

CAPTIVE INSURANCE MANAGEMENT

Department	Risk & Financial Services
Module Leader	Mr. Robert Davidson
Level	2
Credit Points	20
Required Knowledge	1 st Degree/relevant experience/relevant professional qualification/studies in Insurance
Semester	A repeated in B
Summary	This module examines the concept of Captive Insurance Companies and comprehensively analyses the feasibility, establishment and operations of captives. The domicile selection and choice of type of company will also be considered.
Learning Outcomes	<p>At the end of the module, students will be able to:</p> <ul style="list-style-type: none"> • Explain the origins of Captive Insurance • Discuss the reason why they are formed • Explain how a feasibility study is carried out and how this contributes to the decision making process • Discuss the functions of the Board, management etc. • Explain the financial aspects of a captive • Analyse the different types of re-insurance and their application • Consider the reasons for different locations being chosen and the tax implications for them and the different types of captives
Teaching/Learning Strategy	This module is delivered on a distance learning basis. The student is provided with a workbook, designed to complement the core textbook, to be completed in his/her own time and at a place/time agreeable to them. The workbook has been designed in a directed learning manner and the student is guided through it step by step. The student is further directed to additional reading in order that they build up a wide range of knowledge about the individual topics. The learning therefore, is largely independent and reflective, however a system of e-mail support has been established for use by student s where necessary.
Syllabus	<ol style="list-style-type: none"> 1. History and overview 2. Reasons for forming a captive 3. The feasibility study 4. The decision to set up 5. Management duties 6. Operating procedures 7. Finances 8. Insurance classes & uninsurable risks 9. Re-insurance 10. Domiciles 11. Types of captive 12. Tax considerations

Indicative ReadingEssential Reading

Captives & Captive Management for Practitioners and Owners", 2002, by J R Parkinson

Additional Reading

Bannister, Alternative Risk Financing 2nd Edition 2002, Bannister Developments
Gordon, Risk Financing 1992, Witherby, London
Davis, Hood & Stein, Insurance Non Marine: An Introduction, Witherby, London 1997
Reinsurance CII, 1999
Global Re-insurance Journal
Bawcutt P (1997), Captives Insurance Companies, 4th Ed., Witherby, London
Head L et al, Essentials of Risk Financing, 3rd Edition. Captives Insurance Review (Monthly)
New Developments in Captive Insurance & RIRG, 2001, Captive Papers 1/2001, RIRG
Risk Management & Insurance, Cawillary et al, 1995, McGrawhill, Singapore
How to Manage Risk, 2nd Edition, Bannister Publishing
Edwards, Report on Money Laundering
Captive Management Booth, 2001, RIRG
Accounting for Non Accounting Students, Dyson, 5th Edition, FS Condon, 2001
Accounting & Finance for Managers in Insurance, CII Business Environment, CII

Web Site Addresses

www.captiveguru.com
www.captive.com
www.bermuda-insurance.org
www.gamn.com
www.captiveassociation.com
www.cyberhaven.com

Transferable Skills

In addition to the attainment of the learning outcomes students will develop personal transferable skills in self-management, report writing, case study analysis, essay writing, problem solving and critical thinking.

Independent Hours

82 Hrs (Other)

Assessment Hours

18 Hrs (Other)

Other Hours

Directed Learning 100 Hrs (Other)

Total Notional Hours

200 Hrs (Other)

Tutors

Dr. John Hood

Mr. Muhammad Nawaz

Assessments

Coursework 30% - Report of 1500-2000 words

Exam (Department) Duration 2 Hrs 70%

Choice of three exam dates or course works – different questions, but each carries equal weighting.

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