



Introduction :

The main objective of this course is to give specialized knowledge and develop requisite skills in students to excel practice in key financial sectors of banking and insurance. The insurance sector reduces business uncertainties by rationalizing the use of scarce capital. It also provides stability to the functioning of businesses and generating long-term financial resources for the industrial projects, besides encouraging the virtue of savings in people. Due to the increase in private participation in insurance sector, the areas of regulation of insurance products, consumer protection and governance of insurance companies have gained more significance. A bank is a focal economic institution which provides fundamental banking services such as accepting deposits and credit creation through loans. The banks also safeguard the money and valuables some banks also offer investment and insurance services. The modules are also arranged as such, beginning with the basic principles and concepts used in Insurance contracts, then with important compliance issues in insurance sector. In the banking section, the course begins with understanding the fundamentals of Indian Banking System and its regulation by Reserve Bank of India through legislation and other directives.

Course Objectives:

1. To enable students to understand the basic principles and features of Insurance and legal framework of insurance regulation in India to secure the consumer interest.
2. To enable the students to know the evolution of banking sector in India and framework of regulation of banks by Reserve Bank of India.
3. To enable students to understand the basics of Advances, Securities and Documentation in the banks and basic principles of lending.
4. To enable the student to understand the risk management framework in banks, non performing assets, dealing with negotiable instruments and cheque dishonour cases.

Learning Outcomes:

On the successful completion of the course, students will be able to:

1. Analyze Insurance sector on the basis of compliance with basic principles of Insurance contract.
2. Analyse the issues related to asset classification and review in the banks and suggest ways to improve the liquidity and capital adequacy condition.
3. Deliver the requisite and effective legal advice to aid the banking companies to comply with the regulatory norms prescribed by the Reserve Bank of India.
4. Deliver the requisite and effective consultation advice to the customers seeking redressal of their grievances in the banking system.

Module - I

Indian Banking System and its Regulation

- 1.1. Indian Banking System: - An Evolution, Nationalization of Banks, Consolidation of PSU Banks;
- 1.2. Regulatory Framework of Banks: Banking Regulation Act, 1949, Reserve Bank of India Act, 1934, Control over Organization of Banks;
- 1.3. Customer Accounts and Banking Operations: Relationship between Banker and Customer, KYC in Banks, Deposits, and Scrutiny of Loan Applications/Documents;
- 1.4. Digital Banking: Categories of Digital Banks, Types of Digital Banking Payments, Disadvantages of Digital Banking, Core Banking Solution;
- 1.5. Advances, Securities and Documentation: Basic Principles of Lending, Fund Based Credit Facilities, Non-Fund Based Limits.

Module - II

Negotiable Instruments, Dishonour of Cheques and Miscellaneous Provisions

- 2.1. Concept of Negotiable Instruments: Features of Negotiable Instruments, Negotiable Instruments Act, 1881, Types of Negotiable Instruments, Parties in a Negotiable Instrument;
- 2.2. Crossing of a cheque, Dishonour of Cheque for Insufficiency, etc., of Funds in the Account, Penalties for dishonour of a cheque;
- 2.3. Risk Management in Banks and Basel Accords: Stages of Risk Management, Types of Risks;
- 2.4. Liability and Discharge of Negotiable Instruments;
- 2.5. Consumer Protection: Consumer Protection Councils, Banking Ombudsman Scheme, 2006.

Module - III
Law of Insurance

- 3.1. Concept of Insurance: History of Insurance in India, Purpose and Need of Insurance;
- 3.2. Basic Principles: Utmost Good faith; Proximate cause; Insurable Interest; Indemnity;
- 3.3. Contract of Insurance: Features of Insurance Contract;
- 3.4. Regulatory Framework in Insurance: The Insurance Act, 1938, IRDAI Act, 1999, FDI and FEMA provisions pertaining to Insurance Sector;
- 3.5. Re-insurance, Life Insurance & General Insurance.

Module - IV
Compliance in Insurance

- 4.1. Functions in Insurance & Compliance: Insurance Reserves, Product Review, Actuarial Valuations;
- 4.2. Review of Financial Condition, Product Design & Filings, File & Use and Use & File;
- 4.3. Underwriting, Risk Selection, Risk Tolerance, Rating, Discounts;
- 4.4. Marketing & Distribution Channels of Insurance Products: Individual Agency, Corporate Agency, Insurance Brokers;
- 4.5. Claims & Customer Services, Grievance Management: Ceiling of Commission, Protection of Policyholders' Interest, Regulation 2017.

Prescribed Legislations:

1. The Banking Regulation Act, 1949.
2. The Consumer Protection Act, 2019.
3. The General Insurance Business (Nationalization) Act, 1972.
4. The Information Technology Act, 2000.
5. The Insurance Act, 1938.
6. The Insurance Regulatory and Development Authority Act, 1999.
7. The Life Insurance Corporation Act, 1956.
8. The Marine insurance Act, 1963.
9. The Negotiable Instruments Act, 1881.

Prescribed Books:

1. C. R. Datta *et.al*, BANKING - LAW AND PRACTICE IN INDIA (2008).
2. D. K. Sharma, DISHONOUR OF CHEQUES, (2012).
3. Dr H. K. Saharay, NEGOTIABLE INSTRUMENTS ACT 1881 (WITH SPECIAL EMPHASIS ON DISHONOUR OF CHEQUES), (2011).

4. Dr.Himal N. Patel *et.al.*, BANKING LAW (2014).
5. Gaurav Varshney, INSURANCE LAWS, (2017).
6. K. S. N. Murthy and K. V. S. Sarmia, MODERN LAW OF INSURANCE IN INDIA, (2002).
7. M. N. Mishra, LAW OF INSURANCE, (2012).
8. O. P. Faizi and Ashish Aggarwal, KHERGAMWALA ON THE NEGOTIABLE INSTRUMENTS ACT, (2008).
9. R. K. Gupta, BANKING - LAW AND PRACTICE, (2008).
10. Vandana Singh and K. B. Agrawal, INSURANCE LAW IN INDIA, (2012).

Reference Books:

1. Avtar Singh, LAW OF INSURANCE, (2016).
2. Avtar Singh, NEGOTIABLE INSTRUMENTS, (2005).
3. E. R. Hardy Ivamy, GENERAL PRINCIPLES OF INSURANCE LAWS, (1993).
4. John Birds, MODERN INSURANCE LAW, (2003).
5. M. B. Shah, LANDMARK JUDGMENTS ON INSURANCE, (2004).
6. M. L. Tannan, Revised by Vinod Kohari, Tannan's BANKING LAW AND PRACTICE IN INDIA, (2017).
7. M. N. Srinivasan and K. Kannan (Revised by Justice K. Kannan) PRINCIPLES OF INSURANCE LAW, (2017).
8. Mark Hapgood, PAGET'S LAW OF BANKING, (2007).
9. Ranganath Misra *et.al.*, THE NEGOTIABLE INSTRUMENTS ACT, (2017).
10. S. Krishnamurti Aiyar, LAW RELATING TO THE NEGOTIABLE INSTRUMENTS ACT, (2009).
11. S. N. Gupta, THE BANKING LAW IN THEORY AND PRACTICE, (2017).
12. Sunmeet Malik and J. V. N. JAISWAL LAW OF INSURANCE, (2010).

Recommended Readings:

1. Law Commission of India, Eleventh Report on the Negotiable Instruments Act, 1881, (1958).
2. Law Commission of India, One hundred and twenty fifth Report relating to Establishment of Evening Courts, (1988).
3. Law Commission of India, Two hundred thirteenth Report on Fast Track, (2008).
4. Magisterial Courts for Dishonoured Cheque Case (2008).

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