APPLIES TO ACADEMIC YEAR 2014/2015

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:
Clausen, Tore, Bjørnar Engelsen, Per Hovelsen, Thore Jordet, Kari Opsjøn. 2012. Forsikringsøkonomi : en innføring. 16. utg. BI Forsikring
Jordet, Thore ... [et al.]. 2012. Forsikringsøkonomi : en innføring. 16. utg. BI Forsikring. 157/3

Other:
Forsikringsvirksomhetsloven
http://www.lovdata.no/all/hl-20050610-044.html
Kapittel 6, 7, 8, 9 og 12

Forskrift til forsikringsloven
http://www.lovdata.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

Forskrifter om kapitalforvaltning:
§ Forskrift om livsforsikringsselskapers og pensjonsforetaks kapitalforvaltning
2007-12-17 nr 1457
http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/for/sf/fd/td-20071217-1457-006.html&emne=kapitalforvaltning*&&

§ Forskrift om skadeforsikringsselskapers kapitalforvaltning, FOR-2007-12-17 nr1456
http://www.lovdata.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.lovdata.no/for/sf/fd/xd-20061222-1616.html

§ Forskrift om minstekrav til egenkapital (1989:0931)
http://www.lovdata.no/for/sf/fd/xd-19890908-0931.html

§ Forskrifter om beregning av solvensmargin (1995:481/482)
http://www.lovdata.no/for/sf/fd/fd-19950519-0481.html
http://www.lovdata.no/for/sf/fd/fd-19950519-0482.html

§ Forskrift om beregning av ansvarlig kapital (1990/435)
http://www.lovdata.no/for/sf/fd/fd-19900601-0435.html

Rundskriv fra Finanstilsynet
§ Rundskriv 3/2013: Regulering i samsvar med § 5 i "Forskrift om minstekrav til egenkapitalen for norske forsikringsselskaper."
http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv_vedlegg/2013/1_kvartal/Rundskriv_3_2013.pdf

http://www.finanstilsynet.no/Global/Venstremeny/Rundskriv_vedlegg/2013/4_kvartal/Rundskriv_13_2013.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/

§ Finanstilsynets siste brev, nå sendt til forsikringsselskapene om forberedelsene til S-II:
http://www.finanstilsynet.no/no/Artikkelarkiv/Aktuelt/2013/4_kvartal/Brev-til-forsikringsselskapene-om-forberedelser-til-Solvens-II/

Lov om årsregnskap 1998:56
http://www.lovdata.no/all/hl-19980717-056.html

Forskrift for årsregnskap mm for forsikringsselskaper (FOR 1998:1241)
http://www.lovdata.no/for/sf/fd/fd-19981216-1241.html

Rundskriv 13/2012, Rettleiing til rekneskapsregelverket for forsikringsselskap
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.lovdata.no/for/sf/fd/fd-19910510-0301.html

Forskrift om forsikringstekniske avsetninger og risikostatistikk i skadeforsikring (1992:1242) (Utfyllende)
http://www.lovdata.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
Gleditsch, Jon.. 2013. Reassuranse - en innføring. BI Forsikring. Hefte som etter hvert vil komme i bokformat

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/activites on its learning	30
Do hand-ins (2)	26
Exam	4
Total recommended workload	**200**

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 support materials allowed + calculator TEXAS INSTRUMENTS BA II Plus™ are allowed.
Examination support materials at written examinations are specifies 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