



Punjab Technical University Jalandhar

**Syllabus Scheme
(3rd to 4th Semester)
for**

MBA

Specialization in

Insurance & Risk Management

STUDY SCHEME OF M.B.A. - INSURANCE & RISK MANAGEMENT

SEMESTER-3

SUBJECT NAME	SUBJECT CODE	Total Hrs. (Lec+Pr a)	Marks Int.	Marks Ext.	Total Marks
Applied Operations Research	MBA 301	50	25	75	100
Corporate Legal Environment	MBA 302	50	25	75	100
MAJOR 1(I&R)	MBA 561	40	25	75	100
MAJOR 2 (I&R.)	MBA 562	40	25	75	100
MAJOR 3(I&R.)	MBA 563	40	25	75	100
Seminar on Management Information SYSTEM	MBA 306	20	100	0	100
Viva-Voce	MBA 308		25	75	100
TOTAL		240	250	450	700

SEMESTER-4

SUBJECT NAME	SUBJECT CODE	Total Hrs. (Lec+Pra)	Marks Int.	Marks Ext.	Total Marks
Strategic Management	MBA 401	45	25	75	100
Project Evaluation & Implementation	MBA 402	45	25	75	100
MAJOR 4(I&R.)/ MINOR1	MBA 564	50	25	75	100
MAJOR 5(I&R.)/ MINOR2	MBA 565	50	25	75	100
MAJOR 6(I&R.) / MINOR3	MBA 566	50	25	75	100
Final Research Project & Viva-Voce	MBA 406			200	200
TOTAL		240	125	575	700

SPECIALIZATION GROUP- INSURANCE & RISK MANAGEMENT

MBA 561 - Principles and Practice of Life Insurance & General Insurance (PTU PAPER –1)

MBA 562 - Life & Non Life Insurance Domains (PTU PAPER –2)

MBA 563 - Law of Insurance (PTU PAPER –3)

MBA 564 - Risk Management & Life Insurance Underwriting (PTU PAPER –4)

MBA 565 - Liability of Insurance & Life Insurance Claims (PTU PAPER –5)

MBA 566- Life Insurance Products & Concepts of Reinsurance (PTU PAPER-6)

Major/Minor Specialization :

- In 3rd semester the student will have the choice of choosing any three subjects from a particular specialization group i.e. either from Marketing, Finance, HRM, IT or INSURANCE & RISK Management.
- In the 4th semester, student can undertake the remaining three subjects of the same specialization group which he/she opted in the 3rd semester. In this case he/she will be awarded only Major specialization and no minor.

OR

The student can undertake three subjects of some other specialization group than he/she opted in the 3rd semester. In this case he/she will be awarded Major specialization in the stream in which he/she has conducted his/her 'Final Research Project' and Minor specialization for the other stream.

Guidelines for Internal Assessment :

The internal marks will be based on a continuous assessment and the following is to be adhered to :

- Test/Quiz's (15 Marks). Best 2 out of 3.
- Presentation/Reports/Home assignments (5 Marks)
- Class attendance/General behaviour (5 marks)

Guidelines for External Practical / Viva-Voce :

The external practical /viva-voce will be conducted as per the details mentioned above in study scheme by an external examiner appointed by the University.

MBA 561 - Course Name: Principles and Practice of Life Insurance &

General Insurance (PTU PAPER –1)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

Aims and Objectives	<ul style="list-style-type: none">• To make students aware of historical background of insurance, functions of life insurance, application of various principles of life insurance, policy conditions.• To provide basic knowledge of various life insurance products, their provisions and benefits and servicing aspects like surrender, paidup, revival and claim payment etc.• To develop an understanding among the students of the conceptual framework of general insurance• To develop the students' ability to understand the fundamentals of insurance including their practical applications to various classes of general insurance• To make the students understand various practices with specific reference to underwriting, rating, claims settlement and allied servicing, available in the general insurance sector with a brief reference to various types and classes of insurance in this sector<ul style="list-style-type: none">• To also familiarize the students with various kinds of forms and policies.
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Course CONTENT	<ul style="list-style-type: none">• Origin of the Insurance concept• Principles of Life assurance• Elements in computation of Assurance premium• Selection and Classification of risks• The basic principles of utmost good-faith• Plans of Life Insurance• Application & Acceptance• Origin of General Insurance, Concepts• Basic Principles of Insurance• General Insurance Market• Insurance Forms• Types of Insurance• Underwriting & Rating Practices• Claims : Practice & Procedure
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<p>Required Reading</p>	<p><i>Insurance Institute of Indian Courseware IC-02 & IC -23</i></p> <p>Other Readings:</p> <ul style="list-style-type: none"> • Life and Health Insurance (13th Edition), - Black, Jr. Kenneth and Horold Skipper Pearson (Indian Economy Edition). • <i>Principles of Risk Management and Insurance (13th Edition) Rejda, George (Economy (Indian Economy Edition)</i> • Risk Management and Insurance – Trieschman, Gustavson and Hoyt – South Western College, Publishing, Cincinnati, Ohio. • ICFAI Course book – Life Insurance Vol. I, II, III, (LBRARO) • Life Insurance – S. Heubner (LBRARO) • <i>IC- 1 & 11 (Insurance Institute of India)</i> • Principles of Risk Management & Insurance George E –Rejda (Published by New Delhi: Pearson Education, 2004)
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MBA 562 Course Name: Life & Non Life Insurance Domains (PTU PAPER –2)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES:

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

<p>Aims and Objectives</p>	<ul style="list-style-type: none"> • The objective of this subject is to provide in depth knowledge on various aspects of Life and General Insurance like Pension & Retirement plans, Fire &
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	Consequential Loss, Health and Personal Accident, Miscellaneous Insurance, Automobile Insurance, Engineering and Project Insurance, Group and Social Insurance, Marine Insurance,& Rural Insurance
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**Course
CONTENT**

Pension and Retirement Insurance

- Introduction to retirement schemes
- Superannuation schemes
- Basic Annuity Concepts, variable and market value adjusted annuities, taxation of annuities.
- Regulation of annuities
- Marketing basics
- Taxation Treatment provisions for Retirement Benefits

Fire & Consequential Loss

- History of Fire Insurance;
- Need, Purpose & Functions of Fire Insurance
- Application of basic principles
- Subject matter of fire insurance;
- Introduction to All India Fire Tariff;
- Classification of Risks;
- Building Rules;
- FEA Rules/ Discount
- Low-Claim Discount
- Categorization of Hazardous Goods;
- Hazards of Speciatric Trades and Industries.

Fire & Spl. Peril Policy

- Scope : In built causes/perils; Add on Covers;
- Exclusions: property, Causes and Perils; Conditions;
- Special Policies and Clauses;
- IAR Policy : Scope Rating & other aspects;
- Warranties and their importance;
- Underwriting Aspects and applications;
- Rating of fire Risks (Industrial & Non-industrial);
- Rating of Add on Perils;
- Fixing of Sum Insured for various Subject Matters;
- Practice of Fire Insurance : procedural Aspects
(including overseas practices);
- Policy Drafting;
- Pre inspection of Risks;
- Co-insurance practices;
- Acceptance Limits.
- Consequential – loss (Fire) insurance
- Claims

Health and Personal Accident

- **Brief introduction**

History & importance of health insurance; definition of health; role & directive principles of state policy; current trends in India; IRDA Regulations; Principles & Standards; Regulatory status of select health insurance schemes

- **Documents**

Proposal form & its importance; Policy & Schedule; Endorsements; Riders; Renewals

- **Health & Accident Insurance In India**

Relation of Health Insurance to Life Insurance & General Insurance Policies; Types of policies ; Standard Products - Basic health insurance, accident insurance and related overseas travel insurance; Individual and Group Coverages; Issues related to Critical Illness, domiciliary treatment, hospitalization ; comparative study of few available new health insurance products in the market.

- **Underwriting**

Concept of Morbidity and importance of morbidity tables to insurers; Underwriting Factors and Rate making in health insurance

- **Claims Management**

Documents; Methods of settlement – Reimbursement & Cashless; Third Party Administrators – regulations and their role in health insurance in India

- **Reinsurance of Health insurance risks**

Miscellaneous Insurance

1. Background of Misc. Insurance

2. Scope, Exclusions, Conditions, Underwriting considerations and Rating aspects of:

Personal :- All Risk Ins., Baggage Ins., TV/Video Ins., Gun Ins., Pedal Cycle Ins., Cellphone Ins.

Commercial :- Burglry Ins., Plate Glass Ins., Lift Ins., Money Ins., Sign Ins., Fidelity Guarantee Ins.

Package Products :- House Holders Ins., Sampoorne Suraksha/ Sweet Home., Shopkeepers Pkg. Ins., Office Umbrella Ins., LPG Trader's Combines Ins., Jeweller Block Ins.,

Hotellers Pkg. Ins., Banker's Blanket Ins., Doctors Pkg. Ins., Film Studio Ins., Stock Brokers Ins., Golfers Pkg. Ins.

3. Special Products & Related Aspects : Kidnap & Ransom Ins.

4. Special Contingency Policies & Related Aspects.

5. Other Products & their Analysis.

6. Claim procedure and Loss Minimization aspects.

7. Acceptance Limits.

Automobile Insurance

- Introduction to Motor Insurance
- Legal provisions (Motor Vehicles Act 1938 & subsequent amendments (1988) and its applications
- Documents
- Motor Insurance Policies –
 - (i) Liability Only Policy
 - (ii) Package Policy
 - (a) Private Vehicles & Two wheelers
 - (b) Commercial Vehicles
- General Regulations
- Principles & Practices of Underwriting
- Principles & Practices of Claims Management
 - (i) Own Damage Claims
 - (ii) Third Party Liability Claims
- Reinsurance of Motor Insurance

Engineering and Project Insurance

- Origin and history of Engineering Insurance
- Special features of Engineering Insurance
- Project Insurance (Construction Phase) Policies
- Contractor's all risks insurance:
- Storage cum Erection (Erection All Risks) Insurance:
- Contract works Insurance:
- Contractor's Plant and Machinery Insurance:
- Operational phase or Annual policies
- Machinery Insurance
- Boiler & pressure plant Insurance
- Electronic Equipments Insurance
- Civil engineering completed risks
- Machinery Loss of Profits Insurance:
- Advance Loss of Profits Insurance:
- Deterioration of stocks Insurance:
- General Aspects of Engineering Insurance:
- Industrial All Risks

Group and Social Insurance

- Group Life Insurance Schemes
- Rate making in Group Insurance

- Gratuity Schemes and its objectives
- Employees recognized provident fund
- Social Security Schemes
- Taxation Treatment Provisions for Group Insurance Benefits.

Marine Insurance

- General Background
- Principles of Trade/Commerce Applicable in Marine Cargo Insurance
- Application of Fundamental Principles to Marine Insurance
- Types of Insurance Documents
- Types of Policy
- Underwriting Considerations & Rating
- Types of Losses & measure of Profits.
- Claims
- Cargo Loss Prevention :
- Containerisation, Multi-Modal Transport, ICDS etc.
- Health Insurance (In Brief)

Rural Insurance

- Agriculture (Crop Insurance) and Weather Insurance
- Agricultural Pumpset Insurance
- Insurance of Cattle
- Insurance of Poultry and Ducks
- Live stock Insurance
- Insurance of micro animals
- Janata Personal Accident & Gramin Accident Insurance
- Horticulture and Plantation Insurance
- Farmer's Package (Kisan Package) Insurance
- Aquaculture (Shrimp & Prawn) Insurance
- Re-insurance of Agriculture Risks

<p>Required Readings</p>	<ul style="list-style-type: none"> • Group and Retirement Benefits Schemes IC-83 by Insurance Institute of India. • Pension Schemes and Retirement Benefits by Hosking • IC-57 -I.I.I. George E. Rejda • Jr. Kenneth Black & Harold Skipper Pearson – Life and Health Insurance (13th Edition) (Indian Economy Edition) • George E. Rejda – Principles of Risk Management & Insurance (13th Edition), (Indian Economy edition) • Insurance Institute of India Publication – IC 73 / S. Heubner – Life Insurance • Trieschman, Gustavson & Hoyt – Risk Management & Insurance – South Western College Publishing, Cincinnati, Ohio • ICFAI Publication – Life Insurance Vol. I, II & III (LBRARO) • IC-78 – III Publication • Insurance Institute of India publication - Motor Insurance (IC 72) • ICFAI publication - Insurance Underwriting - Managerial Perspective Volume III • ICFAI Publication – General Insurance Volume I • IRDA Website : <www. Irdaindia.org> for latest amendments and updates • IC-77 –III Publication • Group and Retirement Benefits Schemes IC-83 by Insurance Institute of India. • Group Life Insurance by Dr. D.W. Gregg. • IC-63, 65, 66- III Publication • IC-71 – III Publication
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MBA 563 Course Name: Law of Insurance (PTU PAPER –3)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

Aims and Objectives	<ul style="list-style-type: none">• To familiarize the students with various laws and regulations applicable to Insurance Business
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<i>COURSE CONTENT</i>	<ol style="list-style-type: none">1. Definition and Sources of Law2. Judicial set-up in India3. Insurance as a Contract4. Doctrines of Insurance & their Legal Implications5. Insurance Act 1938- Important provisions6. IRDA Act 1999:<ol style="list-style-type: none">a. Composition, Power, Functions and Duties of IRDAb. IRDA regulations relating to:<ol style="list-style-type: none">i. Licensing of Insurance Agentsii. Registration of Insurance Companiesiii. General Insurance Re-Insuranceiv. Assets, Liabilities and Solvency Marginsv. Insurance Advertisements and Disclosurevi. Life Insurance Re-insurancevii. Investment Amendmentsviii. Insurance Surveyor's & Loss Assessorsix. Third Party Administratorsx. Protecting of Policy Holders Interestxi. Licensing of Brokers7. Other Important legislations:<ol style="list-style-type: none">i. Grievance Redressal Rules and Insurance Ombudsmanii. Consumer Protection Act 1986iii. Salient provisions of Indian Stamp Activ. Indian Limitation Actv. Indian Evidence Act
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Required Reading	<ul style="list-style-type: none"> • Taxmann's: Insurance Law Manual • Universal: Insurance Laws • Rajiv Jain: Insurance Law & Practice • M.N. Srinivasan: Principles of Insurance Law • Avtar Singh: Laws of Insurance • IC-24: Legal Aspects of Life Insurance
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MBA 564 Course Name: Risk Management & Life Insurance Underwriting (PTU PAPER –4)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

Aims and Objectives	<ul style="list-style-type: none"> • To make the students understand the basics and techniques of risk management • Understanding the concepts of risk management would prepare the students to assess the risks & decide on its acceptance • Once having decided to accept, the next step in underwriting will be to price the risk-knowledge of risk management will help a student to suitably discount the premium • The objective of the course is to impart sound understanding of the Role, Standards, Principles of Individual & Group Lives and practice of the Life Insurance Underwriting. The inter relationship of underwriting to firm's Solvency, Key Factors Affecting Insurability, Regulatory Aspects and Role of Reinsurance in Underwriting and latest developments in Risk Appraisal
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<p>Course CONTENT</p>	<p><u>Risk Management</u></p> <ul style="list-style-type: none"> • Introduction to concept of risk, hazard and peril, Concept of tolerable limits and downside, Concept of risk, Process of Risk Management • Risk Perception, various tools used to perceive a Risk, Organisation Charts, Flow Charts, Accounting Methods • Exposure Analysis, Check Lists, DOW index, Fault Tree, Event Tree • HAZOP studies, safety audit • Introduction to the process of Risk evaluation and concept of Probability, what is PML, (just the concept) Decision Making Criteria • Importance of valuation of a risk, concept of Sum Insured and how to fix the Sum Insured • Introduction to the process of Risk Control, Loss Prevention, various methods • Techniques of Risk Retention, captives and methods of Self Retention • Risk Transfer Mechanisms <p><u>Life Insurance Underwriting</u></p> <ul style="list-style-type: none"> • Significance of pricing fundamentals • Underwriting Basics • Organization of Underwriting • Underwriting Philosophy & Guidelines • Sources of Underwriting information • Making an Underwriting decision • Physiological systems, diseases and extra risk calculation, extra premiums etc. • Group Life Insurance Underwriting. • Technology in Underwriting. • Genetics and Life Insurance Underwriting.
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<p>Required Reading</p>	<ul style="list-style-type: none"> • Risk Management and Insurance: Vaughan and Vaughan • Risk Management: a publication of the Insurance Institute of India • Guide to Risk Management: Sagar Sanyal • Loss prevention in process industries: Lees
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	<ul style="list-style-type: none"> • Skipper & Black : Life & Health Insurance • George Rejda: Principles of Risk Management & Insurance. • III Course Book : IC-22
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MBA 565 Course Name: Liability of Insurance & Life Insurance Claims (PTU PAPER –5)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

Aims and Objectives	<ul style="list-style-type: none"> • To equip students with knowledge of contemporary practices in Liability Insurance in Industry • Claims management is the core area of insurance business and meeting customer satisfaction. In view of the globalization and liberalization of insurance sector, it has become inevitable to provide timely settlement of claims. Accordingly the subject of claim management has been framed to look to the various aspects of claims management and the legal implications to match with the consumers expectation
Course CONTENT	<ul style="list-style-type: none"> • Recap on the types of Liability Insurance covers available viz Motor/Employer's Liability/Public & Product liability/Professional Indemnity. • Rating and Premium computation for various Liability covers Including Industrial/non-Industrial Public Liability Risks. Additional Covers and extensions. • Professional Indemnity covers with specific reference to Doctors/Architects/Directors& Officers. Product-liability Insurance in Specific Industries. • Emerging trends and challenges in the Industry. • Concept of Claims • Classification of Claims • Essential Elements of Claims • Claims Procedure and Claimants • Claims Procedure and the Insurer • Claims Settlements • Claims Disputes and Settlements • Claims Management Systems and Organization

	<p>Structure.</p> <ul style="list-style-type: none"> • Quality of Services and Claims Management • Claims Cost and Cost Effective Settlement • Importance of Cost in Claims Management • Leading Legally Decided Disputed Claims
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Required Readings	<ul style="list-style-type: none"> • Liability Insurance :IC-74, (I.I.I.) • Liability and Engineering Insurance : IC-79 (I.I.I.) • Principles of Risk Management and insurance: George Rejda • ICFAI Publications Claim Management Vol. 1& 2. • Insurance Institute of India Publications.
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MBA 566 Course Name: Life Insurance Products & Concepts of Reinsurance (PTU PAPER –6)

INSTRUCTIONS FOR PAPER-SETTER

The question paper will consist of Two parts, A and B. Part A will have 15 short answer questions (40-60 words) of 2 marks each. Part B will have 12 long answer questions of 5 marks each. The syllabus of the subject is divided into 3 sections I, II and III. The question paper will cover the entire syllabus uniformly. Part A will carry 5 questions from each section and Part B will carry 4 questions from each section.

INSTRUCTION FOR CANDIDATES

Candidates are required to attempt all questions from Part A and 9 questions of Part B out of 12.

Aims and Objectives	<ul style="list-style-type: none"> • To make the student aware about the different products available in the market & their distinguished features. • To familiarize students with the basic concepts and make them conversant with its application to Industry
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<p>Course CONTENT</p>	<ul style="list-style-type: none"> ▪ Nature of Insurance Products. ▪ Terms, Conditions, Privileges and benefits of various Insurance Products. ▪ Term Assurance products. ▪ Endowment Products. ▪ Children Endowment Products. ▪ Money Back Products. ▪ Whole Life Products. ▪ ULIP Products. ▪ Comparative Studies of Life Insurance Products of different Co. and their analysis. • Historical background, meaning, nature, need and functions of Re- Insurance. • Methods & types of Re-Insurance for Property/Aviation/Marine Accident/Liability/Life. • Facultative & Treaty arrangements and calculations of premiums • Re-Insurance Program design, negotiation and placement, Clauses, Accounting, formats/ methods, Taxation, legal-aspects, regulations and documentation. • New alternatives, selection, Rating for FID strength, ID Ward Re- Insurance, Retrocession, Reciprocal trading. <ul style="list-style-type: none"> ▪ Data collection and use of IT, Management of RI Department and emerging trends in the Industry
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<p>Required Reading</p>	<ul style="list-style-type: none"> • Website of Life Insurance Companies • IC-85 of III • Principles of Risk Management and Insurance: George Rejda
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