



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration, 3rd Semester

Functional Area Specialization: Finance Management

Subject Name: Insurance and Risk Management (IRM)

Subject Code: 4539223

With effective
from academic
year 2018-19

1. Learning Outcomes:

Learning Outcome Component	Learning Outcome (Learner will be able to)
Business Environment and Domain Knowledge (BEDK)	<ul style="list-style-type: none"> • <i>Generalize</i> the institutional context in which insurance is sold, including regulation, ownership structure and marketing channels, reinsurance etc.
Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI)	<ul style="list-style-type: none"> • <i>Evaluate</i> risk — operational, business, financial and traditional — for a given situation and recommend measures to appropriately address the risk.
Global Exposure and Cross-Cultural Understanding (GECCU)	<ul style="list-style-type: none"> • <i>Summarize</i> international risk management and insurance, their dynamics, and the economic, social, political, and regulatory environments surrounding global risk and insurance markets.
Social Responsiveness and Ethics (SRE)	<ul style="list-style-type: none"> • <i>Recognize</i> the high degree of ethical responsibility which accompanies insurance management.
Effective Communication (EC)	<ul style="list-style-type: none"> • <i>Assess</i> the economic need for having insurance and design solutions to meet the client's goals.
Leadership and Teamwork (LT)	<ul style="list-style-type: none"> • <i>Collaborate</i> for need assessment and design a risk management program for a business.

LO – PO Mapping: Correlation Levels:

1 = Slight (Low); 2 = Moderate (Medium); 3 = Substantial (High), “-“= no correlation

Sub. Code: 4539223	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
LO1: <i>Generalize</i> the institutional context in which insurance is sold, including regulation, ownership structure and marketing channels, reinsurance etc.	3	3	-	-	3	-	-	-	3
LO2: <i>Evaluate</i> risk — operational, business, financial and traditional — for a given situation and recommend measures to appropriately address the risk.	3	2	3	-	-	2	-	2	3
LO3: <i>Summarize</i> international risk management and insurance, their dynamics, and the economic, social, political, and regulatory environments surrounding global risk and insurance markets.	3	1	-	2	3	-	2	1	1
LO4: <i>Recognize</i> the high degree of ethical responsibility which accompanies insurance management.	1	1	-	2	-	1	3	1	-



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LO5: <i>Assess</i> the economic need for having insurance and design solutions to meet the client's goals.	2	-	2	3	-	-	3	2	1
LO6: <i>Collaborate</i> for need assessment and design a risk management program for a business.	1	2	1	3	-	3	-	1	1

2. Course Duration: The course duration is of **40 sessions of 60 minutes each.**

3. Course Contents:

Module No:	Contents	No. of Sessions	70 Marks (External Evaluation)
I	<p>Introduction to Risk:</p> <ul style="list-style-type: none"> • Meaning of Risk and Uncertainty, loss, perils, hazards • Types of Risks <ul style="list-style-type: none"> • Financial and Non-Financial Risks, Individual and Group Risks, Pure and Speculative Risk, Static and Dynamic Risk, Quantifiable and non-quantifiable risk • Risks for Financial Institutions • Classifying Pure risks. <p>Risk Management:</p> <ul style="list-style-type: none"> • Risk Management Process, Risk management objectives • Risk retention and risk transfer • Levels of risk management • Corporate risk management • Management of risk by individuals <p>Measures of Risk – Mathematical, Subjective (Only theory)</p>	10	18
II	<p>Insurance and Risk:</p> <ul style="list-style-type: none"> • Introduction to Insurance • Insurable risk • Types of Insurance, Social and Economic benefits of insurance • Government and Controlling Authorities: <ul style="list-style-type: none"> ▪ IRDA framework ▪ Legal aspects of insurance, essentials of insurance contracts • Principles of insurance: <ul style="list-style-type: none"> ▪ Indemnity ▪ Utmost good faith ▪ Insurable interest ▪ Proximate cause ▪ Loss minimization ▪ Arbitration and average • Classification of insurance: 	10	18



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	<ul style="list-style-type: none"> ○ Life insurance: <ul style="list-style-type: none"> ▪ meaning, features and benefits, types of plans, traditional products, market related products, annuities, pension plans, riders-business insurance, group insurance, pricing in life insurance ○ Non-Life Insurance: ○ 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 		
III	<p>Underwriting:</p> <ul style="list-style-type: none"> • 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. <p>Claim Management:</p> <ul style="list-style-type: none"> • 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. 	10	17
IV	<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, ALM, Ratio analysis of insurance company, Risk and Return trade off, valuation of assets and liabilities, Technical provision, Risk Margin <p>Reinsurance:</p> <ul style="list-style-type: none"> • Hedging, Role of Re-insurers, Techniques of reinsurance, issues and challenges of Indian reinsurance, investment by insurance company 	10	17
V	<p>Practical:</p> <ul style="list-style-type: none"> • Students can explore and compare the insurance products of insurance service providers. • Students can visit general insurers and learn assessment of risk and fixation of insurance premium. • Students can visit life and non-life insurance companies and can prepare a report on their functioning. • Students can carry out research to identify how individuals undertake their decision – making for availing insurance. • Students should study and compare various investment options with insurance plans. 	---	(30 marks CEC)



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4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

5. Evaluation:

Students shall be evaluated on the following components:

A	Internal Evaluation	(Internal Assessment- 50 Marks)
	• Continuous Evaluation Component	30 marks
	• Class Presence & Participation	10 marks
	• Quiz	10 marks
B	Mid-Semester examination	(Internal Assessment-30 Marks)
C	End –Semester Examination	(External Assessment-70 Marks)

6. Reference Books:

No.	Author	Name of the Book	Publisher	Year of Publication / Edition
1	P.K. Gupta	Essentials of Insurance and Risk Management	Himalaya	2016 / 1 st
2	S. Arunajatesan & T. R. Viswanathan	Risk Management and Insurance	Trinity Press	2015 / 2 nd
3	Scott E Harrington, Gregory R. Niehaus	Risk Management and Insurance	McGraw Hill	2003 / 2 nd
4	N. R. Mohan Prakash	Banking, Risk and Insurance Management	Vikas	2016
5	Jatinder Loomba	Risk Management and Insurance Planning	PHI	2013
6	Mark S. Dorfman, David A. Cather	Introduction to Risk Management and Insurance	Pearson	2012 / 10 th
6	Michael J. Mcnamara, George E. Rejda	Principles of Risk Management and Insurance	Pearson	13 th

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.

1. International Journal of Risk Assessment and Management
2. The Journal of Risk Finance
3. Indian Journal of Finance
4. Journal of Risk and Financial Management
5. <https://open.umn.edu/opentextbooks/textbooks/risk-management-for-enterprises-and-individuals>
6. <https://www.irmi.com/free-resources/authoritative-reports/e-books>