



APPLIES TO ACADEMIC YEAR 2013/2014

## FAK 2632 Insurance Economics 1

### Programme

Bachelor of Management, Single courses

### Responsible for the course

Ina Due-Tønnessen

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

7,5

### Language of instruction

Norwegian

### Introduction

The course is primarily intended for employees who have worked in the insurance business for a while but may also be useful for younger managers and trainees. The course will be relevant for decision-makers and advisers both in the insurance industry and for users of insurance services in public or private enterprises. It will be particularly useful for employees in accounting departments. The course is compulsory for Risk and Insurance

### Learning outcome

#### Acquired knowledge

The students shall understand the insurance company's role as part of the finance sector. They shall also understand the structure of the company' investment strategy and be familiar with the regulatory framework. The students must read and understand the profit and loss account and the balance sheet of the annual accounts. They must also understand how and why stress tests are carried out.

#### Acquired skills

The students shall have an overall understanding of the general regulatory framework for insurance companies. Based on the balance sheet of a life insurance or general insurance company the students shall be able to explain the accountancy of the main items in the accounts such as financial assets and insurance appropriations. The students shall also understand the fundament for calculating capital requirements They must also be able to interpret stress tests and be able to explain which measures that perhaps must be implemented. The students shall be able to explain basic forms of reinsurance and when an insurance company needs to employ various forms of reinsurance.

#### Reflection

The students are expected to gain a conscious attitude to the laws and regulations that apply for the finance industry and to be aware that the choices they make and the advice they give in their profession may be very important for other people

#### Prerequisites

The course assumes that the students have a basic understanding of the Norwegian industry. The course Introduction to insurance should have been completed.

#### Compulsory reading

##### Books:

Gleditsch, Jon ... [et al.]. 2007. Reassuranse : en innføring. 4. utg. BI Forsikring. Ny bok av John Gleditsch vil foreligge til vårsemesteret 2014

Tore Clausen, Bjørnar Engelsen, Per Hovelsen, Thore Jordet, Kari Opsjøn. 2012. Forsikringsøkonomi en innføring. 16. utg.. BI Forsikring

##### Other:

Forsikringsvirksomhetsloven

<http://www.lovddata.no/all/hl-20050610-044.html>

Kapittel 6, 7, 8, 9 og 12

Forskrift til forsikringsloven

<http://www.lovdato.no/cgi-wift/ldles?doc=/sf/sf/sf-20060630-0869.html>

Jm.fr. kapitlene over

Høringsnotat fra Kredittilsynet (Finanstilsynet):

Bakgrunnsnotat, Ny kapitalforvaltningsforskrift

<http://www.regjeringen.no/upload/kilde/fin/hdk/2006/0087/ddd/pdfv/286999-kt220606bakgrunnsnotat.pdf>

Høringsnotat: Forslag til endringer i kapitalforvaltningsforskriftene for forsikring og enkelte andre forskrifter

<http://www.regjeringen.no/nb/dep/fin/dok/hoeringer/hoeringsdok/2009/horing---forslag-til-endringer-i-kapital/horingsnotat.html?id=577616>

Finanstilsynets tilsynsmetodikk med bruk av risikomoduler, Modul for markeds- og kredittrisiko i forsikring:

Evaluering av styring og kontroll

[http://www.finanstilsynet.no/Global/Forsikring%20og%20pensjon/Livsforsikring/Tilsyn%20og%20overv%c3%a5king/Tilsyn/Risikobasert%20tilsyn/modul%20for%20markeds-%20og%20kredittrisiko%20%20i%20forsikring%20-%20Evaluering%20av%20styring%20og%20kontroll%20\\_10.09.pdf](http://www.finanstilsynet.no/Global/Forsikring%20og%20pensjon/Livsforsikring/Tilsyn%20og%20overv%c3%a5king/Tilsyn/Risikobasert%20tilsyn/modul%20for%20markeds-%20og%20kredittrisiko%20%20i%20forsikring%20-%20Evaluering%20av%20styring%20og%20kontroll%20_10.09.pdf)

Forskrifter om kapitalforvaltning:

§ Forskrift om livsforsikringsselskapers og pensjonsforetaks kapitalforvaltning

2007-12-17 nr 1457

[http://www.lovdato.no/cgi-wift/wiftldles?doc=/usr/www/lovdato/for/sf/fd/td-20071217-1457-006.html&emne=kapitalforvaltning\\*&](http://www.lovdato.no/cgi-wift/wiftldles?doc=/usr/www/lovdato/for/sf/fd/td-20071217-1457-006.html&emne=kapitalforvaltning*&)

§ Forskrift om skadeforsikringsselskapers kapitalforvaltning, FOR-2007-12-17 nr1456

<http://www.lovdato.no/cgi-wift/ldles?doc=/sf/sf/sf-20071217-1456.html>

§ Forskrift om minstekrav til kapitaldekning i forsikringsselskaper, pensjonskasser,

innskuddspensjonsforetak og holdingsselskap i forsikringskonsern (2006:1616) <http://www.lovdato.no/for/sf/fd/xd-20061222-1616.html>

§ Forskrift om minstekrav til egenkapital (1989:0931)

<http://www.lovdato.no/for/sf/fd/xd-19890908-0931.html>

§ Forskrifter om beregning av solvensmargin (1995:481/482)

<http://www.lovdato.no/for/sf/fd/fd-19950519-0481.html>

<http://www.lovdato.no/for/sf/fd/fd-19950519-0482.html>

§ Forskrift om beregning av ansvarlig kapital (1990/435)

<http://www.lovdato.no/for/sf/fd/fd-19900601-0435.html>

Rundskriv fra Finanstilsynet

§ Rundskriv 3/2012: Regulering i samsvar med § 5 i "Forskrift om minstekrav til egenkapitalen for norske forsikringsselskaper."

[http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv\\_vedlegg/2012/1\\_kvartal/Rundskriv\\_3\\_2012.pdf](http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv_vedlegg/2012/1_kvartal/Rundskriv_3_2012.pdf)

§ Rundskriv 7/2008: Risikoanalyser/stresstester i forsikringsselskaper og pensjonsforetak

[http://www.kredittilsynet.no/no/Artikkelarkiv/Rundskriv/2008/1\\_kvartal/Risikoanalyserstresstester-i-forsikringsselskaper-og-pensjonsforetak/](http://www.kredittilsynet.no/no/Artikkelarkiv/Rundskriv/2008/1_kvartal/Risikoanalyserstresstester-i-forsikringsselskaper-og-pensjonsforetak/)

Endring av forskrift om rapportering av stresstester for forsikringsselskap og pensjonsforetak

[http://www.finanstilsynet.no/no/Artikkelarkiv/Aktuelt/2012/1\\_kvartal/Endring-av-forskrift-om-rapportering-av-stresstestar-for-forsikringsselskap-og-pensjonsforetak/](http://www.finanstilsynet.no/no/Artikkelarkiv/Aktuelt/2012/1_kvartal/Endring-av-forskrift-om-rapportering-av-stresstestar-for-forsikringsselskap-og-pensjonsforetak/)

Lov om årsregnskap 1998:56

<http://www.lovdato.no/all/hl-19980717-056.html>

Forskrift for årsregnskap mm for forsikringsselskaper (FOR 1998:1241)

<http://www.lovdato.no/for/sf/fd/fd-19981216-1241.html>

Rundskriv 15/2011, Rettleiing til rekneskapsregelverket for forsikringsselskap

[http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv\\_vedlegg/2011/2\\_kvartal/Rundskriv\\_15\\_2011.pdf](http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv_vedlegg/2011/2_kvartal/Rundskriv_15_2011.pdf)

Forskrift om forsikringstekniske avsetninger og risikostatistikk i skadeforsikring (1991:301)

<http://www.lovddata.no/for/sf/fd/fd-19910510-0301.html>

Forskrift om forsikringstekniske avsetninger og risikostatistikk i skadeforsikring (1992:1242) (Utfyllende)  
<http://www.lovddata.no/for/sf/fd/fd-19921118-1242.html>

Høringsnotat om tilpasning av årsregnskapsforskrifter til IFRS  
[http://www.regjeringen.no/upload/kilde/fin/hdk/2006/0101/ddd/pdfv/293205-horingsnotat\\_utarbeidet\\_av\\_kredittilsynet.pdf](http://www.regjeringen.no/upload/kilde/fin/hdk/2006/0101/ddd/pdfv/293205-horingsnotat_utarbeidet_av_kredittilsynet.pdf)

## Recommended reading

### Course outline

#### Course outline

- Trends – changes, the insurance company as part of a financial conglomerate
- General parameters for insurance companies' activities (capital backing, capital adequacy requirements, regulations, performance management)
- Asset management and capital requirement
  - Investment risk and insurance risk
- Profit and loss account and balance sheet
  - Basic accounting principles
  - Valuation rules
  - The requirements for annual accounts and the annual report
- Reinsurance

### Computer-based tools

Students must have access to the Internet. The spread sheet program Excel is used.

### Learning process and workload

#### Course structure

Part-time

The course is given as distance education with self-tuition and voluntary assignments. Intensive teaching is given in a 5-day session, attendance is compulsory

Activity	Workload
Participation at intensive teaching 5 days	35
Preparations for lectures	10
Work on syllabus	95
Exercises/activities on its learning	30
Do hand-ins (2)	26
Exam	4
<b>Total recommended workload</b>	<b>200</b>

### Examination

A four-hour individual written exam concludes the course.

### Examination code(s)

FAK 26321 written exam. The exam accounts for 100% of the grade in the course FAK 2632, 7,5 credits

### Examination support materials

Alle aids + calculator TEXAS INSTRUMENTS BA II Plus™ are allowed.

Examination support materials at written examinations are specified under exam information in our web-based Student handbook. Please, note the use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examaids>

### Re-sit examination

It is only possible to retake an examination when the course is next taught. All retaken examination will incur an additional fee.

## Additional information