



Introduction to Insurance

Overview

This course aims to provide knowledge and understanding of insurance's basic principles, including the principal legal principles related to insurance contracts, the main regulatory principles related to the insurance business, and the key elements to protect consumers.

COURSE CONTENT

- Understanding the nature and main features of risk within an insurance environment:
 - Describe the concepts of risk and risk perception
 - Explain the risk management function and process
 - Describe the various categories of risk
 - Explain the types of risk that can be insured and the types of risk that cannot
 - Describe the components of risk
 - Explain the relationship between frequency and severity
 - Please explain the difference between peril and hazard as they relate to insurance
- Understand the main features of insurance:
 - Explain the need for insurance
 - Explain the basis of insurance as risk transfer mechanism
 - Describe how insurance benefits policyholders and society in general
 - Explain the term coinsurance and how this is used in two distinct ways in the insurance market
 - Describe what is meant by coinsurance, dual insurance, and self-insurance
 - Describe the main classes of insurance, including property, financial, motor, liability, marine, aviation, health, and combined or package policies.
- Understand the structure and main features of the insurance market:
 - Describe the structure of the insurance market and give the main groups of people (buyers, intermediaries, aggregators, insurers, reinsurers)
 - Describe the four categories of insurers in terms of ownership
 - Explain the types and intermediaries in the insurance market
 - Describe the distribution channels used to sell insurance
 - Explain the purpose of reinsurance



- Describe the critical roles of professionals in insurance, including underwriters, claims personnel, loss assessors, loss adjusters, surveyors, actuaries, risk managers, and compliance officers.
- Understand insurable interest:
 - Define insurable interest and its features
 - Explain the timing of insurable interest
 - Explain how insurable interest can arise
 - Explain the application of insurable interest to property and liability insurance contracts
- Understand the principle of indemnity and how this is applied to contracts of insurance:
 - Define the principle of indemnity.
 - Explain the settlement options available to insurers to provide the insured with the necessary indemnity.
 - Identify and distinguish between indemnity and benefit policies
 - Explain what is meant by agreed value policies, first loss policies, and new for old cover
- Understand the principles of contribution and subrogation:
 - Explain the principle of contribution and when and how it applies to the sharing of claim payments between insurers in straightforward property cases
 - Explain the principle of subrogation and why it may or may not be pursued in simple circumstances.
- Understand the main regulatory and legal requirements applicable to the transactions of the insurance business:
 - Explain the reasons for compulsory insurance and describe the types of insurance
 - Explain the role of the financial services regulators in the authorization, supervision, and regulation of insurers.
 - Explain the reporting requirements, record keeping, and training and competence
 - Describe the main provisions of money laundering regulations and their applications to insurers and intermediaries
 - In a broader outline, describe the solvency requirements for insurers and intermediaries and financial services regulatory risk-based capital requirements.