COURSE DESCRIPTION CARD

NOTE: If the course includes lectures and classes, the Course Description Card applies to both types of instruction.

1. Course title:
in Polish / in English
ALM i zarządzanie w ubezpieczeniach /
ALM & INSURANCE MANAGEMENT

2. Course code:
Number of ECTS credits: 3
Course completion mode: E
Course commenced / Year 2019/2020

3. Major: Finance and Accounting

4. Department of major coordinator: Banking and Financial Markets

5. Name of course instructor:
Lecture dr hab. Monika Wieczorek-Kosmala, Prof. UE
Classes
Lab classes
Examiner dr hab. Monika Wieczorek-Kosmala, Prof. UE

6. Department of course instructor: Corporate Finance and Insurance

7. Number of contact hours with students:

Type of instruction	Full-time study	Part-time study
lectures	15	
classes		
foreign language classes		
lab classes		
seminars		
e-learning		
other		
Total hours	15	
examination (hours)	3	

8. Course timeframe - no. of semesters: 1

Course commencement / Year 2

Course commencement / Semester 3

9. Level of tertiary education: Master

10. Course status
☐ Compulsory for the major…
☐ x Compulsory for the specialization ARIMA
☐ Elective …

11. Course prerequisites
Compulsory:
Recommended:

12. Course objectives:

The main purpose of this course is to familiarise students with risk management in insurance business. Students will learn on types of insurance risk and the contemporary approach to insurance risk management, in this in holistic integrated dimension. The students will learn on risk reporting in insurance, with reference to information disclosed in annual statements. Students will be also familiarised with the ALM (assets-liabilities management) and the current shape of the prudential rules in insurance business (Solvency I vs. Solvency II).

13. Teaching and learning methods:

A. Direct student-instructor contact:

No.	Teaching methods	Description	Number of hours	
			Full-time study	Part-time study
1.	Active lectures with multimedia	To discuss theoretical background	10	0
2.	Case studies	Presentation and solution of case studies	5	0
Total			AS: 15	AN: 0

B. Self-study:

No.	Learning methods	Description	Number of hours	
			Full-time study	Part-time study
1.	Group work over a case study	Solving case study in groups	30	0
2.	Analysis of notes	Self-study work, preparation for exams	20	0
3.	Literature studies	Self-study and group work, preparation for exam and for case studies	10	0
Total			BS: 60	BN: 0

Total AS+BS = 75
Examination (E) = 3
Total AS+BS+E= 78

Total AN+BN = 0
Examination (E) = 0
Total AN+BN+E = 0

14. Key words: insurable risk, insurance securitisation, annual statements, insurance, assets and liabilities management, risk management

15. Course content:

1. Types of risk in insurance: (1) definition of risk, components of risk (2) sources of risk from insurer point of view (3) risk taxonomy (4) insurability of risk
2. Risk management in insurance: (1) elements of risk management process (2) traditional vs. integrative risk management (3) the concept of ERM (4) implementation of ERM in insurance business
3. Risk analysis in insurance (1) identification of risk, (2) techniques and tools of risk analysis (3) risk evaluation
4. Risk management techniques (1) methods of risk control (2) traditional risk financing methods – reinsurance (3) innovations in risk financing – ARTs, transfer of insurable risk to capital markets
5. Scenario analysis in insurance
6. Risk reporting in insurance
7. Financial statements of insurance business: (1) balance sheet structure, (2) technical provisions (3) Profit and loss account (4) cash flows statement
8. Management of assets in insurance: (1) long-term investments in life insurance (2)

short term investments in non-life insurance
9. ALM in insurance
10. Regulatory framework (prudential rules) in insurance risk management: Solvency I, Solvency II

16. Course learning outcomes as related to the learning outcomes of the major and methods for assessing student attainment

Intended learning outcomes of the major / Symbols	Intended learning outcomes of the course	Methods for assessing student learning outcomes	Documentation
Knowledge			
FiR2_W02#	Knows and understands on a deeper scale the methods used in insurance business, in particular the statistical and mathematical methods, methods analysis and effective processing of financial data with the application of contemporary IT tools and reporting solutions	Exam, case study solution	Exam – questions, terms and conditions of case study completion and evaluation
FiR2_W03#	Knows and understands the complex problems and trends in contemporary insurance prudential rules, in this in global dimension, with reference to the challenges faced by society	Exam, case study solution	Exam – questions, terms and conditions of case study completion and evaluation
Skills			
FiR2_U06#	Is able to plan and organise team work, cooperate with others and perform a role of team leader	case study solution	terms and conditions of case study completion and evaluation
FiR2_U04#	Is able to communicate in English on B2+ level, in this with terms typical for economics and finance, within the problems related to risk and insurance	Exam, case study solution	Exam – questions, terms and conditions of case study completion and evaluation
Social competences			
FiR2_K04#	Is ready to predict the broad consequences of decisions and actions taken within risk management in insurance business	Exam, case study solution	Exam – questions, terms and conditions of case study completion and evaluation

17. Method for determining the final course grade:

No.	Methods for awarding credits and course completion requirements	Description	Percentage of the final course grade*
1.	Group work over the case study	The solution of the case studies on risk management in insurance and ALM implementation	60%
2.	Exam test – multiple choice	Written test	40%

* If students are required to obtain both a class grade and an exam grade, the class grade constitutes at least 30% of the final course grade.

18. Reading list

Mandatory readings:

1. Rejda G. E.: Principles of Risk Management and Insurance, 9 th ed. Addison Wesley, Pearson Education 2005.
2. Williams Jr., Heins R.M. : Risk Management and Insurance. Wyd. McGraw-Hill, New York, 1989.
3. Babbel, F., Santomero, A. M. : Risk Management by Insurers. An Analysis of the Process. Wyd. Working Papers of the Financial Institutions Center, The Wharton School, University of Pennsylvania, 1997.

Suggested readings:

1. Chapman, R. J. : Simple tools and techniques for enterprise risk management. Wyd. John Wiley&Sons, Hoboken, 2006.
2. Laster D., Yeung R.: Insurance investments in challenging global environment/Sigma 5/2010. Wyd. Swiss Re, Zurich, 2010.
3. Frey A., Karl K. : Regulatory Issues in insurance / Sigma 3/2010. Wyd. Swiss Re, Zurich, 2010.

19. Language of instruction: Enghlish

20. Course instructors’ recommendations: