

## **INSURANCE & RISK MANAGEMENT**

### **CHAPTER 1 : OVERVIEW OF RISK MANAGEMENT**

Meaning of Risk, Types of Risk, Meaning of Risk Management, Risk Management process, Cost of Risk, Cost Tradeoffs, Maximizing Value of a Firm by Minimizing Cost of Risk, Risk Management Methods.  
Risk Management & Corporate Social Responsibility

### **CHAPTER 2 : RISK IDENTIFICATION & MEASUREMENT**

Business Risk Exposures, Property Losses, Losses to Human Resources, Liability Losses, Income Losses Identifying Individual Exposures, Probability & Stastical Measures to Identify Risk : Expected Value, Variance, Standard Deviation, Normal Distribution Curve, Skewness, Maximum Probable Loss, Value at Risk, Correlation, Frequency & Severity of Losses

### **CHAPTER 3: DIVERSIFICATION OF RISKS**

Two Person Pooling Arrangement, Pooling Arrangement With Many People or Business, Pooling Arrangement With Correlated Losses, Insurance as a Risk Pooling Arrangement, Stock Market Pooling Through Portfolio

### **CHAPTER 4 : RISK MANAGEMENT BY INDIVIDUALS & CORPORATES**

Insurance by Individuals, Factors Affecting Individual's Demand for Insurance, Business Risk Management Shareholders Diversification & Insurance Risk Related to Contractual Terms, Financial Distress, Tax Payments, Losses of Property, Workmen's Compensation, Social Security

### **CHAPTER 5 : RISK MANAGEMENT IN BANKS**

Basic Concept of Banking Risks, Asset Liability Management, Interest Rate Risk Management, Methods, Liquidity Risk Management

### **CHAPTER 6 : MANAGING RISK THROUGH INSURANCE**

Kinds of Insurance, Principles of Insurance, Insurance & Value Maximization, Role of Insurance in managing risk

### **CHAPTER 7 : INSURANCE INDUSTRY – REGULATION & EVALUATION**

Introduction, History, Development, Privatization, Reforms, Regulatory Framework : IRDA Objectives, Role, Duties, Powers, Players in Insurance Industry, New dimensions of Insurance Market

## **CHAPTER 8 : INSURANCE PRODUCT PROFILE**

Life Insurance Products, Group Insurance Products, Marine Insurance Products, Fire Insurance Products, Misc. Insurance Products, Pricing of Insurance Products, New Product Development, Claims Management.

### **RECOMMENDED BOOKS :**

- 1) Risk Management & Insurance by Harrington & Niehaus (Tata McGraw)
- 2) Risk Management, Insurance & Derivatives – G. Kotreshwar ( Himalaya)
- 3) Management of Banking & Financial Services – Justin Paul & Padmatata Suresh  
( PEAROSN)