

| | PAGE |
|---------------------|------|
| Foreword | iii |
| Recommended Reading | υ |
| Syllabus | vii |
| Chapter-heads | xi |
| Glossary of Terms | xix |

CHAPTER 1 BASIC CONCEPTS OF INSURANCE AND RISK MANAGEMENT

| Preview | 1 |
|--|----|
| The Concept of insurance | 3 |
| ◆ The asset | 4 |
| ◆ What is risk? | 6 |
| ◆ The Fundamental Principles of Insurance | 21 |
| The concept of risk management | 29 |
| ◆ Questions | 37 |
| ♦ Assignments | 37 |

CHAPTER 2

INSURANCE ORGANIZATION, STRUCTURE AND FUNCTIONS

| ٠ | Preview | 39 |
|---|------------|----|
| ٠ | Background | 40 |

| | PAGE |
|--|------|
| ♦ Actuary | 43 |
| ◆ Underwriter | 44 |
| Policy Holders' Services | 45 |
| Claims Administration | 45 |
| Marketing | 47 |
| ◆ Investment | 47 |
| ◆ Accounting | 48 |
| ◆ Information Systems | 48 |
| ◆ Legal & Compliance | 48 |
| Distribution Channels | 49 |
| ♦ Agents | 49 |
| ◆ Insurance Brokers | 50 |
| ♦ Insurance Consultants | 50 |
| Banking outlets | 51 |
| Direct marketing | 51 |
| New Product Creation | 52 |
| ◆ Questions | 55 |
| ◆ Assignments | 55 |
| CHAPTER 3 | |
| REGULATIONS AND LEGISLATIONS APPLIC | ABLE |

TO INSURANCE

| • | Preview | 56 |
|---|---|----|
| ٠ | The rationale and scope of insurance regulation | 57 |
| ٠ | History of Insurance Regulation in India | 59 |
| ٠ | Regulations relating to Insurance | 60 |
| ٠ | Insurance Act, 1938 | 60 |
| ٠ | LIC Act, 1956 | 61 |
| ٠ | Insurance Regulatory and Development Authority Act, | |
| | 1999 | 62 |

BF

| | PAGE |
|---|------|
| ◆ Other Acts Affecting Insurance Business | 64 |
| ◆ Consumer Protection Act, 1986 | 64 |
| • Ombudsman Scheme (Redressal of Public Grievances) | |
| Rules, 1998 | 65 |
| ◆ Income-tax Act, 1961 | 66 |
| ◆ Questions | 68 |
| ♦ Assignments | 68 |

CHAPTER 4

LIFE INSURANCE: ANALYSIS OF LIFE COVER, STRATEGIES AND PRODUCTS

| • Preview | 70 |
|--|----|
| • Pricing and structure of a life insurance policy | 72 |
| Mortality and Interest | 73 |
| Expenses and Contingencies - The Gross or Office premium | 74 |
| • Expenses and contingencies | 75 |
| ◆ Questions | 99 |
| ◆ Assignments | 99 |

CHAPTER 5

GENERAL INSURANCE AND ITS PRACTICE IN INDIA

| • | Preview | 100 |
|---|---|-----|
| • | General insurance | 101 |
| • | Role of General Insurance in economic development | 103 |
| • | The concept of Rating | 104 |
| • | Important factors in rating | 105 |
| • | Risk assessment and rating | 107 |

| | PAGE |
|---|------|
| • A note on reinsurance | 109 |
| Probability | 110 |
| Tariff Advisory Committee | 111 |
| ◆ Questions | 114 |
| ♦ Assignments | 114 |
| CHAPTER 6 | |
| LIFE CYCLE ANALYSIS, RETIREMENT NEEDS AND FACTORS IN PLANNING | |
| • Preview | 116 |
| ◆ The life cycle | 117 |
| Stage by stage analysis | 124 |
| Retirement Needs | 136 |
| ◆ Factors in Retirement Planning | 139 |
| Review Questions | 143 |
| CHAPTER 7 | |
| RETIREMENT PLANNING PROCESS | |
| • Preview | 144 |
| ◆ The process of retirement planning | 144 |
| Review Questions | 153 |
| CHAPTER 8 | |
| EMPLOYEE BENEFITS AND SUPERANNUATION | |
| Preview | 155 |
| Formal Sector Retirement benefit Schemes | 155 |
| Pension Schemes for Government of India employees | 156 |

♦ General Provident Fund 160

BF

| | | PAGE |
|---|--|------|
| • | Gratuity | 161 |
| ٠ | Leave Encashment | 163 |
| ٠ | Central Government Employees' Group Insurance Scheme | 164 |
| ٠ | Pension Schemes for the organised sector | 164 |
| ٠ | Review Questions | 180 |

CHAPTER 9 PENSION PRODUCTS

| Preview | 182 |
|---|-----|
| Pension and retirement income security | 182 |
| Pension; The three pillars | 182 |
| • Defined benefit and defined contribution plans | 184 |
| • Factors affecting contributions | 186 |
| Pension Fund Risks | 186 |
| • OECD Guidelines for Pension Fund Governance | 187 |
| Pension reforms in India | 189 |
| NPS and PPF | 191 |
| Senior Citizen Saving Scheme (SCSS) | 196 |
| • Retirement Products available in the market | 196 |
| Review Questions | 203 |

CHAPTER 10

REGULATORY FRAMEWORK OF RETIREMENT PLANS

| • Preview | 205 |
|---|-----------|
| ◆ Regulation of Pension sector | 205 |
| Regulation of Pension plans/Annuities of Life Insurance companies | ce 207 |

| | | PAGE |
|---|---|------|
| ٠ | Regulation of Pension plans/Annuities of Mutual Funds | 208 |
| ٠ | Regulation of Superannuation Funds | 208 |
| ٠ | Administration of EPF, EPS and EDLIS | 208 |
| ٠ | Important Acts of the Regulatory framework | 208 |
| ٠ | Review Questions | 213 |