

# PROFESSIONAL PROGRAMME

## INSURANCE – LAW & PRACTICE

The world we live in is full of uncertainties and risks. Individuals, families, businesses, properties and assets are exposed to different types and levels of risks. These include risk of losses of life, health, assets, property, etc. While it is not always possible to prevent unwanted events from occurring, financial world has developed products that protect individuals and businesses against such losses by compensating them with financial resources. Insurance is a financial product that reduces or eliminates the cost of loss or effect of loss caused by different types of risks. In order to safeguarding the interest of people from loss and uncertainty, Insurance has evolved as a process of indemnifying the people against the loss and uncertainty. It may be described as a social device to reduce or eliminate risk of loss to life and property.

Apart from protecting individuals and businesses from many kinds of potential risks, Insurance contributes a lot to the general economic growth of the society by provides stability to the functioning of process. The insurance industries develop financial institutions and reduce uncertainties by improving financial resources. It also provides stability to the functioning of businesses and generating long-term financial resources for the industrial projects. Among other things, Insurance sector also encourages the virtue of savings among individuals and generates employments for millions, especially in a country like India, where savings and employment are important.

Considering the various recommences the insurance industry provides to the society, economy, businesses and people on one side and considering the capital invested by the people by the people through the instrument of insurance on other side, it is mandated to regulate insurance sector.

Though since ages, regulation exists for ensuring the maximum utilization of the insurance sector for the benefit of the society and for avoiding the probability of misuse of the insurance as an instrument related to finance and capital, yet the privatization of insurance sector in early 90s has made it compulsory to have stricter standards of laws and regulation over insurance sector.

In order to realize the benefits of insurance, one should be through in adhering the compliances related to insurance and related products.

Considering the significance of the Insurance Sector for the Company Secretaries as a specialized area of their expertise and also the plethora of laws and regulation governing the Insurance sector in India, this Study material aims as guiding the consolidated understanding of Insurance, the sector, and the laws and practices related to insurance industry in India.

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