

COO3A2 Banking and Insurance Management [4 Credits]

Learning Objective: The course aims at providing the students a comprehensive knowledge on banking and insurance management, its operations and regulatory environment.

UNIT 1: Indian Banking System**(12 Hours)**

Evolution – Traditional Banking Functions – Emerging Role – Structure – Growth and Development of Banking in India – Role of RBI – Banking Sector Reforms – Narasimham Committee I and II Recommendations – Strengths & weaknesses of Indian Commercial banks – Challenges ahead – Consolidation in Indian Banking Sector

UNIT 2: Risk Management in Banks and Insurance Sector**(12 Hours)**

Risk Management – types of risks in banks – Financial/Liquidity/Market Risks – Risk Management in Banks – Sources of Risks – Measures for identifying and Controlling Risks – Types of Risks in Insurance – Risk Management Methods – Risk Management Process – Identifying and evaluating potential losses – Selecting appropriate technique for treating loss exposure – Risk assessment

UNIT 3: ALM, NPAs and Capital Adequacy Norms in Banks**(12 Hours)**

Meaning – Overview – Objectives of ALM – Pre-requisites of ALM – Asset and Liability Committee (ALCO) – Non-Performing Assets (NPAs) – RBI Guidelines on NPAs – Capital Adequacy in Banks – Functions of capital funds in commercial banks – Basle norms on capital adequacy – Capital adequacy norms in Indian commercial banks – Present position of capital adequacy in Indian Commercial banks

UNIT 4: Introduction to Insurance Business**(12 Hours)**

Meaning – Advantages and Disadvantages – Elements of Insurance Contract – Principles of Insurance – Kinds of Insurance – Classification – Types of Insurance policies – Insurance Intermediaries – Range of Products and Services – Life Insurance business – Features – Life insurance products – Types of life insurance policies – General Insurance – Fire insurance – Marine insurance – Motor insurance – Claims settlement

UNIT 5: Regulatory Framework & Pricing of Insurance Products**(12 Hours)**

History and Growth of Insurance in India – Formation of LIC/GIC – Regulatory environment – Insurance Act 1938 – IRDA Act 1999 – Purpose, duties, powers and functions – Re-insurance business – Pricing of insurance products – meaning of rate/premium – Rate making methods – Premium concepts – Level Premium – Basic Premium – Office yearly Premium – Extra Premium – Rider Premium – Bonus – calculation of Premium and Bonus

Suggested Readings:

1. Gerald Hatler, Bank Investments and Funds Management, Macmillan
2. C. Arthur, William Jr., Michael Smith, Peter Young, Risk Management and Insurance, McGraw-Hill
3. George Rejda, Principles of Risk Management and Insurance, Pearson Education.
4. Srivastava, Divya Nigam, Management of Indian Financial Institutions, Himalaya Publishing House.
5. M. Y. Khan, Indian Financial System, Tata Mc Graw Hill.
6. Vasant Joshi, Vinay Joshi, Managing Indian Banks- Challenges Ahead, Response Books.
7. Gupta, P. K., Insurance and Risk Management, Himalaya Publishing House
8. S. Balachandran, Karve, Palav, Life Insurance, Insurance Institute of India.
9. Bharti Pathak, Indian Financial System, Pearson Education.
10. Agarwal O.P., Banking and Insurance, Himalaya Publishing House
11. Satya Pal Sharma N. K. Et al, Banking and Insurance, Himalaya Publishing House
12. Sethi Jyotsna, Bhatia Nishwan, Elements of Banking & Insurance, Prentice Hall of India, 2007
13. Guruswamy S., Indian Financial System, Tata Mc Graw Hill Education Pvt Ltd., 2011