

P.B.SIDDHARTHA COLLEGE OF ARTS &SCIENCE :: VIJAYAWADA-10.

(An Autonomous college in the jurisdiction of Krishna University, Machilipatnam)

Commerce	22COMT39	2021-22	B.Com (BFSI)
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SEMESTER: III

No of

Credits: 4

Principles and Practice of Insurance

Objectives:

1. To understand the principles and significance of insurance.
2. To familiarize the students about various services offered under life and non-life insurance products.
3. To impart thorough knowledge about various insurance acts and regulatory framework.

Course Outcomes:

CO1: To create awareness about the concepts and introduction to insurance. **(PO1, PO6)**

CO2: To enlighten the students about various life Insurance products and documentation process. **(PO6)**

CO3: To create thorough knowledge about insurance claim settlement procedure and underwriting process.**(PO1, PO6)**

CO4: To create awareness about various non-life insurance products and services.**(PO1, PO6)**

CO5: To articulate about the regulating framework for Insurance sector in India. **(PO1, PO6)**

UNIT – I INTRODUCTION TO INSURANCE:

15P

Meaning of Insurance - History and Evolution - Concepts and Principles -Need and significance of Insurance - Insurance as a tool for managing Risk -Essentials of Insurance Contract – Role of Insurance in economic development.

UNIT – II: LIFE INSURANCE PRODUCTS AND DOCUMENTATION:

15P

Overview of Life Insurance Products - **Traditional Life Insurance Products:**Whole life, Money back policies, Endowment plans; **Life Insurance Documentation:**Proposal Stage:Prospectus - Proposal Form - Agents Report – Medical Examiner’s report - Know Your Customer; **Policy Stage:**First Premium Receipt - Policy Document - Policy Conditions and Privileges – Issue of duplicate policy, nomination, surrender value, policy loans, assignment.

UNIT – III: UNDERWRITING AND PAYMENTS UNDER A LIFE INSURANCE POLICY:15P

Basic Concepts - Non-Medical Underwriting – Medical Underwriting; **Payments under a life Insurance policy:** Types of Claims and Claims Settlement Procedure.

UNIT – IV: NON-LIFE INSURANCE:

15P

Types of products and scope of Fire Insurance, Marine Insurance, Health Insurance; **PMFBY Crop Insurance (Pradhan Mantri FasalBima Yojana Crop Insurance)**: Objectives, Procedure.

UNIT – V: LEGAL PROVISIONS OF INSURANCE:

15P

Insurance Act 1938 – IRDA Amendment Act2002 – Insurance Amendment Act 2002 – General Insurance Business Amendment Act, 2002 - Customer Grievances and grievance redressal Mechanism

Text Books:

1. Practice of General Insurance: Dr.Aanchal Aggarwal, Dr. Nupur Aroro
2. Life Insurance Risk Management Essentials: Michael Koller
3. The Fundamentals of Insurance: Govind Dayal
4. Life and General Insurance: P.K. Gupta, Anil Kumar Meena, Himalaya Publishing House.
5. Business Statistics :Pragatiprakashan publications

Suggested Readings:

1. Statistical Methods: Gupta S.P.Sultan Chand &Sons.
2. Business Statistics, LS Agarwal, KalyaniPublications.
3. Fundamentals of Statistics: Gupta S.C. Sultan Chand&Sons.

Suggested Co-Curricular Activities:

1. Seminars on life insurance products and services.
2. Seminars on non-life insurance products and services.
3. Quiz
4. Group discussions
5. Power Point Presentations on types of Insurance.
6. Examinations (Scheduled and surprise tests)

Model Question Paper
Principles and Practice of Insurance

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Max.: 75 Marks
Hours

Min. Pass : 30 Marks

Max. Time : 3

Section – A

Answer any five of the following:

5 X 5M = 25M

1. What is the importance of Insurance? AA (CO1) L1
2. Explain about Insurance as a tool for managing risk. (CO1) L2
3. Write a short note on Nomination. (CO2) L1
4. What is meant by Duplicate Policy? (CO2) L2
5. What do you mean by Under writing. (CO3) L2
6. Write a short note on Health Insurance. (CO4) L1
7. Write a short note on PMFBY (Pradhan Mantri Fasal Bima Yojana) Crop Insurance. (CO4) L2
8. Explain briefly about Insurance Act 1938. (CO5) L2

Section – B

Answer the following:

5 X 10M = 50M

9. a. Explain in detail about the essential elements of Insurance Contract. (CO1) L2
(or)
b. Explain briefly about the role of Insurance in economic development. (CO1)L2
10. a. Explain briefly about various types of Life Insurance Policies. (CO2) L1
(or)
b. What is meant by Documentation? Explain briefly about various documents required at proposal tage. (CO2) L2
11. a. What is Insurance Claim? Explain about various types of Insurance

Claims. (CO3) L2

(or)

b. Explain in detail the procedure for settlement of maturity and death claims.

(CO3) L1

12. a. What is meant by Fire Insurance? Explain about various types of Fire Insurance Policies. (CO4) L1

(or)

b. Define Marine Insurance. Explain briefly about scope and the types of Marine Insurance Policies. (CO4) L1

13. a. What are the functions and objectives of IRDA? (CO5) L2

(or)

b. Write about the grievance redressal mechanism by Insurance Companies.

(CO5) L2