

**EASTERN MEDITERRANEAN UNIVERSITY**  
**FACULTY OF BUSINESS AND ECONOMICS**  
**DEPARTMENT OF BANKING AND FINANCE**  
**Fall 2019-2020**

<b>COURSE CODE</b>	<b>INSU330</b>	<i>5<sup>th</sup> Semester / 3<sup>rd</sup> Year -Undergraduate</i>
<b>COURSE TITLE</b>	Introduction to Insurance	
<b>COURSE TYPE</b>	<i>Area Core/ Elective</i>	
<b>LECTURER</b>	Siamand Hesami	<b>ECTS VALUES</b> 6
<b>CREDIT VALUE</b>	3 Credit Hrs.	
<b>PREREQUISITES</b>	None	
<b>COREQUISITES</b>	None	
<b>DURATION OF COURSE</b>	One Semester	
<b>EMAIL ADDRESS</b>	Siamand.hesami@emu.edu.tr	
<b>OFFICE HOURS</b>	BE017	
<b>ASSISTANT</b>	None	

#### **CATALOGUE DESCRIPTION**

This course deals with the concept of insurance and the importance of insurance coverage, insurance branches, insurance principles, insurance contracts, and insurance premium.

#### **AIMS & OBJECTIVES**

Familiarity with insurance concepts, insurance principles and more important types of insurance policies enable students to have a better understanding of insurance role in real life situations and its applications in mitigating the financial losses of unexpected events.

#### **GENERAL LEARNING OUTCOMES (COMPETENCES)**

On successful completion of this course, all students will have developed **knowledge** and **understanding** of :

- Moral hazard and adverse selection
- Benefits and costs of insurance to society
- The principle of indemnity and insurable interest
- Non-life branches

On successful completion of this course, all students will have developed **their skills** in :

- Understanding the requirements of insurance contracts
- Importance of endorsement and riders
- Understanding the auto insurance policy > coverages, exclusions, and conditions
- Understanding the commercial property coverages
- Types of life insurance and contractual provisions

On successful completion of this course, all students will have developed their appreciation of and respect for **values and attitudes** regarding the issues of :

- The terminology used in insurance contracts
- Needs for different types of insurance policies to cover different risks involving the individuals and businesses
- Importance of policy conditions and types of coverages and exclusions at policy issue

#### **RELATIONSHIP WITH OTHER COURSES**

The course can be used as the basis for other insurance and risk management courses in terms of making students ready to have a better understanding of the conditions behind the different insurance coverages and how to purchase the appropriate insurance coverage to deal with the involved risks.

## LEARNING / TEACHING METHOD AND ASSIGNMENTS

Lectures, applications exercise by cases in classes and assignments.

## METHOD OF ASSESSMENT

Class Participation	5%
Midterm Exam	30%
Final Exam	30%
Quizzes	20%
Project and Presentation	5%

## ATTENDANCE

Attendance is compulsory by school regulations. Students are strongly advised not to miss the lecture hours. If your absentees are more than 20% (three sections) you will be penalized unless you have a valid reason.

## TEXTBOOK/S

Main textbook: Principles of Risk Management and Insurance (11<sup>th</sup> Edition), Rejda, George E. (2011).  
Supplementary textbook: Introduction to Risk Management and Insurance(9<sup>th</sup> Edition), Dorfman, Mark S.(2008)

## INDICATIVE BASIC READING LIST

None

## EXTENDED READING LIST

None

## SEMESTER OFFERED

2019-2020 Fall Semester

## GUIDELINE FOR ASSIGNMENTS

The assignment should be written in A4 paper with pen or pencil. Please, no fancy file covers and your printouts should be in a good format. Just put the pages together and staple. No assignment will be accepted after the deadline.

## PLAGIARISM

This is intentionally failing to give credit to sources used in writing regardless of whether they are published or unpublished. Plagiarism (which also includes any kind of cheating in exams) is a disciplinary offence and will be dealt with accordingly.)

## MAKE-UP EXAMS

Students who have *valid* excuses will be allowed to take make-up examinations for mid-term and final exams, but no make-up exams for quizzes.

## CONTENT & SCHEDULE

Lectures will be held on *Wednesdays (13:30-14:20) at RD304 and Thursdays (10:30-12:20) at CL302*. The lecture topics within the semester areas in the following schedule:

<b>WEEK</b>	<b>CHAPTER</b>	<b>TOPIC</b>
1 & 2	(1) Risk and its Treatment	Peril and Hazard Classification of Risk Major Personal Risks and Commercial Risks The burden of Risk on Society
3	(2) The Insurance Mechanism	Definition of Insurance Characteristics of an ideally Insurable Risk Adverse Selection and Insurance Benefits of Insurance to Society Costs of Insurance to Society
4 & 5	(5) Legal Principles in Insurance	Principle of Indemnity The principle of Insurable Interest The principle of Subrogation Principle of Utmost Good Faith The requirement of an Insurance Contract
6	(6) Analysis of Insurance Contract	Basic Parts of Insurance Contract Definition of "Insured" Endorsements and Riders Deductibles
<b>November 11-23</b>		<b>Mid-Term Exams</b>
7	(10) Auto Insurance	Overview of Personal Auto Policy Liability Coverage Medical payments coverage Uninsured Motorists Coverage Coverage for damage to your auto Duties after an accident or loss Insuring motorcycles and other vehicles
8	(13) Commercial Property Insurance Coverage	Commercial Package policy Business Income Insurance Transportation Insurance Business Owner Policy (BOP)
9	(16) Fundamentals of Life Insurance	Premature deaths The financial impact of premature death on different families Types of life insurance
10	(17) Contract Provisions in Life Insurance	Life insurance contractual provisions Ownership clauses Entire-contract clause Incontestable Clause Grace period Misstatement of age or sex clause Beneficiary Designation
<b>January 2-17</b>		<b>Final Exams</b>