

TRIBHUVAN UNIVERSITY
INSTITUTE OF SCIENCE AND TECHNOLOGY
SCHOOL OF MATHEMATICAL SCIENCES
Bachelor in Mathematical Sciences (B.Math.Sc.)

Course of Study

Code No.: MSIN 451

Paper: **Life and Property Insurance**

Nature: Theory

Full Marks: 75

Pass Marks: 30

Credit: 3

Course Description:

The course covers Life, Health, Auto, Property, Home owners, Liability, Micro, Social Insurance, Pension Funds and Reinsurance.

Learning Objectives:

The objective of this course is to familiarize students with the concept and application of insurance and risk management. This course also aims to orient the student about insurance business mechanisms and practices in Nepal.

Mode of Delivery:

The course will be taught by lecture (48 hrs), and problem solving and class discussion (24 hrs). The use of spreadsheet software for problem solving will be encouraged.

Contents:

Unit 1 Life Insurance

8 hrs

Concept of Life insurance, Types of life insurance policy: Term, Endowment, Whole Life insurance, Economic Value of Human Life, Premature Death, Financial Impact of Premature Death, Approaches of Amount of Life Insurance to Own, Human Life Value Approach, Family Needs Approach, Capital Retention Approach, Types of Life Insurance Policy, Term Life Insurance, Whole Life Insurance, Endowment Life Insurance, Life Insurance Contractual Provisions, Dividends Options, Non Forfeiture Options, Settlement Options, Additional Life Insurance Benefits, Life insurance industry in Nepal.

Unit 2 Health Insurance

5 hrs

Concept of health insurance, Types of health insurance: commercial, universal, micro health insurance, Health insurance practices in Nepal.

Unit 3 Auto Insurance

5 hrs

Overview of automobile insurance, Liability coverage, Medical payment coverage, Uninsured and insured motorists coverage, Auto insurance pricing and underwriting, third party insurance, Current status, process of effecting automobile insurance and major issues. Automobile insurance practices in Nepal.

Unit 4 Property Insurance

5 hrs

Fire insurance contracts and its types, marine insurance contracts and its types, types of Marine insurance Policy, Aviation insurance contracts and its types, engineering and

contractor's all risk insurance contracts, types of agriculture insurance indemnity, miscellaneous insurance.

Unit 5 Home owners insurance **5 hrs**

Types of home owners insurance policies, Major coverage, Property loss settlement, Pricing of homeowner's policies, Personal umbrella policies, Coverage of high risk/ catastrophic perils and impact of catastrophes on property insurance.

Unit 6 Liability Insurance **5 hrs**

Types of liability: Professional indemnity insurance, Product liability, Third party auto insurance, Staffs Fidelity insurance, employers' liability, public liability, directors' and officers' liability.

Unit 7 Microinsurance **5 hrs**

Concept of microinsurance, objectives of microinsurance, types of microinsurance, microinsurance delivery channels, micro insurance and poverty reduction,

Unit 8 Social Insurance and Pension Funds **5 hrs**

Concept of social insurance, objectives of social insurance, characteristics of social insurance, types of social insurance: Old-age survivors and disability insurance, unemployment insurance, Workers compensation, objective of pension funds, types of pension fund, Social security schemes in Nepal, pension fund in Nepal, current status and major issues.

Unit 9 Reinsurance **5 hrs**

Concept of Reinsurance, Types of Reinsurance Agreements, Methods of Reinsurance, Importance of Reinsurance, Reinsurance Regulation, Reinsurance Industry in Nepal, Global reinsurance markets.

References

1. Kenneth Black Jr. and Harold D. Skipper Jr., ***Life and Health Insurance***,
2. Emmett, J. Vaughan and Therese, M. Vaughan, ***Fundamentals of Risk Management***.
3. Harrington, S. E., and Niehaus, G. R., ***Risk Management and Insurance***, Tata McGraw-hill, New Delhi.
4. Rejda, G. E., ***Risk Management and Insurance***, Pearson Education, New Delhi.
5. Ghimire, R., ***Insurance: Theory and Practices, Buddha Publication***, Kathmandu.
6. Publications of Social Health Insurance Board, Kathmandu.
