

NIRMA UNIVERSITY

Institute Name	Institute of Commerce
Name of Programme	B. Com (Hons)
Course Code	4CC203IE25
Course Name	Reinsurance Management
Course Type:	Institute Elective –Disciplinary Minor
Year of Introduction	2024-25

L	T	Practical Component				C
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Course Learning Outcomes (CLOs):

After successful completion of this course, the students will be able to:

1.	Explain the historical evolution, fundamental principles, and key functions of reinsurance in risk management.	BL – 3
2.	Explain essential legal principles, contract clauses, and securitization mechanisms in reinsurance agreements.	BL – 3
3.	Assess emerging trends, alternative reinsurance models, and market developments in both global and Indian contexts.	BL – 3
4.	Analyze an organization's reinsurance needs and design an effective reinsurance program accordingly	BL – 4
5.	Evaluate reinsurance accounting techniques, taxation aspects, and financial security in reinsurance markets.	BL – 5

Contents

Teaching Hours

Unit I: Introduction to Reinsurance and Risk Management

09

- Brief historical background: Nature of reinsurance
- Reinsurance in India – Pre-& Post Nationalisation & Liberalisation
- Functions and Methods of reinsurance
- Reinsurance documentation
- Reinsurance Risk Management, Risk inspections & loss prevention

Unit II: Reinsurance Programme Design & Contractual Aspects

09

- Analysing reinsurance needs: Business strategy, financial needs, management style
- Designing and arranging a reinsurance programme
- Negotiation and placement: Direct placement vs. intermediaries, role & advantages
- Fundamentals of Contract Law for reinsurance
- Key clauses in reinsurance contracts
- Securitization of reinsurance contracts

Unit III: Reinsurance Accounting and Taxation

09

- Special nature of reinsurance accounts
- Formats and techniques of reinsurance accounting
- Reinsurance Portfolio Statement: Treaty, Commission & Profit Commission
- Investment Accounting: Classification, exposure norms, valuation, provisioning, disclosures
- Taxation aspects of reinsurance

Unit IV: Reinsurance Markets and Financial Security

09

- Major reinsurance markets and their characteristics
- Emerging reinsurance markets
- Reinsurance exchanges and pools
- Managing reinsurer security and evaluation criteria
- Retrocession arrangements

Unit V: Emerging Trends in Global Reinsurance Markets

09

- Key trends in global reinsurance
- Alternatives to traditional reinsurance
- Inward reinsurance business strategies
- Factors influencing retention decisions

Suggested Readings:

1. Booth, P., Chadburn, R., Haberman, S., & James, D. (2004). *Modern actuarial theory and practice*. Chapman & Hall/CRC. Boca Raton, FL, USA.
2. Carter, R. L., & Dickinson, G. (1992). *Reinsurance*. Palgrave Macmillan. London, UK.
3. Gupta, P. K. (2012). *Insurance and risk management*. Himalaya Publishing House. Mumbai, India.
4. Harrington, S. E., & Niehaus, G. (2004). *Risk management and insurance*. McGraw Hill. New York, NY, USA.
5. Rejda, G. E., & McNamara, M. J. (2021). *Principles of risk management and insurance*. Pearson. London, UK.
6. Strain, J. (2020). *Reinsurance: Principles and practice*. Chartered Insurance Institute. London, UK.
7. Swiss Re. (2020). *The economics of reinsurance: Understanding reinsurance markets and financial security*. Swiss Re Institute. Zurich, Switzerland.
8. The Institute of Chartered Accountants of India. (2024). *Risk management and reinsurance (Module III)*. ICAI. New Delhi, India.
9. Trenerry, C. F. (2009). *The origin and early history of insurance, including the contract of reinsurance*. The Lawbook Exchange. Clark, NJ, USA.

w.e.f. Academic Year 2025-26 and onwards