University of St.Gallen

8,153: Insurance Operations

Subject information

ECTS-Credits: 4

Attached courses

Timetable	Language	Lecturer
8,153,1.00 Insurance Operations	**English**	**Eling Martin**

Course information

Course prerequisites

No previous courses are required. The course is designed for students interested in risk management and financial institutions, especially insurance. The course is relevant both from a professional as well as from a personal point of view. The reason is that it provides a fundamental understanding of risk management and insurance which is helpful for personal finance and provides insights into an exciting industry with interesting jobs.

Course content

The objective of this course is to provide an advanced discussion of all insurance activities and their management. First, I will provide a brief theoretical discussion on what insurance is and how it works ("the magic of insurance", Part B). Then, in Part C we will consider the structure of insurance markets and what currently drives these markets. In Part D you will get a systematic review of all existing insurance products (life, property/casualty, health, pension, reinsurance). Finally, we will systematically go through all areas of insurance management (leadership, marketing and distribution, production, asset management, and risk management). One emphasis will be on pricing and reserving. I also plan to integrate challenges in insurance management in class such as the demographic change (and intergenerational fairness), climate change (increasing number and severity of catastrophes and what to do about it), emerging risks, the increasing role of emerging markets, and new technologies that very much affect insurance processes in these days.

A. Introduction

B. Insurance Economics

B.1. Basis Model

B.2. Moral Hazard

B.3. Adverse Selection

B.4. Regulation

B.5. Theoretical Foundations of the Insurance Business

C. Insurance Markets

C.1. Market Overview

C.2. Social Insurance

C.3. Private Insurance

D. Insurance Products

D.1. Product Overview

D.2. Life Insurance

D.3. Property Casualty Insurance

D.4. Health Insurance

D.5. Pension

D.6. Reinsurance

E. Insurance Processes

E.1. Leadership

E.2. Marketing and Distribution

E.3. Production

E.4. Asset Management

E.5. Risk Management

Course structure

Sessions + 90 minutes exam at the end of the semester (takes place during last course session)

Course literature

- Slides on Studynet

- I will work on lecture notes throughout the semester and will also make these available on the Studynet

- There is no standard textbook on insurance management, but the following books are helpful for selected aspects in class (I will highlight other relevant pieces in class)

Rejda, G.E. (2007): Principles of Risk Management and Insurance, Addison Wesley.

Schulenburg, J. (2005) Versicherungsökonomik, Verlag Versicherungswirtschaft.

Skipper, H.D., Kwon, W.J. (2007): Risk Management and Insurance: Perspectives in a Global Economy, Wiley.

Zweifel, P., Eisen, R., (2011): Insurance Economics, Springer.

Course additional information

Information about the Examination

Examination type

decentral - Written examination (100%, 90 mins.)

Comment: Exam takes place during last course session

Examination aids

Closed Book

The following rules apply to all examinations irrespective of requirements and use:

- A simple pocket calculator is admissible (for the definition of simple pocket calculators incapable of communication, cf. general regulations concerning examination aids of 14 December 2010 and note the "Pocket calculators" fact sheet). Any other EDP and electronic means of communication such as notebooks, PDAs and mobile telephones, etc., are inadmissible.
- A bilingual dictionary (without handwritten notes) may be used if the examination questions and/or answers are not in the candidate's native language. Electronic dictionaries are inadmissible.
- The procurement of these examination aids is exclusively the students' responsibility.
- No other examination aids are admissible.

Question language: **English**

Answer language: **English**

Examination content

All course contents treated in class

Exam-relevant literature

Please see course literature above

Attention please:

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

When will the fact sheets become binding?
Information about courses and examination type: from the start of the bidding process on 26 January 2012
Information about decentral examinations (examination aids, examination content, exam-relevant literature): after the 4th semester week on 19 March 2012
Information about central examinations (examination aids, examination content, exam-relevant literature): from the start of the enrolment period for the examinations on 9 April 2012

Please look at the fact sheet once more after these deadlines have expired.