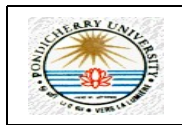


# **MBA (INSURANCE MANAGEMENT)**

**(A Pioneering Industry Oriented Two-Year Full Time Management Program in Insurance)**

## **MBA (IM) COURSE STRUCTURE AND SYLLABUS**



**DEPARTMENT OF MANAGEMENT STUDIES  
PONDICHERY UNIVERSITY  
KARAIKKAL CAMPUS  
PUDUCHERRY – 605014**

# **M.B.A. INSURANCE MANAGEMENT DEGREE PROGRAMME**

## **REGULATIONS & SYLLABUS (2009-10 ONWARDS)**

**1. Duration of the Course: 2 Years**

**2. M.B.A. Programme Offered in the Pondicherry University  
Department of Karaikal Campus:**

**Eligibility:** Graduates (10+2+3/4/5 pattern) with a minimum of 50% marks (in Part-III in the case of arts, science, commerce, humanities, etc., degrees and in case of other professional degrees like engineering in the applicable years of graduation). The graduation can be in any discipline, but from a recognized university from India or abroad.

**Examinations:** End semester examinations under CBCS Scheme comprising of internal question paper setting and double valuation by the course teacher and an external examiner for each subject. If the difference between the two valuations is more than 15%, the script will be evaluated by a third subject expert from the University and the mark awarded by that expert will be the final.

**3. Proportion of marks between internal evaluation and external evaluation for subjects 50:50**

**4. Guidelines for awarding mark for project works:**

Summer Project: Marks for Thesis awarded by Guide: 100 Marks

Marks for Project Viva awarded by Guide & External Expert : 50 Marks

IV Semester Project: Marks for Thesis awarded by Guide: 150 Marks

Marks for Project Viva awarded by Guide & External Expert: 50 Marks

**Note:** Students are encouraged to pursue both the two projects in the same organisation to the extent possible.

**5. Passing condition:** The students should have a minimum of 50% marks in semester end examination and a minimum total of 50% marks in Internal and University Examinations put together each in theory subject. Wherever there is no internal component, the student should have a minimum of 50% marks in the semester end Examination.

In the case of failed candidates in each semester a supplementary exam will be conducted within one month after the commencement of the next semester.

**6. Question paper pattern:**

**Time: 3 Hours**  
**Marks: 100**

**Maximum**

**PART A:  $5 \times 4 = 20$  Marks**

**Answer any FIVE Questions out of EIGHT Questions**

**Question 1 to Question 8**

**PART B:  $5 \times 12 = 60$  Marks**

**Question 9 or Question 10**

**Question 11 or Question 12**

**Question 13 or Question 14**

**Question 15 or Question 16**

**Question 17 or Question 18**

**PART C ( $1 \times 20 = 20$  Marks)**

**Question 19: COMPULSORY (Case/Problem depending upon the subject)**

**7. Maximum number of years permitted after completion of Semester IV to write arrear subjects:**

Two years under the new regulation this will come into effect from July 2009.

**8. Guidelines to deal with attendance shortage students:**

The students are permitted to proceed to the succeeding semesters without break. Under this scheme, the students should repeat papers of the semester in which shortage occurred after completing the last semester (Semester-IV). The minimum attendance requirement is 75 %.

## MBA (Insurance Management) Program Structure

### First Semester

Code	Subjects	Credit	Marks
MBAIM -	Management Concepts & Organisational Behaviour	3	100
MBAIM -	Accounting for Managers	3	100
MBAIM -	Micro Economic Foundations for Insurance	3	100
MBAIM -	Statistics for Insurance -I	3	100
MBAIM -	Marketing Management	3	100
MBAIM -	Insurance Law & Regulation	3	100
MBAIM -	Principles of Insurance (Life & General)	3	100
MBAIM -	Risk Management & Insurance	3	100
	<b>Comprehensive Viva - Voce</b>	2	50
	<b>Total</b>	26	850

### Second Semester

Code	Subjects	Credit	Marks
MBAIM -	Business Communications for Insurance	3	100
MBAIM -	Financial Management for Insurance	3	100
MBAIM -	Statistical Management for Insurance	3	100
MBAIM -	Macro Economic Environment and Policies	3	100
MBAIM -	Services & Customer Relationship Management	3	100
MBAIM -	Life Insurance	3	100
MBAIM -	Fire Insurance	3	100
MBAIM -	Marine Insurance	3	100
	<b>Comprehensive Viva - Voce</b>	2	50
	<b>Total</b>	26	850

### Third Semester

Code	Subjects	Credit	Marks
MBAIM -	International Business and Insurance	3	100
MBAIM -	Strategic Management	3	100
MBAIM -	Investment Analysis & Portfolio Management	3	100
MBAIM -	Actuarial Mathematics & Services	3	100
MBAIM -	Human Resources Management	3	100
MBAIM -	Motor Insurance	3	100
MBAIM -	Miscellaneous Insurance	3	100
MBAIM -	Rural Insurance	3	100
MBAIM -	Summer Projects (8 Weeks) (100 Marks for Thesis + 50 Marks for Project Viva)	5	150
	<b>Comprehensive Viva - Voce</b>	2	50
	<b>Total</b>	31	850

### Fourth Semester

Code	Subjects	Credit	Marks
MBAIM -	Insurance Company Management	3	100
MBAIM -	Liability Insurance	3	100
MBAIM -	Engineering Insurance	3	100
	Summer Projects (10 Weeks) (150 Marks for Thesis + 50 Marks for Project Viva)	6	200
	<b>Comprehensive Viva - Voce</b>	2	50
	<b>Total</b>	17	850

Total Number of Credits : 110  
 Total Marks : 3,550  
 Total Number of Theory papers : 30  
 Number of Projects : 2

# **SEMESTER -I**

# **MANAGEMENT CONCEPTS & ORGANISATIONAL BEHAVIOUR**

## **Objective**

- To introduce and familiarize with the management concepts.
- To facilitate them to apply the management concepts in the current competitive scenario.
- To familiarize the students to face the challenges through management acquaintance.

## **UNIT –I**

Tasks of Professional Manager – Social Responsibilities of Business – Manager and Environment – Systems Approach to Management – Levels in Management – Managerial Skills.

## **UNIT –II**

Planning – Steps in planning Process – Scope and Limitations – Short Range and Long Range Planning – Flexibility in Planning – Characteristics of a Sound Plan – MBO – Policies and Strategies – Scope and Formulation – Decision Making – Techniques and Process.

## **UNIT –III**

Organization Design - Process steps – Organizational Effectiveness – Survival, growth, creativity and excellence – Organizational Structure – Line & Staff Management – Organization Charts – Delegation of Authority – Impact of Technology on Organizational Design – Formal and Informal Organization.

## **UNIT – IV**

Organizational Behaviour - Definition - Importance - Historical Background - Fundamental concepts of OB - 21st Century Corporates - Different Models of OB i.e. Autocratic, Custodial, Supportive, Collegial and SOBC - Organizational Design - Various Organizational Structures and their effects on Human Behaviour - Organizational Climate - Organizational Culture - Organizational Effectiveness.

## **UNIT – V**

Stress Management - Concept of stress - Sources of stress - Effects of stress on humans - Management of Stress - Management of Change - Importance - Forces responsible for change - Resistance to change - Overcoming resistance to change - Introduction of change in the organization - Organizational Development as a toll for

introduction of change - Conflict Management - Traditional vis-a-vis Modern view of conflict - Constructive and Destructive conflict - Conflict Process - Strategies for encouraging constructive conflict - Strategies for resolving destructive conflict -Total Quality Management - Techniques of TQM - Reengineering - Empowerment - Benchmarking - Down Sizing - Learning Organizations

**TEXT BOOKS:**

1. Koontz and O. Donnell: "Principles of Management".
2. James F. Stoner. 'Management'.
3. William H. Newman, Ekirby Warren: "The Process of Management".
4. Koontz & Weirich: "Management", McGraw-Hill
5. Organizational Behaviour - Fred Luthans

**REFERENCE BOOKS:**

1. Richard m. Hodgets: 'Management', Academic Press.
2. Hampton: 'Management', Mc Graw-Hill.
3. Stoner & Wankel: 'Management', Prentice-Hall.
4. Peter F. Drucker: 'Practice of Management', Pan books
5. Peter f. Drucker: 'Innovation and Entrepreneurship", Heinman.
6. Business Magazines like Business India, Business World and Fortune International.
7. Financial Daily Economic Times Financial Express, Business Standard.
8. Organizational Behaviour, 9th Ed. - Stephen Robbins.
9. Human Behaviour at work - Davis and Newstorm.
10. Human Behaviour at Work - Keith Davis

# ACCOUNTING FOR MANAGERS

## Objective:

- To familiarize the students with financial statements and principles of accounting and to develop their skills in reading annual reports.
- To acquaint them with basic concepts and their managerial implications and introduce the accounting mechanics, systems and processes.
- To equip the students with decision making process with the help of management accounting tools.

## UNIT- I

Accounting Mechanics, Process and System – Introduction to Book Keeping; Objectives of Financial Accounting – Branches of Accounting; - The concept of Double Entry and Fundamental Principles – Journal – Ledger – Trail Balance – Cash Book – Subsidiary Books BRS – Rectification of Errors – Final Accounts.

## UNIT – II

An Introduction to Company Final Accounts – Final Statements – Types of Financial Analysis – Techniques of Financial Analysis – Ratio Analysis – Uses and Limitations of Ratio analysis – Funds Flow Analysis – Uses and Limitations – Cash Flow Analysis – Uses and Limitations.

## UNIT –III

Capital and Revenue Expenditure – Deferred Revenue Expenditure – Capital and Revenue Receipts – Depreciation – Methods of Calculating Depreciation: Straight Line Method and Written Down Value Method – Marginal Costing – Cost Volume Analysis – Breakeven Analysis.

## UNIT – IV

Financial Reporting – Nature, scope and contents – Provisions in Indian Companies Act prospectus etc. appointment and remuneration of auditors – Provisions Relating to Audit Report – Inflation Accounting – Definition and Methods – Accounting for Foreign Exchange Transactions: introduction, role of banks foreign exchange markets and its function – Hedging – Exchange Rates Determination.

## UNIT – V

Accounting for Capital Issues – Provisions Relating to Capital Rising – Introduction – Issues of Capital – Guide Lines and Procedure for the issue of fresh shares, rights and shares, bonus shares and debentures and bonds – Accounting for issue of shares; accounting for issue of debentures; accounting for dividends.

## TEXT BOOKS:

1. R.N. Anthony: “Management Accounting” – Text and cases (Irwin)

2. H.G. Guthman: “Analysis of Financial Statements”, (Prentice Hall)

## **MICRO ECONOMIC FOUNDATIONS FOR INSURANCE**

### **Objectives:**

1. To introduce the economic principles underlying the business organizations
2. To introduce the micro economic foundations for insurance
3. To equip students with the philosophical base of economic activities including insurance.

### **UNIT – I**

Wants, Scarcity, Opportunity Cost & Specialization - Functions of an Economic System - Microeconomic Theory and Price System - Methodology of Microeconomic Analysis. –

Demand Curve - Supply Curve - Shifts in the Curve - Market Equilibrium - Market Demand and Network Externalities; Illustrative Applications of Demand & Supply Framework - Price Elasticity of Demand and Supply - Income and Cross Elasticity of Demand - Marginal Revenue and Elasticity, Applications.

### **UNIT – II**

Definition and Sources of Monopoly - Short-run and Long-run Equilibrium of Monopolist - Multi-plant Monopolist, Monopoly Power, Sources of Monopoly Power - Social Cost of Monopoly Power - Natural Monopoly and Its Regulation.

### **UNIT –III**

Monopolistic Competition, Short and Long Run Equilibrium, Monopolistic Competition and Efficiency, Oligopoly, Nash-Cournot & Stackelberg Models, Price Competition with Differentiated Products, Collusion, Prisoners’ Dilemma.

### **UNIT - IV**

Price Rigidity, Cartels and Price Signaling and Leadership, Dominant Firm Model, Competition versus Collusion – Non Cooperative versus Cooperative Games, Cartel Pricing, Long-run Efficiency, Limit Pricing, Cost-plus Pricing Price Discrimination, Existence of Industry and Inventions, Inter-temporal Price Discrimination and Peak Load Pricing, Two-part Tariff.

### **UNIT - V**

Bundling and Tying, Advertising, Pricing of Joint Products - Transfer Pricing - Factor Markets in Monopoly and Monopsony, Role and Objectives of Unions.

### **Textbook:**

1. Salvatore Dominick (DS): Microeconomics: Theory and Applications, 4<sup>th</sup> Edition.

2. Pindyck and Rubinfeld (P&R): Microeconomics, 6<sup>th</sup> Edition, Prentice Hall of India

## **STATISTICS –I**

### **Objective:**

- To introduce the Statistical Tools of Data Analysis and
- To enable them to conduct a research study and prepare the report.

### **UNIT – I**

Elementary statistical Methods - Tabulation – Diagrammatic Representation and Frequency Distribution – Measures of Location and Dispersion.

### **UNIT – II**

Sampling – Different Methods of Sampling – Surveys – Sampling Errors and Non Sampling Errors.

### **UNIT – III**

Probability – Conditional Probability – Joint & Marginal Probability – Independent Events – Baye’s Theorem – Probability Distributions.

### **UNIT – IV**

Estimation – Interval Estimation – Confidence Intervals – Determination of Sample Size – Testing of Hypothesis – Type I and Type II Errors – Students Distribution – One Trail Test and Two Trail Test.

### **UNIT – V**

Analysis of Variance – Co-relation and Regression – Time Series – Index Numbers (Candidates will be supplied with graph sheets in the examinations)

### **Books:**

1. Pauline V Young: “Scientific Social Surveys and Research”.
2. Festinger, L & D. Katz: “Research Methods in Behavioural Science”.
3. William G. Zikmund: Business Research Methods, Thomson”.
4. Naresh K. Malhotra, Marketing Research, Pearson Education, 5<sup>th</sup> Edition, 2007.

# MARKETING MANAGEMENT

## Objective:

- To familiarize the students with the concept of marketing in theory and practice.
- To evaluate marketing environment and develop the feasible marketing plan.
- To develop an elementary knowledge of marketing research, consumer behaviour, strategy formulation and implementation.

## UNIT – I

Introduction - Nature and Scope of Marketing, Evolution, Various Marketing Orientations - Marketing Vs Selling concept - Consumer Need, Wants and Demand Concepts - Understanding the Market Environment – Assess the Impact of Micro and Macro Environment - Services: importance, distinctive characteristics of services, service mix

## UNIT

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## II

Consumer Behaviour – Nature – Industrial Markets – Model of Business Buying Behavior – Factors Influencing Business Buyer Behavior – Consumer Behaviour – Factors – Consumerism - Consumer Protection Act, 1986 - Market Segmentation: Meaning, Need, Factors Influencing Segmentation, Basis for Segmentation, Segmentation of Consumer/ Industrial Markets.

## UNIT – III

Market Research – Market Information System – Meaning and Definition of Market Information System – Internal Record System – Marketing Intelligence System – Marketing Research System - Marketing Decision Support System - Targeting & Positioning - Targeting: Basis for Identifying Target Customers, Target Market Strategies - Positioning: Meaning, Product Differentiation Strategies, Errors in Positioning. - Marketing Mix Decisions – Forecasting Market Demand.

## UNIT –IV

Product Decisions - Concept, Product Hierarchy, Diffusion Process, New Product Development - Product Life Cycle, Product Mix Strategies – New Product Planning and Development - Concept of Branding - Brand Perception, Brand Equity - Packaging / Labeling: Packaging as a Marketing Tool, Requirement of Good Packaging, Role of Labeling in Packaging

## UNIT – V

Pricing Decisions: Pricing Concepts for Establishing Value, Impact of Five “C”s on Pricing, Pricing Strategies-Value Based, Cost Based, Market Based,

Competitor Based, New Product Pricing – Advertising Strategy – Media Planning – Marketing Channels – Retailing – Marketing Communication - Managing Sales Force - Services Marketing - International Marketing

**RECOMMENDED BOOKS:**

1. Philip Kotler, Kevin Lane Keller, Pearson ,”Principles of Marketing”, PHI,12th Edition,2006
2. M J Etzel, B J Walker, William J Stanton ,”Fundamentals of Marketing Management” , TMH, 13th Edition, 2005
3. Lamb, Hair, Mc Danniel – Thomson ,”Marketing”, 7/e, 2004
4. Evans & Berman ,’Marketing”, 2/e, Biztantra, 2005
- 5.. Philip Kotler, Armstrong ,”Principles of Marketing” , Pearson Education, 12th Edition.

## **RISK MANAGEMENT AND INSURANCE**

### **Objective:**

- To learn the risk management and process that can be applied to a variety of risks.
- To develop an understanding of what risk is, how it can be measured and transferred.
- Apply the risk management process to major areas of concern for corporations.

### **UNIT – I**

Introduction to Risk Management – Concept of Risk and Uncertainty – Classification of Risk - A Rationale for Risk Management in Organizations – Perception of Risk and the Differences Between Perceived and Actual Risk

### **UNIT – II**

Steps in Risk Management –Risk Identification - Common Features of Risk Identification - Exposures of Physical Assets – Financial Assets – Human Assets – Legal Liability.

### **UNIT –III**

Risk Evaluation & Risk Control – Risk Management Decision Methods – Risk Measurement Administration – Risk Minimisation – Risk Avoidance.

### **UNIT –IV**

Risk Financing – Risk Pricing - Techniques of Risk Transfer – Insurance & Reinsurance as a Risk Transfer Mechanism - as a Risk Transfer Mechanism - Advantages and Disadvantages of Self Insurance Schemes.

### **UNIT - V**

An Introduction to Insurance Concept – Functions and Benefits of Insurance to the Individual, Companies and the Community – Historical Development and Role of Government Supervision of Insurers – Insurance Structure in India – Historical Background – Current Insurance Scenario.

### **TEXT BOOKS:**

1. Rejda, G.E., “Principles of Risk Management and Insurance”, 10<sup>th</sup> Edition.
2. Ramaswami, B. Ravi.S., & Chopra S.D., “Risk Management in Traditional Settings –I (Risk Management in Agriculture - an Overview).
3. Technical Note (Datta) on “Market Models of Risk Hedging” & Risk Management in Traditional Setting –II.

4. Pindyck R.S., Rubinfeld D.L. and Mehta P L: “Microeconomics”, Pearson-Prentice Hall, 6<sup>th</sup> edition 2005.

## **PRINCIPLES OF INSURANCE (LIFE & GENERAL)**

### **Objective:**

- To introduce the students with insurance industry.
- To create clear understanding on insurance acts and policies.

### **UNIT – I**

Legal Principles – The Indian contract act, 1872 – Elements of Contract as applicable to Insurance Contract – Provisions of Indian Stamp Act - Basic Principles of Insurance - Insurable Interest – Nomination and Assignment – Presumption of Insurable Interest – Case Laws – Group Life Policies.

### **UNIT – II**

Utmost good Faith - Material Facts – Duty of Disclosure - Duration of Utmost Good Faith – Warranties & Representations - Void & Voidable Contracts - Section 45 of the Insurance Act 1938 – Fraud – Indisputability of Life Policies & Case Law on the Subject - Proximate Cause – Concept & Application.

### **UNIT – III**

Principle of indemnity – Wagering in Contracts – Modification of the Principle of Indemnity in Life Insurance – Human Life Value Concept – Key-Man Insurance – Group Life Policies - Modification in other Forms of Insurance – Fire, Marine..etc – Corollary Principles of Subrogation & Contribution -

### **UNIT – IV**

Classification of Insurance – Life & Non-Life Insurance – Introduction to Life Insurance Products – Elements of Life Insurance – Features of Term Insurance & Endowment Insurance – Types of Life Insurance Policies – Whole Life Policies – Money back Policies – Unit Linked Policies - Annuity & Pension Policies.

### **UNIT – V**

Introduction to General Insurance Policies - - Overview of Property - Financial Interest & Liability Insurance - Annual & Short Period Contracts.

### **TEXT BOOKS:**

1. Gupta, P K “Fundamentals of Insurance”, Himalaya Publishing House, Mumbai.
2. Black, Kenneth and Horod D Shipper. “Life & Health Insurance” Pearson Education, New Delhi.

3. Ganguly, Anand. “Insurance Mangement”, New Age International, New Delhi.
4. Ray Debraj, “Development Economics” Oxford Unuiversity Press, 1998,

## **INSURANCE LAW & REGULATIONS**

### **Objectives:**

- To introduce the student with insurance laws and regulations.
- To make them understand the controlling authorities existing in insurance industry.
- To enable them to familiarize with the legal environment of the country.

### **UNIT – I**

Definition and sources of Law – Administration of Justice in India – Powers of Supreme Court and other courts and tribunals – History of Insurance Legislation in India — Life Insurance Corporation Act 1956 – General Insurance Business Nationalization Act 1973.

### **UNIT – II**

Current Legal Environment – Insurance Act 1938 ( as amended) & Insurance Regulatory & Development Act.

### **UNIT – III**

Insurance Intermediaries - Regulations issued by IRDA for Insurance Agents & Brokers - Agency Contract – License to act as insurance agent – Authority of a life Insurance Agent rights and responsibilities agents compensation and hereditary commission termination of agency – nomination facility – Licensing of Insurance Brokers – Role & Responsibilities of Insurance Brokers.

### **UNIT – IV**

Legal Aspects of Life Assurance - Mortgage of Life Policies – Different kinds of Proofs of Death - Various forms of Evidence of Testate – and Intestate Succession – Presumption of Death – Indemnity & Guarantee – Attachments and Prohibitory Orders – Provisions of Limitation Act as applicable to Insurance Contracts.

### **UNIT – V**

Exchange Control Regulations as applicable to General Insurance – IRDA Directions for protections of policy holders – Consumer Protection Act – Arbitration & conciliation Act – Insurance Ombudsman.

### **TEXT BOOKS**

1. Rejda G.E., “Principles of Risk Management and Insurance”, 10<sup>th</sup> edition.

2. Harrington SE., and Neihaus GR., “Risk Management and Insurance”, McGraw Hill, 2003.
3. M. N Srinivasan, [Principles Of Insurance Law \(Life - Fire - Marine - Motor And Accident\)](#),
4. [KSN Murthy & Dr KVS Sarma, ‘Modern Law Of Insurance’](#)
5. Black, Kenneth and Horord D Shipper. “Life & Health Insurance” Pearson Education, New Delhi.
6. Ganguly, Anand. “Insurance Mangement”, New Age International, New Delhi.

## **SEMESTER – II**

## **BUSINESS COMMUNICATIONS**

### **Objective**

- To enable the students to become aware of their communication skills and sensitize them to their potential to become successful managers.
- To introduce them to some of the fundamentals for managerial communication which are in vogue.
- To enable them to acquire some of the necessary skills to handle day-to-day managerial responsibilities.

### **UNIT – I**

Introduction to Communication – Concepts – Types of Communication; Downward Vs. Upward Communication – Formal & Informal Communication; Barriers in Communication - Listening & Speaking – Styles of Communication.

### **UNIT –II**

Principles of Non-Verbal Communication ; Through Dressing and Body Language – Effective Presentation of Personality – Verbal Communication – Presentations – Speeches; types – Interviews; Selection and Placement Interviews – Discipline Interviews – Appraisal Interviews – Exit Interviews – Group Communication – Meetings – Group Discussions.

### **UNIT –III**

Introduction to Managerial Writing - Business Letters – Routine Letters – Bad New and Persuading Letters – Sales Letters – Collection Letters – Job Application Letters – Internal Communication – Memos – Minutes – Notices – Reports.

### **UNIT –IV**

Group Decision Making; Intra & Inter Cultural Dimensions and Communication Mechanisms, Feed-back Mechanisms – Planning & Conduct of Meetings; Working with Outside Organizations – Handling of Media and Social Leaders.

### **UNIT-V**

Business and Social Etiquette – Principles Governing the use of Audio Visual Media – Use of ICT for Effective Presentations - Exercises for Exploring Communication Process 'Just A Minute' Sessions (JAM) – Debate - Telephoning Skills.

**TEXT BOOKS:**

1. Munter, Mary, "Guide to Managerial Communication: Effective Business Writing and Speaking", Prentice Hall, 2002, ISBN:0130462162.
2. Kaul Asha., "Effective Business Communication", Prentice Hall of India, 2005, 81-203-1709-2 Bottom of Form.

**Reference Books:**

1. Adler, R. and Elmhorst, J. (2004), *Communicating at Work: Principles and Practices for Business and the Professions*, eight edition, New York: McGraw-Hill.
2. Duplicated packet Student Materials for Business and Professional Communication
3. Wood, J. (2004). *Communication mosaics: An introduction to the field of communication* (3rd ed.). Belmont, CA: Thomson/Wadsworth.
4. Lumsden, G. and Lumsden, D. (2003). "Communication with credibility and confidence", 2nd edition. Thomson-Wadsworth.

## **FINANCIAL MANAGEMENT FOR INSURANCE**

### **Objectives:**

- To know the various sources of finance.
- To understand the various uses for finance.
- To familiarize oneself with the techniques used in financial management.

### **UNIT – I**

Scope and Function of Financial Management in Insurance Industry – Investment Decisions for Insurance; Financing Decision; Asset Management; Financial Analysis and Control – Functions- Raising of Funds; Allocation of Funds; Profit Planning; Understanding Capital Marketing other allied Functions-Nature of Financial Management – Objectives of Financial Management – Indian Financial System – Structure; financial institutions; financial markets; financial services and instruments; its role in economic development – Development Stages – Functioning – Financial Intermediaries – RBI Financial institutions and Banks.

### **UNIT –II**

Financial Analysis for Insurance – Significance; Objectives; Need for Insurance Companies Financial Analysis and Interpretation – Types of Financial Analysis; Horizontal & Vertical Analysis – Techniques of Financial Analysis – Comparative Statement Analysis – Common Size Statement Analysis; Trend Analysis; Funds Flow Analysis – Definition of Funds; Funds Flow Statement; Sources of Working Capital; Funds from Operations – Uses of Working Capital; Cash Flow Statement; Illustration; Ratio Analysis – Classification of Ratios; pyramidal Structure of Ratio Analysis – Financial Forecasting.

### **UNIT-III**

Insurance Capital Expenditure – Decision-Making in the Private Sector Source – Objectives, Planning and Organization – Evaluation Techniques – Cut-off Rate – Other Aspects of Capital Budgeting – Conclusion \_ Investment Decisions in Public Enterprises in India – Guidelines for Capital Expenditure Decision – Guidelines for Capital Budgeting and Current Practices, Capital Structure, Cost of Capital and Valuation: Capital Structure Theories – Net Income Approach – Net Operating Income (NOI) Approach – Modigliani-Miller(MM) Approach – Traditional Approach – Practical Problems.

#### **UNIT-IV**

Working Capital Management for Insurance – An Overview: Theory of Working Capital Management – Concepts/Definitions of Working Capital – Determining the Financing Mix – Practical Problems - Planning of working Capital – Need for Working Capital – Determinants of Working Capital – Practical Problems.

#### **UNIT –V**

Profit Management in Insurance – Insurance Related Problems - Management of Profits – Dividend Policy – Significance of Dividend Policy – Aspects of Dividing policy – Dividend Payout Ratio – Stability of Dividends – Forms of Dividends – Practical Considerations in Dividend Policy – Dividend Theories - Issues of Dividend Policy Walter’s Model, Gordon’s Model – Dividend Uncertainty – MM Hypothesis of Dividends Irrelevance of Dividend Policy – Market Imperfections.

#### **TEXT BOOKS:**

1. Prasanna Chandra ,”Financial Management”, Theory & practice .
2. I M Pandy ,”Financial Managemnt “.
3. J.C Van Home ,”Fundamentals of Financial Management”,

## **STATISTICAL MANAGEMENT FOR INSURANCE**

### **Objective:**

- To understand the concept and process of research in business environment.
- To know the use of tools and techniques of research in business organizations for quantitative decision making analysis.
- To use the statistical techniques for analysis of research data.

### **UNIT - I**

Research – Meaning – Types - Criteria of Good Research in Insurance Industry – Scientific Approach to Research in Insurance for Physical and Management Science, - Limitations of Applying Scientific Methods in Insurance Research Problems - Ethical Issues in Insurance Research - Insurance Research: An Overview - Research Process, Problem Formulation - Management Problem v/s. Research Problem - Steps involved in Preparing Insurance Research Plan/Proposal

### **UNIT –II**

Insurance Research Design: Exploratory, Descriptive, & Causal Research - Exploratory Research in Insurance: Meaning, Suitability, Collection, Hypothesis – Formulation - Descriptive Research in Insurance: Meaning, Types of Descriptive Studies – Data Collection Methods - Causal Research: Meaning, Various Types of Experimental Designs, Types of Errors Affecting Research Design.

### **UNIT – III**

Data Collection in Insurance: Primary and Secondary Data – Sources – Advantages/Disadvantages - Data Collection Methods – Observations, Survey, Interview and Questionnaire Design, Qualitative Techniques of Data Collection. Measurement & Scaling Techniques: Nominal Scale - Ordinal Scale - Interval Scale - Rating Scale - Criteria for Good Measurement - Attitude Measurement – Likert's Scale - Semantic Differential Scale, MDS – Multi Dimensional Scaling.

### **UNIT – IV**

Hypothesis: Meaning, Types, Characteristics, Sources, Formulation of Hypothesis, Errors in Hypothesis Testing Parametric and Nonparametric test: T-test, Z-test, F-test,

U-Test, Rank-Sum Test, K-W test. (Theory only) - Sampling: Meaning, Steps in Sampling Process, Types of Sampling - Probability and Non Probability Sampling Techniques, Errors in Sampling.

## **UNIT – V**

Data Analysis: Editing, Coding, Classification, Tabulation, Analysis, & Interpretation - Statistical Analysis of Business Research: Bivariate Analysis (Chi-square only) Multivariate Analysis - Factor Analysis - Discriminant Analysis - Cluster Analysis, Conjoint Analysis - ANOVA – One-Way & Two-Way Classification (Theory only) - Research Report: Oral Report, Written Reports, Types & Advantages/Disadvantages of Oral and Written Reports, Components of Written Research Report - Format of a Research Report - Pictures and Graphs, Introduction to SPSS.

## **TEXT BOOKS:**

1. Naresh K Malhotra ,”Marketing Research”,Pearson Education /PHI/5e/2007.
2. Pauline Vyoung: “Scientific Social Surveys and Research”
3. Festinger. L & D. Katz: “Research Methods in Behavioural Science”.
4. William G Zikmund- Thomson ,”Business Research Methods “,  
7/e,2003

## **MACRO ECONOMIC ENVIRONMENT POLICY**

### **Objective:**

- This course is intended to provide a basic foundation on the principles of managerial economics and to demonstrate the application of economic theory to business decisions.
- To introduce the students to theory and application of economics for interpreting relations among economic variables.
- To make them aware of the sensitive decision making at micro and macro level to provide the base for policy-making.

### **UNIT – I**

Wants, Scarcity, Opportunity Cost & Specialization - Functions of an Economic System - Microeconomic Theory and Price System - Methodology of Microeconomic Analysis - Demand Curve, Supply Curve, Shifts in the Curve, Market Equilibrium Market Demand and Network Externalities; Illustrative Applications of Demand & Supply Framework.

### **UNIT – II**

Market Demand and Network Externalities; Illustrative Applications of Demand & Supply Framework - Price Elasticity of Demand and Supply - Income and Cross Elasticity of Demand - Marginal Revenue and Elasticity - Applications.

### **UNIT – III**

Cost Concepts: Link between Accounting and Economic Cost - Opportunity Cost - Fixed and Sunk Costs - Fixed and Variable Costs - Short and Long Run Costs - Economies of Scale - Economies of Scope & Learning Curve.

### **UNIT – IV**

Definition and Sources of Monopoly -Short-run and Long-run Equilibrium of Monopolist - Multi-plant Monopolist - Monopoly Power - Sources of Monopoly Power - Social Cost of Monopoly Power - Natural Monopoly and Its Regulation - Monopolistic Competition, Short and Long Run Equilibrium - Monopolistic Competition and Efficiency – Oligopoly - Nash-Cournot & Stackelberg Models - Price Competition with Differentiated Products - Collusion, Prisoners' Dilemma.

### **UNIT – V**

Price Rigidity - Cartels and Price Signaling and Leadership - Dominant Firm Model - Competition versus Collusion – Non Cooperative versus Cooperative Games, Cartel Pricing, Long-run Efficiency, Limit Pricing, Cost-plus Pricing - Price Discrimination, Existence of Industry and Inventions, Inter-temporal Price Discrimination and Peak Load Pricing, Two-part Tariff - Bundling and Tying, Advertising, Pricing of Joint Products - Factor Markets in Monopoly and Monopsony, Role and Objectives of Unions.

**Textbook:**

1. Salvatore Dominick (DS): Microeconomics: Theory and Applications, 4<sup>th</sup> Edition.
2. Pindyck and Rubinfeld (P&R): Microeconomics, 6<sup>th</sup> Edition, Prentice Hall of India.

## **SERVICES AND CUSTOMER RELATIONSHIP MANAGEMENT**

### **Objective:**

- To receive a proper and better understanding of customer service management of Insurance industry in domestic and in International Context.
- To make them understand market oriented service organisation.
- To take up the challenge of good customer relationship management.

### **UNIT – I**

Customer Relationship Management in Insurance – Customer Acquisition and Retention – Customer Loyalty – Customer Profitability and value Modeling – Customer Satisfaction Measurement – Customer Feedback and Service Recovery.

### **UNIT – II**

Managing and Sharing Customer Data – Customer Information Databases – Ethics and Legalities of Data use – Data Warehousing and data Mining – Data Analysis – Market Basket Analysis (MBA) – Click Stream Analysis – Personalization and Collaborative Filtering.

### **UNIT – III**

Marketing of Insurance Services – Insurance as a Service – Characteristics of Insurance Services – Classification of Insurance Services – Building Insurance Service Aspirations – Consumer Behaviour in Insurance Service Encounters.

### **UNIT – IV**

Marketing Mix in Insurance Services – The SEVEN Ps – Physical Evidence – Balancing Demand and Capacity – Popular Strategies.

### **UNIT – V**

Insurance Service Delivery – Types and Causes of Insurance Service Quality gaps – Measuring and Improving Insurance Service Quality – Strategies to resolve the gaps.

### **REFERENCE BOOKS:**

1. Christopher Lovelock & Jochen Wirtz – “Services Marketing”, Pearson Education.

2. Stancles a. Brown, “Customer Relationship Management”, John Wiley & Sons Edn.
3. Lovelock, “Services Marketing – People, Technology & Strategy”, Pearson Edn. Singapore, 2003.

## **LIFE INSURANCE**

### **Objective:**

- To make them understand in Life Insurance Market in India.
- To take up the issues related to risk management in view of insurance.
- To acquaint the student with different policies of life insurance.

### **UNIT – I**

Growth of Life Insurance in India – Basic Principles of Life Insurance – Co-operation – Large number – Equality of risks – Foundation of Underwriting practice – Premium Concept – Insurable Interest – Legal Aspects – Prior investigation – Transparency & Disclosures – Cooling off Period – Function of life Insurance – Total Personal Financial Planning – Risk Management & Life Insurance as its basics – Economic basis of Life Insurance – for Individuals – for family for business – for tax planning.

### **UNIT – II**

Life Insurance Products – Elements of Life Insurance Pricing – Basic Plans of Life Insurance - Emergence & Nature of new products in Advanced countries – Flexible Premium Plans – Universal Life Policy – Special Types of Whole Life Policies – Family Protection Policies.

### **UNIT – III**

Business uses of Life Insurance – Key Man Protection – Business Protection (Partnership Insurance) – Employer Financed Polices on the Life of Employee – Salary Savings Scheme: Uses, Administration & Problems – Window on the World – Funding Buy – Sell Agreements with life Insurance – Enhancement of Credit – Employee Compensation Plans – Industrial Life Insurance.

### **UNIT – IV**

Group life insurance – Group Vs. Individual – Basic Features – Eligibility, size of Groups, benefits available, financing mode – Group Selection Philosophy & Process, Experience rating – Reserves - Group Coverage Offered Elsewhere – Group Seminar Income Benefit Association – Servicemen’s Group Life Insurance – Estate Employees’ Life Insurance – Group Disability Income Plans.

### **UNIT – V**

Pensions and Group Superannuation – Financial Gerontology: Economic Problems of Aging – Historical Evolution of Pension Plan – Govt. & Other Private Pension Scheme Legal Provisions – Social Security: Govt’s Role & Contribution of LIC of India – Economic & Social Security – Govt. measures for social Security – Health schemes, poverty alleviation measures – LIC’s Contribution: LALGI scheme, IRDP Scheme, other schemes – Growth of social security concept & Practices in Advanced Countries.

**TEXT BOOKS:**

1. Black J D., and Kennedy., “Life Insurance”.
2. Palande, Shah, Lunawat., Insurance in India”.
3. Bernard, Benjamin., “General Insurance”.

**Books & Publications:**

- 1.**McGee, ‘Life Assurance Contracts’, Routledge Cavendish; New Ed., Rev. & Updated edition, August 11, 2006.
- 2.**J.E. Evans, William Neville Mann, ), Keith SankeyGuide to ‘Life Assurance Underwriting’ [IMPORT] ETimothy Benn Publishing; 3Rev Ed edition, September 1991.
3. Rejda G.E., “Principles of Risk Management and Insurance”, 10<sup>th</sup> edition.

## **FIRE INSURANCE**

### **Objectives:**

- To provide the conceptual understanding of fire insurance.
- To familiarize the student with IRDA regulations.

### **UNIT – I**

Insurable property – application of basic principles – Coverage under various fire policies – Special peril – Exclusions – Policy conditions and clauses – Documents – Proposal form – Risk inspection report – Cover note – Policy - R. Notice - Special policies - Reinstatement value policies – Floating policies – Declaration policies – building in construction

### **UNIT – II**

Fire Insurance Rating – Significance of Tariff rules and regulations – Rating – Building regulations – Electrical Regulations –F.E. Regulations – Special rating scheme warranties – Godowns and warehouses – High rise buildings – Material in the open manufacturing risks - Pipelines outside the compound of industrial complex.

### **UNIT – III**

Claims under Fire policies, special perils extensions and other extensions of the policy – Constituents of loss – Doctrine of proximate cause –Documentation for Insurance Claims - Rights and duties of parties – Salvage - Miscellaneous legal aspect – Waiver stopper – Without prejudice – Ex- gratia payments - Payments by mistake payments to persons other than the insured – Assignment of claim proceeds – Rules for construction of policies –Generic rule.

### **UNIT –IV**

Functions and duties of surveyors – IRDA Regulations on the Role & Duties of Insurance Surveyors - Assessments of Laws – Doctrine of Proximate Cause Apportionment of loss under concurrent and non-concurrent policies – Final survey report – Fire loss prevention – PML fixation – Retentions and Reinsurance methods – New developments

## UNIT – V

Consequential loss - Fire insurance - Evolution and scope – Effects of interruption – Indemnity Period - Conditions and exclusions – Underwriting – Rating – Forms – Determination of loss – Extensions and additional perils.

### Books & Publications:

1. Eric Briys, François de Varenne ‘Insurance: From Underwriting to Derivatives: Asset Liability Management in Insurance Companies’, Wiley; 1 edition, July 12, 2001.
2. **Fred H Jones**, ‘The law of accident and contingency insurance: (other than life, fire, and marine)’, I. Pitman 1928.
3. James Biggs, ‘The laws of insurance: Fire, life, accident, and guarantee, embodying cases in the English, Scotch, Irish, American and Canadian courts’, Porter Stevens and Haynes 1884.
4. **Charles Ellis**, ‘The law of fire and life insurance and annuities, with practical observations’, J.S. Littell; From the London ed edition 1834.

## **MARINE INSURANCE**

### **Objective:**

- To provide the conceptual understanding of marine insurance.
- To familiarize the student with different laws relating to marine insurance.

### **UNIT – I**

History of Marine Insurance (U.K.) Market in India – Marine insurance associations and marine publications – International and domestic trade – Markets – Parties to a contract and role of intermediaries – Contracts of Sale - Incoterms – Finance for trade (bill of exchange, documentary credits etc. - Marine Insurance Act, 1963 and Rules for construction of Policy and other statutes having a bearing on claims such as the Indian Carriage of Goods by Sea Act, 1925 - The Indian Railways Act, 1890 (as amended), Indian Carriage by Air Act, Merchant Shipping Act - Multi-modal Transportation Act, Etc.

### **UNIT – II**

Scope & Policy Terms & Conditions for Cargo Insurance – Institute Cargo Classes & Scope of Insurance for Different Categories of goods in Transit – Duration of Cover, Extensions – Exclusions – Insurance of Duty & Increased Value Classes – Open Policies & Specific Policies.

### **UNIT –III**

Underwriting and rating factors in Cargo Insurance – Types of commodities, methods of packing – Stowage and their susceptibility to loss or damage – Extraneous risks and their effects on cargo - Containers – Pallets and multi-modal transport systems and the particular characteristics of these systems.

### **UNIT – IV**

Types of Losses and the measure of indemnity applicable to them – Presentation – adjustment and settlement of claims in respect of Cargo, Hulls, Freight, Collision

liabilities, General Average, salvage and salvage charges, particular charges including sue and labour- Scope & Functions of Insurance Surveyors & Average Adjusters - Exchange control regulations regarding payment of claims - Purpose – Scope - Application – Effect on claims settlements of abandonment – Subrogation – Recoveries

#### **UNIT –V**

Common types of vessels including their operating and risk characteristics – Types of policies to cover shipowner’s insurable interests – Salient features of Institute time Clauses Hulls (1.10.83) – Hull underwriting and rating – P & I cover in general – Types of maritime frauds and precautionary measures for their prevention – Insurance of Sailing and Fishing Vessels.

#### **Books & Publications:**

- 1.**Hodges, ‘Law of Marine Insurance’, Pap Routledge Cavendish April 1996.
- 2.**Hodges, ‘Cases & Mats on Marine Insurance Law’ Routledge Cavendish March 1999
3. Douglas M. Libby, ‘Insurer uses value-added underwriting’, Routledge Cavendish March 1999.

## **SEMESTER –III**

## **INTERNATIONAL BUSINESS AND INSURANCE**

### **Objective:**

- To understand the international forces affecting the business
- To know the effects of Internationalization
- To appreciate the methods used in the field

### **UNIT-I:**

International business: An Overview – Means of engaging in International Business – External Influences of International Business – the Human and Cultural Environments facing Business – Political influence on International Business.

### **UNIT-II:**

Country Evaluation and Selection – Scanning for Alternative Influential Variable – Return on Investment on Country – Company Consideration

### **UNIT-III:**

Impact of the Multinational Enterprise: Evaluating the Impact of the MNE – Economic Impact of the MNE – Operational and Political Impact of International Business.

### **UNIT-IV:**

International Financial Management – Foreign Exchange Rates: Basics, Transaction and Economic Exposure – Foreign Direct Investment – Strategies: Export and Import Strategies, Collaborative Strategies, Sourcing and Production Strategies – Human Resource Management.

### **UNIT-V:**

Recent developments in International Business – E-business Strategy – Global Supply Chain Management: International Logistics and Distribution – Designing Organisations for International Environment. International Insurance Companies – their global operations – insuring in international situations like air and sea travel-

insurance of international cargos- insurance of intellectual properties in the international context.

**TEXT BOOKS:**

1. John D. Daniels & Lee H Radebough: “International Business’,(Addision – Wesley Publishing company)
2. Roger Bennett,” International Business”, (Pearson Education.

## **STRATEGIC MANAGEMENT**

**Objective:**

- To develop and execute a strategically techniques with appropriate method.
- To evaluate the critical models pertaining to strategic management.

**UNIT-I:**

Strategic Management – Definition, Need, Dimensions – Strategic Planning – Strategic Decision Making Process – Benefit and Risks Of Strategic Management – Ethics and Social Responsibility.

**UNIT-II:**

Strategic Management Process – Vision of the Company – Business Vision Models – Objectives and Goals - Business Policies and Strategies.

**UNIT-III:**

Environmental Scanning and Analysis – Types: International, External, Internal – Characteristics – SWOT – Approaches of the Environmental Scanning.

**UNIT-IV:**

Generic Competitive Strategies – Integration Strategies – Outsourcing Strategies – Offensive and Defensive Strategies – Strategic Alliances and Collaborative Partnerships – Merger and Acquisition – Diversifications – Tailoring Strategies to Fit Specific Industry and Company Situations.

**UNIT-V:**

Building Resource Strengths and Organizational Capabilities – Frame work for executing strategy – Strategy Execution Process – Organizational Structure – Managing internal operations corporate culture of leadership – Designing Strategic Control System - key Success Factors – Monitoring Success and Evaluating deviation.

#### **TEXT BOOKS:**

1. A.Thomson, A.J. Strick land III, John E. Cambel, "Crafting and Executing Strategy "
- 2.Charles W.L..Hill, Gareth R.Jones.,"Strategic Management An integrated approach

## **INVESTMENT ANALYSIS & PORTFOLIO MANAGEMENT**

#### **Objective:**

- To introduce the students with the theory and empirical evidence relevant for the portfolio management.
- To enable the students to understand how an investment professional would allocate funds in hypothetical portfolio.

#### **UNIT – I**

Overview of Capital Markets and Portfolio Management - Classification of the main types of financial markets- introduction of the basic securities traded on them- different exchanges in which securities are traded, the typical positions taken and the costs associated with trading- practical aspects of investment decision-making and Introduction of the process of portfolio management - the industry of active portfolio Management, such as mutual funds, pension funds and hedge funds - A summary of the basic - institutional details for the investment process for equities.

#### **UNIT – II**

Quantitative Review, Historical Return Analysis and Portfolio Mathematics - Recapitulation of basic concepts of statistics and probability theory: namely, means, standard deviations, variances, co-variances and correlations - Estimating the statistical moments using historical samples, as well as running and interpreting regression analysis - Mathematical representation of returns and portfolio holdings as to account for cash deposits and loans, margin accounts and short-selling.

### **UNIT – III**

Optimal Portfolio Diversification and Portfolio Choice - Introduction to the notions of risk and portfolio diversification - Computation of important - Descriptive statistics for portfolios of assets - Markowitz's approach to portfolio formation- advantage of the correlation structure among assets to generate an investment - opportunity set that dominates (in a reward-to-risk sense) the individual assets taken in isolation - Constructing the best set of attainable portfolios and provide precise measures for the benefits - of portfolio diversification. Attitudes towards risk affect the composition of the portfolio held by each investor.

### **UNIT – IV**

Equilibrium Asset Pricing Models: CAPM and APT - Rational optimization of the portfolio holdings according to preferences, subject to budget (and possibly some institutional) constraints. Capital Asset Pricing Model (CAPM) and implications for asset pricing and investment-decision making. Assets returns generated by a finite number of factors and arbitrage opportunities - Arbitrage Pricing Theory (APT).

### **UNIT – V**

Empirical Validation of Asset Pricing Models and Market Efficiency - Investigation of the empirical merits of the asset pricing models discussed so far. The problem of market efficiency- different levels of efficiency (weak, semi-strong and strong) and analyze the basic empirical evidence that- Anomalies to the asset pricing models and revised models. Alternative approaches to managing assets - Portfolio Management Performance Evaluation - Evaluation of past performance of portfolio management by investment advisors in the context of the asset pricing models. Specific topics include measures of past performance, survivorship bias, benchmarks and style drifts - program organization of mutual fund industry, international investing, fixed-income securities, derivative securities, tax-efficient portfolio management and behavioral finance.

### **TEXTBOOKS**

1. John L Maginn, Donald L Tuttle, Jerald E Pinto and Dennis W McLeavey  
Managing Investment Portfolios, 3rd Edition , Wiley (ISBN:  
978-0-470-08014-6)
2. Richard A DeFusco, D.W. McLeavey, J.E. Pinto, David E Runkle, and Mark  
JP Anson Quantitative Investment Analysis, 2nd Edition, Wiley (ISBN:  
978-0-470-05220-4)

## **ACTUARIAL MATHEMATICS & SERVICES**

### **Objective:**

- To develop the students knowledge of the theoretical basis of certain actuarial models.
- In addition to that, the application of to insurance and risk management.

### **UNIT – I**

Overview of Actuarial Mathematics & Services - The theoretical basis of actuarial models and their application to insurance and other financial risks. Topics include survival and severity models, frequency models, compound (aggregate) models, and life contingencies.

### **UNIT – II**

Survival, Distribution and Life Tables – Survival Functions – Assumption for Fractional Ages – Calculate Survival Time Random Variables – Calculate the Expected Values, Variances, Probabilities and percent ails for survival time random variables – Markov chain models.

### **UNIT – III**

Life Insurance – Endowment and Varying Benefit insurance – Time of payment of Benefit – Present value of benefit random variables – Survival time random variables.

### **UNIT – IV**

Life Annuities – Continuous, Discrete and Monthly Annuities – Calculate expected value – Variances and Probabilities for Present value of Benefit Variables – Present value of loss at issue random variables – Present value of random variables.

#### **UNIT – V**

Benefit Premiums - Continuous, Discrete and Monthly Annuities – Benefit Reserves - Continuous, Discrete and Monthly Annuities – Using Equivalence Principle – Percentile.

#### **TEXT BOOKS:**

1. Bowers, Gerber, Hickman, Jones and Nesbitt, “Actuarial Mathematics”, 2<sup>nd</sup> edition, Society of Actuaries, 1997.
2. Hossack IB., Polard JH., and Zehnwrith B., “Introductory Statistics with Applications in general insurance” 2<sup>nd</sup> edition.

## **HUMAN RESOURCES MANAGEMENT**

#### **Objectives:**

This subject provides the platform to the students of management to appreciate the critical managerial functions, processes and tasks of HRM in an organization. It is

- To become sensitive to the HR Management Processes and to adopt conceptual learning to real-life situations.
- To appreciate the methods and mechanics to bring out the best in people directing their energies towards corporate goals with personal satisfaction.

The Class-room interaction is supplemented by Field HRM Visits, Case Study presentation & Discussion and team oriented sharing of knowledge inputs via c-group.

#### **UNIT – I**

Human Resource Management – Meaning and Scope – Personnel Policies – Functions of HRM – Job Analysis – Process – Methods – Job Specification and Job Description – Human Resource Planning - Meaning – Objectives - Nature, Need and Benefits – Process of Human Resource Planning – Recruitment – Sources and Techniques – Selection Procedure – Placement – Induction.

#### **UNIT – II**

Performance Appraisal – Features – Objectives – Methods – Employee Training – Objectives – Benefits of Training – Methods of Training – Career Planning and Development – Objectives – Career Development – Promotion – Transfer – Job Evaluation – Benefits – Methods of Job Evaluation – Wage and Salary Administration – Objectives – Principles – Wage and Salary Fixation – Incentives – Compensation – Incentive wage Plans – Fringe Benefits – Objectives – Types of fringe benefits.

### **UNIT – III**

Employee Mobility - Internal Mobility: Introduction, meaning, different types  
Promotion: meaning, purpose, bases of merit, seniority, merit cum seniority, benefits, problems, promotion policy - Industrial Peace and Harmony: Discipline maintenance, Grievance Handling - Workers Participation in Management - Maintaining good Human and Industrial Relations - Benefits accrued by the Organization due to the Development of Congenial Environment.

### **UNIT – IV**

Employee Discipline – Causes of Indiscipline – Disciplinary Procedure – Organization Change and Development change process resistance to change – Objectives of OD – Quality of Work Life – Measuring QWL – Issues of QWL – Barriers – Collective Bargaining – Implications – Prerequisites for successful collective bargaining Quality circles – Factors – Structure and Function of Quality Circles.

### **UNIT – V**

Industrial Relations – Industrial Growth – Dimensions of IR – Characteristics of Indian Workers – Trade Unions – Evolution – Need – Functions – Types – Role – Principles of Trade Unions – Industrial Disputes – Causes & Consequences – Industrial Disputes – Prevention & Settlement – International labour organization and Industrial Relations in India – Objectives and Constitution of ILO – Influence of ILO on Industrial relations in India.

### **TEXT BOOKS:**

1. Bohlander, Snell, Sherman: Managing Human Resource (Thomson –South Western)
2. David A. De Cenzo & Stephen P. Robbins “ Personal / Human Resource Management”
3. Kaith Devis “ Personnel Management”
4. Dale Yoder “ Personnel Management”

## **MOTOR INSURANCE**

### **Objective:**

- To make them understand the basic principles of motor insurance.
- To make them clear about the policies and Act related to motor insurance.

### **UNIT – I**

History of Motor Insurance - Basic Principles - Utmost good faith – Insurable Interest – Indemnity – Subrogation and Contribution – Types of Motor Vehicles – Two wheelers – Commercial Vehicles – Trailers – Miscellaneous and special types of vehicles - Legal - Introduction to Motor Vehicles Act 1939 & 1988 - Motor Policies - Standard form for Liability only policy – Liability to third parties –

### **UNIT – II**

Package Policies for Private cars & two wheelers – Motor Policies– Commercial Vehicles – Scope of standard form for commercial vehicles ‘Package’ Policy - Loss or Damage – Risk covered – Protection & Removal Costs – Liability to Third Parties – Personal Accident cover for Owner – Driver, Towing disabled vehicles – Drivers clause – Motor Trade.

### **UNIT – III**

Motor Tariffs (Regulations)– Proposal Forms – Policy Forms Rating – Geographical Zones – Period of Insurance – Cover note – Certificate of Insurance– Double Insurance – For Liability only Policy – For package policy– Prohibition of Mid term inclusion / cancellation of Extra benefits — Certificate of Insurance – Class E – Road

Transit Risks – Class F – Motor Trade Road Risks – Class G – Motor Trade Internal Risks – Documents– Proposal Forms– Cover notes– Policy Forms– Endorsements – Renewal Notice – Renewal Receipts– Underwriting– The vehicles – Moral Hazard– Claim Discount– Motor Insurance Statistics– Insurance & Road safety.

#### **UNIT – IV**

Registration and Insurance – Extra Benefits – Tariff for commercial vehicles – Regulations – Scope – Rating Factors– Minimum values– Motor Vehicles Act – Passenger Risk – Limitation of Geographical Area – Limits of Liability for Third Party – Own Damage Claims – Preliminary – Assessment – Settlement – Claim discount–Types of loss – Losses on repair basis.

#### **UNIT – V**

Third party Liability Claims procedural Aspects – Proof of Negligence – General damage for Death – General Damages for Disability – Property Damages claims – The Motor Accident Claims Tribunals – Judgements of Criminal Courts – Mediclaim – Form – Check List – Motor Claim minimization Measures & Loss Control programme.

#### **Books & Publications:**

**1. Kenneth Cannar,** 'Motor Insurance Theory & Practice' Hyperion Books; 2nd edition December 1995

**3. Hickson,** 'Motor vehicle insurance rating with pseudo emissions coverage'  
Elsevier June 10, 2006

## **MISCELLANEOUS INSURANCE**

### **Objective:**

- To provide the students with the ability to imitate and carry out principles pertaining to miscellaneous insurance.
- To make them aware and clear of wide spectrum of miscellaneous policies.

### **UNIT – I**

Personal Accident Insurance - Basic Principles - Coverage and Benefits - Provisos and Exclusions – Rating – Extensions – Discounts - Claims procedures - Group policies - Burglary – Scope – Types – Exclusions – Extensions - Underwriting - Survey – Claims - Baggage – Underwriting - Claims - Money in transit – Exclusions – Conditions – Extensions - Underwriting

### **UNIT – II**

Mediclaime – Benefits – Exclusions – Discounts – Conditions – Individual & Group Policies – Claims Procedure & Documentation – IRDA Regulations for Third Party Administrators – Role and Responsibilities of Third Party Administrators – Approved Hospitals & Cash Less Facility - Special Policies for Critical Illnesses/Top-Up Cover

### **UNIT –III**

Overseas Medical Insurance Benefits and conditions – Exclusions – Scope of Policies – Exclusions – Endorsements – Duration of Cover – Special Requirements for Medical Examination for Acceptance.

## **UNIT – IV**

Fidelity Guarantee – Coverage – Types – Conditions – Underwriting – Investigation - Other miscellaneous policies - Pedal cycle - Plate glass - Special contingency - Package Policies for Shopkeepers/ Householders/Offices & Service Industries.

## **UNIT – V**

Special Type of Policies – Industrial all Risks for Large, Medium & Small Scale Manufacturing Units - Banker’s Blanket, Oil & Gas Insurance, Satellite Insurance and Jewellers Block Policies – Exclusions – Conditions – Rating.

### **Books & Publications:**

1. Jack Hungelmann, ‘Insurance for Dummies - For Dummies Business & Personal Finance’, Dummies; 2 edition June 2009
2. A.M. Best, ‘The Guide to Understanding the Insurance Industry’, Book Surge Publishing November 2007.

## **RURAL INSURANCE**

### **Objective:**

- The objective of the course is to familiarize the students with the rural insurance products and market structure.
- To study the different policies which are exclusively undertaken by the Government of India for Rural poor.

## **UNIT – I**

Introduction to Rural Insurance – Characteristics of Rural Market – IRDA Regulations – Access of Rural Market through Specialized Agencies (Co-operative Societies/Land & Agricultural Banks/SHG’s) – Need for Developing Specialized Products for Rural Market.

## **UNIT – II**

Agricultural situation in India – Types of agricultural insurance – Organisation Transacting agricultural insurance - History of crop insurance in India – Crop insurance underwriting and settlement of claims Hail insurance Problems of crop insurance Crop insurance in other countries.

## **UNIT –III**

Cattle wealth in Indian rural economy – Types of cattle and buffaloes – Breeds and their characteristics – Common diseases Veterinary infrastructure – Valuation of

cattle – premium rate structure methods of identification cattle insurance policy – Loss assessment and settlement of claims and - Loss minimization.

#### **UNIT – IV**

Poultry insurance – Insurance of pigs, sheep and goats, camels et. – Other miscellaneous agricultural insurance – Aquaculture, Silkworm, Honeybees, Horticulture, Floriculture, Bio-gas, Animal driven cart –

#### **UNIT – V**

Farmers Package policy – Hut insurance scheme – New covers, Janta Personal Accident – Gramin Accident – Agricultural pump sets – Plantation Policies.

#### **TEXT BOOKS:**

1. Insurance Institute of India, “Agricultural Insurance”.
2. Palande, Shah, Lunawat., “Insurance in India”.

#### **Books & Publications:**

- 1.** Bruce J. Sherrick, Paul N. Ellinge, Peter J. Barry, Gary D. Schmitkey, ‘Factors influencing farmers' crop insurance decisions’, American Agricultural Economics Association
2. Peter B. R. Hazell, ‘Crop Insurance for Agricultural Development: Issues and Experience’, International Food Policy Research Institute Press, December 1, 1985.
- 3.** Barry K. ‘The Economics of Crop Insurance and Disaster Aid’, Goodwin AEI Press September 25, 1995.

## **SEMESTER – IV**

## **INSURANCE COMPANY MANAGEMENT**

### **Objective:**

- This course aims to introduce to the learner the important concepts of insurance company management.
- In addition, entrepreneurial and managerial aspects in insurance business are also discussed.

### **UNIT – I**

Accounting and control in insurance companies – Structure and analysis of insurance accounting – IRDA Directions on Incorporation of Insurance Companies - Performance ratio for Insurance Companies – Principles and tools for control in insurance companies – Key indicators.

### **UNIT –II**

Firm evaluation models – Capital structure and effects on the firm value – Real Options – Insurance Company Evaluation Cases – IRDA Regulation on Investment by Insurance Companies – Valuation Surplus – Solvency Margin.

### **UNIT –III**

Organisation design & human resource management – Organizational systems and structures of insurance companies – Organization analysis – Organization design – change management – EIS Simulation – Strategic Human resource Management – Recruiting – Evaluation compensation and careers.

#### **UNIT – IV**

Marketing in the financial Services – Services Marketing – Demand Analysis: Segmentation – Target and positioning – consumer Behaviour – Customer Relationship Management – Distributive channels: e-insurance – Bank assurance – agencies – brokers..etc – Re-branding.

#### **UNIT – V**

Reinsurance Management – Factors for Deciding Retention & Reinsurance – Major forms of reinsurance – facultative & treaty – Indian Reinsurance Market – Trends in Global Reinsurance – Reinsurance Accounting

#### **Books & Publications:**

1. Eric Briys, François de Varenne, 'Insurance: From Underwriting to Derivatives: Asset Liability Management in Insurance Companies' Wiley; 1 edition July 12, 2001.
2. Florian Klingenschmid, Miriam A. Orsina
- 7.** Gene Stone VDM Verlag Mueller K, 'Captive Insurance Companies in Risk Management', Insurance Company Operations May 2008.
3. **John J. Hampton**, 'Financial Management of Insurance Companies', Amacom Books December 1992.

## **ENGINEERING INSURANCE**

### **Objective:**

- To understand the nature of engineering insurance industry.
- To be able to understand the policies of engineering insurance.

### **UNIT – I**

Engineering insurance scope – Origin and Development - Application of Basic Principles – Types of Plant and associated hazards – Recent Developments.

### **UNIT –II**

Engineering Insurance for projects – Contractors all Risks – Erection all Risks – Marine-cum Erection – Contractor’s Plant and Machinery –Scope of cover, rating, underwriting.

### **UNIT – III**

Machinery Breakdown Policies – Boiler Explosion Policy - Deterioration of stock in Cold Storage – Electronic equipment –Tariff Provisions – Surveys and Risk Inspection Statutory Regulations.

## **UNIT – IV**

Consequential Loss Policies – Advance Loss of Profit for Projects – Loss of Profit Following Machinery Breakdown/Boiler Explosion Policy – Bases of Indemnity-Terms & Conditions

## **UNIT – V**

Claims Under Engineering Policies – Documentation & Loss Assessment - Loss prevention and Minimisation – Global Trend in Reinsurance for Projects.

### **Books & Publications:**

1. Steering Committee on Product Liability and Innovation, ‘Product Liability and Innovation: Managing Risk in an Uncertain Environment’, National Academy of Engineering, National Academies Press. January 1994
- 2. Eric Briys, François de Varenne**, ‘Insurance: From Underwriting to Derivatives: Asset Liability Management in Insurance Companies’, Wiley; 1 edition, July 2001
3. Paul K. Freeman, ‘Managing Environmental Risk through Insurance -Studies in Risk and Uncertainty’, Howard Kunreuther, Springer; 1 edition, 1997
4. Chester A. Zagaski, ‘Environmental Risk and Insurance’, CRC; 1 edition, 1991.
5. Daniel J Dekowski, ‘Insurance engineering: The secret to profitable underwriting in the property-casualty insurance industry’, Insurance Engineering Associates 1996.