

PROGRAMME GUIDE

DISTANCE EDUCATION PROGRAMMES

POST GRADUATE DIPLOMA IN INSURANCE AND RISK MANAGEMENT (PGDIRM)

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POST GRADUATE DIPLOMA IN INSURANCE AND RISK MANAGEMENT (PGDIRM)

Duration : 12 Months

Eligibility : Graduate

SCHEME OF EXAMINATION

Course Code	Title of the Course	Credit	Total Marks	Theory		Practical		Assignments	
				Max.	Min.	Max.	Min.	Max.	Min.
Semester - I									
PGDIRM1	Principles of Insurance and Practices of Life Insurance	4	100	70	28	-	-	30	12
PGDIRM2	Practices of General Insurance	4	100	70	28	-	-	30	12
PGDIRM3	Risk Management and Reinsurance	4	100	70	28	-	-	30	12
PGDIRM4	Management of Insurance	4	100	70	28	-	-	30	12
Total aggregate required to pass			400	280	112	-	-	120	48
Semester - II									
PGDIRM5	Legal Aspects of Insurance	4	100	70	28	-	-	30	12
PGDIRM6	Marketing of Insurance Products	5	100	70	28	-	-	30	12
PGDIRM7	Communicative English	2	100	70	28	-	-	30	12
PGDIRM8	Project / On the Job Training	5	100	-	-	100	40	-	-
Total aggregate required to pass			400	210	84	100	40	90	36

Evaluation Scheme

1. 40% in each theory, practical, project, dissertation & internal assessment
2. 40% Aggregate marks to pass
3. *** Marks of PGDIRM8 – Project/On the Job Training are to be send by the IODE/Study Institutes after evaluation. The distribution of 100 marks are as – Marks given by the external Examiner is out of 70 (50 on Report + 20 on Viva & Presentation), Marks given by the Internal examiner is out of 30 (20 on Project Report + 10 on Viva & Presentation).

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DETAILED SYLLABUS

PGDIRM 1 : PRINCIPLES OF INSURANCE AND PRACTICES OF LIFE INSURANCE

Insurance History of Insurance: Brief history of life insurance, concept of insurance, comparison of life assurance with other forms of insurance, advantage of life assurance, human life value concept (HLV).

Basic Concept of Risk and Risk Management: Speculative risk, pure risk, risk management, avoiding, controlling, accepting and transferring risk, insurable risk and its features, insurability of specific risks.

Basic Principles of Life Assurance: Economic principles, legal principles, actuarial principles, life insurance vis-à-vis other forms of savings.

Fundamental Principles of Insurance: (i) Principle of utmost good faith (ii) Principle of insurance interest (iii) Concept of reinsurance.

Elements in Computation of Assurance Premium: Mortality, interest, expenses level premium system, steps involved in calculation of premium.

Plans of Life Insurance: Need level, salient features of important plans (a) Term assurance plans (b) whole life plans (c) Endowment plans (d) Combination of whole life and endowment plans (e) Children's plans (f) Money back plans.

Application and Acceptance: Prospectus, proposal forms and other related documents, age proof, special reports, aspects of premium calculations, features of policy document, lapse, revivals and alteration, nomination, assignments loan's, paid up, surrenders and foreclosure, concept of life insurance claims, maturity and death-its management.

Practices of General Insurance Origin of General Insurance - Concepts • Basic Principles of Insurance • General Insurance Market • Types of Insurance • Insurance Forms • Underwriting and Rating Practices • Claims - Practice and Procedure

REFERENCE BOOK

Insurance for Everyone (English) Kshitij Patukale, Macmillan Publishers India

PGDIRM 2 : PRACTICES OF GENERAL INSURANCE

Insurance Legislation : General Insurance Business (Nationalisation) Act 1972, The Insurance Act, 1938, Insurance Regulatory Authority, Motor Vehicles Act, 1939,- Exchange Control Regulations, Various Other Statistics, Consumer Protection Act 1986; **The Insurance Market :** Structure of General Insurance Corporation of India – The Subsidiary Companies – Insurance Agents – Development Staff – Insurance Intermediaries in Overseas Markets – Tariff Advisory Committee – Loss Prevention Associations of India Ltd.

Insurance Forms : Proposal Forms – Cover Notes, Certificate of Insurance, Policy Forms, Endorsements, Interpretation of Policies, Co-insurance, Renewal Notice.

Fire and Marine Coverages : Standard Policies, Specified Perils vs All Risks, Fire Insurance Coverage, Reinstatement Value Policies, Declaration Policy, Floating Policies, Building in Course of Erection, Consequential Loss (Fire Insurance), Marine Insurance Coverages, Hull Insurance, Marine (Cargo) Insurance, Types of Marine Policies; **Miscellaneous Coverages :** Motor Insurance, Third Party Insurance on Inland Vessels, Personal Accident Insurance, Medical Policies, Burglary Insurance, Legal Liability Insurance, Fidelity Guarantee Insurance, Other Classes of Miscellaneous Insurance, Aviation Insurance, Engineering Insurance, Non Traditional Classes, Rural Insurance, New Covers.

Specialised Insurance : Industrial All Risk Insurance, Project and Advance Loss of Profits Insurance, Oil and Gas Insurance, Satellite Insurance; **Rating – Premium :** Tariff rating, Market Agreement, Physical and Moral Hazard, Premium, Short Period Scales, Advance Payment of Premium, Relaxation; **Underwriting Practice :** Acceptance of New Business, New Business Procedure, Renewal Procedure, Reinsurance Practice, Risk Inspection, Risk Management, Indian Institute of Insurance and Risk Management (I.I.I.R.M.), Customer Service, Practice in the U.K., Practice in the USA.

Claims : Preliminary Procedure : Investigation and Assessment, Surveyors & Loss Assessors, Claims Documents, Arbitration, Limitation, Settlement, Loss Minimisation and Salvage, In House Settlement, Practice in U.K., Practice in USA; **Investment And Accounting :** Investment – Guidelines in Force on 31.3.1995 earlier to Malhotra Committee Recommendation, Accounting, Reserves for Outstanding Claims, Unexpired Risk Reserves, Other Reserves, General Ledger, The Trial Balance, Revenue Account, The Balance Sheet, Returns, Database on Computer.

REFERENCE BOOK

General Insurance, AISECT PUBLICATION

PGDIRM 3 : RISK MANAGEMENT AND REINSURANCE

Introduction : Brief Historical Background, Function of Reinsurance Nature of Reinsurance; **Methods of Reinsurance** : Major Forms, Facultative and Treaty, Proportional – Surplus, Quota Share, Fac Obligatory, Non-proportional – Excess of Loss – Per Risk – Catastrophe Stop Los/Aggregate Excess of Loss; **Law relating to Reinsurance Contracts** : Fundamentals of Contract Law as Applicable to Reinsurance, Reinsurance Contract Wordings Reinsurance – Slip – Cover Note – Agreement.

Reinsurance – Special Factors : Property Reinsurance, Accident/Liability Reinsurance, Marine and Aviation Reinsurance, Basics of Life Reassurance; **Reinsurance Programme – Designing and Arranging** : Setting Retentions – General Considerations and Factors that Influence Retention, Determining Retentions for Various Classes of Business – property – Liability – Marine – Aviation, Programme Design – Analysis - Reinsurance Needs – Needs Based on Business Strategy – Financial Needs – Needs based on Management Style and Attitude – Construction of Reinsurance Programme, Negotiation – and Placement of Reinsurance – Direct Placement – Placement through Intermediaries – Advantages and Disadvantages of Direct Placement and Dealing through Intermediaries.

Reinsurance Clauses : Common Clauses, Certain Special Clauses.; **Reinsurance Accounting** : Special Nature of Reinsurance Accounts, Formats and Methods for Reinsurance Accounting, Taxation Aspects Exchange Control Regulations; **Reinsurance Markets** : Special Characteristics of Certain Important Markets Lloyd's, Reinsurance Exchange, Pools; **Reinsurance Financial Security** : Importance, Managing Reinsurer Security, Selecting Reinsurers, Establishing Criteria for Security Evaluation, Financial Strength Ratings, Major Rating Agencies.

Alternatives to Reinsurance : New Forms of Reinsurance, Finite Risk/Financial Reinsurance, Reinsurance Futures, Securitisation of Reinsurance Contracts, New Markets, Impact of Capatives and High Self Retention; **Inward Reinsurance Business** : Need for Inward Business, Objectives, Business Strategy, Retrocession Arrangements, Reciprocal Trading.

Processing Information for Reinsurance Decisions : Importance of Statistics in Reinsurance, Gathering and Analysis Statistics, Use of Communication and Information Technology, Organisation of Reinsurance Department; Risk and Uncertainty. The Scope Uncertainty, The Scope and Objectives of Risk Management, Risk Identification, Risk Evaluation, Risk Evaluation-2, Risk Avoidance, Reduction and Loss Control, Risk Financing, Risk Transfer and Insurance, Risk Retention & Conclusion.

REFERENCE BOOK

Risk Management and Insurance by Scott Harrington ,TMH

PGDIRM 4 : MANAGEMENT OF INSURANCE

Definition and basic characteristics of insurance business. Requirements of an insurable risks, different types of risk, ways of managing risks. Benefits and costs of insurance to society. Principles of life insurance, principle of utmost good faith, insurable interest, principle of indemnity.

Meaning of 'premium', 'bonus', 'surplus' and 'loading' in life insurance. The use of probability and mortality tables for calculation of these, Actuarial valuation. The different kind of life insurance products and rational for the variations. Annuities, group insurances - its essential features.

Underwriting, classification of risks - physical, occupational and moral. Data for underwriting, assessing risk, non-medical underwriting, recent trends in underwriting. Procedure for settlement of claims - the risk and necessary safeguards. Linked policies or ULIP, main features, difference between traditional life insurance products and ULIPs, NAV, lock-in and charges.

Fundamental legal principles of insurance. Insurance Act 1938, LIC Act 1956, IRDA Act 1999, IRDA Regulations 2000/2002. Consumer Protection Act (COPA) 1986, Ombudsman, IRDA (Micro insurance) Regulations 2005. Recent trends in insurance sector in India.

Legal and Regulatory Aspects of Insurance Definition and Sources of Law Judicial Set-up in India Insurance as a Contract Doctrines of Insurance & their Legal Implications Insurance Act 1938-Important Provisions IRDA Act 1999—Composition, Power, Functions and Duties of IRDA, IRDA Regulations Relating to—Licensing of Insurance Agents, Registration of Insurance Companies, General Insurance Re-Insurance, Assets, Liabilities and Solvency Margins, Insurance Advertisements and Disclosure, Life Insurance Re-insurance, Investment Amendments, Insurance Surveyor's & Loss Assessors, Third Party Administrators, Protecting of Policy Holders Interest, Licensing of Brokers. Other Important Legislations, Grievance Redressal Rules and Insurance Ombudsman, Consumer Protection Act 1986, Salient Provisions of Indian Stamp Act, Indian Limitation Act, Indian Evidence Act. General Insurance Business In India: The Legal Aspects

REFERENCE BOOK

Insurance and Risk Management by P. K.Gupta, Paper Back,Himalaya Publishing House

PGDIRM 5 : LEGAL ASPECTS OF INSURANCE

Principles of Law of Contract and Bailment, Insurance Contracts, Agency – Insurance Agents, Regulation of Insurance Business in India, Arbitration.

The Insurance Act 1938 : Registration, Deposit, Maintenance of Accounts, Investments, Minimum Business, Investigation Authority, Licensing of Agents, Licensing of Surveyors and Loss Assessors, Solvency Margin, Advance Payments of Premium

GIBNA - IRDA 1999 : Objective, Composition, Duties, Powers and Functions of the Authority; **Marine Insurance Act 1963** : The Carriage of Goods by Sea Act 1925, The Merchant Shipping Act 1958, The Bill of Lading Act 1855, The Indian Port Act 1963; **The Carriers Act 1865** : Indian Railways Act 1989, Indian Post Office Act 1898, Carriage by Air Act 1972, Multi Model Transportation Act; The Motor Vehicle Act 1988 : The Inland Steam Vessel's Act 1977; **Public Liability Insurance Act 1991**; **The Workmen's Compensation Act 1923**; **Sale of Goods Act**; **The Indian Stamp Act 1899**; **Exchange Control Regulations**.

Consumer Protection Act 1986 : Consumer Forum, Insurance Ombudsman, Right of Consumer, Redressal Forum; **Insurance Act 1938** : Aim & Effect, Defining Agents, Authority of Controller; **Life Insurance Corporation Act 1956** : Body Corporate and Composition, Duty and Obligations.

Income Tax Act : Tax Exemption on Maturity / Death Claim, Tax Exemption in Jeevan Suraksha Plan, Tax Exemption in Jeevan Aadhar Plan, Rebate in Respect of Contribution to PF Insurance Premiumente, Wealth Tax, Tax Exemption in Partnership Insurance, Tax Exemption in Employer Employee Scheme; **Married Women's Property Act 1924**; **Code of Conduct in Advertisement and Publicity Areas** : Objectives of the Code of Conduct, Role of Advertising Agency, Relevance to Insurance.

REFERENCE BOOK

Life Insurance,AISECT PUBLICATION

- General Insurance,AISECT PUBLICATION

PGDIRM 6 : MARKETING OF INSURANCE PRODUCTS

1. Development of insurance in India 2. Types of insurance products 3. Approach and process 4. Market segments and distribution channels 5. Organization and legal aspects

REFERENCE BOOK

Selling Life Insurance : The Practical Way by B. Raman, Macmillan Publishers India

PGDIRM 7 : COMMUNICATIVE ENGLISH

Basic Communication Processes Processing Communication, The Self and Communication, Language and Communication, Nonverbal Communication

Written Communication Skills Business Writing principles, Writing to Persuade, Layout of a Business Letter Report Writing: Introducing Report concepts, Short Reports and Proposals, Planning, Preparing and Organization Long Business Report, Indexing Information, Paragraph writing Indirect Messages: Handling negative and sensitive information

Effective Listening & Oral Communication Skills The Nature of Effective Listening, Types of Listening, Barriers to Effective Listening, Guidelines to Effective Listening, The Nature & Importance of Effective Speaking, Types of Speech, Barriers to Effective Speaking, guidelines to effective speaking, Meetings: Purpose, planning, Agenda preparation, and conducting, Presentations: Understanding Audience, Using Audio – Visual Aids

Organizational Communication Group communication; Group discussion norms, Communicating for Job hunting : Preparing the right Resume, Interviewing : Purpose, Principles and Techniques; Negotiating Skills, Argumentation and Critical Thinking, Diversity and Intercultural Communication

REFERENCE BOOK

Business Communication by Jain & Biyani, S. Chand

COUNSELING AND STUDY STRUCTURE

Sl. No.	Course Code	Title of the Course	Credit	Total Hours of Study	Counseling and Study Structure (hours)			
					Face to Face Counseling	Self study	Practical	Assignments
Semester I								
1	PGDIRM 1	Principles of Insurance and Practices of Life Insurance	4	120	16	68	-	36
2	PGDIRM 2	Practices of General Insurance	4	120	16	68	-	36
3	PGDIRM 3	Risk Management and Reinsurance	4	120	16	68	-	36
4	PGDIRM 4	Management of Insurance	4	120	16	68	-	36
Semester II								
5	PGDIRM 5	Legal Aspects of Insurance	4	120	16	68	-	36
6	PGDIRM 6	Marketing of Insurance Products	5	150	20	85	-	45
7	PGDIRM 7	Communicative English	2	60	8	34	-	18
8	PGDIRM 8	Project / On the Job Training	5	150	-	-		150

STUDY MODULES AND BOOKS INFORMATION

Course Code	Title of the Course	Books / Modules to be used
Semester - I		
PGDIRM1	Principles of Insurance and Practices of Life Insurance	<ul style="list-style-type: none"> CVRU Module-PGDIRM1/Insurance for Everyone (English) Kshitij Patukale, Macmillan Publishers India
PGDIRM2	Practices of General Insurance	<ul style="list-style-type: none"> AISECT G01 - General Insurance
PGDIRM3	Risk Management and Reinsurance	<ul style="list-style-type: none"> Risk Management and Insurance by Scott Harrington , TMH
PGDIRM4	Management of Insurance	<ul style="list-style-type: none"> Insurance and Risk Management by P. K.Gupta, Paper Back, Himalaya Publishing House
Semester - II		
PGDIRM5	Legal Aspects of Insurance	<ul style="list-style-type: none"> CVRU Module- PGDIRM5
PGDIRM6	Marketing of Insurance Products	<ul style="list-style-type: none"> CVRU Module- PGDIRM6/ Selling Life Insurance : The Practical Way by B. Raman, Macmillan Publishers India
PGDIRM7	Communicative English	<ul style="list-style-type: none"> CVRU Module- PGDIRM6/ Business Communication by Jain & Biyani, S. Chand
PGDIRM8	Project / On the Job Training	-

DATE SCHEDULE AND INSTRUCTIONS FOR SUBMITTING ASSIGNMENTS

DUE DATE OF SUBMISSION OF ALL ASSIGNMENTS AT THE STUDY CENTRE		
Semester	Assignment No.	Due Date
First Semester	PGDIRM (1) PGDIRM (2) PGDIRM (3) PGDIRM (4)	<ul style="list-style-type: none">• April 30 (for January Session)• October 31 (for July session)
Second Semester	PGDIRM (5) PGDIRM (6) PGDIRM (7)	<ul style="list-style-type: none">• October 31 (for July Session)• April 30 (for January session)

Note: Assignments of the course are available for download at the CVRU Website <http://www.cvrु.ac.in> . You can download the assignments as per your course, follow the instructions given and submit it before due dates at the study centre.