

**HAILEY COLLEGE OF COMMERCE**  
**UNIVERSITY OF THE PUNJAB, LAHORE**

Course Title: **Insurance and Risk Management**

Proposed Course Code: BSC-304

Credit Hours: 03

Program: BS Commerce

Semester: 05

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**1.0 Introduction of the Course**

This course is primarily aimed to provide an initial perspective on risk management and insurance businesses, its principal activities, and the interrelationship among the activities. To familiarize the students about risk management process and to have good understanding of insurance business operations, fundamental principles of insurance, elements of insurance contract and the relevant laws is also the purpose of this course

**2.0 Pre-Requisites Course (s) or Other Requirements/Skills:**

It is prerequisite for the participants of this course to have understanding of business economics, accounting and finance. They are also presumed to have basic knowledge about the statistical tools and techniques which are required for assessing, measuring and evaluating the risk.

**3.0 Course Learning Outcomes**

1. To Explain the meanings of risk and its types.
2. To clarify insurable and no insurable risk
3. Discuss various techniques for managing enterprise and personal risk.
4. Describe the principles of insurance and operations of an insurance firm
5. Elucidate various types of commercial insurance

**4.0 Course Learning Outcomes**

After studying this course, the participants would be able

1. To make distinction between insurable and no insurable risk
2. To perform analysis of various loss exposure faced by the individuals, families and organizations.
3. To recommend appropriate insurance type, or non-insurance techniques for managing various loss exposures.
4. To understand the legal principles of insurance, and its operations
5. To understand various risk and insurance related problems and disseminate to stakeholders about various professional and academic developments in this field.

**5.0 Course Contents:**

**Unit-I**

**1.1 Introduction of risk**

- 1.1.1 Meaning of risk
- 1.1.2 Basic categories of risk
- 1.1.3 Types of pure risk
- 1.1.4 Burden of risk

**Unit-II**

**2.1 Introduction of risk management process**

- 2.1.1 Meaning and objectives of risk management
- 2.1.2 Steps in risk management process
- 2.1.3 Selection of appropriate techniques
- 2.1.4 Benefits of risk managements
- 2.1.5 Personal risk management
- 2.1.6 Self-Insurance

**Unit-III**

**3.1 Introduction of Insurance**

- 3.1.1 Characteristics of insurance
- 3.1.2 Requirements of insurable risk
- 3.1.3 Insurance, gambling and hedging
- 3.1.4 Types of insurance
- 3.1.5 Benefits and cost of insurance to society.

## **Unit-IV**

### **4.1.1 Fundamental Legal Principles and Requirements for Insurance Contracts**

- 4.1.1 Principle of indemnity
- 4.1.2 Principle of insurable interest
- 4.1.3 Principle of subrogation
- 4.1.4 Principle of utmost good faith
- 4.1.5 Distinct legal characteristics of insurance contracts
- 4.1.6 Law and insurance agent

## **Unit-V**

### **5.1 Insurance Company Operation**

- 5.1.1 Rate making
- 5.1.2 Under writing
- 5.1.3 Production
- 5.1.4 Claim settlement
- 5.1.5 Reinsurance
- 5.1.6 Investment

## **Unit-VI**

### **6.0 Analysis of Insurance Contract**

- 6.0.1 Basic parts of insurance contract
- 6.0.2 Basic parts of insurance contract
- 6.0.3 Definition of insured
- 6.0.4 Endorsement and riders
- 6.0.5 Insurance policy without deductible
- 6.0.6 Insurance policy with deductible
- 6.0.7 Calculation of claim with above policy
- 6.0.8 Co-insurance

## **Unit-VII**

### **7.1 Classes of Insurance**

- 7.1.1 Life insurance, Ordinary, whole life and endorsement policy
- 7.1.2 Fire insurance
- 7.1.3 Property insurance
- 7.1.4 Liability insurance
- 7.1.5 Marine insurance
- 7.1.6 Credit and surety insurance

## **Unit-VIII**

### **8.1 Islamic Insurance**

- 8.1.1 Introduction of Islamic insurance
- 8.1.2 Difference between conventional and Takaful Insurance
- 8.1.3 Activity models of Takaful
- 8.1.4 Potential of Takaful in Pakistan

### **6.0 Teaching-Learning Strategies**

1. Lectures.
2. Handouts (attach hard or soft copies).

### **7.0 Assignments**- Types and Number with calendar

Group assignment will be given to students for studying, analyzing and evaluating the following insurance related issues.

1. Risk management process
2. Life insurance
3. Ordinary, whole life and endorsement policy
4. Fire insurance

5. Property insurance
6. Liability insurance
7. Marine insurance
8. Credit and surety insurance
9. Islamic Insurance

**8.0 Assessment and Examinations:** As per University Rules

### **9.0 Textbooks**

In the detail course outline, one may mention chapters of the textbook with the content topic(s).

1. Cather, M. D. D. "Introduction to Risk Management and Insurance" 10th Edition
2. Introduction to Insurance: Julia Holyoake

### **10. Suggested Readings**

#### **10.1 Books**

M.N Mishra and S.B Mishra "Insurance principles of practices"

#### **10.2 Journal Articles/ Reports**

1. Websites recommended to the students during the semester in order to enhance intellectual and professional growth of the students.
2. <https://www.edurisksolutions.org/>
3. <https://www.irmi.com/>
4. <http://www.statelife.com.pk>
5. <http://journalofriskandinsurance.smeal.psu.edu/>