

IC 01 PRINCIPLES OF INSURANCE

(Revised Edition: 2010)

Objectives

This course intends to provide a basic understanding of the insurance mechanism. It explains the concept of insurance and how it is used to cover risk. How insurance is transacted as a business and how the insurance market operates are also explained. The relationship between insurers and their customers and the importance of insurance contracts are discussed. Some commonly used insurance terms are also listed out. An overview of major life insurance and general insurance products is included as well.

Contents

Chapter 1: Risk Management: Provides an understanding of risk management - different types of risks - actual and consequential losses – management of risks – loss minimization techniques.

Chapter 2: The Concept of Insurance and its Evolution: The basics and nature of insurance – evolution and nature of insurance - how insurance operates today – different classes of insurance – importance of insurance - how insurance takes care of unexpected eventualities.

Chapter 3: The Business of Insurance: Management of risk by individuals – management of risk by insurers – fixing of premiums – reinsurance and its importance for insurers - role of insurance in economic development and social security - contribution of insurance to the society.

Chapter 4: The Insurance Market: The various constituents of the insurance market – operations of insurance companies - operations of intermediaries – specialist insurance companies – insurance specialists - the role of regulators – other bodies connected with insurance.

Chapter 5: Insurance Customers: Understanding insurance customers – different customer needs - importance of customers – customer mindsets - customer satisfaction - customer behavior at purchase point - customer behavior when claim occurs - importance of ethical behavior.

Chapter 6: The Insurance Contract: Terms of an insurance contract - principles which form the foundation of insurance - significance of the principle of insurable interest – the principle of indemnity - the principle of subrogation - the principle of contribution – disclosure of all relevant information - principle of utmost good faith - the relevance of proximate cause - the insurance contract.

Chapter 7: Insurance Terminology: Common terms used in insurance - terms common to both life and non-life insurance - terms are specific to life and non-life insurance – how insurance terms are used.

Chapter 8: Life Insurance products: The risk of dying early – the risk of living too long - different products offered by life insurers - term plans - pure endowment plans - combinations of plans - traditional products - linked policies - features of annuities and group policies.

Chapter 9: General Insurance Products: Risks faced by the owner of assets – exposure to perils – features of products covering fire and allied perils - products covering marine and transit risks - products covering financial losses due to accidents - products covering financial losses due hospitalization - products covering miscellaneous risks.

Annexure: *A write up on the history of insurance is provided.*

IC-02 - PRACTICE OF LIFE INSURANCE

(Revised Edition: 2010)

Objectives:

To acquaint the candidates appearing for Licentiate Examination with the different aspects of life insurance ,its different applications and its detailed features.. It gives the reader an insight into the different types of life insurance plans & products, and its variations. The method of premium calculation and bonus, the different types of annuity plans, group insurance plans ,etc., are explained in a lucid style , for an easy understanding. Topics on unit-linked policies, nomination and assignments, lapsation and revival of policies, surrender values and foreclosure, as also policy claims have all been brought out very well.

This book has additional features of (1) Examples , (2) ”Test yourself” questions in every chapter - (3) Learning outcomes and (4) Pictorial and diagrammatic representations for facilitating a good understanding of the subject.

Contents:

Chapter 1: Practice of Life Insurance: Overview of the Indian Insurance Market - Growth of Insurance business in India - Organisational structure of the Life Insurance Corporation of India (LIC) - Postal Life Insurance - Organisational structure of Postal Life Insurance - Appointment of life insurance agents and their functions - Need of an agent in life insurance selling - Appointment of agents - Remuneration to agents - Trends in life insurance distribution channels.

Chapter 2: Premiums and Bonuses: Concept of premium - Different types of premium - Different factors considered in calculating premium - Bonus in policies - Different types of bonus in life insurance policies.

Chapter 3: Plans of Life insurance: Different types of life insurance plans - Term Plan - Endowment Plan - Money Back Insurance Plan--Whole-Life Insurance Plan--Unit Linked Insurance Plans (ULIPs) - Joint Life Insurance Plans - Child Insurance Plans--Rider benefits.-- Industrial life insurance - MWP Policies. --Keyman insurance-- Health insurance and its types.

Chapter 4: Annuities: Understand the concept of annuity--Different types of annuity plans - Advantages and disadvantages of annuity –Annuity Vs Life Insurance - Important terms used in annuity

Chapter 5: Group insurance: Importance of group insurance schemes - Main features of group insurance schemes - Eligibility conditions in group insurance-- Different types of group insurance schemes - Group Term Insurance Scheme - Group Gratuity Scheme - Group Superannuation scheme - Types of group superannuation schemes - Group Leave Encashment scheme - Employees Deposit-Linked insurance Scheme - Group Insurance Scheme in-lieu of EDLI - Social Security Scheme.

Chapter 6: Linked life insurance policies: Concept of Unit-linked policies - ULIP premium and its break-up - Types of funds in ULIPS - Traditional plans Vs ULIPS - How ULIPS work - Top Up & NAV - Features of ULIPS - Revival of ULIPS - IRDA guidelines on ULIPS.

Chapter 7: Applications and Acceptance: Fundamentals of life insurance contracts - Principles of utmost good faith - Insurable interest - Life insurance policy application and process - Proposal form and related documents.

Chapter 8: Policy documents: Importance of a policy document - Format of a policy document - Policy schedule and its various components - Conditions and privileges in a policy document - Duplicate policies.

Chapter 9: Premium payment, policy lapse and revival: Premium calculations - Surrender value and non-forfeiture options - Revival of lapsed policies and its types - Revival of postal life insurance policies.

Chapter 10: Assignment, Nomination and Surrender of policy: Assignment of life insurance policies - Conditional assignment - Absolute assignment - Process of Assignment - Nomination - Process of Nomination - Features of Nomination - Assignment Vs Nomination - Surrender of policies - Foreclosure of insurance policies.

Chapter 11: Policy claims: Different types of policy claims - Survival Benefits - Death Claims - Maturity Claims - Submission of Proof of title at claim processing stage - Early Claims & Non-early claims - Documents required for processing early claims - Death due to un-natural causes or accidents - Nomination - Assignment--Waiver of evidence of title - Claims Concession Clause and Extended Claims Concession Clause - Presumption of Death - Insurance Riders - Accidental Death Benefit rider - Permanent Death Benefit Rider - IRDA regulations w.r.t Claim payments - Annexures .

Reference reading :-

- Life and health insurance handbook—Davis . W. Gregg

IC 11 PRACTICE OF GENERAL INSURANCE

(Revised Edition: 2010)

Objectives:

This course primarily deals with practical aspects of General insurance within the framework of prevailing legislation and aims at familiarizing the reader with the market structure, procedures and practices, coverages under various insurance policies, underwriting practices, claims management, accounting, investments and customer service.

Contents:

Chapter 1: Insurance Legislation: The Insurance Act 1938 – Insurance Regulatory & Development Authority (IRDA) Act 1999 – General Insurance Councils – Amendments to Life Insurance Corporation Act 1956 - Amendments to General Insurance Business (Nationalisation) Act regulations issued by IRDA – Motor Vehicles Act 1988 – Other Acts – Exchange Control Regulations – Consumer Protection Act 1986 – Insurance Ombudsman, Market - Statutes & Regulations that affect conduct of business in India,

Chapter 2: Insurance Market: Historical – Present scenario – Agents – Corporate Agents – Brokers – Third Party Administrators (TPA) – Surveyors / loss Assessors – Overseas Markets – U K – U S A,

Chapter 3: Insurance Forms: Proposal Forms – Cover Notes – Certificate of Insurance – Policy Forms – Endorsements – Interpretation of policies – Co-insurance – Standard policies.

Chapter 4: Fire & Marine Insurance Coverages: Fire insurance coverages – Marine insurance coverages – Types of Marine insurance policies, - Duty & increased value insurance.

Chapter 5: Miscellaneous Coverages: Motor insurance – Liability only policy – Package policy – Personal Accident insurance – health insurance - Burglary insurance – Baggage insurance - Legal Liability insurance – Public & Product Liability insurances – Professional Indemnity insurance – Workmen's Compensation insurance – Fidelity Guarantee insurance – Banker's Indemnity insurance – Carrier's Legal Liability insurance – Jeweller's Block insurance – Composite policies - Aviation insurance – Engineering insurance – Rural insurances – Micro insurance.

Chapter 6: Specialised Insurances: Industrial All Risks insurance – Advance Loss of Profits insurance – Oil & Energy Risks insurance – Satellite insurance.

Chapter 7: Underwriting: Objectives and approach – Underwriting policy – Class Rated Products – Individually Rated Products – Filing of products – Role of Actuary – Compliance officer – Underwriting Practice in different classes of insurance – Moral hazard – Underwriting of physical hazards – Declined risks – Risk inspections – Reinsurance – Risk Management - Insurer's role in risk management – Documentation procedure – Renewal procedure – Customer service – IRDA Regulation Protection of Policyholder's Interest,

Rating & Premium: Classification of risks – Discrimination – Bonus / Malus – Claims cost – Acquisition cost – Management expenses – Classification of products – Premium – Short period scales – Failure of consideration – Refund / return of premium – Advance payment of premium,

Chapter 8: Claims: Preliminary procedure – Loss minimization – Procedure – Claims form – Investigation & assessment – Surveyors and loss assessors – Claims documents – Arbitration – Discharge vouchers – Post settlement actions – Recoveries – Salvage & loss minimization – In-house settlement – Practices in U K & USA.

Chapter 9: Investment & Accounting: IRDA Investment Regulations 2000 – Accounting – Reserves for outstanding claims – Unexpired risk reserves – Other reserves – Final accounts – Profit & Loss account – Balance Sheet - Returns – Returns for Management control – Claims, underwriting and general administration returns – Database on computer.

References & recommended reading:

1. General Insurance, John Magee & David Bicklhaupt
 2. Operational Transformation of General Insurance Industry during the period 1950 to 1990 & Beyond, R D Samarth
 3. Study on Distribution Functions in General Insurance & Role of Intermediaries, Arun Agarwal / P R Rao
 4. General Insurance for Information Technology Professionals, Martin Frappoli.
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IC -14 REGULATIONS OF INSURANCE BUSINESS

(First Edition: 2010)

Objectives:

The course is framed to create an appreciation of the importance of the Regulatory Environment necessary for the orderly and smooth functioning of the Insurance Business in India .The book puts forth the complex rules and regulations in a simple manner along with learning outcomes.

Contents:

Chapter 1: Development and growth of Life and Non life Insurance industry in India – Nationalization of insurance Industry –Insurance association and Life and General Councils – GIBNA.

Chapter 2: Mission and Composition of IRDA –Duties and powers and Functions of IRDA – Regulations issued –Motor Vehicle Act 1988 – Salient features – No Fault liability – Hit and Run Accidents –Carriage of Goods by Sea act and various other acts- Workmen’s compensation Act – Employee State Insurance Act – Public Liability act – General and Life Insurance Councils – Formation, duration and dissolution of Executive committee – Functions and Powers of the executive committee.

Chapter 3: Licensing functions of IRDA-Code of Conduct, Qualifications , functions, Validity and Renewal of license applicable to Brokers , Agents and Corporate Agents – Regulations for Third Party Administrators(TPA) –procedure for obtaining a license – revocation and cancellation – code of conduct and maintaining confidentiality by TPA – Procedure for Registration of Insurance companies – General and Capital Requirements -renewal and suspension of Registration – cancellation and revival of registration – Regulations for Registration of Life and General reinsurance – Code of Conduct and Categorization of Surveyors- licensing procedures – Duties and Responsibilities and practical training .

Chapter 4: IRDA regulations on Obligation of Insurers for rural and Social sector – Classification of Rural – Obligations for Rural and social sector before and Sixth financial Plan onwards - Micro Insurance –concept and origin – Govt recommendations on Micro Insurance – Conditions for Micro Insurance Agents – Life and Non life Micro Insurers Product parameters - Regulation and working of ULIPs – IRDA guidelines - regulatory environment of ULIPs – Anti Money laundering – Concept and reasons - Stages and methods of Money laundering – Legislations and RBI guidelines – Know Your Customer process – Product and customer profile – Manner and Method of receipt of Premium – compliance of Sec 64 VB and relaxations – Memorandum of exchange Control regulations relating to Life and General Insurance premiums and claims for Residents and Non residents - Sharing Data base Regulations - Approval and restriction on business of referral company – Obligations of Referral and Insurer’s – IRDA regulations on Advertisements – Compliance and control – Statutory warnings.

Chapter 5: Assignment and Transfer of policies – Recommendations of Law commission – Nomination by Policy Holder – Prohibition of Rebates – Repudiation clause – Recommendations of Law clause – Provisions of sec 64 VB – Exemptions to Sec 64 VB - Provisions for Nomination of policies – Recommendations of law commission – Provision for prohibition of rebates- Repudiation Clause .

Chapter 6: Protection of Policy Holders Interest – Stages of Insurance Policy – Pre and Post stage of Insurance Cycle – Free look period –its objective - Matters to be stated in a Life and General Insurance Policy- Grievance Redressal – Complaint handling –Policy Holders servicing Procedures – Claim procedures for Life and General Insurance Policies - Format of Key Feature documents .

Chapter 7 :Dispute Resolution Mechanism – Consumer protection Act – Feature and Structure - Appeals and penalties - Ombudsman –Nature of complaints - Pre requisite for filing Complaints – Suggested amendments by law commission – Jurisdiction.

Chapter 8: Financial Regulatory aspects of Solvency margin and Investments – Reserves maintained by Insurance companies – Management of reserves – Stakeholders – Types of Technical Reserves – Reserving Process followed by Insurance Companies – Premium Investment strategies –Indian regulations – Insurance Accounting -.

Chapter 9: International Trends in Insurance Regulation – Purpose and area of focus of regulations – Regulatory systems of other countries.

Annexure

Right to Information Act

Guidelines for Grievance Redressal by Insurance Companies

IC21 INFORMATION TECHNOLOGY - Year of Edition 2000.

(Existing Course of Year of Edition 2000 is discontinued for fresh Registration.) For Already Registered candidates examinations will be conducted on the same syllabus up to May 2012) (Common for Life & Nonlife)

Chapter 1: Introduction to Information Technology, Data-Processing IT related applications in Insurance industry.

Chapter 2: Introduction to Microprocessor based PC-computers (PC-family). Data Storage Devices. Input - Output Devices Tapes (Streamer tapes and cartridge tapes), discs (floppy disks, hard disks), CD-ROM, Recording structures on magnetic media. Input devices, Output devices. File Concepts - Flow - charts - different types of flow charts - some simple examples of flow charting techniques.

Chapter 3: Introduction to SSAD (Structured System Analysis and Design).

Chapter 4: Introduction to computer hardware - Types of computers - Generations of computers - Processing unit - Input/ output devices –Storage.

Chapter 5: Introduction to computer software -Operating system of computer - Application packages.

Chapter 6: Financial application software –Payroll, Insurance software etc.

Chapter 7: General purpose standard software packages - Word Processing - Database Management Spreadsheet - Computer languages - Office Automation packages - Word processors (WP), Spread sheets (SS), databases and desk top publishing (DTP). - Computerization in insurance industry.

Chapter 8: Glossary: The different constituents of a information technology department and their functions - system analysis, programming, operations, systems administration, and network administration.

IC-22 LIFE INSURANCE UNDERWRITING

(Revised Edition: 2011)

Objectives:

To acquaint the candidates appearing for Associateship Examination with the principles and concepts of underwriting, providing them an over-view of financial underwriting, impact of occupation, residence and avocations on decision making in underwriting, the current trends, processes and practices adopted in underwriting by life insurance companies today .It also covers topics on reinsurance , the anatomy and physiology of the human body with the diseases and medical conditions , and their impact on underwriting life insurance policies .The glossary and the annexures section also further helps the understanding of underwriting of life insurance policies.

Contents:

Chapter 1: Life Underwriting - Principles & Concepts (Part-1) : Concepts of underwriting - Risk assessment - Mortality and morbidity –Assessing individual risks - -Selection of lives - Classification of risks - Types of extra risks :Increasing, decreasing and constant extra risks - -Sub-standard and other extra risks - Level premium - Temporary extra premium - Diminishing Lien - Exclusions - Postponement of acceptance of risk - Declinature of the acceptance of risk.

Chapter 2: Life Underwriting - - Principles & Concepts (Part-2): Numerical Rating in underwriting - Standard, sub-standard and highly sub-standard risk - Limitations of the numerical rating system - --Impact of nature of occupation on underwriting - Financial Aspects & Moral Hazard - -Methods of rating sub-standard risks - Exclusions - -Postponement or deferment of risk - Declinature of risk - Rider Benefits - Waiver of premium benefit - -ADB-(Accidental Death Benefit) - TPD-(Total permanent Disability) - -Term rider - Critical Illness rider - Premium Loading - Terms of acceptance - Dating-back of policies.

Chapter 3: Underwriting: Structure and process: Processing of the Proposal (Application form) - -Policy issuance process - Non-medical and Medical Underwriting - Medical Examination process - Underwriting the Life Insurance process - Issuance of the Policy Document (Policy Bond) - Structure of an underwriting function in a life insurance office - -Chief Medical officer (CMO) - - Underwriting-Support Team - Underwriting Authorities - --Underwriting Philosophy & Risk management - Genetic testing in Life Insurance - Its advantages & disadvantages - Challenges faced in Underwriting.

Chapter 4: Financial Underwriting : Purpose of financial underwriting - Objectives of financial underwriting - Concept of Insurable interest & Insurable value - Personal Insurance Cover - Human Life Value - Insurance on Housewives & Women with no earned income - Insurance on Minors - Key Person Insurance - Partnership Insurance - “Employer-Employee” Insurance - Hindu Undivided Family (HUF) - Insurance under Married Women’s Property Act - -Sources of financial data (documentation) - Standard Income Documents.

Chapter 5: Occupational, Avocational and Residential risks : Sources of information to assess Occupational, Avocational & Residential risks - Basic risk factors for occupation - Armed Forces, Aviation & Merchant Navy - Chemical Industry - Mining - Nuclear Power Industry - Oil & Natural Gas Industry - Basic Risk factors for Avocation - Aviatational risks - Car-racing - Mountaineering - Residential Risks.

Chapter 6: Reinsurance: Need for reinsurance - Types of reinsurance - Facultative reinsurance - Automatic reinsurance - Catastrophe reinsurance - Advantages of reinsurance arrangements - Reinsurance treaty - Underwriting Audits by reinsurers.

Chapter 7: Blood Disorders: Functions of blood - Components of blood - Functions of blood cells - Key components of the CBC(Complete Blood Count) - Peripheral blood smear - Anaemia ,its causes and classification - Iron Deficiency anaemia - Thalassemia - Risk assessment of anaemia - Other important disorders of blood - Polycythaemia - Leukaemia - Lymphomas - Idiopathic Thrombocytopenic Purpura (ITP) - Haemophilia.

Chapter 8: Nervous System: Components of the nervous system - Main structures of CNS(Central Nervous System) - Brain Stem - Spinal Cord - Main Component of the Peripheral Nervous system - CSF (Cerebro Spinal Fluid & the meninges) - Common disorders of the nervous system - Common signs and symptoms of the Nervous System disorders - Common investigations done for diagnosing Disorders of the Nervous system - Common nervous system disorders - Neurovascular disorders - Stroke - Aneurysmal Subarachnoid hemorrhage-& Underwriting considerations - Underwriting epilepsy & underwriting considerations.

Chapter 9: Diabetes Mellitus: Diabetes - Types of diabetes - Type I Diabetes -Type 2 Diabetes - Gestational Diabetes - Impaired fasting glucose(IFG) - Impaired Glucose tolerance (IGT) - Diabetes and insurance -(OGT) Oral Glucose Tolerance Test - Glycosylated Haemoglobin - Complications of Diabetes - Diseases of the circulatory system - Other complications of Diabetes - Clinical assessment of Diabetic applicants - Treatment of diabetes - Underwriting diabetics.

Chapter 10: Thyroid diseases :

Thyroid gland - Common problems encountered with the thyroid gland - Hypothyroidism and its main causes - Hypothyroidism - Diagnosis, treatment & underwriting implications - Hyperthyroidism - Graves Disease - Goiter - Diagnosis, treatment and Underwriting implications of hyperthyroidism.

Chapter 11: Urinary system: Components of the urinary system - Proteinuria & Albuminuria - Haematuria - Causes of haematuria - Kidney disease & its Diagnosis - BUN & Serum Creatinine - Disorders of the urinary system and their underwriting implications - Kidney stones--Renal (Kidney) failure - Urinary tract infections - Polycystic kidney disease - Diabetic nephropathy - Glomerulonephritis - Renal Cell carcinoma.

Chapter 12: The Respiratory System: Introduction - Components of the respiratory system - Mechanics of Respiration - Common respiratory conditions and underwriting implications - Asthma & its classification - Signs & symptoms of Asthma & Treatment - Exams & tests for respiratory disorders - Classification of severity of asthma - Underwriting considerations - Bronchitis - (Acute & Chronic forms of bronchitis) - Underwriting considerations - Emphysema - Chronic Obstructive Pulmonary Disease (COPD) - Tuberculosis - Underwriting Questionnaire.

Chapter 13: Gastrointestinal (Digestive) System: Introduction - Common terminology and investigations of the digestive tract - Disorders of the digestive system - Tumors of the gastrointestinal tract - Liver functions tests (LFT's).

Chapter 14: Cardiovascular system: Introduction - Common terminology used in the diseases of the cardio-vascular system - Blood circulation - Common symptoms of disorders of the cardiovascular system - Common investigations for diagnosing disorders of the cardiovascular system - ECG-ECHO Cardiogram / ECHO Doppler - Exercise Stress test (Stress test/ Tread-meill test) - - Coronary angiography - Nuclear cardiology - Cardiac CT - Blood pressure and Hypertension - Types of hypertension - Complications of hypertensions - Underwriting implications - Coronary Artery disease (CAD) , Coronary Heart Disease(CHD) - Ischemic Heart disease (IHD) - Risk factors - -Symptoms & signs of CAD - Types of Coronary Artery Disease - Treatment of Coronary artery disease - Invasive and surgical procedures - complications of heart diseases - Underwriting information - -Risk assessment of CAD - Valvular Heart disease , causes, treatment and underwriting considerations - -Types of Congenital Heart Diseases - Underwriting considerations -.

Chapter 15: Special Senses: Disorders of the eyes, ears and nose :-

EYE - Anatomy of the eye - disorders of the eye - Cataract - Glaucoma - Retinopathies - Retinal detachment - Refractive errors - Blindness - Strabismus/ squint –Underwriting considerations of each othe eye disorders.

EARS - Anatomy of the ears - Disorders of the ear - Otitis - Acute otitis media - Chronic Otitis media - Deafness - Presbyacusis.

NOSE - Anatomy - Disorders of the nose - Deviated Nasal Septum - Sinusitis - Nasal polyps.

Chapter 16: Glossary:

Definition of commonly used terminology in underwriting

Annexures:

Section containing commonly used forms, and questionnaires in underwriting.

Reference Reading :

- Underwriting Principles-Author -, Joseph F Mangan / Connor M Harrison
- Advanced Underwriting Techniques--Author - -, Joseph F Mangan / Connor M Harrison,
- Guide to Life Assurance Underwriting including short glossary of medical terms--Author – J.E.Evans, J E / W N Mann /
- Underwriting management--Author – C.I.I.
- Underwriting Practice--Author –C.I.I.
- Life and disability underwriting-C.I.I.
- Life and health insurance underwriting --Author – Mary C. Bickley /Barbara Foxenberger Brown / Brown Jane

Lightcap

- Life Insurance Underwriting --Author – K.C.Mishra / R.Venugopal

IC-23 APPLICATIONS OF INSURANCE

(Revised Edition: 2011)

Objectives:

To acquaint the candidates appearing for Associateship Examination with the different types of life insurance and health insurance policies. It gives the reader an insight into concepts of financial planning and plans of pensions and annuities. The book also highlights the importance of reinsurance, the different tax laws and the claims management process. It also brings out the salient features and concepts of Takaful insurance (Islamic Insurance).

Contents:

Chapter 12: Financial Planning and Life Insurance: Financial planning process - Steps in financial planning - Financial planner - Components of financial planning - Risk management - Classification of risks - Personal risks - Property risks - Liability risks - risk management process - Risk and insurance - Concept of Insurable Interest - Human Life Value.

Chapter 13: Life Insurance Planning: Profiling of clients –Methods to evaluate quantum of life insurance - Key benefits of life insurance - Tax benefits of life insurance - Mortgage redemption - Long-term disability Insurance - Term Life Insurance - Convertible Term Insurance - Endowment Insurance - Whole Life policies - Unit-Linked-Life Insurance - Annuities - Life Insurance & Estate planning - Estate planning tools /documentation (Will, Succession Certificate) - Types of life insurance Trust arrangements(Revocable & Irrevocable) - Ownership considerations in life insurance - Beneficiaries in Life insurance - Nomination - Assignment - Married Women's Property Act Policies - Estate Planning Goals - Objectives of Estate Planning - Key Man Insurance policies - Partnership Insurance - Employee Benefit insurance plans - Deferred Compensation plans.

Chapter 14: Health Policies : Need for health insurance policies--Advantages of Health Insurance plans - Modes of Operating Health Insurance plans - Types of health insurance plans - Life Insurers & Health Insurance - Long-term –care insurance - Disability Income insurance - Personal Accident policy - Unit-linked health insurance policies - Health protection policies - Hospital Cash benefits - Surgical Benefits - Domiciliary Treatment Benefits - Riders on insurance policies - Global view of health insurance.

Chapter 15: Pensions and Annuities: Pensions - Retirement benefits - Gratuity - Employees' Provident Fund - Employees' Deposit Linked Insurance plan - Employees' Pension Scheme - PFRDA (Pension Fund Regulatory and Development Authority) - Group Annuity Scheme - Advantages of PF managed by insurance companies - Advantages of Superannuation fund managed by insurance companies - Cash accumulation system - Types of Annuities - Administration of group superannuation schemes - Types of Annuities in UK. - Types of occupational annuity schemes - Retirement plans in the U.S. - Hybrid & Cash balance plans - Individual Retirement Accounts (IRA's) - KEOGH or HR10 Plans - Fixed Deferred Annuities - Variable deferred

annuities - Fixed Annuities - Joint-Life Annuity - Equity-indexed annuities - Split Annuities - Immediate Annuities - Deferred annuities - Unit-linked –deferred pension - Immediate annuities - Annuity certain –Lifetime annuity - Annuity with life cover etc. -

Chapter 16: Takaful (Islamic Insurance): Introduction - Meaning of Takaful - Definition - History of Takaful Insurance - Selected Takaful Markets - Principles of Islamic Insurance - Elements of Takaful Insurance - Takaful Contract - Operations in Takaful Insurance - Models of Takaful Insurance - ReTakaful - Administration of a Takaful company - Risk & Investment funds in Takaful insurance - Salvages & Recoveries - The share holder's fund - Product design - Pricing and types of policies in Takaful Insurance. - Management of expenses in Takaful Insurance and provisions for profits - Bonus calculations in Takaful Insurance policies - Claims under Takaful Insurance.

Chapter 17: Reinsurance: What is reinsurance - History of reinsurance - Need for reinsurance - Functions of reinsurance - Types of reinsurance - Reinsurance –Special factors - -Industrial risks and reinsurance - Property reinsurance - Engineering reinsurance - Fire reinsurance - Accident & Liability reinsurance - Marine Reinsurance - Aviation Reinsurance - Co-insurance - Life Reinsurance - Non-standard risks - Administration of reinsurance - Different types of reinsurance clauses - Accounting process in reinsurance - Different types of proportional reinsurance - Types of non-proportional reinsurance - Premium & Loss portfolios - Interest & Tax - Brokerage - -Inward accounts - Closing of annual accounts - Format of annual accounts - Additional reserves.

Chapter 18: Tax Laws and Life Insurance: Tax exemptions under Individual insurance - -ULIPs and income tax rebates - Employer –employee Contracts & Retirement Benefits - Gratuity funds - Tax Breaks under approved gratuity funds - Superannuation funds - Tax Benefits of superannuation funds - Provident funds - Group Insurance - Group insurance in-lieu of EDLI - Group Savings Linked Insurance - Proposed direct tax code--

Chapter 19: Life Insurance –Claims Management: Introduction - Operative clauses - Sec 113 - Maturity claims - Exchange control regulations & NRI Policy holders - Death Claims - Presumption of death in missing persons - Sec 107 & Sec 108 - Evidence of title - Nomination - Assignment - Death of nominee - Several nominees - Minor nominee - Assignment/ nomination during the capacity of incapacity - Limitation Act 1963 - Payment of policy monies into court - Claims on small life insurance policies - Insurance Ombudsman.

Reference reading :-

- **Takaful Islamic Insurance—Concepts and regulatory issues.**(Author - Archer Simon / Karim Rifaat Ahmed Abdel / Nienhaus Volker)--Publisher - John Wiley & Sons (Asia) Ltd.--Year of Publication - 2009
- **Principles of insurance: life, health and annuities** (Author - Jones, Harriett E / Long, Dani L /) Publisher – LOMA--Year of Publication – 1997.

IC24 LEGAL ASPECTS OF LIFE INSURANCE

(Revised Edition: 2010)

Objectives:

Every life insurance policy involves a contractual relation between the insurer and the insured. The course is designed to help the student understand the legal principles and provisions of the life insurance contract. Starting with the sources from which law is derived, the course takes the students through the salient aspects of the life insurance contract, the rights and obligations of both parties to the contract and the legal environment within which life insurance practice is carried out.

Contents:

Chapter 1: Sources of Law: Definition of law - statute law and common law.

Chapter 2: Administration of Justice in India: The Supreme Court and other Courts - Arbitration and consumer forums - various laws and acts like shops and establishments act- Right to Information act- Cyber laws and prevention of money laundering act.

Chapter 3: Law of contracts: Elements of a contract like offer and acceptance - capacity of parties to contract - consensus ad idem - consideration and legality of object- Salient features of the life insurance contract like the principles of indemnity, insurable interest and Utmost Good Faith.

Chapter 4: Provisions of Life Insurance Contracts : Proposal and policy- Policy conditions and privileges - like days of grace- lapse and revival- surrender and loans- accident benefits

Chapter 5: Group life Insurance and other schemes: Group life insurance- Superannuation and Gratuity schemes- Reinsurance- Key man and Property Insurance.

Chapter 6: Life Insurance policies as property: Life insurance as actionable claim and mortgage- Policy loans- Stamp Act provisions.

Chapter 7: Rights under Life Insurance Policies: Assignment, Nomination and MWP Act provisions- loss of policies.

Chapter 8: Claim Settlements: Claims settlement process - Maturity claims- death claims- Presumption of death for missing persons- evidence of title and succession- Minors, Lunatics and Insolvents- Garnishee Orders- Attachment and Prohibitory orders.

Chapter 9: Tax Laws and Life Insurance: Tax on Income and wealth and life insurance- Service Tax.

Chapter 10: Insurance Intermediaries : the Contract of Agency-Appointment of agents-IRDA regulations with regard to Licensing of Agents, Brokers and Corporate Agents- authority of Agent - Rights and responsibilities of agents and Principal-Termination of agency and Renewal / Hereditary Commission.

Chapter 11: Legal status of individuals and life insurance: Nationality- Domicile and Citizenship - Exchange control regulations- Life insurance transactions involving foreign currency, like premium collection and settlement of claims.

Chapter 12: Nationalisation of life insurance – LIC Act 1956.

Chapter 13: Protection of consumers' interests – the consumer Protection Act 1986 - defining 'Consumer', 'Service Deficiency', Unfair and Restrictive Trade Practices- System for Redressal of Complaints- Implications of Consumer Protection act-Consumer Protection Councils and Ombudsman.

Chapter 14: Life Insurance Legislation abroad and Policy Initiatives in India: Life Insurance laws in UK. USA and the European Community- Insurance initiatives in India- formation of Malhotra Committee on Reforms in Insurance sector- Formation of IRDA.

Chapter 15: Provisions of IRDA Act 1999.

IC25 LIFE ASSURANCE MANAGEMENT - Year of Edition 2000

(Existing Course of Year of Edition 2000 is Discontinued for fresh Registration.) For Already Registered candidates existing course of Year of Edition 2000 is applicable up to May 2012)

Principles of organization - Different structures. - Office procedures - Handling grievances - Consumer Protection Act. - Office management - Records - Work simplification - forms - control.

IC 26 LIFE INSURANCE FINANCE- Year of Edition 2011 (Revised)

Chapter 1: Elementary Principles of Accounts

Chapter 2: Life insurance business : Important types of insurance policies.

Chapter 3: Accounting Procedures - Premium Accounting

Chapter 4: Accounting Procedures – Disbursements - Including – Free looks, Policy Payment including Claims, (Special Emphasis On Ulip Claims) Accounting and Health, Insurance.

Chapter 5: Accounting. Expenses of Management (Special Emphasis On Ulip & Health Insurance Exp. Which Requires Allocation To Several Head)

Chapter 6: Investment (Including investment of ULIP, Pension Group Insurance & Health Insurance Policies).

Chapter 7: Final Accounts – Revenue Account and Balance sheet as per IRDA Requirements (POLICYHOLDERS AND SHARE HOLDERS A/C.,)

Chapter 8: Budget and Budget control.

Chapter 9: Innovative Concepts in Accounting,

Chapter 10: Accounting Standard Applicable to Life Insurance Companies,

Chapter 11: Analysis..

Chapter 12: Financial Management Environment in India.

Chapter 13: Application Of Financial Management Concept In Insurance Industry.

Chapter 14: Taxation (Current Scenario)

Chapter 15: Anti Money Laundering Guidelines And PMLA Act.

Chapter 16: Compliance With IFRS (Involving broader concepts)

IC-27 HEALTH INSURANCE

(First Edition: 2010)

Objectives:

To acquaint the candidates appearing for Associateship Examination with the evolution and growth of health insurance sector in India, the constitutional provisions in areas of public health and its different financing models. It gives the reader an insight into the different types of health insurance products, health insurance pricing and the regulatory and legal aspects of health insurance. The book also highlights the importance of reinsurance in health insurance .It also brings out critical aspects with reference to the different kinds of insurance frauds, and methods to combat and mitigate them.

Contents:

Chapter 1: Introduction to Health Insurance: What & Why of Health insurance--Evolution and growth of Health insurance in India - -Understanding the Health System in India - Constitutional provisions in areas of Public Health - -Government Health Dept.at the Central level, State level & District & local levels - - Infrastructure of the Health care system - --Public & Private Health Centers& Health care providers.

Chapter 2: Health financing models and health financing in India: Health financing models - Financing of Health in India - -National Rural Health Mission - Challenges of access to Health care and Service Quality- - Health insurance mechanisms & Financial Protection.

Chapter 3: Health Insurance Products in India: Types of Health Insurance Products in India - - Hospitalization Indemnity product - Personal Accident products - -Critical Illness product--Daily Hospital Cash benefit - Disease management covers - -Outpatient covers - Investment products in health insurance & health savings components - Products for senior citizens - Micro-insurance products - International Coverage products - Other specialized health insurance products.

Chapter 4: Health Insurance Underwriting: Health Insurance underwriting - What & why of health insurance underwriting –Factors impacting morbidity - Basic principles of underwriting (Uberrima fides - Insurable interest - Indemnity - Contribution clause - Proximate cause)-- Documents used for underwriting - The underwriting process - -Numerical Rating method of underwriting - Advantages & Disadvantages of the Numerical Rating Method - Types of underwriting decisions taken - General Exclusions & Standard Exclusions - Group Health Insurance.

Chapter 5: Health Insurance policy forms and clauses: Health insurance contracts - Insurance contracts VS other contracts - Proposal forms used in health insurance - Comparison of proposal forms & questionnaires of health insurance with Personal Accident insurance, Life insurance & Group Insurance...Disability benefit plans or Income Protection - -Long term care plan - Health Savings / Investment Linked plans - -Group Health Insurance Schemes - Commonly used clauses in health insurance - Pre-existing diseases and exclusions - Cancellation Clause - Renewability clause - Standardization of definitions , forms , non-medical expenses in health insurance, standardization w.r.t treatments (STG) .

Chapter 6: Health insurance data, pricing & reserving: Importance and use of data in health insurance for insurers, regulators, government, TPA's and other stake-holders - --Data mandated from insurance companies by regulators - -data warehousing - -Collection and collation of data - Data interpretation and advanced analysis of data - -Insurance Information Bureau - Actuarial function in health insurance companies - Actuarial techniques - Fundamentals of pricing - Claim reserving - Data and data modeling.

Chapter 7: Regulatory and legal aspects of health insurance: Principles and practice of health insurance regulations - Need for regulations in health insurance--Various kinds of risks in health insurance - -Regulatory structure - Licensing and registration - Types of regulations-- - - Enforcement of regulations - Monitoring activity by regulators - Prevention of mis-selling - Health insurance regulations in India - Policy holder's regulation and Grievance redressal system - -health insurance for rural and informal sector workers - Role of IRDA in initiatives for standardization - Pre-existing diseases(PED's) - renewability of health insurance policies.

Chapter 8: Customer service in health insurance: Consumer protection & policy holder's protection - --Claim servicing - types of cashless claims - Grievance redressal - survey on grievance redressal.

Chapter 9: Health Insurance fraud : Introduction - Cause and effects of frauds - Classification of frauds - health insurance frauds Vs general insurance frauds - types of frauds by the consumers - stages of insurance frauds - cash defalcation - types of fraud during in the contractual period and claims stage - -methods to combat and mitigate insurance frauds - technology and process interface - initiatives by IRDA and the industry.

Chapter 10: Reinsurance : Definition of reinsurance - utility of reinsurance - health insurance and reinsurance models - products supported by reinsurers - white labeling - social reinsurance - annual reinsurance programme.

Reference reading :-

- Health Insurance Primer : **Study guide Part A**-Author – American Health Insurance Plans / Place - Washington DC., Publisher - American Health Insurance Plans
- Health Insurance nuts and bolts : **Study guide part B**- Author – American Health Insurance Plans / Place - Washington DC., Publisher - American Health Insurance Plans
- Life and health insurance handbook—Davis . W. Gregg
- Health Insurance –Author—O.D. Dickerson
- Evaluating the Health Insurance Risk –J.M.Wickman

IC 28 FOUNDATION OF ACTUARIAL SCIENCE
(Year of First Edition 2011 (New Course))

Compound Interest,
Accumulated Value, Present Value Investment Value,
Level Annuities, Variable Annuities,
Redemption of Loans,
Further Compound Interest and Annuities certain,
Probability, Mortality Table, Construction of Mortality Table,
Well Known Mortality Tables and Indices for comparison of different mortality tables,
Life Assurance Premiums, Assurance Benefits, Net Premium for assurance plans, Net Premium for
Annuity Plans,
Premium Conversion Tables, Office Premiums,
Policy values, Further Life contingencies.

IC 45 GENERAL INSURANCE UNDERWRITING

(First Edition: 2010)

Objectives:

This course aims at familiarizing the reader with the concepts, principles, practices & procedures adopted by insurers in underwriting all classes of non-life insurance. The course also examines the impact of relevant IRDA Regulations on aspects of rating, underwriting, protection of policy holder's interests, as well as the significance & importance of research, development and applications of information technology.

Contents:

Chapter 1: Introduction to Underwriting: What is insurance – Profile of an Underwriter – What is Underwriting – Purpose & Objectives of Underwriting – Why Underwriting is important – The Underwriting Process – Functions of Underwriting – Risk selection – Classification & Rating – Policy Forms – Retentions and Reinsurance – Rate Making – Types of Underwriters – Underwriting Decisions – Policies on Preferred / Standard / Sub-standard Basis – Monitoring Underwriting Decisions.

Chapter 2: Methodology & Procedures of Underwriting: Underwriting of New Business – Scrutiny of Proposals – Limits of Acceptance – Acceptance subject to Controlling office Approval – Acceptance of Extra Hazardous Risks – Underwriting Safeguards – New Business Procedure - Underwriting of Renewal Business.

Chapter 3: Principles of Rate Making: An introduction – making the Rate Structure – The Process of Rate Making – Mathematical Equations – Pure Premium and Loss Ratio Methods – Trended, Projected Ultimate Losses – Loading Factors – Individual Risk Rating – Experience Rating – Composite Rating.

Chapter 4: Rating Approaches in Pricing: IRDA Guidelines on Classification of General Insurance Products – Class Rated and Individual Rated Products – Class Rating – Individual or Merit Rating – Schedule Rating – Experience Rating – Objectives, Basis, Applicability, Essentials & Disadvantages of Experience Rating – Exposure Rating.

Chapter 5: File & Use Regulations: Goals of Regulatory Supervision of Insurance Business – Filing of Rates & Policy Forms for Regulatory Review – Prior Approval – File & Use – Use & File – FLEX rating Regulation – Components for Product Evaluation – Indian Insurance Market – IRDA Requirement for Consideration & Review of Products – Classification of Products.

Chapter 6: Applications of File & Use Regulations: File & Use Requirement – Role of Board – Underwriting Policy – Roles of Moderator / Compliance Officer / Appointed Actuary / Advocate - Internal Technical Audit – Practical Applications of Guidelines – detailed Discussion on Form A, B, C, & D.

Chapter 7: Tools of Underwriting: Risk Management Framework – Approaches as Tools – Tools for Effective Underwriting - Insurance Documentation – Proposal Form, Policy Document,

Endorsements, Reinsurance Placement Slip, Insurance Certificates, Cover Notes, Renewal Notices – Exclusions – Deductibles – Co-insurance – Reinsurance and Retention levels – Portfolio Management.

Chapter 8: Types of Policies: Classification of Insurance Covers by Subject Matter – Insurance of Property, Earnings/Profits, Liability and Persons – Classification by Insurance Act – Classification by Market Segments – Classification by Perils (Named Perils and All Risks) – Customised Policies – Special Covers.

Chapter 9: Underwriting Profitability & Review Strategies: Planning for Underwriting Profits – Importance of Underwriting Philosophy & Policy – Important Factors in Underwriting policy and Practice – Estimation of Underwriting Profit – Factors that affect Underwriting Results – Rating, Underwriting Guidelines, Policy wordings, Reserving, Claims Processing, High Exposures, High Expenses – Reviewing the Underwriting Policy – Analysis of Claims – Corrective Steps – Underwriting Audit – Review of Claims and Special Events.

Chapter 10: Protection of Policyholder's Interest: IRDA Protection of Policyholder's Interest Regulations 2002 – Stipulations relating to Point of Sale – Proposal – Grievance Redressal Procedure – Policy Contents – Claims Procedures – Servicing – Mutual Obligations – Policyholder's Awareness – Disclosure by Insurers/

Chapter 11: Research & development in Underwriting, Rating & Product Innovation – Challenges Ahead: Need for Research & development – Use of Emerging Technologies – Four Distinct Areas of New Challenges – New Potential Hazards, New Vulnerabilities, Untested Insurance Product, Growing Needs for International Coverages – Innovative Rating Programmes – Reasons for Underwriting Errors – Product Innovation process.

Chapter 12: IT. Applications in Underwriting: Challenging Market Conditions – Conceptual I.T. System Architecture – I. T. System Services – Need for Speed, Flexibility & Functionality – Individualization of Services and Policies – Important Business Concerns – Customer Relationship Management – Technology & Underwriting – Consistency & Speed, Business Process Automation, Managing Underwriting Workflow - Rules Engines – Case Management – Web-based Technologies – Benefits of Technology-based Underwriting – A Different Perspective.

Chapter 13: Glossary of Terms.

References & recommended reading:

5. Advanced underwriting techniques, Joseph Mangan & Harrison Connor
 6. Insurance Company Operations Webb, Lauunie, Rokes and Willis Park
 7. Study on Distribution Functions in General Insurance & Role of Intermediaries, Arun Agarwal / P R Rao
 8. General Insurance for Information Technology Professionals, Martin Frappoli.
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IC 46 GENERAL INSURANCE ACCOUNTS PREPARATION AND REGULATION OF INVESTMENT –

(First Edition: 2010)

Chapter 1: Accounting Scope: Contents - Principles and Standards - Financial Accounting— Meaning and Scope Introduction - Meaning of Accounting - Objectives of Accounting - Functions of Accounting - Limitations of Accounting - Books of Accounts - Accounting Concepts - Principles and Convention; Introduction - Accounting Concepts - Accounting Principles - Accounting Conventions - Accounting Assumptions - Financial Statements - Accounting Standards- Objectives and Interpretation; Introduction - Objectives - Applications & Limitations - Indian Accounting Standard & International Accounting Standard - GAAP and IFRS - Accounting Policies; - Objectives of Accounting Policies - Selection of Accounting Policies - Change in Accounting Policies - Accounting Policies applicable to Non-life Insurance Business - Disclosure of Accounting Policies. Accounting Process - Methods & Control and Finalization of Accounts - Golden Rules of Accounting - Primary Books & Secondary Books - Capital & Revenue Expenditure and Receipts and treatment. - Accounting Methods & Control; - Journals - Cash Book - General Ledger - Trial Balance; Objectives - Rules & Process - Final Accounts.

Chapter 2: Depreciation Accounting: Objectives of providing Depreciation - Methods of providing depreciation - Change in method of depreciation - Disposal of Depreciable Assets & Accounting Treatment - Revaluation & impairment of Depreciable Assets -- Bank Reconciliation Statement: Introduction - Importance of BRS - Preparation of BRS - Analysis of BRS and Accounting Control - BRS and Accounting Adjustment Entry for rectification of errors - Introduction to Company Accounts - Introduction - Meaning of Company - Financial Statements in Company - Accounting of Share Capital- Issue - Reissue & Forfeiture - Debenture -- Non-life Insurance Business Accounting Methods - Techniques & Process - Accounting Process & Techniques of General Insurance Business; Functional Divisions & Books of Accounts - Premiums; Received - Received in Advance - Outstanding - Earned - Claims; Paid - Incurred & Provisioning (including IBNR & IBNER) - Investments - Un-expired Risk Reserves - Co-insurance - Solvency Margin - Accounting Regulations; Introduction - IRDA Regulations on Insurance Accounts - IRDA Regulations—Applications & Interpretations - IRDA Regulations & Accounting Principles - Preparation& Presentation of Financial Statements; Non-life Insurance Business. Preparation of Financial Statements - Revenue Accounts - Balance Sheets - Profit & Loss Accounts - Cash Flow Statements - Financial Statement Analysis and Disclosures - Management Report.

Chapter 3: Reinsurance Accounting: Objectives: proportional & non-proportional arrangements - Requirements of Reinsurance Accounting - Reinsurance Portfolio Statement - Statement of Reinsurance Treaty - Reinsurance Accounting Techniques - Reinsurance Commission & Profit Commission Statement - Investment Accounting - Classification of Investments & exposure norms of investment - Valuation of Investments - Provisioning - Disclosures.

Chapter 4: Annual Reports: Disclosures and Audit in General Insurance Business - Annual Reports; Basic Contents of Annual Reports - Contents of Directors Reports - Disclosure in Director' Report - Interpretation of Directors' Report - Annual Report & Director's Responsibility statement. Audit; Introduction; Scope - Concepts and Standards of Audits - Internal Audit & Internal Control - Internal Audit Techniques & procedures in Computerized Environment - Statutory Audit & the Companies Act 1956 (As amended) - Statutory Audit & Auditing and Assurance Standards - Govt. Audit & Statutory Provisions - Special Audit (tax audit - regulatory inspections)

IC47 (A-1 FOUNDATION OF CASUALTY ACTUARIAL SCIENCE PART-I)
(Year of Edition 2007)

Introduction - the Actuarial Science - theory and practice - Characteristics of Actuarial Science, - Actuarial education - Actuarial research - insurance risk –rate making-pricing-credibility-reserving-risk theory-definition of risk- types of risk – risk management – risk control – risk financing – risk financing option for an insurer- financial – applications – examples.

Rate making – concept of rate making- basic terminology – rate making process – trended – projected – ultimate losses – expense provisions – profit and contingencies – expense provisions – overall rate indications – classification rates.

Individual risk rating – introduction – goal of individual risk rating – prospective systems – schedule rating – experience rating- composite rating – retrospective rating – designing an individual risk rating system.

Loss reserving – accounting system – claim department reserving – loss reserve definitions – loss reserving principles – loss reserving process – explanatory data analysis – loss reserve estimation methods – paid loss development – incurred loss development – claim count development – average paid claim projection – allocated loss adjustment expenses – unallocated loss adjustment expenses – evaluation of ultimate loss estimates – monitoring result – an actuarial model of loss development.

Risk classification – introduction relationship to other mechanisms – criteria for selecting – rating variables – examples of classification systems –forces affecting classification systems – measures of efficiency – estimating class relativities.

IC 51 FIRE HAZARDS OF SPECIFIC INDUSTRIES

(For already registered candidates Existing course of Year of Edition 2001 is Continued up to May 2012)

The processes, fire hazards and loss prevention measures thereof, relating to the following industries: Cotton ginning and pressing factories and godowns - Textile Industry - Tea Industry - Rubber Industry - Paper Industry - Chemical Industry - Solvent extraction plants - Hydro-Carbon processing industries - Engineering industries - Jute industries.

IC 52 General FIRE HAZARDS (For already Registered candidates Existing course of Year of Edition 2001 is Continued upto May 2012)

Originating and contributory causes of fire hazards - Fire load – Fire resistance – Fire grading of structures – Hazards arising from construction - Hazards arising out of exposure and height, size - Hazards of air-conditioning and ventilation systems - Air moving equipments, Refuse handling systems and such other services - Hazards of boilers and furnaces - Industrial furnaces/ ovens – Heat transfer and fluid power systems – Internal combustion engines - Nature of combustion, explosion and implosion - Inorganic and organic chemicals and their hazards - Industrial processes – Silent Risks - Hazards of electrical equipment – Power transmission - Hazards of static electricity - Misuse of electricity – Prevention of electrical hazards - Hazards of dangerous atmosphere - Assessment and prevention to fire hazards of substances Spontaneous combustion - Fire protection and detection systems – Management and good housekeeping – Role and functions of LPA and Fire Brigade – Mutual Aid Schemes.

IC 54 FIRE INSURANCE UNDERWRITING

(For already Registered candidates Existing course of Year of Edition 2001 is Continued upto May 2012)

Application of basic principles to fire insurance - Structure of All India Fire Tariff and Rules and Regulations there under - The Standard Fire and Special Perils Policy - Coverage, exclusions and conditions - Add-on covers - Floater policies, Declaration policies, Floater-Declaration policies, Reinstatement Value policies - Insurance of rent and additional expenses for alternate accommodation - Special clauses - Theory of rating - Tariff system of rating - Basic rate, discounts and extra premium - Method of computation of Rate - Fire Insurance documents - Proposal form - Risk Inspection report - Acceptance-cum-Receipt - Renewal Notice - Cover note - Drafting of policies and endorsements - Calculation of premium - Underwriting - Retention's - Probable Maximum Loss - Reinsurance - Petrochemical Risk - Industrial Risks policy - Mega risks - Fire insurance practice in the U - K - and the U.S.A.

IC 55 CONSEQUENTIAL LOSS (FIRE) INSURANCE

(For already Registered candidates Existing course of Year of Edition 1999 is Continued upto May 2012)

History, evolution and scope - Effects of interruption - Conditions and exclusions - Underwriting - Rating – Forms - Determination of loss - Extensions and additional perils.

IC 56 FIRE INSURANCE CLAIMS

((Revised Edition: 2011)

Principles of Fire Insurance - Utmost Good Faith, Insurable Interest, Indemnity, Subrogation and Contribution – Standard Fire and Special Perils Policy - Coverage - General exclusions – Add-on Covers and related exclusions - Special Clauses applicable to basic cover and Add-on covers. – Conditions and Warranties - Various Fire Warranties – Situations leading to Non-Standard Claims settlements and Ex-gratia settlement and their features

Procedural Aspects – Preparation of Claim Notes - Office procedures relating to claims. Claim Forms- Appointment of Surveyors. Rights – Duties - Duty of the Insured - Onus of proof — Duty of the Insurers after a fire claim - Claims Under Special Policies – Reinstatement Value Policies Local Authority Clause—Declaration Policy - Floating Policy—Impact of ‘Omission to Insure Additions, etc.’ Clause- types of Losses - Meaning of Indemnity- Extent of indemnity & associated limitations – Meaning of Value and Depreciation – Reinstatement Value, Market Value, Depreciated Value and Book Value in Fire Insurance.

Issues Affecting Claim Amounts - Value of Salvage - underinsurance/pro-rata condition of average – Effects of Contribution - Claims under Concurrent & Non-concurrent Policies. Salvage disposal Procedures - Arbitration Procedures. Process of SURVEY & LOSS ASSESSMENT- Preliminary Survey Report – Final Survey Report— Loss minimization suggestions by the Surveyors— Legal Aspects of FIRE Insurance - Case Laws Related To Fire Material Damage - Doctrine of Proximate cause - Insured Perils/ Excluded Perils/ Extended Perils (add-on covers)- Modifications in ‘excluded perils’ wordings under the Fire policy- Direct & Indirect Losses – “Without Prejudice” Waiver & Estoppel—Rules of Construction of policy Assignment of Claim Proceeds— Payment by mistake – Frauds in Fire insurance & Fraudulent claims – Case Studies on Complicated claims – Worked out sums for simple & complicated Fire Claims and related question solving – Various Redressal Forums Available in Relation to Fire Insurance Policies – Protection of the Policy Holders’ & Other Stake Holders’ Interest.

IC 57 - FIRE & CONSEQUENTIAL LOSS INSURANCE-

(Revised Edition: 2010)

Objectives:

The objective of this course is to familiarize the reader with the coverage under Fire & Consequential Loss (Fire) Insurance policies and specialized policies for large industrial & petrochemical risks. The course also specifically deals with fire hazards & loss prevention, risk inspection report, rating & underwriting systems, policy drafting and legal, practical and procedural aspects of claims.

Contents:

Chapter 1: Basic Principles & The Fire Policy:

Background – Insurable Property – Indian Contracts Act 1872- Basic Principles of Insurance – Utmost Good Faith – Insurable Interest – Indemnity – Terms Relating to sum insured viz. Reinstatement Value, Market Value, Book Value – Subrogation – Contribution – Fire Tariff & its Sections – Standard Fire & Special Perils Policy – Insured Perils – General Exclusions – Conditions,

Chapter 2: Add On Covers & Special Policies:

Spontaneous Combustion – Earthquake – Forest Fire – Impact Damage – Architects etc Fees – Debris Removal - Reinstatement Value Policies & Local Authorities Clause - Declaration Policies - Floating Policies – Floater Declaration Policies – Special Clauses,

Chapter 3: Fire Hazards and Fire Prevention:

Hazard Based Risk Classification – Originating Hazards – Contributory Hazards – Hazards Originating from Construction – Constructional Features - Silent Risk – Hazards Arising from Goods – Miscellaneous Hazards – Fire Protection Systems – Good Housekeeping,

Chapter 4: Erstwhile Tariff Rules & Rating:

The Standard Fire & Special Perils Policy – Partial Insurance – Short Period Rates – Cancellation of Policies – Mid-term Cover – Rating – Simple Risks – List of Hazardous Goods – Industrial & Manufacturing Risks – Utilities – Storage Risks – Classification of Goods – Tanks & Gas Holders,

Chapter 5: Documents:

Information through Proposal Form – Risk Inspection Report – Premium – Cover Note – Warranties & Clauses – Policy Schedule – Endorsements – Renewal Notice,

Chapter 6: Underwriting:

Definition of Underwriting – Classification of Underwriting Factors - Large Volume of Business – Selection of Business – Fixing Retentions – Reinsurance Objectives & Types – Proportional Treaties – Non Proportional Treaties – Indian Fire Reinsurance Programme – Guidelines on File & Use Procedures – Reinventing the Principles of Underwriting – Corporate Governance,

Chapter 7: Claims Legal Aspects:

Essentials of Processing & Settlement of Claims – Duties of the Insured – Onus of Proof – Doctrine of Proximate Cause – Insured perils – Excepted Perils – Rights of Insurers – Warranties – Ex-gratia Payments – Without Prejudice – Rules of Interpretation – Amount of Claim Payable – Meaning of Value in Relation to Buildings / Machinery / Furniture, Fixtures, Fittings / Stocks / Household Goods & Personal Effects – Salvage – Contribution – Subrogation – Pro-rata Average,

Chapter 8: Claims Procedural Aspects:

First Step on Receiving Intimation of a Claim – Registration – Issue of Claims Form – Appointment of Surveyor – Preliminary Survey Report – Process of Surveying & Loss Assessment – Examination of Policies – Inspection of Scene of Loss – Cause of Loss – Assessment of Loss – Final Survey Report and its Contents – Final Assessment of Loss,

Chapter 9: Consequential Loss Insurance 1:

Object of Consequential Loss Insurance – Basis of Profits Insurance – Measure of Indemnity – Indemnity Period – Sum Insured – Examples of Standing Charges – The C. L. Policy – Material Damage Proviso – Particulars in the Policy Schedule – The Specification – Definitions of Net profits / Standing Charges / Gross Profit / Turnover / Indemnity Period / Rate of Gross Profit / Annual Turnover / Standard Turnover – Adjustment Clause – Variations & Special Circumstances – Worked Examples / Departmental Clause – Return of Premium – Losses not Payable,

Chapter 10: Consequential Loss Insurance 2:

Components of Rate of Premium – Basis Rate – C L Rate – Extensions of Cover – Insured Property at Other Locations – Damage at Supplier's Premises – Insurance of Wages – Auditor's Fees – 'Output' Basis Specification – 'Difference' Basis Specification – New Business Clause – Revenue Policies – Gross Fees Policy – Claims Procedure,

Chapter 11: Specialised Policies & Overseas Practice:

Oil & Petrochemical Plants Insurance – System & Provisions of Erstwhile Special Tariff on Petrochemical Risks – Industrial All Risks Insurance Policy Details - Practice in U.K. relating to Standard Fire cover / All Risks Policy / Treatment of Other Perils / Fixation of Sum Insured / Combined Policies / Package Policies – Practice in the U.S.A.

References & recommended reading:

1. Business interruption insurance,
 2. D Cloughton,
 3. Principles and practice of fire insurance in the United kingdom, Frank Godwin
 4. Small fire surveys, J Hunter Cox
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IC 58 – FIRE INSURANCE COVERAGES

(First Edition: 2011)

Objectives:

The course describes various types of Fire insurance policies as available and practiced in India & abroad. Objective of this course is to familiarize the reader with such policies along with the principles & practices of Rating & Underwriting of Fire insurance coverages.

Contents:

Chapter 1: Application of Basic Principles to Fire Insurance: Fire Insurance Cover – Meaning of Fire – A Legal Contract – Basic Principles viz. Insurable Interest – Indemnity - Utmost Good Faith – Proximate Cause – Average – Impact of Excess Clause,

Chapter 2: The Standard Fire & Special Perils Policy: Preamble – Perils covered viz. Fire, Lightning, Explosion/Implosion, Aircraft Damage, Riot, Strike, Malicious Damage, Flood Group of Perils, Impact Damage, Subsidence, Landslide including Rockslide, Bush Fire,

Chapter 3: General Conditions, Exclusions and Warranties: Deliberations on Conditions No. 1 to 15 – Policy Exclusions – Warranties,

Chapter 4: Special Types of Policies in the Indian Market: Reinstatement Value Policies – Floater Policies – Declaration Policies – Floater Declaration Policies,

Chapter 5: Structure, General Rules & Regulations of Erstwhile All India Fire Tariff: Tariff Structure – Sections with Headings – Policy Document together with Declarations, Schedule, Endorsements, Warranties, Clauses, Specification to form Part of the contract – Valued Policies – Long Term Policies – Mid-term Cover – Payment of Premium – Minimum Premium – Partial Insurance – Short Period Scale of Rates – Loadings – Cancellation Rules – Mid-Term Revision of Sum Insured – Escalation Clause – floater Policies – Declaration Policies – Floater Declaration Policies – Loadings & Discounts for Claims Experience – FEA Discounts – Silent Risks – Voluntary Deductibles – Rate Computation Method – Detariffed market Situation – Underwriter's Acumen – major issues in Detariffing – Regulator & Road Map – Data Collection – Detariffed Pricing Factors- Burning Cost & alternate Method,

Chapter 6: Policy Drafting, Endorsements & Premium Computation: Proposal form – Risk Inspection Report Scope & Purpose – Premium – The Schedule – Drafting of Policy – Endorsements – Renewal Notice,

Chapter 7: Add on Covers: Architects Surveyors & consulting Engineer's Fees - Removal of Debris – Spontaneous Combustion – Earthquake – Forest Fire – Spoilage Material Damage – Leakage & Contamination,

Chapter 8: Special Clauses: Agreed Bank Clause – Cost of Re-erection – Declaration Clause – Local Authorities Clause – Reinstatement Value Clause – Voluntary Deductible – Loss of Rent - Additional Expenses on Rent for Alternate Accommodation – Contract Price Clause – Designation of Property Clause – Temporary Removal of Stocks – Omission to Insure Additions, Alterations &

extensions, Background of Growth and Fire Insurance Tariff – Classification of Flammable Materials – Tariff Definitions – Warranties – Rating Procedures – Voluntary Deductible – Industrial All Risks Insurance eligibility Criteria – IAR Policy Composition & Coverage Details – Deductibles – add-on Covers – Rating Considerations,

Chapter 9: Petrochemical Risks, Industrial All Risks & Mega Risks: Petrochemical Tariff Special Provisions – Salient Features – Scope – Definitions – Excess Clause – Silent Risks – Minimum Requirements – Rulings – Method of Rating – Rating Procedure – Various Hazard Factors & Rating Tables – Warranties for Discounts & Loadings – Mutual Aid Scheme, Industrial All Risks (IAR) Insurance – Eligibility – Policy Structure & coverage – Special Exclusions and Conditions – Rating Procedure – Add-on Covers, Mega Risks Policies – Definition – Structure – Sections, Proposal Forms and Additional Questionnaires, IRDA Regulation and its Important Features,

Chapter 10: Consequential Loss (Fire) Insurance: Background & History – Pre & Post Fire Situations Comparison Table – Loss of Earning Power – Interruption & Its Effects on Accounts – Consequential Losses Not covered – Moral Hazard – Percentage of Fire Loss Policies and Evolution of Coverage – Outline of Present Policy with Examples,

Chapter 11: Consequential Loss (Fire) Insurance Part II: Scope of Present Policy – The Standard Policy Form – material Damage Proviso – Policy Conditions – The Schedule – The Specifications for Turnover & Output Basis of Coverage – Indemnity Period – Accumulated Stocks – Standing Charges – Gross Profits – Rate of Gross Profits – Adjustment Clause – The Trend of business – Variations & special Circumstances – Increase in Cost of Working – Savings in Standing Charges – Average Illustration of Loss Computation,

Chapter 12: Fire Insurance Coverage in Global Markets (U K & USA): Practice in U.K. relating to Standard Fire cover / All Risks Policy / Treatment of Other Perils / Fixation of Sum Insured / Combined Policies / Package Policies – Practice in the U.S.A.

References & recommended reading:

5. Fire insurance: theory and practice, Smith & Francis
 6. Property and Liability Insurance Handbook, John Long & Davis Gregg
 7. Fire underwriting in theory and practice, George Hurren
 8. Principles and practice of fire insurance in the United kingdom, Frank Godwin
 9. Small fire surveys, J Hunter Cox
 10. Business Interruption Insurance, D Cloughton
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IC 59 – FIRE INSURANCE RATING & UNDERWRITING

(First Edition: 2011)

Objectives:

The objective of this course is to familiarize the reader with the concepts, principles & practices of Rating & Underwriting of Fire insurance business. The course also specifically deals legal, practical and procedural aspects of rating and underwriting as well as claims case studies and redressal mechanisms available to the insureds in case of complaints.

Contents:

Chapter 1: Basic Principles: Background – Insurable Property – Insurable Perils- Basic Principles of Insurance – Utmost Good Faith – Insurable Interest – Indemnity – Terms Relating to sum insured viz. Reinstatement Value, Market Value, Book Value – Subrogation – Contribution – General Terms & abbreviations used.

Chapter 2: Underwriting & Reinsurance: Underwriting Objectives and Factors – Spread of Business – Selection of Business – Fixing Retentions – Reinsurance Forms & Methods – Fire Reinsurance Programme of Indian Insurers.

Chapter 3: Drafting of Policies, Premium Calculation & Issuance of Endorsements: Proposal Form – Risk Inspection Report Objective, Purpose and Procedures – Premium & Acceptance Advice – Drafting of Policy – Endorsements,

Chapter 4: Tariff Rules & Regulations: Role of erstwhile TAC – All India Fire Tariff – The Standard Fire & Special Perils Policy - Proposal Form – Valued Policies – Long Term Policies- Mid-term Cover – Payment of Premium – Partial Insurance – Short Period Rates – Rules for Cancellation – Mid-term Revision in Sum Insured – Rating of Multiple Occupancy Risks – Silent Risk,

Chapter 5: Guidelines on “File & Use” Requirements: Applicability – Prohibition on Variations in Tariff Wordings – IRDA Requirements – Filing of Products – File & Use Requirement – IRDA’s Rights – Board Approval of Underwriting Policy – Classification of Products viz Class Rated, Individually Rated & Exposure Rated – Insurance of Large Risks – Data Support & Role of Actuary – Documents Required to be Filed,

Chapter 6: Underwriting Practices: New Dimensions in Underwriting & Rating – New Dimensions in Underwriting Fire Insurance – Board Approved Underwriting Policy – Role of other Institutions in Improving Fire Insurance Underwriting Standards - Add-on Covers – Evaluating the Add-on Covers,

Chapter 7: Special Policies & Clauses: Floater Policies – Declaration Policies - Floater Declaration Policies – Reinstatement Value Policies & Extension Clauses such as Local Authorities

/ Escalation / Removal of Debris / Architects Surveyors & consulting Engineer's Fees / Loss of Rent / Additional Expenses for Alternate Accommodation / Contract Price / Designation of Property / Temporary Removal of Stocks / Agreed Bank Clause / Omission to Insure,

Chapter 8: Petrochemical Insurance Policies: Background of Growth and Fire Insurance Tariff – Classification of Flammable Materials – Tariff Definitions – Warranties – Rating Procedures – Voluntary Deductible – Industrial All Risks Insurance eligibility Criteria – IAR Policy Composition & Coverage Details – Deductibles – add-on Covers – Rating Considerations,

Chapter 9: Protection of Policyholder's Interests: IRDA Regulation and its Important Features,

Chapter 10: Information Technology Application in Fire Insurance Rating & Underwriting: Background – Data Quality – MIS – Segmentation – Risk Management – Reinsurance,

Chapter 11: Overseas Practice: Practice in U.K. relating to Standard Fire cover / All Risks Policy / Treatment of Other Perils / Fixation of Sum Insured / Combined Policies / Package Policies – Practice in the U.S.A.

References & recommended reading:

11. Fire insurance: theory and practice, Smith & Francis
 12. Property and Liability Insurance Handbook, John Long & Davis Gregg
 13. Fire underwriting in theory and practice, George Hurren
 14. Principles and practice of fire insurance in the United Kingdom, Frank Godwin
 15. Small fire surveys, J Hunter Cox
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IC 61 CARGO LOSS PREVENTION

(For already registered candidates Existing course of Year of Edition 2000 is continued up to May 2012)

Types and causes for marine cargo loss. Role of Insurers in cargo loss prevention. Activities and role of L.P.A. (Loss Prevention Association) and IUMI (International Union of Marine Insurers). Packing and Packaging: Progress made in other countries of the world. Various types and methods of packing. Role of Indian Institute of Packaging. Storage of cargo: Factors affecting safety of cargo in storage. Staking methods for bagged cargo, cases, cartons, bales, barrels, drums, C.I. sheets, pipes and bars, etc. Special precautions for storage of hazardous cargo.

Material handling: Safe handling practices for various types of packages and cargo. Road transportation of hazardous substances – Motor Vehicles Act and Rules – Loading and unloading operations and suitability of cargo handling gear, safe working practices and systems.

Common causes of loss/ damage to cargo during inland transit by rail/ road and minimization of losses.- Stowage on board ships: Types of damage cargo can suffer from improper stowage and how this can be avoided through correct preparation of cargo holds to receive various types of cargo. - Unitization and containerization: Major types of losses to which unitized/ container cargo is prone to General stowage rules for safe carriage of unitized cargo – containerization of dangerous cargo – JMDG Code – Multi Modal transportation. - Theft/ Pilferage: - Ports and customs procedures.

IC 62 COMMERCIAL GEOGRAPHY

(For already Registered candidates Existing course of Year of Edition 1999 is Continued up to May 2012)

Scope and relevance to marine insurance. - International trade and factors governing supply and demand. - Study of basic geographical concepts, like the Solar System, Latitudes and Longitudes, sea depth distribution, ocean currents, tides, coral reefs and islands, etc. Earthquakes and volcanic eruptions and areas prone to these catastrophes. - Institute Warranties and their application. - A detailed study of the main sea routes of the world, including Suez and Panama Canal Routes and geographical and commercial factors involved. - Rail and Road Transportation - Coastal trade - Air transport. - The attributes of ports, harbors and hinterlands. Principal ports of the world including a study of conditions in each such port, Geographical location, extent of commercial importance and facilities available for handling and storing cargo etc. - Major principal commodities.

IC 63 MARINE CLAUSES

(For already Registered candidates Existing course of Year of Edition 1999 is Continued upto May 2012)

S.G. Form and the New MAR form of the Marine Policy Endorsements Institute of London Underwriters – Technical and Clauses Committee of I.L.U.

Fishing Vessels Clauses. Institute clauses for Hull, freight, and cargo used in the international market – Non-Institute clauses – Institute Standard Conditions for Cargo Contracts Clauses used in India – Sailing Vessels clause - Inland Vessels clause – Trading Warranties. Trade Clauses. Duty and increased value insurance clause - seller's contingency clause - Rejection Insurance Clause. Duty Exemption Scheme - Marine policy form. Special Declaration Policy and Annual Policy for inland Transit - Inland Rail/ Road Transit clause - F.O.B. Shipments - Registered Postal Sendings - Clause for Diamonds and Precious stones exports.

IC 65 MARINE UNDERWRITING

(For already Registered candidates Existing course of Year of Edition 1999 is continued up to May 2012)

Marine insurance market in India and the U.K. - 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 (Bills of exchange, documentary credits, etc.) - Underwriting documents - Rules of interpretation - Payment of premium - Stamp duties - Exchange control regulations regarding payment of premiums. - Risks and rating factors in Cargo Underwriting. - 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. - Common types of vessels including their operating and risk characteristics. - Types of policies to cover ship owner'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. - Abbreviations - Shipping, insurance and commercial terms. - New developments in underwriting in the international market.

IC 66 MARINE INSURANCE CLAIMS

(Revised Edition: 2010)

Objectives:

This course is designed to provide a comprehensive understanding of the principles and practices of processing and settlement of claims under Marine Cargo, Hull and Freight Insurance policies. It emphasizes on developing an appreciation for various methods for assessment of claims and the risks covered. The focus is on providing a complete understanding of the procedures and calculation aspects of the claims and the conventions guiding them.

Contents:

Chapter 1: The underlying principles of Insurance –factors for determination of claim-terminologies relevant-third parties associated with handling of losses.

Chapter 2: The types of losses - Actual/Constructive Total Losses -.Losses under Freight Policies-Measure of Indemnity for total Loss-Subrogation –Abandonment- Particular average- General average-Sue and labour charges-Salvage Charges-York Antwerp Rules 1974- Successive losses-Excess and Franchise.

Chapter 3: Procedure for intimation of claims-How claim arises under Constructive Total Loss and Particular average-Amount Recoverable-Detailed explanation of General Average Sacrifice, ,Expenditure and Contribution - Actual Total Loss Amount recoverable-Normal, Natural or ordinary losses –Trade losses

Chapter 4: Duty Insurance-Increased value Insurance- Claims under War Risks/Strikes clauses-Claims documents-Appointment of Surveyor-Purpose of survey- Survey Report-Short Packing-Supervised Discharge of cargo.

Chapter 5: Cargo claims Procedure- Exchange Control regulations affecting claims- Direct Insurance outside India-Currencies in which marine Policies may be issued- - Remittance of claims on exports – Payments in foreign currency of certain import claims- Customs clearance procedure-Refund of Duty-Bill of entry form.

Chapter 6: Recoveries-Open Delivery of cargo –Claims settlement on shipments by sea – Claims settlement on dispatches by inland Transit – Marine Claim form contents – Time limits for lodging claims/filing suits with carriers/-Various Acts governing the carriage of goods by sea/air/rail/road – Hague Rules - Rights and Immunities –Hamburg Rules – Notice of loss/damage/delay.

Chapter 7: Recoveries- Carriage of goods by Rail - Duties of Railways as a carrier- at owner's risk – Goods in defective condition-Carriage in open wagon-Delivery at private siding-Rail clearance procedure-Railway Claims Tribunal Act – Carriage by Road – legal aspects- Clearance

procedure –Multimodal Transportation of Goods Act- Liabilities and its limits – Liabilities of Port authority of India- Postal Sending's - Recovery from customs.

Chapter 8: Hull insurance Claims-Total loss-Partial loss-Amounts recoverable- Main Insurance coverage's for Hull and Machinery – Perils and exclusions – Particular Average claims procedure – Successive losses- Arrangements for survey – Policy deductible – Dry docking - Total Loss claims – Actual Total loss – Constructive total loss – Abandonment - Sue and labour charges – Claims Processing and documentation – Ocean Going Vessels -Sailing Vessels –Inland Vessels –Fishing Vessels – Hull survey Reports - Recovery.

Chapter 9: How liability arises – Three / fourth collision liability – Single liability – Cross liability – Limitation of liability – Maritime Convention Act – Sistership Clause – Protection and Indemnity clubs - Freight claims – Partial and Total loss –Types of freight – Insurance of freight – Measure of Indemnity for partial loss of freight – Franchisee clause – Total and Constructive Total loss of freight –Documentation and adjustment of freight claims .

Chapter 10: The concept and meaning of General Average with examples – Essential features of General average – York Antwerp Rules – Guiding rules of practice for Average adjusters –Basis of valuation – Salvage remuneration – Temporary repairs – Expenses at port of refuge – Amount made good in G.A sacrifice -Contributing Interest and Contributing values - Vessel in ballast and under Charter – Interest on losses made good in G.A with examples of adjustment – General Average Adjustment procedure – Salvage and Salvage charges – Successive or Consecutive General Averages – Application of General Average to policies of Insurance – Application of General Average to policies on Ships /Cargo and to freight along with examples of claim adjustment.

Recommended Books

The Principles of Marine Insurance - A.Primer by Harold Turner

Marine Insurance Claims by Leslie.J.Buglass, Marine Insurance Claims by J.K Goodcare ,Whetherby Clauses

IC 67 MARINE INSURANCE

(Revised Edition: 2010)

Objectives:

This course familiarizes the students with Principles and Coverage's under Marine Cargo and Hull policies .It explains the considerations of rating and underwriting along with claims procedures to be followed .It also helps develop an understanding of General Average and its adjustments from Insurance perspectives and informs about the procedural aspects of recoveries from various third parties and measures for prevention of Maritime fraud .

Contents:

Chapter 1: Evolution and need for Marine Insurance – Various Acts to regulate the Marine Insurance Market – Organisation of Lloyds – International Maritime Bureau – Tariff Advisory Council – General Insurance council – Marine Insurance Act.

Chapter 2: Fundamentals of Principles guiding the Marine Contract- Warranties – Utmost Good faith – Insurable Interest – Reinsurance – Assignment and passage of interest in Marine Insurance – Indemnity- Valued and Unvalued Policies – Subrogation – Abandonment – Contribution - proximate cause.

Chapter 3: Proposal Form – factors for acceptance –Type of Vessel – The Voyage or Transit – Type of Cargo – Packing forms – Containerization – Conditions of Insurance – Inco Terms – Declaration Forms – Marine Cover Note – Policy Form – endorsements.

Chapter 4: Rules of Interpretation –Stamp Duty for Cargo Policies – Risks covered by Institute Cargo Clauses (A)/(B)/(C) – Exclusions – Duration of cover- Termination of contract of carriage – Institute War Clauses – Institute Strikes Clauses-Sea/Air – Registered Mail and Postal Sending by Air- Institute Replacement Clause-Pair and Set Clause – Cutting clause- label clause –Picking Clause _Garbling Clause – Cargo ISM Endorsement –Loading /Unloading Clause .

Chapter 5: Institute Trade Clauses – Institute Coal clauses – Institute Jute Clauses – Institute Bulk Oil Clauses – Package Policy For Coffee – Package Policy for Cardamom Estates – Package Policy for Rubber Estates – Tea Crop Insurance – Cargo in sailing vessels Inland transit Clauses 9Rail /Road)-(A)/(B)/(C) - Container Insurance – Limits Clause.

Chapter 6: Types of Coverage's – Specific Policy – Open covers- Declaration of Consignments – Open Policies – Annual Policy – Duty and Increased Value Insurance – Insurance on FOB terms – Shut out Cargo – Sellers Interest Contingency –Special Storage risks Insurance –Package Policy under Duty Exemption Scheme - Multi Transit policy – Stock Throughput Insurance policy – Sales turnover Insurance – Marine (Advance) Loss of profits Insurance – Buyer's Contingency Insurance –Important Conditions – Difference in conditions cover – Frieght Contingency Insurance- Strikes expensive /war expenses.

Chapter 7: Hull Insurance – Classification of Vessels – Indian register of Shipping – Types of vessels –Types of Policies – Institute Time Clauses –Hull – Perils covered – Pollution Hazard – Duty of the Assured (Sue & Labour) – Collision Liability – Sistership – Deductible – Notice of claims – Disbursements Warranty - Termination – Perils .Pollution Hazard –Class ISM – Optional covers –Institute Voyage Clause –Insurance of Freight – Time and Voyage freight clauses –Valued and unvalued Policies – Loss of freight – Loss of Time clause – Claim documents – Port risk insurance – Institute Fishing Vessels Clause – Protection & indemnity Associations.

Chapter 8: Hull proposal form- details of the vessel –trade details – documents – Valuation of ship – Classification of vessels – Rating factors – Hull initial rating – Renewal rating – Risks with adverse underwriting features – Warranties- Insurance of Fishing vessels – conditions of Insurance – insurance of Sailing vessels – Insurance of Inland Vessels – Insurance of dredgers .

Chapter 9: Marine Claims – Actual Total Loss – Constructive Total loss – Particular Average – Salvage Loss – General Average Loss – Sue and labour charge – Particular Charges – Salvage

charges –Forwarding Charges – Extra Charges – Cargo Claims – Procedures – Insurance Surveys – Claims Payable Abroad – Recoveries from third parties – Hull Insurance Claims –Total Loss – Partial loss – Particular Average – General Average – Salvage charges – Sue and labour Charges – Collision Liability –Claims of Ocean going vessels –fishing vessels –sailing vessels –inland vessels – General Average –Application of insurance to G.A Contribution and G.A Sacrifice- Adjustment of G.A – Salvage liability.

Chapter 10: Marine recoveries from third parties – Indian Carriage of Goods by Sea Act- Shipowner responsibility, liabilities/rights and immunities – Notice of loss or damage – Time limit for legal action – Carriage of goods by Rail – Rights /Liabilities of Railway Authorities- Carriage of goods by Road Act – Carriage by goods by Air-Multi Modal transportation/responsibilities/liabilities/limits – Liabilities of Port Authorities – major and other ports – Postal Authority – Customs –Salvage Disposal.

Chapter 11: Methods for payment in International trade- Consignment purchase – Down payment – Open account – Documentary Collections – Letter of Credit – detailed working procedure – Uniform customs and practices for Documentary Credits – Signatories –Cover note – Currency of coverage – amount of coverage – port to port cover – excess/franchise.

Chapter 12: Cargo Loss control and prevention – Theft, Pilferage and Non – delivery – Handling and Stowage damage – Water damage – Multi Modal containerization –its inspection and packing and stowing of cargo – Reinsurance of Marine cargo and hull risks –Methods of Reinsurance – Proportional – Facultative – Quota share Treaty – Surplus Treaty - Non proportional – Excess of loss – Stop loss - Pooling arrangements – Alternative risk transfer-Common Reinsurance Programme – Maritime frauds – Scuttling frauds –Documentary frauds – Cargo thefts – Chrtly fraud - Piracy - Maritime fraud prevention in cargo and hull insurance.

Recommended Books for Reading

The Principles of marine Insurance by A Primer by Harold Turner, Controlling Cargo theft by Tyska Fennely, Inland Marine Insurance –Roderick McNamma , Arnould on the law of Marine Insurance by Lord Chobley

IC -68 MARINE INSURANCE COVERAGES

(First Edition: 2010)

Objectives:

The contents of this book are designed to develop a better understanding of concept, principles and practice of Marine insurance. It also helps to acquire an in-depth knowledge of the clauses providing the coverage or exclusions for the Marine risks. It also acquaints them with trading clauses for various commodities.

Contents:

Chapter 1: Introduction to Marine Insurance – Institute of London Underwriters – The Marine policy form – Marine Policy drafting guidelines – Endorsements and their types – Rules of Interpretation of the Policy wordings – Special features of Marine features .

Chapter 2: Basic Principles - Utmost Good faith – Warranties – Insurable interest and their kinds – Passage of Interest and assignment of policies of Marine insurance-Indemnity – Valued and Unvalued policies – Principles of subrogation – Principles of Contribution –Proximate cause – Onus of Proof .

Chapter 3: Inco Terms –Purpose and Inferences - Structure of Incoterms - Relevance of Inco Terms.

Chapter 4: Marine Insurance Coverages – Institute Cargo Clauses – Exports and Import trading- Marine Cargo policies .

Chapter 5: Marine Cargo Clauses – Losses covered – Analysis of the old and new Clauses – Comparative analysis of Risks covered by ICC (A),(B),(C) – extraneous risks – Stranding of vessels – overturning – collision of vessels - General Average Sacrifice – Jettison – washing overboard – Both to Blame Collision clause.

Chapter 6: Exclusions under the Institute Cargo Clauses – Implications of the changes – Detailed analysis of the exclusions with examples – Unseaworthiness - Willful misconduct – War – Strike -loss by delay – Inherent vice.

Chapter 7: Important sub clauses in ICC (A)/(B)/(C) – Transit Clause – detailed discussion with implications and explanatory notes – Termination of Contract of carriage – Insurable Interest clause – Forwarding charges Clause – Constructive Total clause – Increased Value clause – Not to Inure Clause – ICC (Air).

Chapter 8: War and Strike clauses under ICC – Risks covered – Risks excluded – Duration of cover – Waterborne Clause – Port delay clause – Institute Strike Clause – ICC (Air)- War /Strike .

Chapter 9: Other Clauses - Institute Classification clause for Vessels –Institute Replacement clause – Institute theft, pilferage and non delivery clause – Institute War cancellation clause – Label clause – Pair and Set clause – Pickings clause – Garbling Clause – Important Notice Clause.

Chapter 10: Institute Commodity Trade clause – Institute Jute clauses – Institute Bulk Oil clause – Institute coal clause – Institute timber trade federation clause – FOFSA trade clause – Frozen foods clause – Rejection Insurance – Frozen meat clause.

Chapter 11: Inland Transit clause – risks covered – risks excluded – Extraneous perils – Implications of whichever shall occur first – Inland vessel Transit clause – Sailing warranty – Insurance of cargo on sailing vessels – Termination of adventure clause.

Chapter 12: Specific policy – Open cover –a detailed description of information sought – Open policy – Annual policy – Special storage risk extension clause – FOB clause – Shut out Cargo –War Clauses(Post) – Cover for Diamonds and precious stones – Muti transit policy – Seller’s contingency insurance – Duty Insurance – Increased Value Insurance – Package policy for exporters covered under the duty exemption scheme – Package policy for coffee – Stock throughput policy – Sales turnover policy .

Chapter 13: Marine Hull Clauses – scope and coverages – Institute time clauses – The perils clauses and associated clauses – Strike exclusion – Pollution hazard – General Average and salvage – Wages and maintenance – Unrepaired damage – Constructive total loss – Sue and labour clause – Collision liability – Sistership -Notice of claim and tenders .

Chapter 14: Warranties – Navigation – Breach of warranty – Disbursements warranty – freight – Continuation of Insurance Clauses – Termination of Insurance clause –Assignment – Freight Waiver – Returns for lay up and cancellation – Institute and voyage clauses – Time clauses Hull (excess liabilities)-.

Chapter 15: Comparative analysis of ITC hulls 1983 and ITC hull 1995 – The new international hull clauses – principle insuring conditions – Additional clauses – Claims provision -.

Chapter 16: Institute Fishing vessels clause –Salient features – Coverage’s – deductible – fishing gear - Clauses for Builders Risk –Institute time clauses(ITC) Container 1/1/87 –ITC –Container War and strike 1/1/87 – ITC Hulls (Port Risks) –Institute Yacht clauses – Machinery damage extension clause -War and Strike – Clauses for other countries - American Institute hull clauses – Classification and Maintenance of Class clause – premium Installment clause – Hull trading warranties – Geographical limits warranty – SRCC (Hulls) – Ship Repairers liability insurance .

Chapter 17: War covers for Marine Hull – coverages and scope -War risk time policy – Institute war and strike clauses.

Chapter 18: Coverage for freight and disbursements – freight clauses – risks covered – franchise – total loss –Measure of indemnity – Loss of time clause – Freight Collision.

Recommended Reading

Marine Insurance –Ocean and Inland –William H Rodda ,The principles of Marine Insurance –A primer by Harold Turner, Inland Marine Insurance –Roderick Mc Namma, Limitation of Carrier’s Liability by Earling Selvig.

IC-69 MARINE INSURANCE RATING AND UNDERWRITING

(First Edition: 2010)

Objectives:

The syllabi of this book is structured to give a holistic view of the evolution of Marine Insurance Market. It helps to acquire a basic knowledge of various modes of transports and the Ports across the world and their risk features. It is designed to provide comprehensive understanding of the Coverage's and the operational aspects of Underwriting and Rating Marine Cargo and Hull Insurance. It helps to grasp the significance of Reinsurance in covering Marine Risks

Contents:

Chapter 1: U.K Insurance Market – Organisation of Llyods 's - Lloyd's Brokers/Agents - Marine Insurance Associations – Institute of London Underwriters - Salvage association – International Maritime bureau- Marine Publications – Marine Insurance Market in India.

Chapter 2: Transport- waterways – Growth of shipping Industry – world's major sea routes – Ship Canals _ National Waterways.

Chapter 3: Inland Ports – Harbour - Importance of Port for Insurance – Kinds of Ports – Major Indian Ports – Minor Indian Ports.

Chapter 4: Marine Declaration Form - Cover Note – Marine Policy – Endorsements – Payment of Premiums as per sec 64 VB –Rules 58 and 59 for premium payment – Exchange control regulations for Premium payment on cargo policies covering import and export - Open Cover – Open Policies – Certificate of Insurance.

Chapter 5: Institute Classification Clause ICC(A)- ICC(B)- ICC(C) – Common Coverage's and exclusions – Inland transit Clause(A),(B),(C) – Rail \Road - Strikes ,Riots and Commotion clause – Inland Vessels - Premium considerations- Duty and Increased value Insurance – Special Storage risks Insurance -.

Chapter 6: Cargo Underwriting rating considerations - The Vessel – Approval of Vessels Operation – the Voyage or transit – Nature of Cargo – Theft ,Pilferage and Non Delivery – rain water Damage – Types of damages – Conditions of Insurance .

Chapter 7: Important Ports of Asia and some main Foreign Ports.

Chapter 8: Hull Insurance – Types of Vessels – Ocean Going Vessels –Liquid Bulk carriers – Container Vessels – Roll on roll off vessels – Types of Hull Insurance Policies – Freight Policy – Time Policy – Voyage Policy – disbursements and Increased Value Insurance – Builder's Risk Policy – Ship repairer's Liability – Institute Time Clauses Hull – port risks.

Chapter 9: Considerations for Hull Underwriting and rating – Technical details of the Vessel-Physical And Moral Hazard – Valuation of the vessel-Trading risks – Towage Risks – Features for better Rating – Calculating the Rate on Risk Basis –Hull renewal rating – Return of Premiums – Indian register of shipping- protection and Indemnity Clubs.

Chapter 10: Types of offshore Oil and Gas exploration units – factors for underwriting – seamless cover and operational covers.

Chapter 11: Role of Reinsurance in coverage of large Risks –functions of Reinsurance – Methods of Reinsurance – Proportional – Non proportional – Facultative – Treaty – Surplus Excess of loss – Reinsurance of Marine Risks –Cargo reinsurance – Proportional and Non proportional Contracts – Hull reinsurance.

Chapter 12: International Maritime Bureau for Prevention of Maritime fraud – Marine Fraud in Cargo and Hull and the role of Exclusions – Classification Of Maritimes Crimes – scuttling frauds – Documentary Frauds – Cargo Thefts – Frauds relating to Chartering of vessels – Prevention of Maritime Fraud – Precautionary Measures taken by various parties to Maritime Adventures.

Recommended Reading

The Principles of Marine Insurance –A.Primer by Harold Turner ,Controlling Cargo theft by Tyska Fennely ,Marine Insurance –Ocean and Inland –William H Rodda.

IC 71 AGRICULTURAL INSURANCE

(Revised Edition: 2010)

Objectives:

This course aims at providing a broad overview of Agricultural Insurance. The thrust is on understanding Agricultural/ Crop insurance as a distinct type of insurance, how it is operated abroad and how it evolved in the Indian market. The readers are introduced to different approaches – weather - based, yield - index - based, area - based etc that are followed by practitioners. The course covers insurance of livestock and a few insurances that are traditionally designed for the same market and go with agricultural insurance.

Coverage includes policy design, underwriting, reinsurance and claims considerations.

Contents:

Chapter 1: Introduction to Indian Agriculture: Situation of Agriculture in India - Growth of Agriculture over the years - Role of Agriculture in Indian Economy - Agriculture Distribution and Indicators - Agricultural Census - Agricultural Resources - Land records computerization.

Chapter 2: Risks in Agriculture: Agricultural Risks - Changing face of Agricultural Risks in India - Climate Change and Agriculture - Managing Agricultural Risks.

Chapter 3: Evolution of Crop Insurance in India: Individual based crop insurance - Pilot Crop Insurance Scheme (PCIS) - Comprehensive Crop Insurance Scheme (CCIS) - Experimental Crop Insurance Scheme (ECIS) - National Agricultural Insurance Scheme (NAIS) - Farm Income Insurance Scheme (FIIS) - Types of Agricultural Insurance - Obligations of insurers in rural sector – Formation of Agriculture Insurance Co of India Ltd.

Chapter 4: Crop Insurance Design Considerations: Insurability of Agricultural Risks – Concept of Agricultural relief – Risk Management considerations – Area based approach Crop insurance and Credit Loss Adjustment – Reserves and Reinsurance - Generic considerations in policy design and operations.

Chapter 5: Crop Insurance - Yield Index based Underwriting and Claims: National Agricultural Insurance Scheme (NAIS) - Components – Nature, Coverage and Integrity - Underwriting - Claims - Yield Data – Yield Estimation Methodology - Actuarial premium rating - Proposed modifications in NAIS

Chapter 6: Weather Based Crop Insurance Model: Comparison between Area Yield and Weather based Crop insurance - Weather Insurance components - Weather data and Indexes - Product Design - Underwriting and Claims considerations – Understanding Crop Insurance Models.

Chapter 7: Traditional crop insurance: Hail insurance - Conceptual framework - Plantation/ Horticulture/ Floriculture insurance schemes - Traditional crop insurance - Premium rating, Underwriting and Claims.

Chapter 8: Agriculture insurance in Other Countries: Agriculture insurance in developed countries like US, Canada, Spain, Japan, Italy, Sri Lanka, Mexico etc. - Role of Global Multi-Lateral financial institutions in promoting index based crop insurance scheme (World Bank, World Food Program etc.) - Problems associated with crop insurance – an introduction to Micro-insurance.

Chapter 9: Livestock wealth in Indian economy: Importance of livestock in rural India; Potential markets for dairy and poultry products; National Dairy Development Board; Military Dairy Farms; Government's efforts to promote livestock production, etc.

Chapter 10: Types of cattle & buffaloes:- Cattle and buffalo breeds – breeding farms in India - Common diseases - Valuation of cattle - Cattle markets and cattle shows - Effect of climate on cattle/ buffaloes - Livestock census.

Chapter 11: Cattle insurance in India: History of Cattle insurance - Cattle insurance policy – Livestock insurance schemes promoted by Central government etc. Cattle insurance policy – Loss assessment & settlement, Loss minimization, Methods of identification of cattle - Weather index based livestock insurance of Mongolia.

Chapter 12: Poultry insurance in India: History of poultry insurance - Poultry insurance policy – Market agreements – Underwriting - Loss assessment and settlement - Loss minimization - Duck insurance policy.

Chapter 13: Miscellaneous Agriculture insurance schemes: Insurances of sheep, goat, horse, pony, mule, donkey, pig, camel, rabbit, elephant, dog, inland fish, silkworm, honey bee etc. – Insurance of Animal driven cart, hut, Farmers' package insurance policy, etc. - Agricultural Pump-set insurance - Personal Accident insurance covers – Janata, Gramin, Tribals etc. Farmers' package.

Chapter 14: Agriculture Reinsurance: Need for agriculture reinsurance – principles and benefits – Creation of capacity. Various techniques used in Agriculture reinsurance - Future of Agriculture reinsurance in India.

Suggested Further Reading:

1. Agriculture, Food Security & Rural Development, Asian Development Bank, ISBN # 9780198064664, June 2010.
2. Agriculture Risk & Insurance in India , Dr. S S Raju & Dr. Ramesh Chand, NCAEPR, New Delhi, 2010, Books for Development, Bangalore, info@booksfordevelopment.org.
3. Agricultural Risk and Insurance in India - Problems and Prospects, S.S. Raju and Ramesh Chand, 2010, Academic Foundation, ISBN - 978-81-7188-765-1.
4. Government Support to Agricultural Insurance Authors: Mahul, Olivier; Stutley, Charles J, March 2010, ISBN: 9780821382172, <http://elibrary.worldbank.org/content/book/9780821382172>.
5. Agricultural Risk, Insurance & Income, [Mishra, Pramod](#), The Maritime and Insurance Book Shop.
6. Indian agriculture in the new millennium: changing perceptions and development policy: Volumes 1 & 2, Mujumdar, Kapila, Uma Joshi, Academic Foundation, 2006

IC 72 MOTOR INSURANCE

(Revised Edition: 2010)

Objectives:

This course aims at acquainting the learner with Motor Insurance. It gives a detailed understanding of how insurance principles and legal aspects are applied in Motor Insurance. Different types of Motor insurance policies are dealt with in detail. Documentation specific to Motor Policies, important clauses, claims procedures and importance of data analysis are discussed to provide the learner with many of the practical aspects of Motor insurance. Matters like Motor third party pool, Tribunal and Governmental schemes and discussed. Where relevant, practices abroad are also mentioned.

Contents:

Chapter 1: Introductory: History of Motor Insurance - application of basic principles – types of motor vehicles- private cars, motor cycle/ scooters, commercial vehicles, trailers, miscellaneous and specific types of vehicles – types of policies.

Chapter 2: Legal Aspects 1: Motor Vehicles Act 1939 - Motor Vehicles Act 1988 – Definitions – Necessity for compulsory third party insurance - Certificate of Insurance - Liability - without fault – Compensation on structured formula basis - Hit and Run Accidents - Solatium fund.

Chapter 3: Legal Aspects 2: Motor Accident Claims Tribunals - Lok Nayalaya - Jald Rahat Yojana - International practices in third party insurance.

Chapter 4: Motor Policies 1: Types of Motor Policies – Coverage under Liability Only and Package Policies - Policy conditions - Add on covers – Exclusions

Chapter 5: Motor Policies 2: Types of Motor Policies – Private Car and Two Wheeler Policies – Commercial Vehicles - Motor Trade Policies; Scope of Standard Form of Policies – Schedule – Exceptions – Conditions; Concept of Insured's Declared Value .

Chapter 6: Motor Insurance Practice: Rules and Regulations – File and Use approval – Erstwhile Tariff Guidelines – Policy Design and Rating concepts during Tariff Regime – Scope for changes consequent to detariffing – practices abroad.

Chapter 7: Documents: Importance of documentation - Proposal Form - Certificate of Insurance - Cover Note- Policy forms – Endorsements and Renewal Notice.

Chapter 8: Underwriting: Underwriting and Rating considerations – the Vehicle – the Usage – the Area of Operation – the Driver – past experience – the Cover; Insurance and road safety – Importance of Statistical data.

Chapter 9: Claims 1: Own Damage Claims – Survey - Assessment - Settlement – Claim Documentation and Procedures - Types of losses – Fraudulent OD Claims.

Chapter 10: Claims 1: Third Party Liability Claims – Procedural Aspects – Legal Aspects – Negligence – Types of Claims – Death – Disability – Property; Legal System – Tribunals – Courts – Knock for Knock Agreements - Fraudulent TP Claims.

Chapter 11: Motor Third Party Pool: The Pooling Concept - Objectives – Pooling Procedure – Pool Administration.

Chapter 12: IT Applications in Motor Insurance: Importance of Statistical data in motor insurance –Tariff Advisory Committee as statutory data repository – Data Inputs - Underwriting Data – Claims Data – Reports.

Suggested Further Reading:

1. Law of Insurance Dr. Avtar Singh, 2010, ISBN : 8170126525, Jain Book Agency
2. Law of motor insurance, Merkin, Robert Stuart-Smith, Jeremy Q.C., Sweet and Maxwell, 2004,
3. Motor accidents: motor insurance claims and compensation, Sarkar, Utpal Ranjan, Sodhi Publications, 2005.
4. Motor accidents claims, Vijayraghavan, N., United Publishing Co., 2005
5. Fire and motor insurance, Ivamy,E.R.Hardy, Butterworths, 1978, 0 406 25252 1.
6. Motor Vehicles Act, 1988.

IC 73 - PERSONAL ACCIDENT, SICKNESS AND MISCELLANEOUS INSURANCE

(For already Registered candidates Existing course of Year of Edition 1999 is Continued up to May 2012)

Personal Accident Insurance - Basic Principles - Coverage and Benefits - Provisos and Exclusions –

Rating - Extensions - Discounts - Claims procedures - Group policies.

Mediclaim - Benefits - Exclusions - Discounts - Conditions - Group - Claims - Cancer policy –

Deferred mediclaim. - Overseas medical - Benefits and conditions –

Exclusions - Overseas practice. - Anatomy and physiology - Types - Burglary - Scope - Exclusions - Extensions - Underwriting - Survey - Claims. - Baggage –

Underwriting - Claims. - Money in transit - Exclusions - Conditions - Extensions - Underwriting. - Fidelity guarantee - Coverage - Types - Conditions - Underwriting - Investigation.

Court Bonds - Liquidator and Receivership Bonds - Government bonds. –

Banker's Blanket and Jewellers Block policies - Exclusions - Conditions - Rating - Claims. –

Other miscellaneous policies - Pedal cycle - Plate glass - Special contingency - Missing documents - Neon sign - Blood stock (Horse) - Pet dog –

Sports - Television - Shopkeepers - Householders – Multi peril for LPG (Gas) dealers - Doctors package - Office protection - Adhikari Suraksha Kavach - Suhana Safar.

IC 74 –LIABILITY INSURANCE

(Revised Edition: 2011)

Objectives:

The objective of this course is to familiarize the reader with the concepts, principles & practices adopted by insurers in the class of insurance business which deals with legal liability. The course also examines the latest enactments and insurance product arising out of social and economic developments in the society. Specimen wordings of Policy, Proposal & Risk Assessment Forms for Public & Product Liability Insurance form part of the course contents.

Contents:

Chapter 1: Introduction: What is Liability – Classification of Legal Liability – Historical Background – Basic Principles of Insurance – Scope of Liability Insurance – Special Features of Liability Insurance,

Chapter 2: Legal Background: Common Law & Statutory Law – Negligence – Duty of Care – Injury or Damage – Causal Connection Between Breach & Injury – Onus of Proof – Employer's Liability for Negligence of Employee – Principal's Liability for Negligence of Contractor – Fatal Accidents Act, 1855 – Damages – Property Damage – Punitive Damage – Structured Settlements – Defences – Nuisance – Law of Strict Liability – Law of Absolute Liability – Law of Limitation – Directors' & Officers' Personal Liability – Statutory Liability – The Public Liability Insurance Act 1991 & Other Statutes i.e. Water (Prevention & Control of Pollution) Act 1974, Air (Prevention & Control of Pollution) Act 1981, The Environment (Protection) Act 1986, The Factories Act 1948, The Central Motor Vehicles Rules 1989 & 1993, The Consumer Protection Act 1986,

Chapter 3: Liability Underwriting: The Underwriting Process – Identification & Evaluation of Physical Risks and Legal Risks – Liability Policy Operative Clause – Advantages and Disadvantages of Losses Occurring Basis and Claims Made Basis Policies – Defence Costs and Expenses – Admitted and Non-admitted Policies – DIC & DIL Policies – Umbrella Policies – Rating Guidelines – Structuring a Liability Programme,

Chapter 4: Statutory Liability: Compulsory Public Liability Insurance - The Public Liability Insurance Act 1991 – No Fault Liability – Compulsory Insurance – Claims Procedure – Policy Coverage – The National Environment Tribunal Act 1995 – Employer's Liability Insurance – The Workmen's Compensation Act 1923 – Policy Form, Rating, Proposal Form & Claims – ESIS – The Minimum Wages Act – Carrier's Legal Liability Insurance – Multimodal Transport Operator Liability Insurance – Rating,

Chapter 5: General Public Liability (Industrial/Non-industrial): Categorisation of Industrial & Non-industrial –Important Clauses, Exclusions and conditions of the Policy – Extensions of Coverage for Industrial & Non-industrial policies – Proposal Forms and Specific Questionnaires for different Risk Categories – rating

Chapter 6: Products Liability Insurance: Legal Background – Tort Liability – The Consumer Protection Act 1986 – Product Liability Insurance Policy – Special Clauses, Exclusions and Conditions – Risk Assessment – Underwriting & Rating – Extensions of Coverage,

Chapter 7: Professional Indemnities: The Need for Professional Indemnity Insurance – Policy Forms, Exclusions Conditions & Proposal Forms for Doctors & Medical Establishments, Chartered Accountants / Financial Accountants / management Consultants / Lawyers / Advocates / Solicitors / Counsels / Consulting Engineers / Architects / Interior Decorators / Insurance Brokers – Rating,

Chapter 8: Commercial General Liability: Demand for the Commercial General Liability Insurance – Policy Structure & Coverage – Section I: A. Bodily Injury & Property Damage Liability, B. Personal & Advertising Injury Liability, C. Medical Payments – Section II: Insured Defined – Section III Limits of Liability – Section IV Conditions – Section V Definitions – Proposal form – Rating,

Chapter 9: Directors' and Officers' Liability: The Need for D&O Insurance – Policy Coverage – Exclusions – Claims Conditions – Policy Extensions – proposal Form – Rating,

Chapter 10: Other Policies & International Practices: Errors & Omissions Liability – Clinical Trials Liability – Cyber Crime Liability – Stockbrokers' Liability – Practices in the U K & U S A Markets - Pollution Coverage, Professional Indemnities – Other Policies,

Chapter 11: Claims: Common Features of Liability Claims – Claim Form for Public / Product Liability Claims – Investigation – Settlement – Claims Procedure under Compulsory Liability Policies – Workmen's Compensation Claims,

Chapter 12: Reinsurance: Need for Liability Reinsurance – Methods of Reinsurance – Facultative - Treaty - Excess of Loss Reinsurance – Stop Loss (Excess of Loss Ratio) Reinsurance.

References & recommended reading:

1. Property and Liability Insurance Handbook, John Long & Davis Gregg
 2. Commercial Liability Insurance and Risk Management, Donald Malecki, Ronald Horn & Eric Weining
 3. Liability Insurance Claims, Kenneth Cannar
 4. Public Liability Insurance, J. B. Welson
 5. Insurance of Public Liability Risks, S V Kirkpatrick
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IC 77 ENGINEERING INSURANCE (Revised Edition: 2010)

Objectives:

This course aims at providing a comprehensive understanding of various aspects of Engineering insurance. The focus is on historical developments of the business and relevant legislation, principles and practices followed by insurers, related aspects like Reinsurance, risk management, risk inspections, loss prevention and special types of covers in international markets.

Contents:

Section I: The Engineering Insurance Business

Chapter 1: Development of Engineering Insurance and Relevant Legislation: Historical background - Development of Engineering Insurance in the international & the Indian Market - Statutes & Regulations that affect conduct of business in India,

Chapter 2: Classes of Business, Special Characteristics, Principles and Practices of Engineering Insurance: Construction Phase insurances – Operational Phase insurances – Principles – Practices – Procedures – Sectionalised policy wordings – Claims procedures,

Chapter 3: Types of Plant, Machinery, Equipment & Associated Hazards: Plant, machinery & equipment commonly found in all types of industries – their usage and associated hazards - Electrical machinery and hazards, Power plants and associated hazards,

Chapter 4: The Project stages, The Works Contract & Other contracts: Project Stages – Need, feasibility study, project planning, call for tender, award of contract, land acquisition and site preparation, transportation of project property, site activities and defects liability period – The works contracts – Other contracts,

Section II: Construction Phase Insurances

Chapter 5: Contractor's All risks Insurance: Object – Scope of Cover – Exclusions – Period of insurance – Sum insured & underinsurance – Supplementary covers – Basis of indemnification – Policy composition – Assessment of risk and technical control – Rating structure – Instalment premium – Claims control,

Chapter 6: Erection All Risks Insurance: Object – Scope of Cover – Exclusions – Period of insurance – Sum insured & underinsurance – Supplementary covers – Basis of indemnification – Policy composition – Assessment of risk and technical control – Rating structure – Instalment premium – Claims control,

Chapter 7: Contract Works Insurance (CW): CAR Plus EAR – Questionnaire & Proposal – Policy Schedule,

Chapter 8: Contractor's Plant & Machinery Insurance: Object – Scope of Cover – Supplementary covers – Exclusions - Sum insured & underinsurance — Basis of indemnification – Machinery classification – Underwriting considerations - Technical & claims control – Rating factors – Recent trends & developments,

Chapter 9: Advance Loss of Profits (ALOP) / Delay in Start-up (DSU) Insurance: Basics – Financial consequences of a project delay – Insurance & delay period – Financial interests of parties – Critical differences between Operational LOP Vs. ALOP – Object – Insured – Sum insured – Period of insurance – Indemnity period – Time Exclusion – Scope of cover – Object of insurance – Definitions – Special exclusions – Special conditions – Risk categories for insurance - Underwriting information- Rating.

Chapter 10: Endorsements including Supplementary Covers & Information required for framing Construction Phase insurance programme for project.

Section III: Operational Phase Insurances

Chapter 11: Machinery Insurance: Scope of insurance – Insured plant & machinery – Underwriting features – Exceptions – Sum insured & Average – Basis of Indemnification – Excess – Other important provisions – Technical control – Claims control – Special underwriting considerations – Rating factors – Recent trends & Developments,

Chapter 12: Boiler & Pressure Plant Insurance: Scope of insurance – Definitions – Special exceptions – Warranties – Sum insured & Average – Basis of indemnification – Policy conditions and provisions – Underwriting & Rating – Technical Control – Claims & claims control,

Chapter 13: Machinery Loss of Profits: The need – Items for MLOP – Material Damage Provision – Scope of insurance – Definitions – Insured Standing Charges – Exclusions – Sum insured & underinsurance – Loss Assessment – Excess – Premium adjustment – Risk Assessment – Underwriting & rating considerations – Claims control – Rating,

Chapter 14: Electronic Equipment Insurance: Scope of cover – Section 1 Material Damage – Section 2 External Data Media – Increased Cost of Working (ICOW) – General exclusions – Special exclusions to each section – Sum insured, Average and Basis of indemnification for each section – Technical control & Underwriting considerations - Rating,

Chapter 15: Other Annual Policies: Deterioration of Stocks (DOS) Potatoes & others – Civil Engineering Completed Risks (CECR),

Section IV Other Related Topics

Chapter 16: Reinsurance: Reinsurance in India – Pre & post Nationalisation & liberalisation, Statutory cessions - Functions of reinsurance - Types & methods of reinsurance - Reinsurance programme Reinsurance aspects of Engineering insurance

Chapter 17: Risk Management, Risk Inspections & Loss Prevention: Risk management – Purpose of Inspections – Loss minimization in Engineering Insurance – Role of engineers – Role of general insurance companies in loss minimisation – Good house keeping – Fire prevention on construction sites, Check-list for fire prevention – Site monitoring – Maintenance predictive & preventive,

Chapter 18: Special Types of Engineering Insurance Covers in International Markets: Comprehensive Project Insurance (CPI) - Comprehensive Machinery Insurance (CMI) – Construction Annual Floaters – Machinery Leasing insurance – Aero engine breakdown insurance.

References & recommended reading:

1. Engineering Insurance Its Principles and Practice , R. H. Procter
 2. Machinery Loss Prevention Handbook, Munich Re,
 3. Principles of property and pecuniary insurances incorporating construction and engineering insurances, CII
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IC 78 MISCELLANEOUS INSURANCE

(Revised Edition: 2010)

Objectives:

The Insurance Act 1938 had classified all general insurances other than Fire and Marine as Miscellaneous Insurance. Over a period of time, insurances of motor vehicles, engineering, aviation, liability and health developed more and hence are dealt with as separate course material by III.

This course gives an overall view of various insurances that are referred to in the India market as Miscellaneous insurance, Rural Insurance, Non-traditional business, Specialized covers etc. An overview of Health Insurance is also given. Many of these insurances fall under different genres and are dealt with by experts. The course intends to provide a general awareness of these insurances.

Contents:

Chapter 1: Personal Accident Insurance: Introduction, Insurance principles and legal aspects affecting Personal Accident Insurance, Basic Coverage, Additional Benefits, Exclusions, Conditions, Underwriting considerations, Rating, Claims procedure, Legal Aspects of Personal Accident Insurance, Group Personal Accident Insurance, Types of Personal Accident Insurance.

Chapter 2: Introduction to Health Insurance: History of Health Insurance – Coverage – Exclusions – Rating and discounts – Schedule – Proposal; Developments in Health Insurance sector – Third Party Administrators - Covers for the Social sector – Group Schemes.

Chapter 3: Overseas Health Insurance: Basic concept – Basic coverage – Additional coverage – General exclusions – specific conditions – plans – proposal form – premium – policies designed for specific groups.

Chapter 4: Burglary Insurance: Introduction - Different IPC Sections and their relevance to Burglary Policy - Coverage - Exclusions – Conditions – Extensions - Underwriting Considerations - Rating Pattern - Claims Procedure – Investigation – Assessment - Types of Burglary Covers - Present day market scenario and demands.

Chapter 5: Money Insurance: Introduction, Coverage, Special features, Exclusions, Conditions, Underwriting considerations, Rating Pattern, Claims Procedure.

Chapter 6: Fidelity Insurance: Introduction, Coverage, Exclusions, Conditions, Underwriting Considerations, Rating Pattern, Claims Procedure, Types of policies – Court and Government Bonds – Commercial Guarantees.

Chapter 7: Bankers Indemnity and Jewelers Block Insurance: Introduction - Coverage, Exclusions – Conditions - Special features - Underwriting Considerations - Rating pattern - Claims procedure.

Chapter 8: Other Miscellaneous Insurances: Pedal Cycle Insurance - Plate glass insurance - Missing Documents Indemnity - Neon Sign Insurance - Blood Stock (Horse) Insurance - Pet Dog Insurance - Sports Insurance etc.

Chapter 9: Package covers: Shopkeepers Package (Evolution and basic details) - Doctors Package - Office Protection – Package for Executives and Businessmen - Package Policies for Credit Societies – House Holders Package - Complete Package for Families etc.

Chapter 10: Specialized Covers – The New Trend: Special Contingency Policies - Machinery and Equipment - Event Insurances – Matches - Entertainment events; Latest requirement of covers – Identity Theft – Theft of Portable items – ATM Withdrawals - Kidnap and Ransom - Intellectual Property Rights - E-Commerce – Web Business.

Chapter 11: Reinsurance: Concept of Reinsurance – Types of Reinsurance – Reinsurance Programs in India.

Chapter 12: Rural Insurances 1: Government Role, IRDA Regulations - Market Agreements - NGOs and Agents Role - Coverage available – Cattle Insurance - Sheep Goat – Poultry – Duck – Aquaculture.

Chapter 13: Rural Insurances 2: Different Policies – Insurance of Elephants – Pigs – Rabbits – Zoo - Circus Animals - Sericulture – Honeybee - Horticulture – Agricultural Pump set – Failed Well – Lift irrigation – Salt Works – Pedal Cycle – Cycle Rickshaw - Animal Drawn Vehicle – Hut – Farmers’ Package – Tribal Package etc.

Suggested Further Reading:

1. Indepth study of personal accident insurance business in India, Rao, P.R., National Insurance Academy, 1984.
2. Subjective risk in personal accident insurance, Munich Re Group, 2000,
3. Insurance fraud in life, health and personal accident insurance, Munich Re Group, 1994.
4. Assessment of the moral hazard in personal accident insurance, Munichener Ruck, MunichRe
5. Improving access to finance for India's rural poor Basu, Priya, World Bank, 2006.
6. Rural insurance business: Potentiality and Marketing, Deshpande, S.P, National Insurance Academy, 1999.

IC 79 LIABILITY AND ENGINEERING INSURANCE

(For already Registered candidates Existing course of Year of Edition 1999 is Continued up to May 2012)

Scope of liability insurance - Application of basic principles - Onus of proof - Damages. - Legal aspects - Common Law and statutory liabilities - compulsory public liability - Insurance Act - National Environment Tribunal Act - Workmen's Compensation Act. - Scope of cover, rating, underwriting and claims processing - Policy Public Liability (industrial/ non-industrial risks) - Products liability - Directors and Officers Liability. - Workmen's compensation policy. - Reinsurance in engineering and liability insurance. - Scope of engineering insurance - application of basic principles. - Scope of cover, rating, underwriting and claims processing under various engineering policies - Erection All risks - Marine-cum-Erection - Contractors All Risks - Contractors plant and machinery - Boiler and pressure plant - machinery breakdown - Loss of profits - Cold storages - Electronic equipment - Surveys and Risk inspection.

FELLOWSHIP EXAMINATION

(Students are advised to learn from contemporary publications and be aware of the changes in the insurance industry. Upto 25% of questions may be asked from outside the Study Course duration of Exam of Fellowship is 3.00 hours.)

IC 81 MATHEMATICAL BASIS OF LIFE ASSURANCE – (Year of Edition 1991

Elements of compound interest, accumulated value and present value-nominal and effective rates of interest – immediate annuities certain and deferred annuities certain – perpetuities – functions included in compound interest tables and their uses.

Redemption of loans – Sinking funds – average interest yield on the fund of a life office.

Elementary theory of profitability – mortality table – concept of stationary population – expectation of life – select rates.

General nature construction, characteristics and uses of mortality tables, mortality of Indian assured lives

Premiums – General principles – natural premiums – level premiums – net premiums – office premiums – loading for expenses with profit and without profit premiums – adequacy of premiums and relative consistency – use of commutation function in finding values of premiums and assurance benefits.

Life office valuations – general principles – policy values – retrospective and prospective methods of valuation of liabilities – different methods of valuation – concept of estate and trading profit special reserves and adjustments in the valuation – sources of surplus – methods of distribution of surplus.

IC 82 STATISTICS
(Revised Edition: 2011)

Introduction to Statistics: Basic Concepts – Historical Perspective – Vital Statistics – Descriptive Statistics – Inductive Statistics – Quantitative Data — Variable – Errors in Approximation – Causes - Applications to Insurance. Presentation of Data: Primary Data – Secondary Data– Frequency Distribution – Sorting of Data – Frequencies — Pie Chart – Histogram – Frequency Polygon – Cumulative Frequency Curve. Frequency Curves: Normal Frequency Curve or Normal Curve of Error – Frequency Curve corresponding to Histogram – Frequency Polygon – Linear Relationship.

Measures of Location and Dispersion: Averages — Summation Notations Arithmetic Mean – Calculation of Median – Mode – Geometric Mean – Mid-Point — Range – Absolute Deviation (M.A.D.) – Variance (V) and Standard Deviation (S.D.) .Theory of Sampling: Population- Census – Sampling. Theory of Probability: Relative Frequency Definition of Probability – Experiment, Outcome, Sample Space, and Event .Probability Distributions: Types of Probability Distribution – Cumulative Density Function - Measures of Variability — Proportion of Success – Characteristics of the Poisson Process . Estimation:– Point Estimates – Sampling Distribution – Significance of Distribution of Sample Mean — Law of Large Numbers -Square Distribution – Cost versus Reliability. Testing of Hypothesis: Two-Action Decision Problems – Decision Rule — β Probability in Lower Tail and Upper Tail – Power Curve – Testing by ‘t’ Statistics . Analysis of Variance: Variance Estimate – Splitting the Square Deviation into Components – Testing of Null Hypothesis – General Application of ANOVA – Simplification of Computations of Total Sum Square , Treatment Sum Square, and Error Mean Square .Linear Regression and Correlation: Uni-Variate Population – Bi-Variate Population– Mathematical Function of Linear Relationship – Spurious Correlation

Time Series: Functional Relationship Between the Components – Secular Trend – Method of Semi-Averages – Method of Least Squares – Trend - Variations (Randomness) – Forecasting.

Index Numbers: Purpose and Use of Index Numbers – Method of Computing Index Numbers – Average Price Index – Weighted Price Index (Laspeyres’ Approach) – Weighted Price Index (Paasche’s Approach) – Price Index. Multiple Regression and Correlation: Determination of a Value of Interception (β_0) and Slope of the Regression Line (β_i) – Coefficient of Determination (ρ^2) -Regression . Risk Measurement and Law of Average Numbers: Probability Distribution of a Sum of Random Variables – Mean and Variance of a Distribution of a Sum of Random Variables – The Law of Large Numbers – Types of Portfolios – The Law of Large Hypothetical Examples.

Non-Parametric Methods: Power Efficiency ($1 - \beta$) – Chi-Square Test of Test for a Normal Distribution with μ and σ Estimated – Kolmogorov Smirnov Goodness of Fit Test (K-S Test) — Procedure to Conduct the Test . Statistical Tables: Distribution - Correction Factors — Kolmogorov Smirnov Test with Parameters – K-S Test with Estimated Parameters – R-Distribution Sign Test– Common Log and Anti-Log.

IC-83 GROUP INSURANCE AND RETIREMENT SCHEMES

Year of Edition 1986

Objectives:

To acquaint the candidates appearing for Associateship Examination with the different kinds of group insurance and super annuation benefits and its different financing models. It gives the reader an insight into the different types of group insurance products, concepts and administration methodologies. The book also details out important facts w.r.t. Provident fund, Superannuation, Gratuity and group products .It also brings out critical aspects with reference to the kinds of taxation treatment of provisions of retirement benefits. The Appendix section illustrates the different types of formats etc.which are useful to the students in making the understanding of the subject better.

Contents:

1. Introduction:

Retirement Benefit Schemes---Object of Employee Benefit Schemes---Service Benefits through insurance contracts—Segments of Group Schemes Market---Development of Employee-benefit schemes—Schemes of Group Insurance—Insurable interest in group insurance scheme policies.

2. Superannuation Schemes –I

Object of the scheme—Development of superannuation schemes---Pension as a retirement benefit---Different ways of arranging pension schemes---Trustee Administered schemes vis-à-vis Insured schemes---Non-contributory schemes---Contributory schemes.

3. Superannuation Schemes –II

Approved Schemes—Unapproved schemes---Minimum membership---Pattern of benefits---Pension on normal retirement—Commutation of pension---Pension in other contingencies.

4. Superannuation Schemes –III

Methods of costing Pensions---Single premium costing---Annual premium costing---Cash accumulation system---Definite funding method—Indefinite funding method---Controlled funding---

5. Group Life Insurance Schemes I

Object of scheme---Development of scheme---Development of scheme---Group insurance vis-à-vis individual insurance---Conditions for eligibility of group insurance---Eligible groups--Individual employer groups---Multiple employer groups---Labour union groups---Creditor-debtor groups---Miscellaneous groups---Financial aspects of group insurance---Group selection.

6. Group Life Insurance Schemes II

Rate making in group insurance---Experience rating---Benefits of group insurance---Group insurance scheme in-lieu of E.D.L.I.Scheme 1976---Group creditor insurance—Level premium temporary Assurance plan—Group insurance from non-employee groups---Unit Linked insurance scheme—Group Savings—linked Insurance scheme.

7. Gratuity Schemes :

Object of the gratuity scheme—Evolution of gratuity as a Service benefit---Nature of liability---Need for funding gratuity liability---Different ways of funding gratuity liability---Payment by employer---Creation of internal reserve---Funding through Trust---Group Gratuity scheme---Combination of plans---Group gratuity scheme—a tripartite arrangement---Trustee administered scheme Vs Insured Scheme---Life Insurance Benefit—Experience rating adjustment---Nomination ---Disclosure of gratuity liability in Balance Sheet---Methods of costing—Cash accumulation system---

8. Provident Fund & Employees' Family Pension and Deposit-linked insurance

Schemes :

Recognised Provident fund---Employees Provident Fund Scheme---Administration---Employees Family pension scheme—Employees deposit-linked scheme.

9 Taxation Treatment of provisions for Retirement Benefits—I

Why tax relief---Recognised Provident funds---Income Tax Relief---Approved super annuation schemes—Conditions for approval---Rationale of conditions.

10. Taxation Treatment of provisions for Retirement Benefits—II:

Superannuation schemes (contnd)---Rationale of conditions---Exemption from tax on gratuity---Group Insurance Schemes---Taxation under group insurance schemes.

11. Group schemes and Data Processing :

The Computer---Computer equipment---Computer systems for Administration of group schemes---Group insurance schemes—Group gratuity schemes---Group superannuation schemes---Appendix containing samples of formats of trust deeds etc...

Reference reading :-

- Health Insurance Primer : **Study guide Part A**-Author – American Health Insurance Plans / Place - Washington DC., Publisher - American Health Insurance Plans
- Health Insurance nuts and bolts : **Study guide part B**- Author – American Health Insurance Plans / Place - Washington DC., Publisher - American Health Insurance Plans
- Life and health insurance handbook—Davis . W. Gregg
- Health Insurance –Author—O.D. Dickerson
- Evaluating the Health Insurance Risk –J.M.Wickman

SUBJECT 84/A-2 FOUNDATION OF CASUALTY ACTUARIAL SCIENCE A-2 – 2007

Reinsurance - what is reinsurance- the foundation of reinsurance – forms of reinsurance – the cost of reinsurance to the cedant – the reinsurer’s margin – reinsurance pricing method – formula – thirteen step programme to reinsurance pricing – facultative certificates – property certificates – casualty certificates – the role of actuary – reinsurance treaties – monitoring and testing predictions – reinsurance loss reserving.

Credibility – classical credibility – least squares credibility – Bayesian analysis – conjugate priors – practical issues – solutions.

Investigation issues in property liability insurance – investment income – investment and tax strategies – rate return measures – impact of investment income on pricing.

Special issues – valuing an insurance company – operating an insurance company – regulating an insurance company.

IC 85 REINSURANCE MANAGEMENT

(Revised Edition: 2010)

Objectives:

The objective of this study course is to familiarize the reader with all aspects surrounding Reinsurance, which plays an important role in supporting conduct of insurance business. The course maintains relevance with newly emerging concepts, trends and practices at the market place and exhaustively deals with emerging ideas in respect of reinsurance methodology, retentions, markets, financial security, alternatives to reinsurance and information processing for reinsurance decisions.

Contents:

Chapter 1: Introduction to reinsurance: Nature of reinsurance – Analysis of factors that influence results – Historical background – Reinsurance in India before & after nationalization and liberalization – GIC Re – Regional co-operation – Functions of reinsurance - Advantages,

Chapter 2: Forms of Reinsurance: Facultative reinsurance – Treaty reinsurance – Facultative Obligatory Treaty – Considerations for facultative placements,

Chapter 3: Methods of Reinsurance - Proportional reinsurance: – Surplus – Quota Share – Proportional Treaty – Bordereaux – Premiums – Ceding Commission – Claims – Quota Share Treaty – Quota Share & surplus combined – Specimen Treaty Slip,

Chapter 4: Methods of Reinsurance – Non-Proportional reinsurance: Excess of Loss – Working (Per Risk) XL - Catastrophe XL – Stop Loss XL – Aggregate XL – Non-proportional Treaty – Ultimate Net Loss – reinsured Retention – Premium – Burning Cost – Exposure Rating / Pareto Loss Distribution – Reinstatement – Claims – Inception & Termination - Specimen Treaty Slip,

Chapter 5: Retentions: Setting Retentions – General Considerations – Factors influencing retentions – Types of retentions – Accumulations within and between branches – Retentions for Property insurance – Engineering insurance – Accident & Liability insurance – Marine Cargo & Hull insurance – Aviation insurance – Life insurance – Special factors for different classes of reinsurance,

Chapter 6: Reinsurance Programme Design: Programme objectives – Gross to Net evaluation – Reinsurers' accounts – Funds flow and Liquidity,

Chapter 7: Reinsurance – Distributing the Programme Arrangements: Negotiations and Placements – Key considerations in negotiations – Market considerations – Forms negotiation – Reciprocal negotiation – Direct Placements – Participation in Pools – Group underwriting & retention – placement with professional reinsurers – Placement through Intermediaries

Law and Clauses relating to Reinsurance Contracts: Fundamentals of Contract Law as applicable to Reinsurance – Reinsurance contract wordings – Common clauses – Operative clause – Specimen wordings – Notice of cancellation – Termination – Alteration – Insolvency of other reinsurers – Access to records inspection by reinsurers – Errors and omissions – Intermediaries' role – Arbitration – Set-off clause –

Accounting clause – Currency clause – Loss advices – Special clauses for Proportional and Non-proportional reinsurances – Reinsurance documentation,

Chapter 8: Reinsurance Accounting: Special nature of reinsurance accounting – Proportional Treaty accounts – Formats and methods of accounting – Commissions – Flat rate, Sliding scale and Overriding commissions – Profit commission – Accounting year & Underwriting year basis – Cancellation – Reserves – Premium and loss portfolios – Valuation of portfolios – Interest & Tax – Non-proportional Treaty accounts – Rate of Exchange – Brokerage – Inward accounts – Annual Accounts – Convergence to IFRS – Taxation aspects – Exchange Control Regulations,

Chapter 9: Reinsurance Markets: Special characteristics – Reinsurance markets as source of capital – Redefining the intermediaries – Composite companies – Professional reinsurers – GIC Re – Underwriting Agencies – Captive companies – New geographies – Llyod’s Syndicates – Pools – International bodies,

Chapter 10: Reinsurance Financial Security: Importance – Managing Reinsurer Security – Selecting reinsurers – Establishing criteria for security evaluation – Financial Strength ratings – Major rating agencies

Chapter 11: Alternatives to Traditional Reinsurance: Alternative Risk Transfer – Multi line Multiyear package – Multi trigger cover – Contingent capital – Finite risk – Financial reinsurance – Futures and Securitisation – Special purpose vehicles – New markets – Brokers in the new markets – Impact upon reinsurance market,

Chapter 12: Inward Reinsurance Business: Need for Inward reinsurance business – Business strategy – Underwriting philosophy – Retrocession arrangement – Reciprocal trading – IRDA Regulations,

Chapter 13: Processing Information for Reinsurance Decisions: Importance of statistics in reinsurance – Gathering and analysing statistics – Underwriting issues in reinsurance treaties – Provision for outstanding losses – Control of accumulations – System and procedures – Use of communication and information technology – Organization of reinsurance department

Chapter 14: Glossary of Reinsurance Terms

Chapter 15: IRDA Reinsurance Regulations

References & recommended reading:

1. Fundamentals of reinsurance, Edgar C. Werner
2. Law and practice of reinsurance, C E Golding,
3. Reinsurance, Kenneth R Thompson
4. Reinsurance in the Third world, J. O. Irukwu
5. Reinsurance principles and practices, Connor M Harrison,
6. Reinsurance Underwriting, Robert Kiln.

IC 86 RISK MANAGEMENT

(Revised Edition: 2011)

Objectives:

Risk management enables an organization achieve progress toward its goals and missions on a direct, efficient, and effective path. Risk management and insurance is the study of methods used to manage activities whose outcomes cannot be forecasted exactly. The objective of this study course is to familiarize the reader with concepts, approaches, methodologies and measures taken by organizations and individuals to identify, analyse & reduce the risk of damage to physical assets, exposure to legal liability, or injury to employees or customers.

Contents:

Chapter 1: Theoretical aspects of risk management: Risk concepts & possibilities - Risk classification & categorisation – Approaches & Philosophy - Cost of risk,

Chapter 2: Scope and objectives of risk management: Formal system of risk threats – Contributory factors - Measures for economic control - Basic components of the risk management system – definitions - process & administration - Possible contributions & Potential benefits of risk management to a business,

Chapter 3: Building up an effective risk management programme: Deciding the programme objectives - pre & post loss objectives – Defining role, functions and duties of a Risk manager - Risk management policy – Objectives & Implementation strategies - Risks profiling & risk audits – Organising & putting the programme in place – Controlling the programme – Formulating a risk management policy,

Chapter 4: Identifying & analyzing loss exposures: Risk identification purpose & details - Types of risk identification techniques –Hazard identification & risk assessment - Statistical and other methods of assessing risk exposures - Prioritizing and mapping of risks

Chapter 5: Alternate risk management techniques: Risk control - Loss control management - Risk financing & Transfer mechanisms - Risk control – Risk financing & insurance – Risk retention & transfer strategy – Selecting the best technique – Managerial & technical decisions in implementation the selected technique – Monitoring & improving the risk management programme – Objectives, Timings & methodology, Inter-relationship of risk analysis, control and financing,

Chapter 6: Alternative Risk Transfer (ART) Mechanisms: Finite risk reinsurance – Risk transfer to capital markets as source of capacity – Global trends – Integrated risk management – Capital market products - Traditional & non-traditional options, Self insurance, captives, risk retention groups and pools,

Chapter 7: Enterprise risk management (ERM): Importance, definitions and regulatory developments – Four categories of ERM objectives viz. Strategic, Operations, Reporting and Compliance - Eight important components of ERM in achieving the objectives – Limitations - Impact on management practices - Contributions towards value creation,

Chapter 8: Business Continuity Management and Disaster/emergency/recovery planning: Definitions – Threats that can lead to emergency, disaster or catastrophe – Possible combination of disaster phases - Features of Business Continuity Planning (BCP) – process, impact analysis methods, cost effectiveness, international standards,

Chapter 9: Assessing Loss Exposures: Types of loss exposures – Concepts and approaches for assessing Property, Liability, Personnel and Net Income losses - Basic elements like values exposed to loss, perils causing loss and financial consequences of a loss - Property losses types, causes, monetary effects and valuation methods – Loss of profits and consequential loss analysis – Liability loss exposures – definitions, legal aspects and financial consequences – Personal loss exposures – categories, examples and financial effects.

Chapter 10: Risk Management Checklists, Charts & emergency management plan examples: Security & safety checklist, Property protection checklist, Checklist to assess vulnerability of Data Systems, Liability, Product liability and risk control audit checklist, Sexual harassment and discrimination checklist, Safety analysis chart. Emergency management plan through frequently asked questions & answers for staff members of Chicago university.

References & recommended reading:

1. Managing Risks – Jim Bannister
 2. Risk Management & Insurance – C A Williams & R M Heins
 3. Essentials of Risk Management – George Head & Stephen HornII
 4. CHUBB – The Rewards of Managing Risks
 5. BCP Guide – PACE (Property Advisors to the Civil Estate, U K
 6. National Institute of Disaster Management
 7. Reserve Bank of India Circulars
 8. Websites of WIPRO, IBM
 9. Munich Re Publications
 10. Federal Financial Institutions Examination Council – Handbook
 11. Disaster Risk Management Programme, Ministry of Home Affairs, Govt. of India
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IC 87 LAW AND ECONOMICS OF INSURANCE (Year of edition-1988).

Objectives:

This course intends to give a detailed understanding of the legal aspects that have bearing on the insurance business and transactions. It also aims at providing an insight into some of the fundamental principles of Economics that guides decision making in the Insurance Industry. The focus is on application of legal and economic principles in context of Insurance.

Contents:

Part - I

Chapter 1: Principles of law of contract and bailment- law of contract-parties-assignment-transfer-claims-modes of discharge-contract of indemnity-bailment-duties and rights of a bailor and bailee- liability

Chapter 2: Insurance Contracts-Nature of Insurance contracts-proposal and acceptance-contractual capacity-consideration-assignment-discharge of insurance contracts

Chapter 3: Agency- Insurance Agents- principal and agent relationship-creation of agency-modes-duties and rights-authority-termination of agency-insurance agents-licensing-rights and powers-remuneration-law governing insurance agents

Chapter 4: Regulation of Insurance business in India-history of insurance legislation-LIC Act 1956- formation, powers and functions of LIC, organization of LIC-The General insurance business Nationalization Act 1972, formation and functioning of GIC, Memorandum of Association-Tariff Advisory Committee-formation of IRDA-power and functions- Reinsurance

Chapter 5: Arbitration-Arbitration Agreement-implied conditions-qualifications of arbitrator-powers and duties of court-power and duties of arbitrator –arbitration with court intervention-arbitration clause in insurance policies

Part - II

Chapter 6: General economics and elements of price theory - Definition-Nature and scope of economics- significance-approaches to economic studies-concept of equilibrium-concept and law of demand and supply-determinants and types-shift and changes in demand and supply-concept of elasticity-types of elasticity-determinants

Chapter 7: The theory of production and analysis of costs- concept of firm and industry-production-factors-production function-costs of production-types and cost differentiations-opportunity cost-short run and long run costs-economies of scale-concept of revenue-theories of distribution

Chapter 8: Equilibrium price under different market structures-concept and types of market structures-equilibrium of firm-price and output determination under different market structures-perfect competition- monopoly-monopolistic market-oligopoly

Chapter 9: The role of insurance in economic activity-concept of risk and uncertainty-types of risk-management of risk-individual and market demand for insurance-elasticity of demand for insurance products-concepts of production, costs and supply applied to insurance

Chapter 10: Economics and insurance-Economic systems-concept of social control-nationalization-privatization-structure of insurance market-organization and regulation of insurance business-competition law-efficiency of insurance industry

Suggested Readings:

1. MN Srinivasan, *Principles of Insurance Law*, Lexis Nexis Butterworths, Eight edition
2. Avatar Singh, *Law of Contract and Specific relief*, Eastern Book Co, tenth edition
3. Karl H. Borch, *Economics of Insurance*, Elsevier Science Pub Co, January 1990
4. Samuelson, Paul A.; William D Nordhaus, *Economics*, McGraw-Hill, 17th edition
5. Mankiw Gregory, N, *Principles of Economics*, South-Western College Pub, Sixth edition
6. Peterson Lewis, *Managerial Economics*, Prentice Hall of India, New Delhi.

IC 88 MARKETING AND PUBLIC RELATIONS (Year of edition-2001).

Objectives:

Marketing is the function which provides the bread and butter for the insurance industry. This course is designed to give the student an idea about some of the principles and concepts in marketing as it applies to the business of insurance.

Contents:

Chapter 1: Introduction to Insurance: What is insurance – how it works – importance of insurance industry – history of insurance.

Chapter 2: Introduction to marketing: Consumer Focus – Who is a Consumer – What is a Market – Marketing and Selling – Market Segmentation – Marketing Mix – Market Research – Marketing Strategies – Marketing Programmes and Activities – Product Life Cycle – Positioning – Branding - Relationship Marketing – Marketing Management Process.

Chapter 3: Consumer Behaviour: its Complexity - the Buying Process – Perceptions – Strokes – Dissonance – Reference Groups – Socio Economic Categories – The Insurance Consumer .

Chapter 4: Introduction to Services: Intangibility – Inseparability – Heterogeneity – Perishability – Ownership – Barriers to entry.

Chapter 5: Quality in Services : Why Quality – What is Quality – Satisfaction vs Expectations – Levels of Quality – Costs of Quality – Elements of Quality – Quality Gaps – Responsibility for Quality – Moments of Truth – Error Free – Monitoring Customer Needs and Expectations – Tools for Quality Control – Handling Complaints.

Chapter 6: Strategies for Insurance Marketing : Product and its Differentiation - Product Development – Flexible options – Product Image – Product Obsolescence – Boston Matrix – Pricing – Customer Service – Market Research - Distribution and Distribution Channels – Direct Marketing – Promotion – PR and Publicity – Merchandising – Personal Selling – People.

Chapter 7: Rural Insurance: Profile of Rural Sector.

Chapter 8: Consumerism and Ethics: Marketing and Consumerism – Dimensions of Social Responsibility.

Suggested Readings:

1. Customer Driven Services Management-S. Balachandran- Response Books New Delhi.
2. Marketing of Services-Bidi Chand - Rawat Publishers New Delhi.
3. Marketing Management- Kottler P. Prentice Hall.
4. Retail Marketing Management- Pearson Education Ltd.
5. Conference Papers 1990 and 2000- Insurance Institute of India.
6. Services Marketing – South Asia Publishers- Delhi. and Services Marketing- McGraw Hill - New York.

SUBJECT 89 – MANAGEMENT ACCOUNTING –

(Year of edition-2001)

Accounting:- Basic Principles of Accounts - Manufacturing & Insured Business - Insurance Act, 1938 - Final Accounts - Life & General Insurance Business - Revenue Account & Balance Sheet - Terms - Format - Adjustments - Provisions - Reserves - Problems.

Management Accounting:- Definitions - Comparisons with Financial Accounting - Ratio Analysis - Kinds - Advantages and Limitations - Problems - Usefulness of Ratio Analysis of Life & General Insurance Business - Problems.

Budget and Budgetary Control:- General Terms - Advantages & Limitations - Preparation - Control in Insurance Business - Planning.

Cash Flow - Funds Flow:- Working Capital - Analysis - Advantages - Changes in Working Capital - Problems.

Cost Accounting:- General Terms - Definitions - Various Methods of Costing - Advantages & Limitations - Classification of Costing. Reconciliation of Costing and Financial Results.

Standard Costing:- Definition - Setting of Standards & Comparison with Actuals - Variance Analysis - Material - Labour - Fixed & Variable overheads - Problems - Standard Costing and Budgetary Control - Application to Insurance Provisions.

Marginal Costing:- Concepts - Contribution - Breakeven Point - PV Ratio - Advantages & Limitations of Break even Analysis - Problems.

Management Information System:- Concepts - Importance - Usefulness of Reports - Audit - Types - Internal, Statutory - Cost - Management Audits - Computers. Importance - Usefulness to Industry and Insurance Business.

IC 90 HUMAN RESOURCES MANAGEMENT

(Year of edition-2000)

Objectives:

People are the principal force and resource in any organization. In the Insurance Industry which is labour intensive, there is a particular need for good managers who have a good understanding of human nature and human behavior and can lead people effectively. This course is designed to help the student get familiarized about the complexities and challenges of managing and developing human resources in organizations. The student would learn both the conceptual aspects and practices that have been followed in Human Resources Management.

Contents:

Chapter 1: The development of Management Science: Scientific Management, Bureaucracy and Administration Theory – Human Relations Approach – Systems Approach

Chapter 2: Functions of Management: Planning, Organising, Staffing, Leading and Controlling

Chapter 3: From Personnel Management to Human Resources Management: the distinctions between PM and HRM – factors in the evolution from PM to HRM

Chapter 4: Human Resources Management and Behavioural Sciences: Relationship with Psychology, Sociology and Anthropology – aspects of perception, learning, motivation, leadership and group behavior.

Chapter 5: Acquisition of Human Resources: HR Planning and budgeting of human resources – job analysis – recruitment and selection – candidate specification – selection processes – decision and appointment – induction for new candidates – Transfers, Placements and promotions.

Chapter 6: Development of Human Resources: Aspects of Physical and Intellectual Development – training and training methodologies – Management development – Career planning and career development – Management of Change and Organization Development .

Chapter 7: Motivation of Human Resources : concept of motivation – Maslow’s Hierarchy of needs - Theory X and Y – Herzberg’s Hygiene theory - Vroom’s Expectancy Model – Achievement Theory – Motivation, Empowerment and Leadership – the Managerial Grid – the leadership Continuum – Communication, appraisal and Counseling .

Chapter 8: Maintenance of Human Resources: Salary administration – Employee Benefits and Services - Discipline and its procedures – Vigilance – Grievance Handling – Industrial Relations – Protection and Safety.

Chapter 9: Human Resources Management and Group Dynamics: Groups and their types – Characteristics of Groups – Individual Development and its Hindering Factors - Consensus and Conflict – Groups and Teams .

Chapter 10: Human Resources Management and Service Industries: special features of services and the role of empowerment.

Chapter 11: International Human Resources Management: France – Germany – US – Japan – International management and Multinational Corporations – Managerial function in International organizations.

Chapter 12: Management and Society: Social Responsibility – Management and Labour – Management, Government, Consumers and Public – Management and Quality of Life - Management and Ethics - the future of management .

Suggested Readings:

1. Essentials of Management- Harold Koontz, Heinz Weihrich - McGraw Hill Publishing Company;
2. Personnel/Human Resources Management-Davis A De Cenzo, Stephen P Robins-Prentice hall, New Delhi.
3. Excellence through HRD- Edited by T.V.Rao and Others,
4. Organisational Behaviour – Fred Luthans- McGraw Hill, Kogakusha Ltd., Managing Ethics- S. Balachandran- Sangeetha Associates Mumbai. Personnel the Human Problems of Management- George Strauss, Leonard R Saytles- Prentice Hall.

IC 92 – ACTUARIAL ASPECTS OF PRODUCT DEVELOPMENT

(First Edition: 2011)

What is a product?, Why design of Product is Important ?, Pricing of Product-1, Types of Insurance Products –Individual, Pricing of Products – 2, Types of Insurance Products – Group, Premium bases – Interest rate, Premium bases – Mortality and Morbidity rates, Premium Bases – commission rates, Premium bases – Expense rates, Reinsurance Support,

Financial Viability –Profit Margin and Solvency Margin, Conclusion, References,

ANNEXURE I: Specimen Policy document, etc.. Specimen Proposal for Group Contract ETC IRDA File and use procedure.

IC 97 – LEGAL ASPECTS OF INDUSTRIAL RELATIONS (Year 1986 Edition is Continued upto Oct. 2012)

Background of Labour Laws – Sources of Industrial Laws – Constitutional provisions – Prerogative Writs – Social Justice – Natural Justice - –Industrial Disputes Act, 1947 –Definition of certain terms – ‘Industrial Dispute’ – ‘Industry’ – ‘Workman’ – ‘Employer’ – ‘Wages’ – ‘Appropriate Government’ - – Distinction between Individual dispute and Industrial dispute - Authorities under the Act - – Works Committee - Grievance Settlement Authority - Conciliation - Procedure and Power of conciliation and conciliation Officers, Boards, Court and Tribunal - Boards of Conciliation - Labour Courts - Industrial Tribunals and National Tribunals - Reference of Dispute to various authorities - Representation of parties -

Awards and settlements - Notice of change-conditions of service to remain unchanged during tendency of proceedings - Suspension - -Strike-Lockout and lay off – Retrenchment-Transfer and closure of undertakings - Offences under the Act-Recovery of money due from an employer- Jurisdiction of Courts - Unfair Labour practices-Shops and Establishments Act-Applicability of the Act - Registration of Establishment-Hours of Work-Rest interval – Weekly holiday – leave - Application of other Acts to shops and establishments- Workmens Compensation Act, 1923 - Definition of Workman and wages-Employers liability for compensation - Payment of Wages Act, 1936-Objective and scheme of the Act-Definition of ‘wages’ - Trade Unions Act, 1926-Scope and objects of the Act-Regulations and trade unions - Trade disputes and ‘Industrial disputes’- Payment of Gratuity Act, 1972 - Objects of the Act - Payment of gratuity - Determination of amount of gratuity – Nomination for gratuity payment - Industrial Dispute Act, 1947-Workmen’s Compensation Act, 1923 - Trade Unions Act,1926- Payments of Gratuity Act, 1972-Shops and Establishments Act-Payment of wages Act, 1936 .

IC 98 – ADVANCED INFORMATION TECHNOLOGY (YEAR OF EDITION 2005)

Computer Hardware – Commercial – Personal – Laptop – Network Computers – Multimedia
Operating Systems – DOS – Windows 98 – Unix – Office Productivity Packages – Word
Processors – Spreadsheets – Presentation – Dbase – Personal Organizer; Programming Languages –
C – COBOL – RPG – Basic – FORTRAN – Others; Languages for GUI – C++ - Visual Basic –
Power Builder – Motif – Visualage - Object Oriented Analysis and Design – OO Methodologies –
Rapid Application Development Relational Database – DB2 – Oracle – Informix – Sybase –
Database Administration - Network – LAN – MAN – WAN - Network Backbone Alternatives;
Network Protocols – TCP/IP – ATM – ISDN – SNMP – Software Application Architectures –
Mainframe – Client/ Server – Two Tier C/S - Three Tier C/S- Transaction Processing – Batch
Processing – On-line Transaction Processing (OLTP) – OLTP applications in Insurance Industry-
Application Software Development – Need analysis, requirements and functional specification
analysis, and design analysis – Structured System Analysis and Design – Methodologies – Project
Management Processors – Massively Parallel Processors (MPP) Business Intelligence Applications
– Data Warehouse – Data Marts – – Statistical Analysis – Multidimensional Analysis (OLAP) –
Data Mining for Knowledge Discovery. Business Intelligence Applications in Insurance Industry –
Introduction to ERP (Employee Resource Planning) – Packages like SAP, BAAN, Peoplesoft etc.

Document Imaging and Management – Software Packages – Computer Output to Laser Disk
(C.O.L.D) – Document Imaging products. Web Technology – Languages for Web – HTML –
JAVA – JAVA Script – Others – Internet – Intranet – Extranet – E-mail – File transfer (FTP) –
Telnet – Web Page creation and maintenance – Internet Marketing – E-commerce-.

Data Integration Standards in Insurance Industry – EDI – ACORD's Olife standard.....object
standard for data integration – Origo standards -Training Modes and Media – CBT – Multimedia –
Multimedia Applications- IT Role in Marketing - Security Issues - Audit of Data Creation,
Maintenance and Transaction Processing.

IC 99 ASSET MANAGEMENT

Objectives:

This course provides an insight into the various dimensions of asset management that is crucial for efficient functioning of Insurance Industry. It also gives a brief overview of risk management and portfolio management and regulatory environment. The focus is on analysis of fundamental concepts and evaluation of various approaches.

Contents:

Chapter 1: Asset Management- concept-objective-importance of asset management

Chapter 2: Bond valuation- meaning-valuation-interest rates-yield spreads-yield to maturity-yield curve-swaps-interest rate and bond swaps-spot and forward rates-interest rate risks

Chapter 3: Equity Valuation- fundamental analysis-meaning-various models-trading position and market efficiency-estimation of growth rate and return from share-sensitivity analysis-economy, industry and firm level analysis-charting and technical analysis-decision makin

Chapter 4: Securities- nature and organization of securities market-government securities-industrial securities-bonds/debentures-types-equities-direct and indirect equity investments-common stock-preferred stock- convertible stock-money market instruments

Chapter 5: Risk- meaning-types; default risk-financial risk-liquidity risk-maturity risk-call risk-interest rate risk-inflation risk-exchange rate risk-business risk-market risk-yield-types of return; Internal rate of return, bond rate, realized and expected return, holding period return, gross and net yield, nominal and real yield; risk return tradeoff.

Chapter 6: Portfolio –effects of combining securities-portfolio selection-investor preferences-risk penalty-portfolio analysis-traditional and contemporary approaches-problems in portfolio management-CAPM

Chapter 7: Mutual Funds- meaning-need-classification of MF schemes-operational, portfolio based classifications-Asset management Companies-functions-Indian scenario.

Chapter 8: Evaluation of Portfolio Performance- need-different methods of evaluation-time horizon- Treynors measure-Sharpe measure-Jensen Measure-Fama Measure

Chapter 9: Derivatives- Meaning-futures-options-hedging- hedging using futures-stock options

Chapter 10: Foreign Exchange Management Act (FEMA)- background- basic definitions provisions-main functions of RBI under FEMA-Securities and Exchange Board of India(SEBI)-organization-powers and functions-Insurance Regulatory and Development Authority (IRDA)-organization- powers and functions-other regulators-RBI-organization-functions

Suggested Readings:

1. Prasanna Chandra, "Investment Analysis and Portfolio Management", second edition, Tata McGraw Hill
2. Peter L. Bernstein and Aswath Damodaran(editors), "Investment Management", Wiley, 1998
3. Kevin.S. "Security Analysis and Portfolio Management", Prentice Hall of India
4. Dunken Hughes, "Asset management in theory and Practice", Global Professional Publishing
5. Maginn, John L., Donald L. Tuttle, Jerald F. Pinto, and Dennis W. McLeavey, *Managing Investment Portfolios: A Dynamic Process*, 3rd edition. Hoboken: Wiley, 2007.
6. PK Gupta," Insurance and Risk Management", Himalaya Publishing House.
7. S.L. Gupta, "Financial derivatives", PHI
8. Baghri and vora, "Options and Futures", Tata McGraw Hill

IC31 INSURANCE SALESMANSHIP (Year of Edition 2005)

Basic Marketing Principles- What is Marketing-who is customer- Marketing &selling-Basics of Financial Planning-Person Level-Investment option- positioning of Life insurance-Corporate level- Role of insurance in financial Planning-Amount of Insurance – Planning for old age-Consumer Behavior - The Insurance Customer-Customer satisfaction.

The Insurance Product – Risks - Human Life Value – Sentiments – Sharing – Underwriter – Limitations - Faith-Salesmanship an introduction –Why sell-why buy-Dyadic Relationship-Flexibility.

Prospecting- why prospects-prospecting Attitude-who is prospect-sources for names –qualifying.

The selling process – compulsion – price - satisfaction - equation - stages. - Pre-approach and approach – using information to advantage – preparation – approach. -Interview and close-Guidelines- use of emotions - use of ideas- useful tips. - Handling objections – opportunity – varieties of objections – ways of meeting objections.

Characteristics of human life values – service building relationship- corporate bodies-human life values – possibility of loss of human life value –tax laws and insurance life – non life insurance – gift tax – Key-men insurance – partnership insurance – the concept of professionalism – agency as profession – habits – reading habits.

Note: There will be 3 objective types of questions. Out of 10 questions, candidate is expected to attempt 8 questions only.

IC-S01 – PRINCIPLES AND PRACTICE OF GENERAL INSURANCE AND SURVEY AND LOSS ASSESSMENT- (Year of Edition-2003)

Risk and Theory of Probability The Concept of Risk, Pure Risk, Minimisation of Risks, Classification of Risk, Insurable Risks. Exceptions Theory of Probability.

Fire and Loss of Profits (Fire) Insurance, Fire Insurance Exclusions, Special Policies, Reinstatement Value Policy, Declaration Policies, Floating Policy, Industrial All Risks Policy, Petrochemical Risks, Loss of Profits (Fire Insurance), Motor and Engineering Insurance, Miscellaneous Insurance: Legal Liability Insurance, Personal Accident Insurance, Group Personal Accident Policy, Mediciclaim Insurance, Rural Insurance, Property Insurance. Marine Cargo and Hull Insurance: Marine Cargo Insurance, Institute Cargo Clauses, Special Declaration Policy, Insurance Annual Policies, Duty and Increased Value Insurance Package Policy for Exporters, Marine Hull Insurance, War and Strike Risks, Types of Loss: Actual Total Loss, Salvage Loss, Partial Loss, Consequential Loss. – Hazards and Risk Exposures: Exposure Hazards, External Exposures and Internal Exposures, Segregation of Processes, Layout for Fire Protection Systems, Petrochemical Complexes, Other Industries. Law & Relating to Insurance Business – I: Insurance Act 1938, Insurance Regulatory and Development Authority Act 1999, Important Amendments, The Insurance (Amendment) Act 2002. Commission Brokerage or Fee to Intermediary or Insurance Intermediary, General Insurance Business (Nationalization) Amendment Act, 2002. IRDA Regulations 2002, Contents of a General Insurance Policy Consumer Protection (Amendment) Act 2002, Ombudsman .

Laws Relating to Insurance Business – II :Indian Contract Act, Offer and Acceptance, Legality of the Contract, Construction of Policies, Insurance Policies Act, Exchange Control Regulation, Indian Penal Code, Offences Against Property, Offences relating to documents, Offences affecting the Public Health, Safety Convenience, Decency and Morals.

Introduction to Surveys: Human Element, Technical Element, Contractual Element, Administrative Element. Admissibility of Claims: Factors affecting the Admissibility of the claim, Examination of policy contents, Verification of Multiple Policies, Insurable Interest, Proximate Cause of Loss, Operation of Exclusions, Examination of Warranties.

Evaluation and Loss Assessment: Basis of Indemnity, Basis of Valuation, Valued Policies, Market Value Policies, Reinstatement Policies, Insurer's Liability/ Breach of Warranties, other issues.

Objectives, Processes and Professional Skills: Insurance Contract/ Policy Nature and Conduct of the Insured, Business Expediency of the Insurer, Business Expediency of the Third Parties, Surveyors Limitations, Professional Skills, Investigation Skills, Negotiation Skills.

Accounting Principles and Practices ; Book Keeping, Double-Entry Book Keeping, Trial Balance, Final Account, Manufacturing Account, Trading Account, Profit and Loss Account, Balance Sheet, Applicability of Accounting Knowledge, Limitations of Scrutiny of Books of Accounts. Survey Profession-Past and Present : Origin-Licensing of Surveyors, based only on qualifications-Licensing Procedure, Constitution and Functions of Surveyors and Loss Assessors Committee. Duties and Responsibilities of a Surveyor and Loss Assessor, Categorization of Surveyors, Code of Conduct, Practical Training.

IC-101 – INSURANCE BROKING- (Year of Edition-2004)

Role and Nature of Insurance Broking Services – Historical Background of Insurance Broking – Functions of Direct Broker (Regulation 3) – Record of Documentation – Renewal of Policies- Negotiation Claims – Role of Reinsurance Brokers – Screening of Securities. Risk Analysis & Management – Risk Concepts – Type of Risks – Risk Management – Role of the Insurance Brokers in Risk Management – Principles of Insurance – Insurance Contracts – Principle of Utmost Good Faith – Principle of Indemnity – Needs & Insurance – Premium and Bonuses – What is Premium – Loadings – Level Premiums – Life Fund – Actuarial Valuation. Life Insurance Products – Basic Elements – Variable Insurance Plans – Annuities. General Insurance Products – Classification.

Underwritings – Classification of Risks – Financial Underwriting – Underwriting by Broker.

Insurance Documents – Proposal Forms – First Premium Receipts, Renewal Premium Receipts – Broker's Slips. Policy Conditions – LAP & Non-Forfeiture – Paid-up Values – Revival Assignment – Surrenders and Loans – Married Women's Property (MWP) Act Policies. Claims – Maturity Claims – Survival Benefit Payment – Death Claim – Presumption of Death – Accident & Disability Benefits – Rural & Social Sectors – Legal Provisions – Rural Sector – Social Sector.

Insurance Marketing – The Distribution Channel – Segments – Customer Service – Difference between need & want – Customer Delight – Product development – Insurance Claims Service – Recovery of Claims – Assessment of Lok Adalats. Organization of Brokers Office Accounting System – Segregation & Insurance Money – Maintenance of Books of Accounts, Records etc. Structure of a Brokers Organization. Laws & Regulations having a bearing on Insurance Broking – Insurance Act 1938 – Commencement of Risk – Life Insurance Corporation Act, 1956 – General Insurance Business (Nationalization) Act - Insurance Regulatory & Development Authority Act, 1999 – Laws Relating to Marine Insurance.

IC A-3 -BASIC RATEMAKING

Introduction- Rating manuals-Basic insurance terms-Fundamental insurance equation- Basic insurance ratios-Summary, **Rating manuals-** Rules-Rate Pages – Rating Algorithms-Underwriting Guidelines- Homeowners rating manual example-Homeowners rating manual example- Medical malpractices rating manual example-U.S. workers compensation rating manual example
Ratemaking Data-Internal Data- Data Aggregation-External Data

Exposures – Criteria for exposure bases- Exposures for large commercial risks- Aggregation of exposures-Exposure trend, **Premium** –Premium aggregation-Adjustments to premium, **Losses and LAF-** Loss definitions-Loss data Aggregation Methods-Common Ratio involving loss statistics-Adjustments to losses- Loss Adjustment Expenses, **Other expenses and Profit-** Simple example-Underwriting Expenses categories-All Variable expenses method-Premium based projection method- Exposure-Policy –Based Projection Method-Trending expenses-Reinsurance costs-Underwriting profit provision-Permissible loss ratios , **Overall Indication-** Pure Premium method-Loss ratio method-Loss ratio versus pure premium methods, **Traditional risk classification-** Importance of equitable rates-criteria for evaluating rating variables-typical rating (or underwriting)variables- determination of indicated rates differentials-worksheet example, **Multivariate classification** – Review of shortcomings of univariate methods-minimum bias procedures- the adoption of multivariate methods- The benefits of multivariate methods-GLMs-Sample GLM output- Sample of GLM diagnostics- Practical consideration- Data mining techniques- augmenting multivariate analysis with external data, **Special classification** – Territorial ratemaking-increased limit ratemaking-Deductible pricing-size of risk for workers compensation-insurance to value, **Credibility-** Necessary criteria for measures of credibility- methods of determining credibility of an estimate- desirable qualities of a complement of credibility-credibility using statistical methods, **Other considerations-**Regulatory constraints – operational constraints-marketing considerations.

Implementation-Example imbalance- non-pricing solutions- pricing solutions-calculating new rates for an existing product-calculating new rate based on bureau or competitor rates-communication and monitoring

Commercial lines rating mechanism-manual rate modification techniques-rating mechanism for large commercial risks, **Claims made ratemaking-** Report year aggregation-Principles-Determining rates- coordination policies.

IC A-4 -ESTIMATING UNPAID CLAIMS USING BASIC TECHNIQUES

Part 1- Introduction : Overview – The claims process. **Part 2 - Information Gathering –** Understanding the types of data used in the estimation of unpaid claims-Meeting with management-Development triangle-The development triangle as a diagnostic tool.

Part 3 - Basic Techniques for estimating unpaid claims- Development Techniques- Expected claims Techniques-Bornhuetter Ferguson Techniques- Cape Cod Techniques – Frequency Severity Techniques- Case Outstanding Development Techniques – Berquist Sherman Techniques-Recoveries: Salvage and subrogation and Reinsurance- Evaluation of Techniques. **Part 4- Adjustment Expenses-** Estimating unpaid allocated claim adjustment expenses. **Appendices –** statement of principles and Actuarial Standards of Practice. Appendices - A, B and C.

Note:

Some Questions may be asked from topics that are not covered in the syllabus/ Study courses (upto 10% Licentiate, upto 20% Associateship and upto 25% Fellowship). Specialised Diploma course upto 20% . This is to ensure that candidates keep themselves aware of major changes in the insurance Industry, published in authentic open sources like national news papers and websites of the Insurance Regulator.