



College of Business and Economics
Department of Accounting and Finance

Course Number	AcFn2111
Course Title	Risk Management and Insurance
Degree Program	BA Degree in Accounting and Finance
Module No and Code	M11; AcFn-M2111
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	<p>After accomplishment of this course, students will be able to:-</p> <ul style="list-style-type: none"> • Know basic concepts of risk • Explain the basic classification of risk • Understand the principles of insurance • Understand insurance Industry in Ethiopia • Explain the nature and application of reinsurance • Identify and measure business loss exposures. • Discusses how to select among the major tools of risk management • Measure, if not eliminate, exposures to loss or risk and analyze various class of insurance contracts
Course Description	<p>Risk affects every aspect of an organization. The effects of risk are not confined within any predictable boundaries; a single event can easily influence several areas of an organization at once, producing consequences far beyond the immediate impact. The pervasiveness and complexity of risk presents strong challenges to managers, one of the most important being the coordination of risk management across areas within the organization. It deals with: the nature and management of pure risks, insurance and reinsurance; risk concepts, classification of risks, management of pure risks through various risk handling tools, industrial safety, general principles of insurance and major classes of insurance, reinsurance and development & regulation of the insurance Ethiopia</p>
Course Contents	
1. Risk and Related Topics <ol style="list-style-type: none"> 1.1. Risk defined 1.2. Risk vs. uncertainty 1.3. Risk and probability 1.4. Risk, peril and hazard 1.5. Classification of risk 	
2. The Risk Management <ol style="list-style-type: none"> 2.1. Risk management defined 2.2. Objectives of risk management 2.3. Steps in risk management process <ol style="list-style-type: none"> 2.3.1. Risk identification 2.3.2. Risk measurement 2.3.3. Selecting the appropriate tools of risk management 2.3.4. Risk administration 	

3. Insurance <ul style="list-style-type: none"> 3.1 Insurance Defined 3.2 Basic characteristics of insurance 3.3 Fundamentals of insurable risk 3.4 Insurance and gambling compared 3.5 Insurance and Speculation compared. 3.6 Benefits and costs of insurance <ul style="list-style-type: none"> 3.6.1 Benefits of insurance to the society 3.6.2 Cost of insurance to society
4. Legal Principle of Insurance Contract <ul style="list-style-type: none"> 4.1. Principle of indemnity 4.2. Principle of insurable interest 4.3. Principle of subrogation 4.4. Principle of utmost good faith 4.5. Principle of contribution 4.6. Doctrine of proximate cause
5. Life and Health Insurance <ul style="list-style-type: none"> 5.1. Underwriting life insurance 5.2. Types of life insurance policies 5.3. Premium determination 5.4. Worker's compensation insurance 5.5. Personal accident insurance
6. Non-Life Insurance <ul style="list-style-type: none"> 6.1. Motor insurance 6.2. Burglary and housekeeping insurance 6.3. Fire and lighting insurance 6.4. Marine insurance 6.5. Aviation insurance 6.6. Liability insurance 6.7. Pecuniary insurance 6.8. Fidelity guarantee insurance 6.9. Engineering insurance
7. Re-Insurance <ul style="list-style-type: none"> 7.1. Meaning of Re-insurance 7.2. Reason for Re-insurance 7.3. Types of Re-insurance
8. The Insurance Business in Ethiopia <ul style="list-style-type: none"> 8.1. Development of insurance in Ethiopia 8.2. Regulation of insurance companies <ul style="list-style-type: none"> 8.2.1. Proclamation No. 68/1975 8.2.2. Proclamation No.86/1994 8.2.3. NBE Directives
<ul style="list-style-type: none"> • Teklegiorgis Assefa (2004), Risk Management and Insurance, Mega Printing PLC, MekelleUniversity. • Hailu Zeleke, Risk and insurance. Lecturer, AAU. • George E. Rejda, principles of Risk Management and Insurance, 6thed.1998,Addison-wesley. • C. Arthur Williamsjr and Richard M. Heins. Risk Management and Insurance , 4thed, 1981 McGraw-Hill • Joel Bessis, Risk management in Banking, 2nd, 1998, Wiley. • HailuZeleke, Insurance in Ethiopia, AAU.

