



Course and Examination Fact Sheet: Spring Semester 2023

10,278: Topics in Insurance Economics

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Presentation (in groups - all given the same grades) (100%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[10,278,1,00 Topics in Insurance Economics](#) -- Englisch -- [Schmeiser Hato](#)

Course information

Course prerequisites

General know-how in Finance

Learning objectives

This course enables students to work with complex matters concerning insurance pricing, risk management and capital structure. Students will discuss quantitative, theoretical concepts in-depth and apply them to practical use cases. Coaching sessions will accompany the successful learning path of all students.

Course content

The following topics will be covered:

- 1) Introduction to Insurance and Risk Management / Research Overview
- 2) Insurance Pricing, Contingent Claims Approach and Fair Capital Structure
- 3) Pricing and Risk Management in the Life Insurance Sector
- 4) Capital Allocation and Performance Measurement in the Insurance Industry
- 5) Annuities and Money's Worth

Course structure and indications of the learning and teaching design

The seminar is organized in a bi-weekly structure at the HSG (I.VW, Tannenstrasse 19)

Structure: Introduction to Insurance and Risk Management / Research Overview

Part I: Insurance Pricing, Contingent Claims Approach and Fair Capital Structure

Part II: Pricing and Risk Management in the Life Insurance Sector

Part III: Capital Allocation and Performance Measurement in the Insurance Industry

Part IV: Annuities and Money's Worth



Course literature

- N.A. Doherty and J.R. Garven. Price Regulation in Property-Liability Insurance: A Contingent-Claims Approach. *Journal of Finance*, 41(5):1031-1050, 1986.
- N. Gatzert and A. Kling. Analysis of Participating Life Insurance Contracts: A Unification Approach. *Journal of Risk and Insurance*, 74(3):547-570, 2007.
- N. Gatzert and H. Schmeiser. The Influence of Corporate Taxes on Pricing and Capital Structure in Property-Liability Insurance. *Insurance: Mathematics and Economics*, 42(1):50-58, 2008.
- H. Grundl and H. Schmeiser. Capital Allocation for Insurance Companies - What Good IS IT? *Journal of Risk and Insurance*, 74(2):301-317, 2007.
- R. Ibragimov, D. Jaffee, and J. Walden. Pricing and Capital Allocation for Multiline Insurance Firms. *Journal of Risk and Insurance*, 77(3):551-578, 2010.
- R.C. Merton and A Perold. Theory of Risk Capital in Financial Firms. *Journal of Applied Corporate Finance*, 6(3):16-32, 1993.
- O.S. Mitchell, J.M. Poterba, M.J. Warshawsky and J.R. Brown. New Evidence on the Money's Worth of Individual Annuities. *The American Economic Review*, 89(5):1299-1318, 1999.
- S.C. Myers and J.A. Jr. Read. Capital Allocation for Insurance Companies. *Journal of Risk and Insurance*, 68(4):545-580, 2001.
- G. Zanjani. An Economic Approach to Capital Allocation. *Journal of Risk and Insurance*, 77(3):523-549, 2010.

Additional course information

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Examination information

Examination sub part/s

1. Examination sub part (1/1)

Examination time and form

Decentral - Presentation (in groups - all given the same grades) (100%)

Examination time: term time

Remark

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Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

Supplementary aids

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Nature of examination

analog

Examination languages

Question language: English

Answer language: English

Examination content

Research papers which are discussed in class.



Examination relevant literature

Research papers which are discussed in class.

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 26 January 2023);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the de-registration period in CW 15 (Monday, 10 April 2023).