

# GUJARAT TECHNOLOGICAL UNIVERSITY

## MASTER OF BUSINESS ADMINISTRATION (Global Program)

**Year – II (Semester – IV) (W.E.F. January 2014)**

**Specialization: Banking & Insurance (B & I)**

**Subject Name: Insurance and Risk Management (IRM)**

**Subject Code : 2840602**

**1. Course Objective:** The objective of this course is to make students understand the concepts and application of insurance and risk management in insurance.

**2. Course Duration:** The course duration is of 36 sessions of 75 minutes each, i.e. 45 hours.

**3. Course Contents:**

Module No:	Module Content	No. of Sessions	Marks (70 External exam)
I	Concept of Risk, Risk Vs. Uncertainty, Types of Risks, Types of pure risks, Financial and Non Financial Risks, Individual and Group Risks, Pure and Speculative Risk, Static and Dynamic Risk, Quantifiable and non-quantifiable risk, Risk Management Control, Risk Management Process, Risk Management Objectives, Methods of handling risks, Risk Management	7	17
II	Insurance and Risk: Introduction to Insurance, Types of Insurance, Social and Economic benefits of insurance, Government and Controlling Authorities, Insurance Reforms Element of an insurance risk, classification of risk, level of risk and insurance, insurance as risk transfer	7	17

III	Underwriting: Philosophy of underwriting, kinds of underwriting, requisites of good underwriting, underwriting of life insurance, underwriting of non-life insurance, pricing and premium setting, types of rating, tariff/ rate making in general insurance. Claim Management: claim settlement in general insurance, general guidelines for settlement of claims, fire insurance claims, motor insurance claim, marine insurance claim, claim on consignment by road/rail personal accident, mediclaim, theft /burglary insurance.	7	18
IV	Financial Aspects of Insurance Companies: Financial objective of an insurance Company, responsibilities of finance manager, performance measurement of insurance company, ALM, Ratio analysis of insurance company, Risk and Return trade off, valuation of assets and liabilities, Technical provision, Risk Margin, Reinsurance, Hedging, Role of Re-insurers, Techniques of	7	18

	challenges of Indian reinsurance, investment by insurance Company.		
V	<b>Practical Module:</b> Preparation of Projects/ Case Studies on insurance company, suggested by the faculty guides.	8	(20 Marks of CEC Internal Evaluation)

#### 4. Teaching Method:

- Case discussion
- Projects/ Assignments/ Quizzes/ Class participation etc
- Compulsory class presentation with live experiences of world economies

#### 5. Evaluation:

A	Projects/ Assignments/ Quizzes/ Individual or group Presentation/ Class participation/ Case studies etc	Weightage 50 marks (Internal Assessment)
B	Mid-Semester Examination	Weightage 30 marks (Internal Assessment)
C	End –Semester Examination	Weightage 70 marks (External Assessment)

#### 6. Basic Text Books:

Sr. No.	Author	Name of the Book	Publisher	Edition
T1	P.K.Gupta	Insurance and Risk Management	Himalaya Publishing House	Latest
T2	S. Arunajatesan & T R Viswanathan	Risk Management and Insurance	Macmillan	Latest
T3	George E Rajda	Principles of Risk Management and Insurance	Pearson	Latest

#### 7. List of Journals/Periodicals/Magazines/Newspapers, etc.

- Insurance and Risk Management, ICFAI Publication
- Insurance Journal
- Risk and Derivatives

## 8. Session Plan:

Session no.	Topic
1-2	Concept of Risk, Risk Vs. Uncertainty, Types of Risks, Types of pure risks
3-4	Financial and Non Financial Risks, Individual and Group Risks, Pure and
5-7	Risk Management Control, Risk Management Process, Risk Management Objectives, Methods of handling risks, Risk Management guidelines and responsibilities, Risk Management and derivatives.
8-9	Insurance and Risk: Introduction to Insurance, Types of Insurance
10-11	Social and Economic benefits of insurance, Government and Controlling
12-13	Element of an insurance risk, classification of risk, level of risk and insurance, Insurance as risk transfer mechanism, insurance and indemnity.
14-16	Underwriting: Philosophy of underwriting, kinds of underwriting, requisites of good underwriting, underwriting of life insurance, underwriting of non-life insurance
17-19	pricing and premium setting, types of rating, tariff/ rate making in general Insurance. Claim Management: general guidelines for settlement of claims,
20-21	claim settlement in general insurance , fire insurance claims, motor insurance claim, marine insurance claim, claim on consignment by road/rail personal accident, mediclaim, theft /burglary insurance
22-23	Financial Aspects of Insurance Companies: Financial objective of an insurance
24-26	performance measurement of insurance company, ALM, Ratio analysis of insurance company, Risk and Return trade off, valuation of assets and liabilities,
27-28	Risk Margin, Reinsurance, Hedging, Role of Re-insurers, Techniques of reinsurance, issues and challenges of Indian reinsurance, investment by insurance company
29-36	<b>Practical Module:</b> Practical Assignments: preparation of at least two case studies or minor project report on any topic mentioned above, in consultation with faculty guide.