

DEREE COLLEGE SYLLABUS FOR: EC 3324 INSURANCE

(Updated Fall 2021)

UK LEVEL: 5
UK CREDITS: 15
US CREDITS: 3/0/3**PREREQUISITES:**EC 1000 Principles of Microeconomics
MA 1008 College Algebra
MA 2021 Applied Statistics**CATALOG DESCRIPTION:**

Insurance principles. Risk management. Adverse selection & moral hazard. Analysis of insurance contracts. Life & non-life insurance. Insurance company functions & operations. Buying insurance. Re-insurance. Determinants of insurance demand and supply. Insurance distribution. The agency network. The life insurance market globally and in Greece. Bancassurance.

RATIONALE:

This course offers a thorough introduction to the fundamental concepts, tools and types of insurance, and an insight into aspects of the insurance market in Greece and internationally. The course enables students to appreciate more accurately the scope of employment opportunities in the insurance sector, and to consider employment in the fields of insurance and pension fund management, as well as post-graduate studies in this field.

LEARNING OUTCOMES:

As a result of taking this course students should be able to:

1. Demonstrate understanding of the nature of insurance as a risk transfer mechanism and of basic insurance principles and characteristics.
2. Define the main functions and operations of an insurance company.
3. Describe and evaluate the most important demand and supply aspects of the insurance industry, including globalisation, consolidation, convergence of financial services, and the challenges posed by Internet.
4. Demonstrate understanding of the structure and terms of insurance contracts.
5. Analyse the Greek and the international insurance industry.

METHOD OF TEACHING AND LEARNING:

In congruence with the learning and teaching strategy of the college, the following tools are used:

- Classes consist of lectures and class discussions of recent articles in economic journals assigned by the instructor.
- Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.
- Use of Blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.

ASSESSMENT:**Summative:**

1 st assessment: In-class written examination (One-hour, closed book	40%
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	<table border="1" data-bbox="483 210 1274 415"> <tr> <td>problems/essays/multiple choice/true-false combination)</td> <td></td> </tr> <tr> <td>Final assessment: In-class written examination (Two-hour, closed book problems/essays/multiple choice/true-false combination)</td> <td>60%</td> </tr> </table> <p>Formative:</p> <table border="1" data-bbox="483 478 1274 520"> <tr> <td>Formative assignments</td> <td>0%</td> </tr> </table> <p>The formative assignments prepare students for the examinations and ensure that students are actively engaged during the term.</p> <p>The 1st assessment tests Learning Outcomes 1 and 2. The final assessment tests Learning Outcomes 3, 4, and 5.</p> <p>Students are required to resit failed assessments in this module</p>	problems/essays/multiple choice/true-false combination)		Final assessment: In-class written examination (Two-hour, closed book problems/essays/multiple choice/true-false combination)	60%	Formative assignments	0%
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Final assessment: In-class written examination (Two-hour, closed book problems/essays/multiple choice/true-false combination)	60%						
Formative assignments	0%						
<p>INDICATIVE READING:</p>	<p>REQUIRED READING:</p> <p>Rejda, G.E.and McNamara, M.J., Principles of Risk Management and Insurance, latest edition (eBook)</p> <p>Journal articles, accessible through the Library, as assigned by the instructor.</p> <p>RECOMMENDED READING:</p> <p>Atkins, D. and Bates, I. (2008), Insurance, Global Professional Publishing</p> <p>AIRMIC, ALARM, IRM (2002), <i>A Risk Management Standard</i>. In http://www.theirm.org/publications/documents/Risk_Management_Standard_030820.pdf.</p> <p>Beck, T. & Webb, I. (2002), Determinants of life insurance consumption across countries, in World Bank Policy Research Working Paper Series, n. 2792.</p> <p>Cummins, J. D. & Doherty, N. A. (2006): “The Economics of Insurance Intermediaries”, in Journal of Risk & Insurance, v. 73, n. 3, pp. 359-396.</p> <p>Curak, M. & Loncar, S. (2009): “Insurance sector development and economic growth in transition countries”, in <i>International Research Journal of Finance and Economics</i>, issue 34. In http://www.eurojournals.com/irjfe_34_03.pdf</p> <p>Dumm, R. E. & Hoyt, R. E. (2002): Insurance Distribution Channels: Markets in Transition. Presented at the 38th Annual Seminar of the Int'l Insurance Society, Singapore, July 17. In http://www.google.gr/search?hl=el&source=hp&q=Insurance+distribution+channels%3A+markets+in+transition.</p>						

	<p>Enz, R. (2000), The S-curve relation between per-capita income and insurance penetration, in <i>The Geneva Papers on Risk and Insurance</i>, v. 25, issue 3, pp. 396-406.</p> <p>Glaser, K. L. (2010), <i>Inside the Insurance Industry</i>, lulu.com.</p> <p>Holton, G. A. (2004): "Defining Risk", in <i>Financial Analysts Journal</i>, v. 60, n. 6, pp. 19-25.</p> <p>IAIS [Int'l Association of Insurance Supervisors] (2007): Glossary of terms. In http://www.iaisweb.org/ temp/IAIS Website Glossary.pdf.</p> <p>Rejda, G. E. (2007), <i>Principles of Risk Management and Insurance</i>. Pearson 10th international edition. ISBN-10: 0321468570 & 978-0321468574.</p> <p>Saccocia, C. (2003): "Improving Insurance Distribution Profit Margins with Modern Technology", in <i>TowerGroup Viewpoint</i>, n. 63, Nov.</p> <p>Sigma (Swiss Re) (2007), <i>Bancassurance: emerging trends, opportunities and challenges</i>. No. 5.</p> <p>Thoyts, R. (2010), <i>Insurance Theory and Practice</i>, Routledge</p> <p>Vaughan, E. J. & Vaughan, T. (2008): <i>Fundamentals of risk and insurance</i>. Published by John Wiley & Sons. ISBN: 978-0-470-08753-4</p>
<p>INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)</p>	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>
<p>COMMUNICATION REQUIREMENTS:</p>	<p>Use of appropriate academic conventions as applicable in oral and written communications.</p>
<p>SOFTWARE REQUIREMENTS:</p>	<p>Word, Excel</p>
<p>WWW RESOURCES:</p>	<p>http://www.swissre.com/ http://www.munichre.com/ http://eae.gr/web/ http://www.cii.co.uk/cii.aspx http://ec.europa.eu/internal_market/insurance/solvency/index_en.htm#sol1</p>
<p>INDICATIVE CONTENT:</p>	<ol style="list-style-type: none"> 1. Definition of risk; risk management; insurance as risk transfer 2. Insurable risks; insurance classes 3. Basic principles of insurance

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| | <ol style="list-style-type: none">4. General vs life insurance; insurance products5. Solvency II6. The insurance contract7. Overview of insurance company operations8. Reinsurance9. Underwriting10. The actuary11. Agents and brokers; premium-based and contingent commissions; distribution and marketing; bancassurance12. Demand and supply issues13. Structural & risk issues.14. The Greek and the international insurance markets15. The future of insurance |
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