

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)**

RISK MANAGEMENT AND INSURANCE (8716)

CHECK LIST

SEMESTER: AUTUMN, 2013

This packet comprises following material:-

1. Text Book
2. Course Outline
3. Assignment No.1, 2.
4. Assignment Forms (two sets)

In this packet, if you find anything missing out of the above mentioned material, please contact at the address given below:

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WARNING

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

Course: Risk Management and Insurance (8716)
Level: MS (Management Sciences)

Semester: Autumn, 2013
Total Marks: 100
Pass Marks: 50

ASSIGNMENT No. 1

Note: All questions are compulsory.

- Q. 1 Discuss in detail the kinds of pure risk prevailing in Pakistan. (20)
- Q. 2 Discuss the types of insurance that a citizen of Pakistan can avail while living in Pakistan? (20)
- Q. 3 What do you mean by risk management? Discuss the application of risk management in the context of a corporation operating in Pakistan. (20)
- Q. 4 Discuss in detail the process of assessing and controlling the risk prevailing within the society. (20)
- Q. 5 Describe in detail the various functions and operations of an insurance company operating in Pakistan. (20)

ASSIGNMENT No. 2

Total Marks: 100

Note: All questions are compulsory.

- Q. 1 What do you mean by investment function in operations of insurance industry? Analyze the last two years trend of property and casualty insurance investments in Pakistan. (20)
- Q. 2 Select a life insurance company operating in Pakistan and discuss its methods for providing life insurance protection to citizen of Pakistan. (20)
- Q. 3 a) Briefly discuss about the major health-care problems prevailing in Pakistan. (10)
b) Describe the various health insurance coverages against those problems (discussed in part (a)) being offered by the insurance industry of Pakistan. (10)
- Q. 4 Discuss in detail the application of employee benefit plans in Pakistan. (20)
- Q. 5 What do you mean by social insurance? Discuss its benefits to the citizens of Pakistan. (20)

RISK MANAGEMENT AND INSURANCE (8716)

COURSE OUTLINE

UNIT-1 Risk and Insurance

- 1.1 Risk
 - 1.1.1 Defining Risk
 - 1.1.2 Categories of Risk Available in Pakistan
 - 1.1.3 Burden of risk on Society
 - 1.1.4 Methods of Handling Risk
- 1.2 Insurance
 - 1.2.1 Insurance and Its Types
 - 1.2.2 Comparing Insurance with Gambling and Speculation
 - 1.2.3 Costs of Insurance to Societies in Pakistan

UNIT-2 Risk Management

- 2.1 Risk Management and Insurance Management
- 2.2 Risk Management and Economic Growth
- 2.3 Benefits of Risk Management to the Society
- 2.4 Environment for Risk Management Globally
- 2.5 Application of Risk Management Program in Pakistan

UNIT-3 Factors Shaping Risk Management Internationally

- 3.1 societal risk Assessment and Control
- 3.2 Role of Government in Societal Risk Management
- 3.3 Natural Hazards for Risk Assessment in Pakistan
- 3.4 Risk Assessment of Human Factors in Pakistan
- 3.5 Government's role in Regulating Public and Private Sector Financial Services
- 3.6 Culture and Informal Risk Management Arrangements in Pakistan

UNIT-4 The Nature and Importance of Insurance

- 4.1 The Insurance Production Process
- 4.2 Overview of Insurance Worldwide
- 4.3 The International Dimensions of Insurance Worldwide
- 4.4 The Role of Insurance in Economic Growth of Pakistan
- 4.5 Determinants of Insurance Market Structure

UNIT-5 The Private Insurance Industry

- 5.1 Overview of Private Insurance in the Financial Services Industry
- 5.2 Types of Private Insurers in Pakistan
- 5.3 Operations of Insurance Company
- 5.4 Financial Operations of Insurers
 - 5.4.1 Property and Casualty Insurers
 - 5.4.2 Life Insurance Companies
 - 5.4.3 Rate Making in Property and Casualty Insurance
 - 5.4.4 Rate Making in Life Insurance

UNIT-6 Fundamentals of Life Insurance

- 6.1 Meaning and costs of Premature Death
- 6.2 Economic Justification of Life Insurance
- 6.3 Financial Impact of Premature Death on Different Types of Families in Pakistan
- 6.4 Amount of Life Insurance to Own
- 6.5 Methods for Providing Life Insurance Protection in Pakistan
- 6.6 Policies Sold by Life Insurance Companies in Pakistan

UNIT-7 Individual Health Insurance Coverages

- 7.1 Health-Care Problems in the World
- 7.2 Individual Health Insurance Coverages in Pakistan
- 7.3 Hospital-Surgical Insurance
- 7.4 Major Medical Insurance
- 7.5 Health Savings Accounts
- 7.6 Long-Term-Care Insurance
- 7.7 Disability-Income Insurance
- 7.8 Benefits of Health Insurance to Pakistan

UNIT-8 Employee Benefits

- 8.1 Employee Benefits: Group Life and Health Insurance
 - 8.1.1 Group Insurance
 - 8.1.2 Group Life Insurance Plans
 - 8.1.3 Group Health Insurance Plans
 - 8.1.4 Managed Care Plans
- 8.2 Employee Benefits: Retirements Plans
 - 3.2.1 Fundamentals of Private Retirement Plans
 - 3.2.2 Types of qualified Retirement Plans
 - 3.2.3 Retirement Plans for the Self-Employed
 - 3.2.4 Simplified Employee Pension (SEP)
- 8.3 Application of Employee Benefits Plans in Pakistan

UNIT-9 Social Insurance

- 9.1 Social Insurance and its characteristics
- 9.2 Benefits of Social Insurance to Society
- 9.3 Unemployment Insurance
- 9.4 Workers Compensation
- 9.5 Application of Social Insurance in Pakistan

Recommended Books:

Rejda, G. E. (2005). *Principles of Risk Management and Insurance* (9th Ed.). New Delhi, India: Dorling Kindersley Ltd.

Vaughan, E. J. & Vaughan, T. (2003). *Fundamentals of Risk and Insurance* (9th Ed.). New York, U.S.A.: Wiley John & Sons

Skipper, H. D. & Kwon, W.J. (2007). *Risk Management and Insurance: Perspectives in a Global Economy*. Oxford, U. K.: Blackwell Publishing