

# PRINCIPLES OF INSURANCE

**Credits: 2**  
**Subject Code: G21CA1T**  
**hours: 30**

**Semester : III**  
**No. of lecture**

*Objective: To make students to learn Principles of Insurance.*

## **UNIT I: RISK MANAGEMENT AND INSURANCE & INSURANCE TERMINOLOGY: (8 Hours)**

- Risk Management –Types of Risks
- Actual and Consequential Losses
- Management of Risk by Individuals and Insurers
- Different Classes of Insurance
  
- Importance of Insurance
  
- Insurance terminology-Fixing of Premiums- - Rider  
Premiums, Surrender value , Paid up value.
- Reinsurance
- Role of Insurance in Economic Development and Social  
Security

## **UNIT II: INSURANCE CONTRACT AND INSURANCE PRODUCTS: (6 Hours)**

- Insurance Contract Terms
- History of insurance
- Principles of Insurance: Principle of Insurable Interest,
- Principle of Indemnity, Principle of Subrogation,  
Principle of Contribution, Relevant
- Information Disclosure,
- Principle of utmost Good Faith, Relevance of Proximate  
Cause
- Types of insurance (Personal, Commercial, Health,  
Life,etc)
- Types of Insurance companies- Insurance Life Cycle  
(Underwriting, Policy Servicing, Claims, etc.)

## **UNIT-III: INTRODUCTION TO LIFE INSURANCE POLICIES AND ANNUITY: (6 Hours)**

- Meaning and evolution, growth, and principles of Life Insurance
- Life Insurance Organizations in India
- Competition and Regulation of Life Insurance
- Types of Life Insurance Policies – Term, Whole Life, Endowment, Unit Linked and with or without Profit Policies
- Insight into Annuity-Concept of Annuity - Types of Annuities– Fixed Annuity, Fixed Index Annuity, Variable Annuity
- Insight into Group Insurance

#### **UNIT-IV NON LIFE INSURANCE**

**(5 Hours)**

- Concept of Non-Life Insurance
- Types of Non-Life Insurance products
- Non-life policies features and Benefits
- working of Healthcare Insurance
- Key Challenges of Healthcare Industry
- Difference Between Life Insurance and Non-Life Insurance

#### **UNIT-V: INSURANCE MARKET REGULATORS:**

**(5 Hours)**

- Role of Insurance in Economics Development and social security (2)
- Constituents of Insurance Market-Operation of Insurance companies (2)
- Operation of intermediaries- Specialist Insurance companies (2)
- Role of regulators and other bodies (2)

#### **SUGGESTED READINGS:**

1. Principles of Insurance : A Publication of the Insurance Institute of India
2. Principles of Insurance : Telugu Academy, Hyderabad
5. Guide to Risk Management : Sagar Sanyal

6. Principles of Insurance : Dr V Padmavathi, Dr V Jayalakshmi - PBP
7. Insurance and Risk Management : P.K. Gupta
8. Insurance Theory and Practice : Tripathi PHI
9. Principles of Insurance Management: Neelam C Gulati, Excel Book
  
10. Life and Health Insurance : Black, JR KENNETH & Harold Skipper, Pearson

**Suggested Websites:**

[www.irda.gov.in](http://www.irda.gov.in)2) [www.policyholder.gov.in](http://www.policyholder.gov.in)3) [www.irdaindia.org.in](http://www.irdaindia.org.in)