

**Vocational Higher Secondary
Education (VHSE)**

Second Year

BANKING AND INSURANCE SERVICES

Reference Book - Teachers' Version



Government of Kerala
Department of Education

State Council of Educational Research and Training (SCERT),
KERALA
2016

Foreword

Dear Teachers

This reference book (**Teachers' Version**) is intended to serve as a transactional aid to facilitate classroom transaction and as a ready reference for teachers of Vocational Higher Secondary Schools. It offers some guidelines for the transaction of the course content and for undertaking the practical work listed in the course content. As the curriculum is activity based, process oriented and rooted in constructivism focusing on the realisation of learning outcomes, it demands higher level proficiency and dedication on the part of teachers for effective transaction.

In the context of the Right- based approach, quality education has to be ensured for all learners. The learner community of Vocational Higher Secondary Education in Kerala should be empowered by providing them with the best education that strengthens their competences to become innovative entrepreneurs who contribute to the knowledge society. The change of course names, modular approach adopted for the organisation of course content, work-based pedagogy and the outcome focused assessment approach paved the way for achieving the vision of Vocational Higher Secondary Education in Kerala. The revised curriculum helps to equip the learners with multiple skills matching technological advancements and to produce skilled workforce for meeting the demands of the emerging industries and service sectors with national and global orientation. The revised curriculum attempts to enhance knowledge, skills and attitudes by giving higher priority and space for the learners to make discussions in small groups, and activities requiring hands-on experience.

The SCERT appreciates the hard work and sincere co-operation of the contributors of this book that includes subject experts, industrialists and the teachers of Vocational Higher Secondary Schools. The development of the teachers' version of reference books has been a joint venture of the State Council of Educational Research and Training (SCERT) and the Directorate of Vocational Higher Secondary Education.

The SCERT welcomes constructive criticism and creative suggestions for the improvement of the book.

With regards,

Dr. J. Prasad
Director
SCERT, Kerala

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About the course

Banking system in India has been functioning under regulations since 1949. Before Independence, the banking system was largely in the hands of Private Banks. The SBI Act was passed in 1955 and as a result Imperial Bank of India was taken over by Reserve Bank of India. Following this, Public Sector participation was increased by taking over by seven associate/subsidiary Bank of SBI by 1959 and Nationalising of 14 private banks in 1969, and 6 private banks in 1980. Post Nationalisation, the banks were asked to open more branches in rural areas, huge number of people were recruited to these newly opened branches, the business of banking moved from class banking to mass banking. These developments gave rise to the need for a large work force of bank employees. The banking and finance sector is one of the fastest growing sector in the country. This growth brought many

opportunities in the banking sector. The nationalised banks select candidates based on selection test conducted by IBPS. State Bank of India conducts its own selection test for recruitment. Private Banks, as a number of considerations, which include qualifications and past experience whatever may be the selection procedure, are required to provide training to the candidates selected for employment. In order to reduce the cost of training and also increase the productivity of employees, the banks prefer candidates who have acquired training in various aspects of banking and finance before joining the banks. A suitable qualification and acquisition of the basic skill in Banking and Finance through an appropriate training enhance the prospect of getting employment in Banking and Finance Sector.

Insurance in its current term has its history dating back to 1818 when Oriental Insurance Company was started by Anita Vishwas, in Kolkota to cater to the needs of the European community. In 1829 the Madras equitable had transacting Life Insurance business in the Madras Residency. In 1870, Bombay Mutual Life Assurance Society became the first Indian insurer. The government of India nationalised life insurance sector on 19th January 1956. As a result Life Insurance Corporation came into existence. The General Insurance Business (Nationalisation) Act was passed in 1972 and as a result General Insurance business was nationalised with effect from 1st January 1973.

Due to the recommendation of “Malhotra Committee” report 1999, the IRDA was constituted as an autonomous body to regulate and develop the Insurance industry. The key objective of the Authority is to promote market efficiency and ensure consumer protection. Today there are twenty-eight General Insurance Companies including the ECGC and Agricultural Insurance Corporation of India and 24 life Insurance Companies operating in the country. The opportunities in the insurance sector at the level of assistants and officers are comparable with those in the banking sector. One can become an Agent, Surveyor or Investigator by following the norms prescribed by IRDA.

The insurance sector is a fastest growing one with a growth rate of 15%-20% together with banking service, the insurance add about 7% to the country's GDP.

JOB ROLES

Government /private sector	Self employment
VHS LTA	Business consultant
Sales officer	Akshaya centre
Credit analyst	BPO
Billing assistant	Insurance advisors
Computer operator	Stock brokers
Equity dealers	Sub brokers
Clerk in stock market	IT co-ordinator

MAJOR SKILLS

Resilience skill

People skill

Accounting skill

Accuracy skill

Attention skill

Bilingual skill

Customer relations skill

Judgment skill

Goal setting skill

Communication skill

Product presentation skill

Problem solving skill

Negotiation skill

LEARNING OUTCOME OF THE COURSE

After completion of this COURSE the learner will be able to –

- Understand the main features of various banking products.
- Understand the factors involved in marketing of banking and financial products and acquire basic skills in selling these products.
- Know the process of opening and handling accounts of different types of customers.
- Understand the legal aspects involved in banking operation.
- Understand the basic principles and process of lending in banks.
- Understand the importance of priority sector lending.
- Understand the importance of customer care service in banking sector.
- Understand the risk involved in banking operation.
- Acquire the basic communication skills.
- Understand the requirements of effective communication at workplace.
- Understand the importance of insurance in risk management.
- Know the benefits of insurance to individual and society.
- Know the duties and powers of IRDA.
- Understand the ethics of good faith, truthfulness etc in life.
- Understand the various types of insurances in life and non-life sectors.
- Understand how to become a successful marketing personeel.

COURSE STRUCTURE

MODULE NO	MODULE NAME	NO. OF PERIODS
1	BANKING SERVICES	340
2	COMPUTER APPLICATION	340
3	INSURANCE SERVICES	340
4	MARKETING BANKING AND INSURANCE PRODUCTS	340

Syllabus

Module III INSURANCE SERVICES

Unit 3.1 INTRODUCTION TO INSURANCE

Meaning of risk

Classification of risk

Features of Insurable Risk

Meaning and Functions of Insurance

Peril and hazard

Importance of Insurance

Types of Insurance

Essentials of valid contract

Meaning and Types of Contracts

Difference between Insurance Contract and wagering contract

Legal Principles of Insurances

Unit 3.2 UNDERWRITING AND INSURANCE DOCUMENTS

Meaning of Underwriting

Underwriting procedure of Life Insurance

Assignment, nomination, Revival and surrender

Underwriting of non-life Insurance

Insurance Premium

Insurance documents

Unit 3.3 INSURANCE CLAIMS

Meaning , Importance and type of claims

Procedure on settlement of

Life Insurance claims

Procedure of settlement of Non-life Insurance claim

Unit 3.4 IRDA REGULATIONS

IRDA Regulations

Insurance operations

Final accounts of insurance companies and usage of accounting software (Tally)

Suggested practicals - Module 3

In banking and insurance sector, various reports/letters/tables and other documents are to be prepared in English/Malayalam languages, as a part of their business. For this, a person who prepares these documents in computer should need a minimum speed of 30 words per minute

in English/Malayalam computing. Hence, the learner of this course should be trained to acquire this specific speed.

1. List out the various risks in our surroundings and classify them into pure, speculative, fundamental, particular, financial and non-financial and present them in a table (IT enabled)
2. Prepare a chart showing examples of material facts and non-material facts to be disclosed in life Insurance.
4. Prepare proposal form of life insurance policies with the help of excel spread sheet (IT enabled).
5. Prepare certificate of Insurance with excel spread sheet (IT enabled).
6. Draft a model of cover note.
7. Design a model of Life Insurance policy.
8. Write a letter to the branch manager of life insurance company to change the nomination already given.
9. Write a request letter to the Branch manager demanding the surrender of a life Insurance policy.
10. Prepare a premium renewal advice/ notice.
11. Prepare a letter to the policy holder informing the maturity of his policy and request him to produce necessary documents for settling the claim.
12. Prepare an acceptance/rejection letter to a proposer on the basis of underwriting.
13. Ask the students to collect policy details of their family members/relatives and prepare a statement about policy types, amount, period, age, mode of payment etc.
14. Conduct a role play to draw the attention of the public about the necessity of insurance in human life.
15. Conduct a role play to analyse the need assessment of a prospective buyer on a specific insurance product.
16. Study and analyse a few life insurance plans (minimum 10 numbers) of different companies, design a new one suitable to a common man.

Hint. (a) An approximate amount of premium is only required

(b) Highlight the features of the plan

© Minimum and maximum sum assured should be specified

(d) Period of insurance, need of medical examination should be included

17. Draft a notice or brochure exhibiting the necessity of Life Insurance in the mind of people.

18. Calculate Monthly, Yearly, and Half Yearly premium

Name of Insured	Sageer
Table of Premium	Rs. 60.50/1000
Age	35 years
Sum Insured	Rs. 500000/-
Name of policy	Endowment
Rebate	Re.1/1000 for sum insured above Rs.200000
Additional Premium (optional)	Critical illness benefit Re.1/1000
Double accident benefit	Rs.2/1000

19. Mr Sujan is a partner of a firm. As a business man and also as a human being, list the persons whom he has insurable interest. And prepare a chart.

20. Mr Sunil is the owner of a building worth Rs 50 lakhs. He insured the building against fire for Rs 25 lakhs. During the policy period, a fire occurred and loss estimated is Rs. 40 lakhs. Calculate the amount of claim payable, by the company.

21. Make a short film for giving awareness to general public about the necessity of minimizing road accidents based on the data collected from various sources, for the last two weeks

Hint- (a) Explore internet and collect incidents of photographs/videos of road accidents

(b) Find out innovative and creative steps to reduce road accidents.

(c) Give a good message

22. List out the various hazards in human life, and motor accidents, and then classify them in to physical and moral hazards. Make a power point presentation on the basis of above classification.

23. Prepare a speech to be presented in your residential association about the possibility of gas leakage and its consequences, and precaution to be taken to prevent incidents in future.

Hint- speech in English or in Malayalam.

24. According to the principles of indemnity, the selection of mode of indemnity is vested with the insurer. However; all modes of indemnity are not suitable to all cases. Draw a chart showing mode of indemnity suitable on different losses.
25. Prepare a chart/PPT showing different type of Insurance-Life and Non Life.
26. Using a suitable Insurance software prepare a policy certificate of Insuring an Individual, a motor vehicle and health policy.
27. Mr. Anil aged 30 years insured his life with Standard Insurance Company for a sum Rs25 lakhs on 25/02/2015. He committed suicide on 04.03.2015. His legal heirs lodged claim. But the insurer rejected claim request. Analyze the case and a note showing the procedure of claim settlement and important claim documents (IT enabled)
28. Mr. Sunil met with an accident while driving his car and the vehicle is completely damaged. The owner of the car lodged a claim with the insurer. They refused the claim request on the ground that the driver has no driving license. Analyze the situation and decide the type of claim. Also prepare a chart/PPT/Note on different type of non life insurance claim (IT enabled)
29. The use of motorbikes/drugs is increasing among students, and the accidents are also increasing day by day. Prepare a slide show suggesting suitable measures to control and manage these evils among students.
30. Start an underwriting department in your class
- Hint: - (1) Fix underwriting team consisting of one clerk, one officer and a manager
 (2) Fix underwriting conditions. Eg. Documents required
 (3) Each student brings a mock insurance policy
 (4) Underwrite the policy.
31. Record the following transaction in suitable vouchers.
- 2016 Jan.1 Mr. Arun commenced business with cash Rs.100000
1. Opened a bank account with SBI Rs.50000
 2. Purchased goods for Rs.10000
 3. Purchased furniture for Rs. 15000, paid by cheque.
 4. Bought goods from Raj traders rs.25000
 5. Sold goods for cash 10000
 6. Returned goods to Raj traders Rs.1000
 7. Sold goods to Varun for Rs.15000

8. Issued cheque to Raj.traders. Rs.10000
9. Received goods returned by Varun Rs.500
10. Sold goods to Ravi Rs.10000
11. Sold goods for cash Rs.20000
12. Cheque for Rs.7000 received from Varun
13. Cash sales Rs.10000
14. Paid rent by cheque Rs.5000
15. Paid salary by cheque Rs.8000
16. Withdrew Rs. 10000 by Arun for personal use

Extract Trial balance Trading, profit and loss account and balance sheet.

32. Compute taxable income from the following data

Name	Maya
Occupation	Teacher
Monthly salary	35000
Income from house property	75000

She has one life insurance policy in her name and one in the name of her husband. She remits Rs.50000 as annual premium for her policy and Rs.4000 as monthly premium for her husband's policy.

Syllabus

MODULE IV. MARKETING OF BANKING AND

INSURANCE PRODUCTS

UNIT 4.1 MEANING AND IMPORTANCE OF SERVICE MARKETING

Meaning and features of service

Types of Services

Meaning and Significance of Service Marketing

Difference between product marketing and service

7 P's of service Marketing (Marketing mix)

Consumer behavior in service market

Role of Service Marketing in India

UNIT4.2 MARKETING OF BANKING PRODUCTS

Concept of Marketing of Banking Products.

Users of Banking Products

Selling Strategy in banking products

Marketing of various Banking Products

UNIT4.3 MARKETING OF INSURANCE PRODUCTS

Insurance marketing concept

Segments of Insurance Market

Strategies for Insurance Marketing

Qualities of a good salesman

Marketing of various life Insurance products

Marketing of major non-life Insurance products

Unit 4.4 AN INTRODUCTION TO FINANCIAL MARKET

Various investment opportunities in financial

Types of financial securities

Securities Market

Pre requisite of investing in financial securities

Trading procedure on secondary market

Securities market Regulator(SEBI)

Suggested practical Module 4

1. Make a survey, finding reasons for the decline in demand of life insurance/banking product and suggest suitable measures to improve its demand.

Hint 1.Introduction by teacher.

Hint 2.Preparation of a questionnaire.

Hint 3.Distributing questionnaires to sufficient respondents

Hint 4.Get the response filled in by the respondents.

Hint 5.Analyse the responses and make recommendations.

2 . Draft an advertisement (brochure) for launching a new product (banking/Insurance) using Photoshop/word/PageMaker.

3. As the manager of bank/insurance Company make an advertisement in the leading news papers, for the selection of an Insurance advisor/sales officer.

Hint1.Name of firm, address

Hint2.Age

Hint3.Qulaification

Hint4.Experience, if any

Hint 5.Last date of receiving application

Hint6. Any other details.

4. Prepare your resume in order to apply for a job in a bank/Insurance company.

5. ABC Bank/Insurance company received 30 applications for the post of advisor. The company requires only 5 advisors. The company decided to conduct an interview on a particular date. Constitute an interview board and complete the selection procedure.

Hint1-Interview board consist of chairman, subject expert and 3 committee members

Hint 2-Questions relating to current affairs, GK, Insurance marketing, Personal questions, Intelligence, honesty, etc.

6. Make a power point presentation of 7 P's of service marketing (Seven slides with explanation)

7. Identify various service sectors and make an album collecting pictures from different media (newspapers, magazines, internet etc)

8. .Analyse the role of product marketing and service marketing in Indian economy on the basis data of the following areas in 2014 and make a conclusion.

Area	Product marketing	Service marketing
Employment		
Export		
Import		
GDP		

9. Identify the service sectors most suitable to kudumbasree units/residence association and features and importance of those sectors and then conduct an awareness class with power point presentation to the members of kudumbasree units/residence association.

10..Make a comparative study of interest rate of deposits and loans provided by scheduled banks and co-operative society, New generation banks and make a power point presentation.

11. Divide the students into groups and assign the targets of deposit mobilisation from the following categories of society.

Group I-Visit a few agriculturists

Group II-Visit a few NRI s

Group III Visit some selected businessmen

Group IV Visit a few households

Group V-Visit some government employees.

Conduct a role play showing the strategies adopted for deposit canvassing from the above categories.

12. You are the sales manager of XYZ bank. The zonal office gave you a target of 100 car loans for the coming year. Enlist the strategies or techniques to be adopted for achieving the target.

Hint1. Select target group (may be active depositors, financially sound person. from general public)

Hint 2. Draft a notice specifying the features of the product.

Hint 3. Intimating the target group by sms, email or direct contact.

Hint4 .Analyze their responses

Hint 5. Direct contact with interested parties and to turn their desire into sales.

Hint 6. Making follow up.

13. Make a video album/photo album about various products of banks (deposits and loans) to be presented in VHSE regional expo(15 Minutes)

14. Make a presentation for marketing of life/Non-life insurance products

Hints-Use any presentation techniques such as videos/PPT's etc.

Targets groups, features, product details etc.

15. .Find the price variation of 10 shares of BSE and make chart for 20 trading days. Make a comparative study on the basis of safety, liquidity and profitability of investing money in share market and in bank deposit.

16. Visit the nearby share broking firm and find the trading activities, and also analyse and find out the ratio of savings and investment by individuals in share market..

17. Prepare a chart showing the prerequisites of investing in financial securities.

18. Draft a questionnaire (with open ended questions) before approaching a prospective buyer for a life insurance product as part of need analysis

19 .Draft a telephonic script to fix an appointment with a businessman, as part of marketing an insurance product.

20. Exploring the internet, collect data of market share of the following sectors and prepare a Bar diagram (using spread sheet)

1. Insurance Sector
2. Banking Sector
3. Hospitality
4. Information technology
5. Health care service

21. Exploring the internet show sectorial distribution of GDP for 2015 of 10 developing countries as in the given format and prepare a note on importance of Service Sector in GDP of our country

Sectorial Distribution of GDP for 2015

Nation	Service sector	Industry	Agriculture
India			
Pakistan			
Srilanka			
Malasia			

22. Prepare pie diagrams by exploring data from internet about India's GDP with the share of Agriculture sector, Industry sector and service sector in 2013, 2014 and 2015 and make a comparative study.

23. Conduct a survey and collect data on the topic on the prices of some products and services in your locality and prepare a table. Make a study of pricing of product and services. Example, price of soap-price of IT service provided by local firm and a reputed international firm.

24. Conduct a survey and collect data of different products and service in your locality and categories them on the basis of common features and prepare a Table.

25. Make a collection of popular types of life policies marketed by LIC of India and prepare an album.

Step 1. Collect the details from Insurance advisors/office/leaflets/news paper/internet

Step 2. Set an album containing the types of life policies

Step 3. Present it in the class room.

26. Conduct a telecalling show between a prospective customer and an insurance salesman

Step 1: Select 2 students to conduct the show

Step 2: Give them roles and ideas on the discussion between the two

Step 3: The players enact their assigned role

Step 4: Students record the activities in the activity log.

27. Design and prepare the advertisement copy for a new life policy issued by XYZ Co

Steps- create advertisement copy including name and address of the company, Logo, features of the product, etc.

29. Write a story board for a television advertisement for a new product issued by LIC and present it in the class.

Step 1: Divide the students into four different group

Step 2. The groups makes a story board on the product.

Step 3. Present the advertisement in the class room

Step 4: Record the story board in the record book

30. Interview with a sales manager or sales executive/salesman to collect information on various skills and qualities needed by an insurance marketing salesman.

Step1. Teacher helps the students to prepare a questionnaire/interview schedule.

Step2.The programme start with a welcome note by a student. The student introduces the sales manager.

Step3.The sales manager talks about the skills and qualities required by a salesman.

Step 4. Interaction between students and the sales manager

Step 5. Students should present and note down the points

Step 6. Students should present the skills and qualities.

31. Prepare model of a certificate of insurance, issued by ABC Ltd to Mr.Babu, on insuring his motor car. (IT enabled)

32. Draft a renewal notice/letter issued by an insurance company remembering the date of renewal.

33. Prepare a questionnaire for analyzing the attitude of public about the need of insurance

34. Conduct a survey on 25 neighboring families of your school, to collect their attitude on the need of insurance by using the questionnaire prepared earlier.

11. Learning Outcomes of the units (Module 3)

Module III

Insurance services

The Learner

3.1.1 Identifies the nature and meaning of risk in insurance

3.1.2 Categorizes and describe various types of risks

3.1.3 Decides the feasibility of insuring a risk

3.1.4 Describes the primary and secondary functions of Insurance

3.1.5 Describes various perils and hazards

- 3.1.5 Differentiate physical and moral hazard
- 3.1.6 Analyzes the importance of insurance in different situations
- 3.1.7 Identifies different types of Insurances
- 3.1.8 Describes and differentiate various types of contracts
- 3.1.9 Identifies the essentials of a valid contract
- 3.1.10 Describes and Differentiate Insurance contract and Wagering contract
- 3.1.11 Identifies and describe the legal principles of insurance
- 3.2.1 Analyzes the possibility of accepting or rejecting of an Insurance proposal
- 3.2.2 Describes the various factors considered for risk analysis and its implication
- 3.2.3 Explains the need and different aspects of assignment and nomination and surrender of Insurance Policies
- 3.2.4 Explains the various factors affecting a risk and identify the procedure of accepting or decline a non life insurance proposal (Motor, fire ,cattle)
- 3.2.5 Describes the various factors to be considered while calculating life and non life Insurance premium
- 3.2.6 Explains the importance and necessity of various documents in life and non-life Insurance
- 3.3.1 Explains what is a claim and how claims occurs and its importance in Insurance
- 3.3.2 Explains the procedure of claim settlement and the need for quick settlement of claims
- 3.3.3 Describes different types of claim in Non-life Insurance
- 3.4.1 Explains different regulations implemented by IRDA in this sector
- 3.4.2 Explains the insurance operations
- 3.4.3 Identifies and understand the schedule format of Revenue account, profit and loss account and balance sheet

Learning Outcomes of the units(Module 4)

Marketing of banking and insurance products

The Learner

- 4.1.1 *Identifies and describe the meaning and features of services*
- 4.1.2 *Describes the role of service in an economy*
- 4.1.3 *Describes and differentiate different types of services*
- 4.1.4 *Describes the meaning and significance of service marketing*
- 4.1.5 *Differentiate between product marketing and service marketing.*
- 4.1.6 *Identifies and Describe the Service marketing mix*
- 4.1.7 *Describes consumer behavior in service market*
- 4.1.8 *Describes the role of service Marketing in India*
- 4.1.9 *Describe the concept of marketing of banking products*
- 4.2.1 *Describes and categorize different users of banking products*
- 4.2.2 *Describes the different selling strategies of banking products.*
- 4.2.3 *Describes the strategies required for marketing various banking products*
- 4.3.1 *Describes the meaning of marketing of Insurance products*
- 4.3.2 *Explains various segments of insurance market*
- 4.3.3 *Identifies and Describe strategies for Insurance Marketing.*
- 4.3.4 *Describes the qualities of an Insurance Salesman*
- 4.3.5 *Describes the marketing process of various Life insurance products*
- 4.3.6 *Describes the marketing of Major non-life products.*
- 4.4.1 *Describes the investment opportunities in financial market*
- 4.4.2 *Describes and categories different types of financial securities.*
- 4.4.3 *Describes the securities market and classify them as primary and secondary*
- 4.4.4 *Describes the requisite for investing in financial securities.*

4.4.5 Describes the trading procedure on secondary market

4.4.6 Identifies and describe the Security market regulations

SCHEME OF WORK

MONTH	NAME OF UNIT	PERIOD
June	Introduction to Insurance	45
July	Introduction to Insurance	45
August	Underwriting and Insurance documents	90
Sept	Insurance claims	80
Oct	IRDA Regulation	80
Nov	Introduction to service marketing	45
Dec	Introduction to service marketing	45
Jan	Marketing of banking products	80
Feb	Marketing of insurance products	90
Mar	An introduction Financial market	80
	Total	680

STRUCTURE OF MODULE 3

UNIT	UNIT NAME	PERIODS
1	INTRODUCTION TO INSURANCE	90
2	UNDERWRITING AND INSURANCE DOCUMENTS	90
3	INSURANCE CLAIMS	80
4	IRDA REGULATIONS	80
	TOTAL	340

14. STRUCTURE MODULE 4

UNIT	UNIT NAME	PERIODS
1	INTRODUCTION TO SERVICE MARKETING	90
2	MARKETING OF BANKING PRODUCTS	80
3	MARKETING OF INSURANCE PRODUCTS	90
4	AN INTRODUCTION TO FINANCIAL MARKET	80
	TOTAL	340

Classroom activities(General)

- a) Debate
- b) Seminar
- c) Role Play
- d) Case Study
- e) Chart
- f) Diagram
- g) Interview
- h) Power point presentation
- i) Assignment
- j) Album
- k) Exploring data from web
- l) Class Test

Practical activities (General)

- 1. Situation analysis
- 2. Field visit
- 3. Role play
- 4. Interactions with officials in banks/insurance/marketing firms
- 5. IT lab work



An Overview Module 3

In India insurance claims a historical background. Manusmruithi of Manu, Dharmasastra of Yajnavalkya, and Arthasastra of Kautilya mention about existence of insurance. The writings, speak in terms of pooling of resources and redistribution in times of calamities such as fire, famine, flood etc. The insurance sector is one of the fastest growing sector in India. The insurance sector is growing at a speedy rate of 15-20%. 7% of the GDP is contributed by banking and insurance sectors together. The sector produces long term funds for infrastructure development. The job opportunities in this sector are immense and lucrative. One can become an advisor, surveyor or investigator. The opportunities in the insurance sector at the level of assistant and officers are comparable with those in the banking sector. A basic knowledge in insurance is essential to all, be he a student, a home maker or a shopkeeper or as a professional. This is required to have a check on what your advisor tells you, but also to confirm that the insurance taken is the right one for you.

About the Unit (INTRODUCTIONS TO INSURANCE)

Insurance is a form of risk management used to primarily transfer risk. It means transferring risk from one entity to another. Insurance transfers the risk from an individual to a group. This unit shares the concept of risk, classification of risk, meaning and importance of insurance, various types of insurance and the major principles of insurance. Insurance can be used as a tool to shield an individual against potential risk like travel accidents, death, old age, health, unemployment, theft, property destruction by natural calamities, fire, mishap, etc.

UNIT GRID

.Unit 1 INTRODUCTIONS TO INSURANCE

Idea/Concept/Skills	Learning Outcome	Suggested activities	Assessment
3.1.1. Meaning of risk Skills: Observation Identification	Identifies the nature and meaning of risk in insurance	Conduct an interview with a wholesale dealer of textiles, who wish to insure textile showroom against the possibility of fire, theft, Burglary etc Interview with an Insurance advisor about the topic of major risks. Group discussion on the topic of risk.	Report of interview Report of Interview Teacher Assessment
3.1.2 Classification of risk <ul style="list-style-type: none"> • Pure and speculative risk • Fundamental and Particular • Financial and non-Financial Skills Comparison Analytical Observation	Categorizes and describe various types of risks	Ask the students to conduct a survey on various risk in their locality and collect at least 25 various risk and categorize them on the basis of pure, speculative, fundamental, particular and financial and non-financial and prepare a table.(IT enabled) Mr.Mohan is a gold	Report of the survey with the graphical presentation Teacher assessment

		<p>merchant, who sustained a loss of Rs.10 Lakhs due to fall in the price of gold; Analyze the type of risk.</p> <p>Flood in Chennai affected lakhs of people and their properties during the last year. Analyze the case and identify the risk.</p>	<p>Report of the case study</p>
<p>3.1.3 Features of Insurable Risk</p> <p>Skills Analytical Identification Judgment</p>	<p>Decide the feasibility of insuring a risk</p>	<p>Interactive lecture method on insurability of risk</p> <p>Group discussion on the topic of features of risk</p>	<p>Discussion Notes</p> <p>Teacher assessment</p>
<p>3.1.4 Meaning and Functions of Insurance</p> <p>Protection Certainty Thrift Risk sharing Employment opportunity Promotion of business Foreign trade Economic development</p> <p>Skills Comparison Investigating</p>	<p>Major functions of insurance</p>	<p>A&B deposit Rs.1000 per month in RD account and Life Insurance policy respectively. Compare:</p> <p>a. if both persons are alive on maturity</p> <p>b. If B dies before maturity</p> <p>Mr X exports food stuffs from Cochin to Dubai. He faces marine perils. Analyse the case and suggest suitable measures to overcome the problem.</p>	<p>Report of the case study .</p> <p>Report of the case study .</p> <p>Power point</p>

		Slide show on functions of insurance.	presentation on functions of Insurance
<p>3.1.5 Peril and hazard</p> <p>Peril Hazard Physical hazard Moral hazard</p> <p>Skills Identification Comparison analysis</p>	<p>Describes various perils and hazards</p> <p>Differentiate physical and moral hazard</p>	<p>On the basis of interactive lecture method student's enlist various perils affected in different circumstances</p> <p>Explain and classify different reasons for road accidents such as fitness of vehicles bad conditions of roads, carelessness of driver, use of mobile phones while driving, intoxicated driving etc</p>	<p>Analyze the situation and differentiate the hazards into physical and moral, and then prepare a table (power point presentation).</p>
<p>3.1.6 Importance of Insurance</p> <p>Skills Observation Analysis</p>	<p>Analyzes the importance of insurance in different situations</p>	<p>Interactive lecture method on importance of Insurance to individual, society, businessmen, etc</p> <p>Present a seminar report on the topic importance of insurance</p>	<p>Ppt of the importance of insurance .</p> <p>Report of the seminar.</p>
<p>3.1.7 Types of Insurance</p> <p>(1)Life</p> <p>(2) Non Life (a)Fire (b)Motor (c) Marine (d)Personal (e)Health (f)Live Stock (g) Fidelity guarantee (h)Liability Insurance- (a) Product</p>	<p>Identifies different types of insurances</p>	<p>Interactive lecture method on different types of insurances</p> <p>Mrs. Sunitha applied face cream purchased from a shop. After applying the cream, she felt allergy in her face. Analyze the case.</p>	<p>Ppt on different types of insurance.</p> <p>Report of the case study</p>

(b) Public (c) Professional indemnity			
3.1.8 Essentials of valid contract Agreement Free consent Legal consideration Capacity of parties Legal object skills Identification' Analysis Judgment	Identifies the essential of a valid contract	Mr. X purchased textiles for Rs 1000/- and he gave half gram of gold coin as consideration to the shop owner. But the shop owner refused to accept the same. Analyze the case Mr. X supposes to insure a stolen vehicle. Discuss the validity of contract Group discussion on the important pre – requisites for a valid contract	Report of Case study Report of Case study Report of group discussion.

3.1.9 Meaning and Types of Contracts <i>Valid Contract</i> <i>Void Contract</i> <i>Voidable Contract</i> <i>Illegal Contract</i> <i>skills</i> <i>Identification</i> <i>Comparison</i> <i>Observation</i>	Describes and differentiate various types of contracts	<i>Mr X aged 25 year prepares to marry a girl aged 15 year only. Analyze the case on the basis of validity of contract.</i> <i>Mr Soman and Vishnu plan to start a partnership for running a shop dealing pan parag</i> <i>Interactive lecture method on types of contracts</i>	<i>Report on case study</i> <i>Teacher assessment</i> <i>Report of the interaction</i>
3.1.10 Difference between	<i>Describes and Differentiate between</i>	<i>Interactive Lecture on difference between</i>	<i>Report of the interaction and show</i>

<p>Insurance Contract and wagering contract</p> <p>skills Comparison Judgment</p>	<p>Insurance contract and wagering contract</p>	<p>insurance contract and wagering contract</p> <p>Mr, X Insure the life of his wife with a life insurance company.</p> <p>Mr X bet with his friend Y that India will won T20 match with Pakisthan Analyze both cases.</p> <p>Group discussion on the topic the difference between insurance and wages</p>	<p>a table stating the difference between Insurance and wagering (IT enabled)</p> <p>Report of the case study</p> <p>Report of group discussion</p>
<p>3.1.11 Legal Principles of Insurances Utmost good faith Insurable interest Indemnity Subrogation Contribution Causa proxima Mitigation of loss</p> <p>Skills Analysis Judgment</p>	<p>Identifies and Describes the legal principles of insurance</p>	<p>Mr X Insures his life without revealing his major heart diseases. Analys the case.</p> <p>Mr Sudheer Insure his neighbors Vehicle. But the Insurance company refuses to accept. it. Analyze the case.</p> <p>Mr X Insure his house for Rs 5 Lakhs and fire occurred during the period and sustained a loss of Rs 3 Lakhs and he claimed Rs 5 Lakh from the Insurance company as compensation. Analyze the case.</p>	<p>Report on case study.</p> <p>Report on case study.</p> <p>Report on case study.</p>

Additional Information

Basic terms used in insurance

1. Insurer: The party who undertakes risk is called Insurer or assurer or underwriter
2. Insured: The party for whose benefit the insurance is affected is called insured or the person whose risk is insured is called Insured or assured
3. Premium: The consideration for which the insurer undertakes to indemnify the insured is called premium. The consideration paid by the insured to the insurer for the risk undertaken by the latter.
4. Policy: The word policy has been derived from the Italian word “polizza” which means “a receipt”
The document which contains the terms and conditions of the insurance contract is termed as the insurance policy. It must be stamped, signed, sealed and dated
5. Subject matter: Things or property insured is called subject matter of insurance .
6. IRDA – 2000 (IRDA, Act-1999) The Insurance Regulatory and Development Authority is the regulator of the Insurance Sector.
7. LIC: Life Insurance Corporation of India. In 1956, the life insurance business was nationalized by taking over 245 companies and by forming one single corporation, named as Life Insurance Corporation of India .
8. GIC : General Insurance Corporation of India Act 1972.

Assessment Activity

- List out the risks you face in your life
- List out the risks faced by a motorist
- List out the risk faced by a business man

- Categories the listed risks into pure, speculative, fundamental and particular, financial and non-financial risks.

pure	speculative	fundamental	particular	Financial & nonfinancial
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- Differentiate pure and speculative risk

Pure risk	speculative
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• Always produce loss only	•
•	• Not insurable
• measurable	•

- List out the features of insurable risk, and make a chart/ppt.

Complete the following

Risk prevention/reduction	Risk avoidance	?	Insurance
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- Prepare a chart exhibiting functions of insurance
- List out some hazards
- Categories the hazard into physical and moral
- Categories the benefits into benefits to individual, business and to society.
- Show a chart exhibiting the benefits of insurance
- prepare a chart displaying various types of insurance.
- Identify and explain suitable insurance policy in the following situations
 - Mr.Aruns owns a motor car
 - Mr.soman is a trader of cosmetic items
 - Mr.Biju is an owner of an auditorium
- Ask the students whether they are eligible to take a life or non life policy, why?
- Prepare a chart showing the elements of a valid contract

- Complete the following table

Insurance contract	Wagering contract
• legal	• illegal
•	•
•	•
•	• no consideration
•	•

- Enlist the material facts of motor insurance
 - Mr.X avail loan from a bank and purchased a TV set. Now he wishes to insure it, Find the insurable interest in the case.
 - A building is damaged in an earthquake, for releasing claim which mode of indemnity is suitable.
 - Prepare chart showing the major special principles of insurance contract

LIST OF ITEMS IN PORT FOLIO

Report on interview in connection with meaning or risk A graphical presentation of classification of risk A discussion note on the features of insurable risk A case study report on functions of insurance A power point presentation on functions of insurance A power point presentation on perils and hazards A report on importance of insurance A power point presentation on importance of insurance Case study report in connection with type of insurance Case study report on essentials of valid contract

Case study report on types of contracts
 Chart showing difference between insurance contract and wagering contract
 Case study report on principles of insurance

Extended Activities

Make a short film for giving awareness to general public about the necessity of minimizing road accidents based on the data collected from various sources, for the last two weeks

Hint- (a) Explore internet and collect incidents of photographs/videos of road accidents.

(b) Narrate with touching words

© Find out innovative and creative steps to reduce road accidents.

(d) Give a good message

Exhibit the above short film in the neighboring arts and science/engineering college and prepare a report including the recommendations of the viewer

Unit II Underwriting and Insurance documents

About the Unit

Generally speaking the term underwriting means to undertake a responsibility and the person who undertake a responsibility is called underwriter. This term was first used in marine insurance market, wherein the risks have been underwritten by the other merchants. Underwriting is similar to insurance as the insurer agrees to underwrite the liability of the insured public. The term underwriting is thus used to denote the entire insurance business and the insurance companies came to be known as underwriters. This unit deals with the practices concerned with acceptances or rejection of life and general insurance business.

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
3.2.1 Meaning of Underwriting <i>Skills</i>	<i>Analyzes the possibility of accepting or rejecting of an Insurance proposal</i>	<i>A proposal received from Mr Santhosh an agriculturist aged 72 and suffering from serious Lung disease</i>	<i>Report on case study</i>

<p><i>Judgment Analysis</i></p>		<p><i>for Rs 50 Lakhs.He is financially sound .Analyze the case and decide whether the proposal is acceptable or not.</i></p> <p><i>Group discussion on underwriting</i></p>	<p><i>Discussion note.</i></p>
<p>3.2.2 Underwriting procedure of Life Insurance</p> <p><i>Skills Judgment analysis</i></p>	<p><i>Describes the various factors considered for risk analysis and its implication</i></p>	<p><i>A Person permanently employed in offshore oil drilling factory approaches an insurance policy for Rs2, 50,000. List out the factors to be considered for accepting the case.</i></p> <p><i>A person employed in village office ,approaches for an Insurance police for Rs 25,000/-. List out the factors to be considered for accepting the case.</i></p> <p><i>Analyze both the cases</i></p>	<p><i>Report on case study</i></p> <p><i>PPT showing factors affecting accepting or rejecting of a life insurance proposal</i></p>

<p>3.2.3 Assignment, nomination, Revival and surrender</p> <p><i>Skills Judgment Analyze Comparison</i></p>	<p><i>Explains the need and different aspects of assignment and nomination and surrender of Insurance Policies</i></p>	<p><i>Group discussion on assignment of Insurance policies.</i></p> <p><i>Sunitha Insured her life for Rs 5 Lakh before her marriage. Nominee is her father at that time. Now she is a married women and wished to change nomination in the</i></p>	<p><i>Group discussion note</i></p> <p><i>Report on case study</i></p>
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		<p><i>name of her husband</i></p> <p><i>Analyze the case and explain the steps for change in nomination.</i></p>	
<p>3.2.4 Underwriting of non-life Insurance</p> <p><i>Skills</i> <i>Observation</i> <i>Judgment</i> <i>Analysis</i></p>	<p><i>Explains the various factors affecting a risk and identify the procedure of accepting or decline a non life insurance proposal(Motor, fire ,cattle)</i></p>	<p><i>Jyothi gas distributors wish to insure their godown against fire and third party risk. He approached the Insurance company Analyze the case and write the procedure.</i></p> <p><i>Group discussion on underwriting of non life Insurance</i></p>	<p><i>Report on case study (IT enabled)</i></p> <p><i>Group discussion note</i></p>
<p>3.2.5 Insurance Premium <i>Meaning of Life and non-Life Insurance premium</i></p> <p><i>Skills</i> <i>Analyze</i> <i>Problem solving</i> <i>Judgment</i></p>	<p><i>Describes the various factors to be considered while calculating life and non life Insurance premium</i></p>	<p><i>Give details of a life Insurance proposal Table premium to the students and ask them to calculate premium</i></p> <p><i>Give details of premium of motor vehicle to the students And ask them to calculate premium</i></p> <p><i>Give details of health insurance proposal premium to the students and ask them to calculate premium</i></p>	<p><i>Statement showing Life premium calculation</i></p> <p><i>Motor premium calculation</i></p> <p><i>Health Insurance premium calculation</i></p>
<p>3.2.6 Insurance documents</p>	<p><i>Explains the importance and necessity of various</i></p>	<p><i>Interaction with an Insurance advisor about the necessity</i></p>	<p><i>Report of the interview</i></p>

<i>Proposal form Cover Note Insurance Policy Certificate of Insurance Claim forms Skills Comparison analysis</i>	<i>documents in life and non-life Insurance</i>	<i>and importance of Insurance documents Prepare an album of Insurance documents Give students a Performa of each and every insurance documents and ask them to fill it up</i>	<i>Presentation of album Presentation of filled up documents</i>
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Assessment Activity

A racing car is proposed for insurance-

- a) Assess the risk factors
- b) Fix terms and conditions.

- Collect a proposal form and fill it
- Prepare a list of documents required for insuring life.
- Complete the following table

Assignment	Nomination
<ul style="list-style-type: none"> • Transfer of ownership of policy 	<ul style="list-style-type: none"> • Naming a person by the policy holder to receive proceeds
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

- Prepare a note on the conditions of surrendering a life policy, which has completed 20 years of premium payment.

- List out the elements of a cover note
 - List out the documents required for insuring non life insurance.
1.
 - Calculate insurance premium. Sum Insured- 5,00,000, rate of premium 216.23/1000
 - Prepare chart showing mode of payment of premium in life and non life insurance.
 2.
 - Draft a claim form of motor insurance
 - Make a chart showing all insurance documents.

LIST OF ITEMS IN PORT FOLIO

Case report on meaning of underwriting
 A discussion note on assignment ,nomination and surrender
 Case study report on non-life insurance
 Insurance premium calculation report
 Interview report on different insurance documents
 Album created on insurance documents

Extended Activity

Write the Underwriting procedure to be adopted in the proposals given below.

Particulars	Case 1	Case 2	Case3	case 4
Age in years	10	25	32	26
Sex	M	F	M	F
Build	30kg/130cm	45/160	70/170	55/160
Status	Student	pilot	Asst. Manager	Teacher
Annual income	Nil	Rs.15 Lacks	Rs.6 Lacks	Rs.5 Lacks
Health status	Good	Normal	Handicapped	6 Months pregnant

UNIT III

Insurance Claims

(Period 50

Hrs)

About the Unit

Claim means the amount payable by the insurance company to the insured in the event of occurrences of loss. The purpose of seeking insurance is to claim for any financial loss that may be sustained. If loss does not occur, no payment would be made to the insured in term insurance and general insurance. In life insurance, when the insured dies the legal heirs claim the insured sum from the insurers. This unit deals with the procedure of claim settlement, of life and general insurance policies

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
3.3.1 Meaning , Importance and type of claims <i>Skills</i> <i>Decision making analysis</i>	<i>Explains what is a claim and how claims occurs and its importance in Insurance</i>	<i>An Interview with expert in claim settlement section of an Insurance company</i> <i>Group discussion</i>	<i>Report of the Interview.</i> <i>Report of the Discussion</i>
3.3.2 Procedure on settlement of Life Insurance claims <i>Maturity claim</i> <i>Death claim</i> <i>Skills</i> <i>Comparison</i> <i>Judgment analysis</i>	<i>Explains the procedure of claim settlement and the need for quick settlement of claims</i>	<i>An interaction with an expert from the claim department of an Insurance company about the procedure of claim and show a claim form, age proof, death certificate, medical certificates etc</i>	<i>Report of the Interview</i> <i>Collection of various claim forms</i>
3.3.3 Procedure of settlement of Non-life Insurance claim <i>Standard claim</i> <i>Non standard claim</i> <i>Ex gratia payment</i>	<i>Describes different type of claim in Non-life Insurance</i>	<i>Conduct a seminar on settlement of claim in Non-life Insurance business</i> <i>Mr X met with an accident while driving his car, he claim compensation from</i>	<i>Report of the seminar</i> <i>Report on case study</i>

<p><i>Skills</i> <i>Judgment</i> <i>Analysis</i> <i>comparison</i></p>		<p><i>Insurance company for repairing his damaged vehicle. but the Insurance company refused the claim, as he was driving the vehicle without proper driving license. Analyze the case</i></p> <p><i>Ask the students to collect various important documents required for settlement of claim in non life insurance.</i></p>	<p><i>Presentation of album or PPT Presentation.</i></p>
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Additional Information

In the case of suicide of a person

1. Within one year of commencement of policy-no claim
2. After one year- claim may be paid as the Case may be

MACT (Motor Accident Claims Tribunal)

This is court for setting motor accident claim

Insurance Ombudsman

Official or Agency responsible for impartially investigating complaints from consumers against a public authority institution or company.

Assessment Activity

- List out the documents required for settlement of death claim
- List out the documents required for settlement of maturity claim.

LIST OF ITEMS IN PORT FOLIO

Interview report regarding importance and types of claims Interview report on procedure of settlement of life insurance claims Case study report on procedure non-life insurance Interview report on IRDA regulations Interview report on insurance operations Financial statements on financial accounts of insurance companies

UNIT IV

3.4.1. IRDA Regulations and Final Accounts of Insurance Companies

About the Unit

Insurance Regulatory and Development Authority(IRDA) is an autonomous body set up under the IRDA Act, 1999.

IRDA's Mission is to protect the interests of policyholders and to regulate and develop the insurance industry. It regulates the Indian insurance industry to protect the interests of the policyholders and work for the orderly growth of the industry. This unit deals with the insurance operations, such as investment of insurance funds in different securities and the preparation of final accounts of insurance companies.

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
3.4.1 IRDA Regulations Skills Analysis Judgment	<i>Explains different regulations implemented by IRDA in this sector</i>	<i>Interview with an insurance expert about the topic</i> <i>Explore the internet and make report on the topic</i>	<i>Interview report</i> <i>Preparation of</i>
3.4.2 Insurance operations Skills Accounting Analysis	<i>Explains the insurance operations</i>	<i>Interview with an insurance expert about the topic</i>	<i>Report of the interview.</i>
3.4.3 Final accounts of insurance companies and usage of accounting software (Tally) Skills Calculation Analysis	<i>Identifies and understand the schedule format of Revenue account, profit and loss account and balance sheet</i>	<i>Explore the schedule format of revenue account ,profit and loss account and balance sheet from internet</i>	<i>Preparation of financial statements.</i>

Additional information

Re-insurance

When the risk is considered too high, that is difficult for the insurer to bear the liability, In such case, the insurance company may arrange with another insurer to insure a portion of the insured risk. This arrangement is known as reinsurance. It is the insurance of insurance.

Assessment activity

- List out the major items in the financial statements of insurance companies

ITEMS TO BE INCLUDED IN THE PORT FOLIO

Interview report on IRDA regulations Interview report on insurance operations Preparation of financial statements in connection with final accounts of insurance companies
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Extended Activity

1. In certain cases there may be chances of liquidation of insurance companies or the insolvency of insurance companies, the interest of the policy holders will not be protected. In this circumstance study the role and powers of IRDA in protecting the interest of the policy holders.
2. Collect the names of insurance companies functioning in India and then classify them in to Life, Non-life, government, departmental undertaking and private companies, including their date of incorporation in India.

An overview of Module 4

The service sector dominates the Indian economy today, contributing more than half of our national income. It is also the fastest growing sector, with an annual growth rate of 8% per year. with best job, best income and best talent, service sector is now the show case of the Indian economy.

The role of financial service is stimulating and sustaining economic growth is well known. Banking and insurance service sector has major share in the service market. The significance of bank marketing in Indian banking system is undeniable, if they have to survive in the competitive environment. Bank marketing is not just advertising and promotion campaign, but a managerial process by which services are matched with markets.

The term insurance marketing refers to the marketing of insurance services with the motto of customer orientation and profit generation. The insurance plays a vital role in the economic development of our nation. It acts as a mobiliser of savings, financial intermediary, promoter of investment activities, stabilizer of financial market and a risk manager. India is still an under insured country in the world. It is at the 18th position among the life insurance market and 28th in non-life insurance market in the world. This indicate that there is a huge potential, yet to be explore. This module discuss how marketing relates to banks and insurance and what marketing techniques are being used by banks and insurance.

About the Unit

Today, the service sector contributes more than 50 percent to India's GDP. This is a far cry from the situation a few decades back, when India was basically an agricultural economy. This shift from manufacturing and agriculture to services is being witnessed in countries all over the world. With the increasing prominence of services in the global economy, Services Marketing has become a subject that needs to be studied separately. Marketing services is different from marketing goods because of the unique characteristics of services, namely intangibility, heterogeneity, perishability and inseparability. This unit covers meaning, features, types of service, meaning of service marketing, difference between service marketing and product marketing and importance of service marketing.

UNIT GRID

INTRODUCTION TO SERVICE MARKETING

Idea/Concept/Skills	Learning Outcome	Suggested activities	Assessment
4.1.1 Meaning and features of service Skills: Identification Analysis	Identifies and describe the meaning and features of services	Collect list of various services in your locality and make a study to find out the common features of those services Seminar on the topic of meaning and features of Service Select a service and a product you are familiar with and differentiate between them	Table showing features of services Seminar Report Prepare a chart showing the difference of product and service.
4.1.2 Role of Service in an economy Skills: Identification Judgement	Describes the role of service in an economy	Group discussion on the topic of role of service in an economy Explore data from the internet to support the 'role of service' in an economy	Group discussion notes Prepare table/chart/ppt showing the role of service in an economy
4.1.3	Describes and differentiate	1. Group discussion on	Group Discussion

Types of Services Banking Services Insurance Transport Tourism Hotel IT services Consultancy Advertising Hospitality Skills Identify Categories	different types of services	the topic of types of services. 2. Interactive lecture on the topic of different types of services.	Report Notes on interaction
4.1.4 <i>Meaning and Significance of Service Marketing</i> <i>Skills:</i> <i>1. Identification</i> <i>2. Comparison</i>	<i>Describes the meaning and significance of service marketing</i>	<i>Group Discussion on the topic of the meaning and significance of service marketing.</i> <i>2. Interactive lecture on meaning and significance.</i>	<i>Group Discussion</i> <i>Notes</i> <i>Notes on interactive lecture method</i>
4.1.5 <i>Difference between</i>	<i>Differentiate between product</i>	<i>1. Conduct a debate on the topic of product</i>	<i>Report of Debate</i>

<p><i>product marketing and service marketing</i></p> <p><i>Skills</i></p> <p><i>1.Comparision</i></p> <p><i>2.Analysis</i></p> <p><i>3.Judgment</i></p>	<p><i>marketing and service marketing.</i></p>	<p><i>marketing and service marketing.</i></p> <p><i>2. Interactive lecture on product marketing and service marketing.</i></p>	<p><i>Notes on interaction</i></p>
<p><i>4.1.6.</i></p> <p><i>7 P's of service Marketing (Marketing mix)</i></p> <p><i>Product</i></p> <p><i>Pricing</i></p> <p><i>Promotion</i></p> <p><i>Place</i></p> <p><i>people</i></p> <p><i>process</i></p> <p><i>Physical evidence</i></p> <p><i>Skills</i></p> <p><i>1.Identification</i></p> <p><i>2.Analysis</i></p> <p><i>3.Comparison</i></p>	<p><i>Identifies and Describe the Service marketing mix</i></p>	<p><i>1.Group Discussion on the topic service Marketing mix.</i></p> <p><i>2.Conduct a field visit to a nearby banking company and observe the types of marketing mixes.</i></p> <p><i>Visit some service firms and identify their pricing strategies.</i></p>	<p><i>Group discussion notes</i></p> <p><i>Notes on interaction.</i></p> <p><i>Report of field visit.</i></p>

<p>4.1.7</p> <p>Consumer behavior in service market</p> <p>Buyer's characteristics</p> <p>Buyer's decision making</p>	<p>Describes consumer behavior in service market</p>	<p>An interview with an expert of banking/insurance sector about the consumer behavior</p> <p>Prepare a questionnaire on consumer behavior and conduct a survey among 25 prospective customers.</p> <p>Conduct a study among 25 families about the usage of internet facility and then group them on the basis of demographic factors like age, sex, occupation, education etc.</p>	<p>Report on the Group Discussion.</p> <p>Chart preparation on the basis of the field trip, Survey report</p> <p>Report of the study.</p>
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<p>4.1.8</p> <p><i>Role of Service Marketing in India</i></p> <p><i>Contribution to GDP</i></p> <p><i>Boosting Service Employment</i></p> <p><i>Exports</i></p> <p><i>Capital Formation</i></p> <p><i>Reserve to</i></p>	<p><i>Describes the role of service Marketing in India</i></p>	<p><i>Group Discussion on the topic of role of service marketing in India.</i></p> <p><i>Interactive Lecture method on the topic of role service marketing in India</i></p>	<p>Group discussion notes</p> <p>Notes on interaction</p>

<i>Government</i> <i>Improve Efficiency</i> <i>Skills:</i> <i>1. Analysing</i> <i>2. Communication</i>			

Assessment Activity

- In which category would you put the following services. Give reason also.
 - Chartered bus service
 - Teleshopping
 - Treatment of a doctor

- Collect data regarding contribution of service sector to GDP of the following nations

Name of Nation	GDP for 2013-14	GDP for 2014-14
India		
USA		
England		

Collect pictures of the following services mentioned below and make an album

- Health service
- IT service
- Insurance service
- Banking service
- Transportation
- Communication

- Make a study about the percentage increase in employment opportunities provided by the following sectors

Tourism	Communication	Insurance

- Complete the following table

Product marketing	Service marketing
• It market tangible product	•
•	• Difficult to explain the product
•	•

List out the P's of product and service marketing

1. Make a study on the role of service marketing in the following sectors.

Revenue to government	Standard of living

Product marketing	Service marketing

- Prepare a chart showing buyer decision making process

LIST OF ITEMS IN PORT FOLIO

Group discussion note in connection with features of services
Group discussion note in connection with role of service in economy
Group discussion note in connection with different services
Group discussion note in connection with role of service in economy
Report of debate on product and service marketing
Group discussion note in connection with 7 P's of service marketing
Group discussion note in connection with customer behavior
Group discussion note in connection with role of service marketing in India

Extended Activity

Conduct a study among fifty families about the usage of internet facility and the group them on the basis of demographic factors like age, sex, occupation, education, etc.

UNIT 2

Marketing of banking products

About the unit

Marketing is emerging as an important element in banks activities. Indian banking sector historically passed through five stages-pre independence, post independence, pre nationalization, nationalization, and post liberalization stages. Today marketing is considered to be an integral management function in the banking sector. This unit discusses how marketing techniques are being used by Indian banks. This unit covers the concept of bank product marketing, selling strategies of marketing of banking products and marketing important banking products.

MARKETING OF BANKING PRODUCTS

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
<i>4.2.1. Concept of Marketing of Banking Products. Skills Communication Analysis</i>	<i>Describes the concept of marketing of banking products</i>	<i>Group Discussion on the topic of concept of Marketing of Banking Products Interview with a bank Manager on the topic of</i>	<i>Notes on Group Discussion Teacher Assessment</i>

		<p><i>marketing of banking products.</i></p> <p><i>Visit your bank and find out how they create, win, and keep a customer and also find out pattern of selling of various financial services offered by them.</i></p>	<p><i>Report of visit to your bank.</i></p>
<p><i>4.2.2</i></p> <p><i>Users of Banking Products</i></p> <p><i>General Users</i></p> <p><i>Industrial users</i></p> <p><i>Skills</i></p> <p><i>Identification</i></p> <p><i>Judgment</i></p> <p><i>categorization</i></p>	<p><i>Describes and categorize different types users of banking products</i></p>	<p><i>Group Discussion on the basis of recollected topic of users of banking products and categories them into two heads.</i></p> <p><i>Conduct an Interview with manager of a bank dealing Loans and</i></p>	<p><i>A chart on the discussion.</i></p> <p><i>Report of the interview</i></p>

		<i>Advances section to familiarize the users of banking products and to classify them into general user and industrial user.</i>	
<i>4.2.3 Marketing Strategy for banking products Skill Communication Interpersonal skill Management skill</i>	<i>Describes the different selling strategies of banking products.</i>	<i>Group discussion on different strategies Conduct a Role play to boost selling</i>	<i>Report of Group Discussion Teacher Assessment</i>
<i>4.2.4 Marketing of various Banking Products Deposits Loans and Advances Skill Identification Comparison Judgment</i>	<i>Describes the strategies required for marketing various banking products</i>	<i>Group discussion on the topic of marketing of various banking products Interview with sales manager of a bank</i>	<i>report of the group discussion report of the Interview</i>

Assessment Activity

- Prepare a questionnaire for collecting information regarding financial needs of the following class of people
 - a. Agriculturist
 - b. Businessman
 - c. House wife
 - d. Guardian of a student
 - e. Unemployed youth
- Prepare a notice for marketing an agricultural loan of ABC Bank Ltd.
- Categories the major banking products in the following heads

Deposits	Loans and Advances

LIST OF ITEMS IN PORTFOLIO

Group discussion on concept of banking products
Chart on users of banking products
Group discussion on selling strategy on banking products
report of Interview marketing various banking products.

Extended Activity

Prepare 25 questions each from marketing of banking products and marketing of insurance products and conduct a quiz competition in the class.

Sample Questions:

- In India bank deposits are insured up to a certain extent, which provides protection in case of failure of banks.-True/false.
- A cheque issued remain valid for ever – True/False.
- Motor insurance is optional – True / False
- LIC is formed in the year 1956 – True/ False

Unit 3

MARKETING OF INSURANCE PRODUCTS

About the Unit

India has about three hundred million people who can afford to buy life, health and pension plan products. Out of this only 20% have insurance – and that too covers only 25% of their needs and financial capacity. The remaining 80% have no insurance cover. The life and non-life insurance market of India, therefore, has tremendous growth potential. The IRDA bill cleared the way for private entry into insurance as government is keen to invite private sector participation into insurance. This unit covers the concept of insurance marketing, segments of insurance market, strategies for insurance marketing and marketing of various life and nonlife insurance products.

MARKETING OF INSURANCE PRODUCTS

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
<p>4.3.1</p> <p><i>Insurance marketing concept</i></p> <p><i>Skills</i></p> <p><i>Analysis</i></p> <p><i>Identification</i></p>	<p><i>Describes the meaning of marketing of Insurance products</i></p>	<p><i>Group discussion on Insurance marketing</i></p> <p><i>Interactive lecture method on Insurance marketing.</i></p> <p><i>Visit an insurance company and find out how they create, win and keep a customer</i></p>	<p><i>Notes on Group Discussion .</i></p> <p><i>Report on interaction.</i></p> <p><i>Report of the visit to the insurance company.</i></p>
<p>4.3.2</p> <p><i>Segments of Insurance Market</i></p> <p><i>Skill</i></p> <p><i>Identification</i></p> <p><i>Categorization</i></p> <p><i>Comparison</i></p>	<p><i>Explains various segments of insurance market</i></p>	<p><i>Group discussion on the topic segments of insurance market.</i></p> <p><i>Make a survey in your Grama panchayat ward and categorise them in to agriculturists traders, industrialists, farm owners, vehicle owners, owners of</i></p>	<p><i>Group discussion report</i></p> <p><i>Report of survey</i></p>

		<i>building, house holders etc and enlist the risk faced by them and propose suitable insurance policies to cover their risks.</i>	
4.3.3. Strategies for Insurance Marketing Pre- approach Approach Analyzing customer needs Product presentation Closing the sale After sale service. Skills Analysis Planning Communication.	Identifies and Describes strategies for Insurance Marketing.	Conduct a role play for the marketing of life products Interview with an Insurance advisor of a leading Insurance company.	Report on role play. Report of Interview.

<p>4.3.4</p> <p>Qualities of a good salesman</p> <p>Skills</p> <p>Analysis</p> <p>Communication</p>	<p>Describes the qualities of an Insurance Salesman</p>	<p>Interview with an insurance advisor who become crorpathy during the last financial year on the topic of qualities of good sales person</p> <p>Seminar on the topic of an good salesman</p>	<p>Report of intwerview.</p> <p>Report on the seminar.</p>
<p>4.3.5</p> <p>Marketing of various life Insurance products</p> <p>Whole life</p> <p>Endowment</p> <p>Money back</p> <p>Annuity</p> <p>Children's plan</p> <p>ULIP</p> <p>Skill</p> <p>Identification</p> <p>Analysis</p> <p>Communication</p>	<p>Describes the marketing process various Life insurance products</p>	<p>Conduct interview with manager of LIC on the topic of marketing Life Insurance products.</p> <p>Mr.X is an NRI, who is facing the risk of unemployment, absence of regular income, non-pensionable employment, etc in future. You are</p>	<p>Prepare questionnaire for interview and a report of interview</p> <p>Report of the case study.</p>

		<p>appointed as an insurance advisor, so, suggest a suitable policy to him and explain the strategies to be adopted for selling that policy.</p> <p>Mr. Ravi and his family affected Daguei fever in the last year, and admitted in a multi specialty hospital and incurred a hospital expensRs.155000. He fears such risks in future also. You are appointed as an insurance advisor. So, suggest a suitable insurance policy to him and explain the strategies to be adopted for selling that</p>	
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		policy.	
4.3.6 <i>Marketing of major non-life Insurance products</i> <i>Motor Insurance</i> <i>Health Insurance</i> <i>Personal Accident Insurance</i> <i>Skills</i> <i>Identification</i> <i>Analysis</i> <i>Communication</i>	<i>Describes the marketing of Major non-life products.</i>	<i>Group discussion on marketing of Motor insurance policies</i> <i>Group Discussion on marketing of Health Insurance products</i> <i>Group Discussion on marketing of Personal Accident products</i> <i>Interview with the manager of a leading general insurance company.</i>	<i>Report on interview</i> <i>Group discussion report</i> <i>Group discussion report</i> <i>Group discussion report</i>

Assessment Activity

- List the important segments in insurance market.

“The selling of an insurance product is a complex process.” Suggest a suitable selling strategy to make easy.

a. Enlist the services provided by an insurance salesman after selling an insurance product.

- Communication Skill, Product knowledge, loyalty are some of the qualities possessed by a successful salesman. Mention the other qualities.

Who are eligible to become insurance agents?

- Mr. Syam, 38 years, his wife Sreeja,34 years ,elder son Sourav, 10years , daughter Sarayu,3 years. Suggest suitable insurance policies for each one.
- Complete the following table.

Money Back policy	Endowment Policy
No loan Facility	•
•	•
•	•

- Collect and record the NCB rates on private car for the different claim free years.
- Complete the following benefit chart of personal accident policy.

Contingencies	% of benefits
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On death	100 % of CSI.
Loss of two limbs	•
•	•
•	•

LIST OF ITEMS IN PORT FOLIO

- Group discussion note on concept of insurance marketing
- Group discussion note on segments of insurance marketing
- Interview report on strategies of insurance marketing
- Group discussion note on qualities of good sales man
- Questionnaire on marketing of life products
- Interview report on marketing of non-life insurance product

Extended Activity

1. Motor vehicle owners took term insurance for their vehicles. If there is no claim, the remitted premium will lose and if claim arises, compensation will be paid. But, he refuse to take a term assurance in his own life, though his life is more valuable than a motor vehicle. Interact this case with experts and various groups of the community, and make a conclusion to overcome this negative attitude of people towards their own life.

2. Collect the details of different types of health plan available in the market and show them in a table explaining the features of each.
3. List out 10 important provisions of Motor Vehicles Act 1939.

Unit 4

An introduction to financial market

About the unit

Both banks and insurance companies balance their risk return equations by making timely investments in capital market. Capital market provides different products which can absorb varying risk appetites of these industries. Surplus funds available from these entities will be parked with various investment alternatives provided by capital market. This helps the business to generate the required return to service. Hence, one is expected to know in detail about how the capital market is functioning in this country.

The available fund of banking or insurance companies are preferably invested in different securities such as shares, debentures, government securities and bonds. The liquidity of the investments are considered before investment. This unit covers investment opportunities of banking and insurance companies, financial securities, procedure of trading in secondary market and role of SEBI in securities market.

AN INTRODUCTION TO FINANCIAL MARKET

<i>Idea/Concept/Skills</i>	<i>Learning Outcome</i>	<i>Suggested activities</i>	<i>Assessment</i>
<p>4.4.1</p> <p>Various investment opportunities in financial market</p> <p>Skills</p> <p>Identification</p> <p>Analysis</p>	<p>Describes the investment opportunities in financial market</p>	<p>Group Discussion on the topic of investment opportunities in financial market</p> <p>Conduct an interview with the manager of a share broker office on this topic.</p>	<p>Report on Group discussion</p> <p>report on interview</p>
<p>4.4.2</p> <p>Types of financial securities</p> <p>Skills</p> <p>Identification</p> <p>Categorization</p> <p>Analysis</p>	<p>Describes and categories different types of financial securities.</p>	<p>Using internet explore collect different types of financial securities</p> <p>Interactive lecture</p> <p>Method on the topic of financial securities</p> <p>Group discussion on the topic financial securities</p>	<p>Teacher assessment</p> <p>Notes on lecture</p> <p>Report on Group discussion</p>
<p>4.4.3</p> <p>Securities Market</p>	<p>Describes the securities market and</p>	<p>Conduct an interview with stock market</p>	<p>Report on the topic</p>

<i>Primary</i> <i>Secondary</i> <i>Skill</i> <i>Communication</i> <i>Interaction</i>	<i>classify them as</i> <i>primary and</i> <i>secondary</i>	<i>officials in this topic</i> <i>Group Discussion on</i> <i>the topic</i>	<i>Group discussion</i> <i>notes</i>
4.4.4 <i>Pre requisite of</i> <i>investing in financial</i> <i>securities</i> <i>Bank A/c</i> <i>PAN</i> <i>Demat A/c</i> <i>Trading A/c</i> <i>KYC</i> <i>Skills</i> <i>Identification</i> <i>Skills</i> <i>Identification</i> <i>Analysis</i> <i>Synthesis</i>	<i>Describes the</i> <i>requisite for investing</i> <i>in financial securities.</i>	<i>Interview with the</i> <i>manager of above</i> <i>share broking firm</i> <i>about investment in</i> <i>financial securities</i> <i>investment</i> <i>Interactive lecture</i> <i>method on the topic</i> <i>of investing in</i> <i>financial securities.</i> <i>Group discussion on</i> <i>the topic of investing</i> <i>in financial securities.</i>	<i>Report on Interview</i> <i>Report on interaction</i> <i>Report on Group</i> <i>discussion</i>
4.4.5		<i>Conduct a field visit</i>	<i>Report on field visit.</i>

<i>Trading procedure on secondary market</i> <i>Skill</i> <i>Communication</i> <i>Observation</i>	<i>Describes the trading procedure on secondary market</i>	<i>on a trading firm and collect information on trading procedure on secondary market.</i> <i>Interactive lecture method on this topic</i>	<i>Report on interaction</i>
4.4.6 <i>Securities market Regulator(SEBI)</i> <i>An overview.</i> <i>Skill</i> <i>Observation</i> <i>Identification</i>	<i>Identifies and describe the Security market regulations</i>	<i>Interactive lecture method on SEBI's role</i> <i>Using Internet explore to</i> <i>Collect and discuss the role of SEBI in securities market</i>	<i>Report</i> <i>Report.</i>

Additional Information

1,PFRDA- Pension Fund Regulatory and Development Authority was first constituted by the government of India in October 2003 with the following responsibilities-

- a. To promote old age income security by establishing, developing and regulating pension funds.
- b. To protect the interest of subscribers to schemes of pension fund and related matters.

2. Bull – Bull is a person who buys shares expecting a rise in their prices. His intention of buying is to sell them at profit at a future date.
3. Bear – Bear is a person who sells the shares with the expectation of buying them in future at a reduced price.
4. Stag – Stag is the type of bull speculator. He is a person, who applies for shares in the new issue market with the intention of selling them at a profit when allotment is due.
5. Bid- An offer of a price to buy in an auction. Business on the stock exchange is done through bid.
6. Gilt/Gov. secs.- Another name for government securities. It means that the securities issued by the government of superior quality.
7. Day Order- An order that is placed for execution only for one trading session, if the order cannot be executed on that day, it is automatically cancelled.
8. Blue chips – Blue chips are the shares of large, well established and financially sound companies with impressive record of earnings and dividends.
9. SENSEX – Sensitivity Index - Stock price index of BSE of 30 active scrips with base year 1978-79.
10. NIFTY – Stock index of NSE consist of shares of 50 companies having a market capitalization of Rs.500 cores

11. ISIN- International Securities Identification Number is the number given for demat shares. It is a 12 digit alpha numeric string. The first two characters represent country code(IN for India)

Extended Activity

1. A share Trading Game can be arranged in the class with the use of price index of Stock market published in dailies. The following steps can be used –
 - a. Bring Saturday's daily on Monday, to check the price index of listed shares of a selected stock market.
 - b. Assume each student hold Rs. 1 lakh , to invest in securities.
 - c. Watch variations in prices of the shares bought by them daily, one week.
 - d. At the end the week, the gain earned or loss suffered by every one is noticed.

(We can plan more games like Prediction game, Intra-day game, etc. in this area).

7. Mr. Vijay approaches you to invest his savings in securities market. As a broker, help him by explaining the procedure for investment.

Assessment Activity

- Find the odd one out and state the reason
 - A. Share
 - B. Debenture
 - C. Bond
 - D. Unit of a Mutual fund

- List out the requirements for investing in financial market.

- Collect and list the major powers of SEBI

LIST OF ITEMS IN PORT FOLIO

Interview report on various investment opportunities in financial market
Interview report on types of financial securities
Interview report on securities market
Interview report on prerequisites of investing in financial securities
Field visit report on trading procedure on secondary market
Interview report on SEBI

27. ON THE JOB TRAINING

On the job training occurs whenever more experienced employees or supervisor teaches less experienced person on how to do one or more task of a job. The training utilises actual equipment and materials. OJT should be undertaken in a structured manner with a training plan under the supervision of an experienced trainer or supervisor. A training plan that reflects tasks to be performed and competencies to be imparted should be prepared and signed by the student, teacher, and supervisor at the workplace for the training of the

students in the organisation. The trainer should breakdown all the steps of the job and trains the students as per the training plan.

A mini project on any of the following subjects /one prescribed by the teacher should be completed during the OJT by the students.

- a) Importance of micro banking for balanced development of economy
- b) Effective use of priority sector loans and advances
- c) The loans and advances granted by the banks are not utilised for the purpose for which it is granted.

The OJT should be imparted for two weeks at the end of each year

The following organisations may be identified for conducting OJT

- Public sector Banks
- Private sector Banks
- Co-operative Banks
- Public sector and Private sector Life Insurance companies
- Public and Private sector General Insurance companies
- Stock exchange
- Share broking Agencies.
- Computer centers.

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