

SYLLABUS FOR TRAINING AND EXAMINATION

(as approved by Insurance Regulatory and Development Authority)

SECTION I- COMPULSORY SUBJECTS

1. INSURANCE BROKER'S REGULATIONS

The syllabus would basically cover the IRDA (Insurance Brokers) Regulations 2013.

- a) Role of Brokers in Insurance Market and types of Brokers operating in the market.
- b) Functions of Direct / Composite / Reinsurance Brokers.
- c) Registration and Licensing of Brokers: eligibility and qualifications of person, manpower and infrastructure requirements.
- d) Requirement of Capital for Direct broker/Composite Broker / Reinsurance Broker
 - a. Forms of capital to be brought in Equity /Assets/Cash
- e) Code of Conduct or Professional Ethics.
- f) Remunerations of Brokers in various lines of Insurance Business: General Insurance, Life Insurance, Pension, Annuity, Group Insurance, etc.
- g) Professional Indemnity Insurance for Brokers
- h) Payment of fees and the consequences of failure to pay fees
- i) Ceiling on business from single client
- j) Segregation of insurance money, Insurance Bank Account etc.
- k) Maintenance of Books of Account, Records, submission of half-yearly result, Internal Control System, Disclosures of Information and Inspection of IRDA
- l) Cancellation or Suspension of License and Penalties.
- m) Responsibility of Broker to the insured– Understanding of client's requirement – nature of business and Risk Management of client, Preparation of Insurance Slip, Premium Collection, assistance in claims and preparation of claim documentation.
- n) Responsibility of Brokers to the Insurance Company in Selection of Risks, Presentation of Products, Remittance of Premium, assistance in Claim Settlement and Consumer Grievances.

2. PRINCIPLES AND PRACTICES OF INSURANCE

- a) Introduction To Insurance :
 - (i) The Concept of Risk, Perils and Hazards- Classification of Risks
 - (ii) Risk Assessment, Risk Transfer & Mitigation Methods
 - (iii) The Concept of Insurance
 - (iv) Principle of Probability and Law of Large Numbers
 - (v) Pooling of Resources-Sharing of Risks
 - (vi) Insurance as Security / Solidarity
- b) Basic Principles of Insurance –
 - (i) Moral Hazard / Morale Hazard
 - (ii) Adverse Selection
 - (iii) Utmost Good Faith
 - (iv) Insurable Interest – Material Facts
 - (v) Proximate Cause
 - (vi) Indemnity –Valued Policy
 - (vii) Subrogation
 - (viii) Contribution
 - (ix) Legal Characteristics of Insurance Contract:
- c) Types of Insurance
 - (i) Life Insurance
 - (ii) Micro Insurance
 - (iii) Annuities
 - (iv) Health Insurance

- (v) General Insurance
 - (vi) Motor Insurance
 - (vii) Marine Insurance
 - (viii) Commercial Line Insurances
 - (ix) Personal Line Insurances
 - (x) Liability Insurance
 - (xi) Property Insurance
 - (xii) Other Miscellaneous Insurance
- d) Insurance Documents and Policy Terms and Conditions
- (i) Insurance Policy Contract – Need for Proposal Forms
 - (ii) Scope of Cover – Coverage, Exclusions and Warranties, Conditions
 - (iii) Endorsements and Riders in Insurance.
 - (iv) Deductibles, Franchise, Co-Insurance Arrangements
 - (v) Documents Relating to Underwriting and Claims Settlement

3. LEGAL AND REGULATORY ASPECTS OF INSURANCE

- a) Relevant Provisions of Various Act and their applicability to Insurance, Motor Vehicles Act 1988, Marine Insurance Act 1963, Consumer Protection Act 1986, Insurance Act 1938, IRDA Act, 1999;
- b) Role of Industry bodies like Governing Body of Insurance Council, Life Ins Council, Gen Ins Council, Ins Brokers Association of India, etc.
- c) Insurance Regulations & Guidelines - Protection Of Policyholders' Interests Regulations, File & Use guidelines, Regulations relating to Receipt of Premium by Insurer/s vis-à-vis Section 64VB of Ins Act for commencement of risk; IRDA (detection & monitoring of insurance frauds) Guidelines
- d) Anti-Money Laundering: AML / CFT guidelines in Insurance Sector & Updated guidelines from IRDA.
- e) Redressal of Policy-holders' Grievances - Role of Ombudsman Offices, IGMS of IRDA, etc.

4. RISK MANAGEMENT

- a) Risk Management Concepts – Pure Risk and Business Risk, Static Risk and Dynamic Risks, Objective Risk and Subjective Risk, Systemic Risks and Random Risks, Catastrophe risks, Risk Accumulation and Risk exposures.
- b) Steps in Risk Management and ways to treat Risks
- c) Risk impact and likelihood (Frequency – Severity) issues / Risk Mapping
- d) Risk Response Management - Loss & Claims Management, Disaster and Recovery Planning – Crisis Management, Loss / Cost Containment Procedures, Risk Management Record Keeping
- e) How to conduct a risk inspection & Report.
- f) Risk Management Documentation - Risk Self-Assessment Reports, Internal Audit Reports, Unit Risk Management Reports, External Disclosure Reports
- g) Importance of Risk Training and Communication
- h) Risk Control Techniques – Preventive Controls, Corrective Controls, Directive Controls, Detective Controls

SECTION – II GENERAL INSURANCE

1. Fire and Engineering Insurance
 - a) Coverage under Fire Policies
 - (i) Special Clauses
 - (ii) Add On Covers
 - (iii) General Exclusions, Conditions and Warranties
 - b) Essential aspects of Fire Underwriting
 - (i) Proposal Form, Schedule, Policy and Renewal Notice
 - (ii) Building, Construction, Occupation
 - (iii) Fire Risk Inspection & Assessment Report
 - (iv) Fixation of Sum Insured, RIV & Market Value determination
 - (v) Rates, Discounts & Deductibles and its pattern
 - (vi) Fire Loss prevention & Fire Extinguishing Appliances
 - c) Fire (Consequential Loss) Insurance
 - (i) Scope and coverage Fire (CL) Policy
 - (ii) Operational Insurance Covers – Coverage, Exclusions, Underwriting and Claims:
 - (iii) Machinery Insurance including MLOP
 - (iv) Boiler Insurance
 - (v) Electronic Equipment Insurance
 - (vi) DOS Insurance
 - (vii) Indian Market Terrorism Pool;
 - (viii) Proposed Indian Market Oil & Energy Pool;
 - (ix) Rating in Fire & Engineering Insurance (particularly its adequacy) – during Tariff regime as well as during Tariff-free regime;
 - (x) Underwriting Experience of Fire & Engineering Insurance portfolios – during Tariff regime as well as during Tariff-free regime;

2. **MOTOR INSURANCE**

Types of Motor Policies, Certificate of Insurance/ Cover Note
Miscellaneous and Special Types of Vehicle, Motor Trade Policies
Understanding of Various Indian Motor Tariffs and General Regulations

 - a) Private Cars and Two wheelers Motor Policy
 - (i) Package Policies
 - (ii) Scope of Cover of Liability to Third Parties
 - (iii) Liability Only Policy Forms
 - (iv) Personal Accident Cover for Owner-Driver
 - b) Commercial Motor Policies
 - (i) Commercial Vehicles Package Policy.
 - (ii) Section I- Loss or Damage
 - (iii) Section II – Liability to Third Parties
 - (iv) Section III – Towing Disabled Vehicles
 - (v) Motor T.P. Declined Risk Pool;
 - (vi) Rating in Motor OD and Motor TP Insurance (particularly its adequacy) – during Tariff regime as well as during Tariff-free regime;
 - (vii) Role of IRDA in determining Motor TP premium rates;
 - c) Claims
 - (i) Motor Vehicle Claim Experience
 - (ii) Types of Losses
 - (iii) Claim Documents, Survey and Loss Assessment
 - (iv) Computation of Vehicle Damage Claims
 - (v) Motor – Third Party (Liability computation)
 - (vi) Role of MACTs/Lok Adalats in Motor TP Claim settlements

- (vii) O/s claims in Motor TP
- (viii) Underwriting Experience in Motor OD and Motor TP portfolios – during Tariff regime as well as during Tariff-free regime;

3. MARINE INSURANCE

- a) Marine Cargo underwriting
 - (i) Enco-terms
 - (ii) Vessel, Voyage, Cargo, Packing
 - (iii) Marine Clauses: ICC-A, ICC-B, ICC-C, ITC-A, ITC-B, ITC-C
- b) Cargo Insurance coverage and underwriting
 - (i) Specific Policy, Open Policy, Open Cover,
 - (ii) Annual Policy, Sales Turnover Policy
 - (iii) Declaration Form, Certificate of Marine Insurance Duty Insurance
 - (iv) Increased Value Insurance
- c) Marine Cargo Claims
 - (i) Types of Losses
 - (ii) Claims Procedure and Documents
 - (iii) Pre loss & post loss Survey

4. HEALTH INSURANCE & PERSONAL ACCIDENT:

- a) **Types of Health Insurance Products Available-Hospitalization Reimbursement Insurance, Critical Illness Insurance Cover, Specific Disease Covers,**
- b) Health Insurance Claims Management
- c) Group Medical Insurance
- d) Role of TPAs in healthcare Delivery
- e) Overseas Travel Insurance - Terms, Exclusions, Conditions, Benefits Ranges, Frequent Traveler Policies, Claim Settlement Procedures - Baggage Insurance – Coverage, Terms, Conditions, Exclusions, Rates
- f) Personal Accident Insurance – Basic Principles, Coverage, Exclusions, Conditions, Add-ons- Individual Insurance and Group Insurance, Claim Procedures.
- g) Workmen Compensation Insurance - Terms, Exclusions, Conditions, Benefits Ranges, Group Policies, Claim Settlement Procedures
- h) Types of Health Insurance Products Available-Hospitalization Reimbursement Insurance, Critical Illness Insurance Cover, Specific Disease Covers,
- i) RSBY – its features and implementation

5. MISCELLANEOUS INSURANCE (other than Motor, Health, Liability, Property Insurance)

Data on penetration of personal and social sector insurances; Reasons for under-penetration ; Role of Brokers to improve penetration);

6. LIABILITY INSURANCE

- a) Compulsory Public Liability Insurance
 - (i) Public Liability Act, 1991
- b) Products Liability Insurance
 - (i) Policy Coverage & Exclusion, Clinical Trial
- c) General Liability Insurance
 - (i) Commercial General Liability, Directors' & Officers, Errors & Omissions
- d) Employers' Liability Insurance (Workman's Compensation Act 1929)
- e) Professional Indemnities
 - (i) Doctors & and Medical Professions

- (ii) Solicitors & Lawyers
- (iii) Chartered Accountants
- (iv) Architects

7. MISCELLANEOUS INSURANCE (other than Motor, Health, Liability, Property Insurance)

- a) Crime Insurances
 - (i) Burglary Insurance – Coverage, Terms, Conditions, Exclusions First Loss Policies, Claim Settlement
 - (ii) Money Insurance (In Transit And In Safe)- Coverage, Terms, Conditions, Exclusions – Claim Settlement
 - (iii) Fidelity Guarantee Insurance –Coverage, Terms, Exclusions, Terms and Conditions –
- b) Package Policies – Commercial
 - (i) Bankers Indemnity – Section wise Coverage, Terms, Exclusions, Conditions
 - (ii) Jewelers’ Package Insurance - Section Wise Coverage, Terms, Exclusions, Conditions
 - (iii) Shopkeepers Insurance - Section Wise Coverage, Terms, Exclusions, Conditions –
 - (iv) Claim settlement process of package policy
- c) Package Policies – Personal
- d) Household Insurance – Section wise Coverage, Terms, Exclusions, Conditions – Underwriting And Rating, Claims Settlement
- e) Rural and Social Insurance
 - i. Cattle and other animal insurance
- f) Micro – Insurance
 - i. Micro Insurance Products

SECTION – III LIFE INSURANCE

1. Life Insurance Products:
 - Basis of life insurance products
 - Classification of products: Traditional / Linked Product
 - Traditional Products
 - Term Insurance
 - Whole Life Insurance
 - Endowment Insurance
 - Money Back Insurance
 - Linked Products
 - ULIP
 - Health Insurance
 - Individual Annuity with riders
 - Riders & Options (on Both Traditional & Linked Platforms)
 - Term
 - Critical Illness
2. Financial need Analysis and Selection of appropriate policy
3. New product guidelines including customer protection
4. Product comparison analysis of various life insurance companies:
 - a. Scope-features-coverage-benefits-premium-sum assured-commission payable, etc.
5. Underwriting Aspects of Life Insurance
 - Concept of Mortality and Mortality Table.
 - Principles of Underwriting
 - Types of Underwriting

- Medical Underwriting, Financial Underwriting.
 - Numerical Rating System
 - Level premium
 - Calculation of Premium, Modes of Premium Payment
6. Policy Servicing & Claims
- Important Documents
 - Prospectus / Brochure
 - Proposal Form
 - Age Proof
 - First Premium Receipt
 - Policy Bond
 - Endorsements
 - Notices
 - Renewal
 - Revival
 - Policy Servicing
 - Alterations
 - Nomination
 - Assignment
 - Loan
 - Surrender value, paid-up value
 - Life Insurance Claims
 - Procession of claim settlement
 - Important document required
 - Types of claims: Interim claims / Maturity claim/ Death claim.
 - Calculation Of Benefits Payable – bonus – guaranteed additions – final bonus, etc.
7. Group Insurance
- Group Insurance & Group Underwriting
 - Types Of Group Insurance In India:
 - Group Gratuity
 - Group Superannuation
 - GSLI
 - Group Credit Insurance
 - Group Insurance In Lieu Of EDLI
8. Social & Rural Insurance
- Micro Insurance Concept
 - Micro Insurance Regulations
 - Social Group Insurance
 - Different Government Schemes For Weaker Sections, Rural Areas
9. Pension Products & Annuities
- Defined Benefit Pension Scheme
 - Defined Contribution Pension Scheme
 - Classification Of Annuities
 - Life Annuity
 - Annuity Certain
 - Annuity Options
 - Fixed Annuity
 - Variable Annuity
 - Linked Annuity

SECTION – IV REINSURANCE – ADVANCED

1. Role and Functions of Reinsurance
 - a) Introduction to Reinsurance
 - b) Functions of Reinsurance
 - c) Types of Reinsurance
 - d) Purpose & Need of Reinsurance
 - e) Reinsurance Markets
2. Types of Reinsurance Contracts
 - a) Facultative Reinsurance
 - b) Treaty Reinsurance
 - c) Facultative Obligatory Treaty
3. Methods of Reinsurance Contracts
4. Proportional Reinsurance
 - a) Quota Share Treaty
 - b) Surplus Treaty
 - c) Quota Surplus Treaty Non-Proportional Reinsurance
 - (i) Excess of Loss – Working Per Risk
 - (ii) Excess of Loss – Catastrophe
 - (iii) Stop Loss
5. Role of Broker in Reinsurance Market
6. Reinsurance Retention Decision
 - a) Relevant Factors
 - b) Past Data
 - c) Mathematical Models
7. Excess of Loss Cover
 - a) Financial Aspects
 - b) Excess of Loss Rating
8. Common Reinsurance Clauses
 - a) Cut through Clause
 - b) Follow the Fortune Clause
 - c) Set off Clause
 - d) Currency Clause
 - e) Accounting Clause
 - f) Hours Clause
9. Major Categories of Reinsurance
 - a) Property Reinsurance
 - b) Liability Reinsurance
 - c) Marine And Aviation Reinsurance
 - d) Life Reassurance
10. . Alternative Risk Transfer (ART)
 - a) Finite Reinsurance
 - b) Insurance Risk Securitization – CAT Bonds
 - c) Insurance Derivatives – Futures, Options, Swaps
11. Reinsurance Accounting & Management
 - a) To trace catastrophe disasters and insured losses in India; how to go about insuring the so-far uninsured population, properties, etc.
 - b) International markets / Lloyds Market – Slips ; Underwriting Documents

12. Practice Manual for Reinsurance Brokers (new to be introduced)

Section 1: Reinsurance programs

- 1.1 Designing a reinsurance program
- 1.2 Methods of reinsurance

- 1.3 Application of different forms of reinsurance to the main classes
- 1.4 Practical aspects of placing a program
- 1.5 General accounting requirements

Section 2: Accounting for reinsurance treaties

- 2.1 Proportional treaties - commissions
- 2.2 Portfolios
- 2.3 Reserves
- 2.4 Non-proportional accounts

Section 3: Accounting step by step

- 3.1 Objective
- 3.2 Proportional treaty reinsurance

Section 4: Practical examples and exercises

Section 5: Glossary of reinsurance terms