**WOLLEGA UNIVERSITY**

**COLLEGE OF BUSINESS & ECONOMICS**

**DEPARTMENT OF ACCOUNTING & FINANCE**

**BANKING AND FINANCE PROGRAM**

**Course Outline/ Syllabus**

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| **Course Information** | |
| Course Title | **Risk Management and Insurance** |
| Course Number |  |
| Year |  |
| Semester |  |
| ETCTS Credits | **5** |
| Contact Hours | **3 hrs per week** |
| Program | **Degree** |
| Enrollment | **Regular** |
| Academic Year: | **2019** |
| Instructor | **Dr. Neeraj B** |
| **Course Objectives & Competences to be Acquired** | After accomplishment of this course, students will be able to:-   * Explain basic concepts of risk * Identify the basic classification of risk * Explain the principles of insurance * Identify and measure business loss exposures. * Explain Legal principle of insurance contract * Identify how to select among the major tools of risk management * Analyze various class of insurance contracts * Explain the nature and application of reinsurance * Analyze the insurance Industry in Ethiopia |
| **Course Description** | Risk affects every aspect of an organization. The effects of risk are not confined within any predictable boundaries; a single event can easily influence several areas of an organization at once, producing consequences far beyond the immediate impact. The pervasiveness and complexity of risk presents strong challenges to managers, one of the most important being the coordination of risk management across areas within the organization. It deals with: the nature and management of pure risks, insurance and reinsurance; risk concepts, classification of risks, management of pure risks through various risk handling tools, industrial safety, general principles of insurance and major classes of insurance, reinsurance and development & regulation of the insurance Ethiopia |
| **WEEKS** | **Course Contents** |
| Week 1&2 | **Chapter One: Risk And Related Topics**   * 1. Risk defined   2. Risk vs. uncertainty   3. Risk and probability   4. Risk, peril and hazard   5. Classification of risk |
| Week 3-5 | **Chapter Two: The Risk Management**   * 1. Risk management defined   2. Objectives of risk management   3. Steps in risk management process      1. Risk identification      2. Risk measurement      3. Selecting the appropriate tools of risk management      4. Risk administration |
| Week 6-8 | **Chapter Three: Insurance**   * 1. Insurance Defined   2. Basic characteristics of insurance   3. Fundamentals of insurable risk   4. Insurance and gambling compared   5. Insurance and Speculation compared.   6. Benefits and costs of insurance      1. Benefits of insurance to the society      2. Cost of insurance to society |
| Week 9-12 | **Chapter Four: Legal Principle Of Insurance Contract**   * 1. Principle of indemnity   2. Principle of insurable interest   3. Principle of subrogation   4. Principle of utmost good faith   5. Principle of contribution   6. Doctrine of proximate cause |
| Week 13 & 14 | **Chapter Five: Major Classification of Insurance**  5.1. Life Insurance  5.1.1. **Underwriting Life Insurance**  5.1.2 Types of life Insurance polices  5.1.3. Premium determination  5.2. Non-life Insurance  5.2.1. Motor Insurance  5.2.2. Burglary and house keeping Insurance  5.2.3. Fire and lighting Insurance  5.2.4. Marine Insurance  5.2.5. Aviation Insurance  5.2.6. Worker’s compensation Insurance  5.2.7. Liability Insurance  5.2.8. Pecuniary Insurance  5.2.9. Fidelity guarantee Insurance  5.2.10. Engineering Insurance |
| Week 15 | **Chapter Six: Re-Insurance**   * 1. Meaning of Re-insurance   2. Reason for Re-insurance   3. Types of Re-insurance |
| Week 16 | **Chapter Seven: The Insurance Business In Ethiopia**   * 1. Development of insurance in Ethiopia   2. Regulation of insurance companies      1. Proclamation No. 68/1975      2. Proclamation No.86/1994      3. NBE Directives |
| **Teaching & Learning Methods** | The teaching and learning methodology include lecturing, discussions, problem solving, and analysis. Take-home assignment will be given at the end of each chapter for submission within a week. Solution to the assignments will be given once assignments are collected. Cases with local relevance will also be given for each chapter for group of students to present in a class room. The full and active participation of students is highly encouraged. |
| **Assessment/Evaluation** | The evaluation scheme will be as follows:   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | Test 1 | Test 2 | Test 3 | Test 4 | Quizzes | Assignments | Final | Total | | 10% | 10% | 10% | 10% | 10% | 20% | 30% | 100% | |
| Work load in hours | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Hours Required | | | | | | | Total Hrs | ECTS | | Lectures | Lab | Assessments | Tutorials | Self-Studies | Assignment | Advising | | 32 | - | 10 | - | 39 | - | - | 81 | 3 | |
| Roles of the Instructor | He/she will come to the class regularly on time and deliver the lecture in a well-organized manner. Besides, at the end of each class he/she gives reading assignment for the next class. He/she will make sure that proper assessments is given. He/she is also responsible to give feedback for each assessment. |
| Roles of the students | The success of this course depends on the students’ individual and collective contribution to the class discussions. Students are expected to participate voluntarily, or will be called upon, to contribute to set exercises and problems. Students are also expected to read the assigned readings and prepare the cases before each class so that they could contribute effectively to class discussions. Students must attempt assignments by themselves. Proficiency in this course comes from individual knowledge and understanding. Copying the works of others is considered as serious offence and leads to disciplinary actions. |
| Text and Reference Books | 1. Teklegiorgis Assefa (2004), Risk Management and Insurance, Mega Printing PLC, MekelleUniversity. 2. George E. Rejda, principles of Risk Management and Insurance, 6thed.1998,Addison-wesley. 3. Hailu Zeleke, Risk and insurance. Lecturer, AAU. 4. C. Arthur Williamsjrand Richard M. Heins. Risk Management and Insurance , 4thed, 1981 McGraw-Hill 5. Joel Bessis, Risk management in Banking, 2nd, 1998, Wiley. 6. Hailu Zeleke, Insurance in Ethiopia, AAU. |