



معهد الخليج لدراسات التأمين  
GULF INSURANCE INSTITUTE

## Management Development Certificate

### Risk Management

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| Course Code          | MDRM  |
| Content:             | Students must complete the following modules:<br><b>MD 1.1 Risk, Quantative and Qualitative Analysis</b><br><b>MD 2.3 Risk Management</b><br><b>MD 3.1 Finance and Accounting</b>   |
| Duration             | Each module consists of 24 hours of classroom learning involving Lectures, and interactive sessions.<br><br>Candidates must complete a practical assignment for each module. Participants are allowed to take modules as and when they wish however, the order as they appear above is recommended and the three modules and the examination must be completed within twenty four months.<br><br>Candidates should devote, for each module, a further 30 hours for private study, further reading and completion of assignment. The assignments are marked and include instructor's comments and advice and carry at 30% of the final examination mark. |
| Audience             | Advanced  |
| Learning Objectives: | At the end of this course participants will be able to:   |

#### **MD 1.1 – Risk, Quantative and Qualitative analysis**

- 1.1.1 Define Risk
- 1.1.2 Discuss risk and human behavior: Objective vs. Perceived Risk
- 1.1.3 Explain the Utility theory and apply it to insurance
- 1.1.4 Outline the cost of risk to the individual, industry, commerce & society as a whole
- 1.1.5 Apply quantative analysis techniques to measure the probability of risk, outcome and frequency and severity.
- 1.1.6 Discuss the sources of Risk data and its collection and apply common graphical representation of historical data and future projections.
- 1.1.7 Define Risk Management
- 1.1.8 Explain the more common risk identification and measurement tools
- 1.1.9 Explain the risk analysis process
- 1.1.10 Outline risk control measures and their respective limitations
- 1.1.11 Discuss risk transfer techniques available

#### **MD 2.3 – Risk Management**

- 2.3.1 Define Risk and distinguish between threat, opportunity and uncertainty
- 2.3.2 Define the objectives of a business organisation



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- 2.3.3 Identify and distinguish between stakeholders of a business organisation and their expectations
- 2.3.4 Define Risk Management
- 2.3.5 Discuss how risk management is applied to add maximum sustainable value to all the activities of the business organisation
- 2.3.6 Discuss the internal and external risk exposures of an organisation and distinguish between different categories of risk. (strategic, financial, operational, hazard, etc)
- 2.3.7 Outline the Risk Management Process
- 2.3.8 Explain the Risk Assessment Process (identification, analysis and evaluation)
- 2.3.9 Outline a Risk Reporting and Communication diagram identifying users and their needs.
- 2.3.10 Explain the Risk Treatment Process (risk control, mitigation, avoidance, risk transfer, risk financing)
- 2.4.11 Identify and Discuss specific risk exposures and Outline controls available within a business organisation arising from :-
- Physical loss or damage to assets
  - Business interruption
  - Supply chain
  - Negligence and fidelity
  - Use of technology and e-commerce,
  - Intellectual property rights
  - Compliance with laws and regulations
  - Health and safety and liability exposures
  - Transport
  - Products liability and recall
  - Environmental, political, and financial risks
  - Defaulting customers, contractors, suppliers and service providers.
- 2.3.12 Explain the objectives of monitoring and review as part of an ongoing the Risk Management Process
- 2.3.13 Outline the Structure and Administration of a Risk Management policy and discuss the role played by the board of directors, business units, auditors, risk managers and others in the risk management process.
- 2.3.14 Explain the main risk transfer mechanisms available to a business organisation
- 2.3.15 Discuss insurance as a risk transfer mechanism and identify insurable risks and classify them according to the company's tolerance and appetite for risk.
- 2.3.16 Discuss Corporate Governance in relation to risk management citing conclusions and recommendations from authoritative reports and investigations into malpractice, fraud, failures and insolvencies.

### 3.1 – Finance and Accounting

- 3.1.1 Explain the principles and objectives of financial accounting within an organisation
- 3.1.2 Define terms which are commonly used in insurance accounting



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- 3.1.3 Define the stakeholders of a business organisation and the company's obligations in their regard with particular reference to accounting and financial information.
- 3.1.4 Define the purpose and structure, content of :
  - Directors' report
  - Auditors report
  - Profit and loss account
  - Balance sheet
  - Cash flow statements
  - Notes to the accounts
- 3.1.5 Apply the above to a set of accounts comparing the EU format (with particular reference to the UK) and formats used in the GCC
- 3.1.6 Distinguish between the duties and responsibilities of the directors and officers of the company and the external auditors.
- 3.1.7 Outline the main requirements affecting Insurance companies and intermediaries under the International Accounting Standards and practice
- 3.1.8 Define Management Accounting and explain its scope
- 3.1.9 Explain the budgetary process and discuss the involvement of managers and business units in this regard
- 3.1.10 Draw up a budget plan apply common techniques for its graphical representation and interpretation
- 3.1.11 Discuss the importance of planning and the control of resources
- 3.1.12 Outline the techniques available to a company to implement cost control and resource allocation and discuss the merits and disadvantages of each.
- 3.1.13 Define the methods and instruments for raising equity for a business organisation
- 3.1.14 Discuss the main types of investments available in the international capital markets and outline the investment strategy constraints imposed by regulators on insurance companies.
- 3.1.15 Explain principles of taxation of insurance business and discuss how it is applied in the UK

Assessment

- a) Practical Assignment: Students must complete each module including the practical assignment handed out at the end of each unit. The practical assignments carry 30% of the overall mark of 200
- b) Written Examination: Participants will be asked to sit for a three-hour written examination at the end of the course consisting of:-
  - Part 1: 8 compulsory short questions
  - Part 2: 1 compulsory essay question
  - Part 3: 3 essay questions from a choice of five

The written examination carries 140 marks.

Out of the overall mark of 200, candidates must obtain a minimum 40 marks from the practical assignments and a minimum of 110 marks overall.

Accreditation

2 credits towards Associateship or Fellowship or the GII  
30 specific credits for Chartered Insurance Institute – 655 Risk Management.