insurable interest -Proximate cause -Loss minimization -Arbitration and average
13-15	Classification of insurance: Life insurance: meaning, features and benefits, types of plans, traditional products, market related products, annuities, pension plans, riders-business insurance, group insurance, pricing in life insurance
16-17	Non-Life Insurance: <ul style="list-style-type: none"> -Features of Fire insurance contract -Marine insurance – definition, types & policies -Auto insurance – need, types of policies, claims -Health Insurance – introduction, plans in India, schemes, micro-health insurance, TPAs
Unit III: Underwriting And Claim Management	
18-19	Underwriting:

	<ul style="list-style-type: none"> -Philosophy of underwriting, -kinds of underwriting, requisites of good underwriting, -underwriting of life Insurance <p>Underwriting of non-life insurance</p> <ul style="list-style-type: none"> -pricing and premium setting, -types of rating, -tariff/ rate making in general insurance.
20-21	<p>Claim Management:</p> <ul style="list-style-type: none"> -Claim settlement in general insurance, -general guidelines for settlement of claims
22-23	<p>Other Claims</p> <ul style="list-style-type: none"> -Fire insurance claims, -motor insurance claim, -marine insurance claim, -claim on consignment by road/rail -personal accident, -mediclaim, -theft /burglary insurance.
Unit IV- Financial Aspects Of Insurance Companies And Reinsurance	
24-25	<p>Financial Aspects of Insurance Companies:</p> <ul style="list-style-type: none"> -Financial objective of an insurance Company, -responsibilities of insurance manager, -performance measurement of insurance company
26-28	<p>Financial ratios:</p> <ul style="list-style-type: none"> -ALM, -Ratio analysis of insurance company, -Risk and Return trade off -Valuation of assets and liabilities, -Technical provision, -Risk Margin
29-30	<p>Reinsurance</p> <p>Hedging, Role of Re-insurers, Techniques of reinsurance, issues and challenges of Indian reinsurance, investment by insurance company</p>
31-40	The Insurance Project

6. Assessment Scheme :

Specific assessment method	% Weightage	Theory	Practical
Exam	50%	√	
Class Participation	20%	√	√
Presentation	10%	√	√
Assignment	10%	√	√
Insurance Project	10%	√	√

7. Educational Resources:

Educational Resources	Description
I. Text Book	1. Insurance and Risk Management By: P.K. Gupta, Himalaya Publishing House
II. Journals/ Magazine/periodicals	<p>Student is expected to read business newspapers and magazines on regular basis to get updated about the happenings in the Insurance world</p> <p>Leading suggested Newspapers: Business Standard, Mint, Economic Times etc.</p> <p>Leading suggested Magazines: Business World, Business Today, Business India etc.</p> <p>Students also should read IRDAI journal available on https://www.policyholder.gov.in/irda_journal.aspx</p> <p>Student is expected to go through <i>Handbook On Indian Insurance Statistics F.Y. 2019-20</i> available on https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_List.aspx?DF=Creport&mid=11.2</p> <p>And Annual Report 2019-20 available on https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=AR&mid=11.1</p>
III. Course related important Web links	<ol style="list-style-type: none"> https://www.irdai.gov.in/ https://www.insuranceinstituteofindia.com/web/guest

