

# Insurance Management

## Course Objectives

This course intends to provide a basic understanding of the insurance mechanism. It explains the concept of insurance and how it is used to cover risk. Insurance transaction as a business and its markets are explained. The relationship between insurers and their customers and the importance of insurance contracts are discussed.

## Syllabus

Insurance and its Evolution, Risk Management, Legal Aspects of Insurance- IRDA Guidelines, The Insurance Market, Customer relation-management and supply chain management, Underwriting and Settlement of Claims Arbitration, Loss Minimization and Salvage.

## Expected Outcome

Upon completion of this course, the students will be able to: 1. Demonstrate knowledge of insurance contracts and risks associated with it. 2. Demonstrate knowledge of the operation and management of insurance entities. 3. Develop skills to facilitate insurance underwriting, claims settlement, loss minimization and Salvage.

## References

1. P.K. Gupta: Insurance & Risk Management, Himalaya Publishing House: Mumbai:
2. Emmett .J. Vaughan and Therese Vaughan, Fundamentals of Risk and Insurance, Wiley India Edition.
3. Neelam C. Gulati, Principles of Insurance Management: a Special Focus on Developments in Indian Insurance Sector Pre and Post Liberalisation, Excel publication
4. K.C. Mishra and G.E. Thomas, General Insurance - Principles and Practice, Cengage
5. Insurance Institute of India – IC 34 – General Insurance.
6. Insurance Institute of India – IC 45- General Insurance Underwriting
7. K. C. Mishra and M. Bakshi , Legal and Regulatory Aspects of Insurance, Cengage
8. Principles and Practice of General Insurance, The Institute of Chartered Accountants of India: New Delhi.
9. Joseph F Mangan & Connor M Harrison, Underwriting Principles,
10. K.C.Mishra & R.Venugopal, Life Insurance Underwriting
11. Breighner, M., J. Drewes, and G. Alonso. "Understanding Property Insurance Values."URMIA Journal (2001): 43-51.

## Unit Topic

1 Insurance and its Evolution: Nature of insurance –insurance operations today - role of insurance in economic development and social security –contribution of insurance to the society –different classes of insurance – importance of insurance – unexpected eventualities in insurance. Types of insurance. Indian Insurance Environment.

2 Risk Management: Risk management in Insurance –different types of risks – actual and consequential losses – management of risks – loss minimization techniques-Management of risk by individuals – management of risk by insurers – fixing of premiums – reinsurance and its importance for insurers.

## First Internal Examination

3 Legal Aspects of Insurance- The Insurance Contract: Terms of an insurance contract – principles that form the foundation of insurance – significance of the principles of - utmost good faith- insurable- Interest - indemnity –subrogation – Contribution – disclosure of all relevant information –The relevance of proximate cause – the insurance contract.

The Insurance Regulatory Development Authority (IRDA) Act, 1999 – IRDA (Investment) Regulations 2000 – IRDA Guidelines for Insurance Brokers Securities and Exchange Board of India (SEBI) Act, 1992 – SEBI Guidelines.

4 The various constituents of the insurance market: Operations of insurance companies - operations of intermediaries – specialist Insurance companies insurance specialists – Marketing of General Insurance-Life Insurance Marketing- Channels of Sales.

Management of insurance companies, challenges of globalisation and business process reengineering ;Methodology of outsourcing-

Application of IT in insurance business, system controls, application of ERP for insurance companies, Customer relation-management.

## Second Internal Examination

5 Underwriting and Settlement of Claims: Proposal forms – Cover notes – Certificates of Insurance – Endorsements – Moral and Physical Hazards- Settlement of Claims: Claim procedure – TPAs – Claim forms – Investigation / Assessment – Essential Claim Documents – Settlement Limitation, Arbitration, Loss Minimization and Salvage. Insurance Ombudsman

## Final Examination