

CHARTERED WEALTH MANAGER™

COURSE CURRICULUM – LEVEL 1

UNIT-1 OVERVIEW OF INDIAN AND GLOBAL FINANCIAL SYSTEM

Course Objective: Effective financial system is required any nation for financial development. The concept of globalization demands more integration of domestic market with global market. Liberalization and economic reforms are affecting dynamic changes in Indian Financial System. These have immense bearing on the wealth management decisions taken by a wealth manager.

Overview of Global Financial System

Introduction to International Financial System: Bretton Wood conference and afterwards. Origins and evolution of the global financial system, Risk and opportunities of financial globalization.

The Balance of Payments: Current and capital accounts, the “net international investment position”, Balance of payments and the absorption approach, the monetary approach to the balance of payments: the “Polak model”, Financing gaps and external indebtedness.

The International monetary system: Institutional Framework and Evolution, The Euro zone, The dollar zone, The yen zone, The CFAF zone, The specific role of the SDR

The international financial institutions: The key roles of the IMF, the World Bank, the BIS and the IIF, Lending instruments of the IMF, Co-financing between private banks and IFIs, Review of key international finance statistics (IMF, OECD, BIS, IIF). The Role of Central Banks in Global Economy Reserve Bank of India, Functions of RBI, Monetary Policy and Credit control. Commercial Banks, Insurance companies - IRDA

Types of Financial Markets within the Global Financial System

Money Market: Meaning, Participants in Money Market, composition of money market - Call money market,

Treasury bills market – types operation and Participants – importance.

Money market instruments - Certificate of Deposit, Commercial Paper, inter-bank participation certificate repo instrument.

Capital Market: Structure of Indian Capital Market, Functions of Capital Market, Derivatives Market, Depository system Reforms in the capital market during post liberalization period, Stock Exchanges – role and functions, Stock Market Indices.

The International Capital markets: regulation & Supervision · The role of the BIS, The Basel I & II Agreements, Capital ratios and credit assessment.

Foreign Exchange Market – International Dimensions of financial market – Meaning and Definition of Foreign Exchange – Foreign Exchange market – Functions –importance – Rate of Exchange – Kinds of Exchange Rates - Pegged, crawling and flexible exchange rates – Determination of Exchange rate – purchasing power parity theory – Balance of payment theory. Currency Board and Dollarization

Introduction to Macro Economics: Microeconomics and Macroeconomics-Why Macroeconomics is important for the financial sector-The concept of ‘equilibrium’ in economics

Inflation and Interest Rates: What is inflation? -How to measure inflation?-Measurement of Inflation, Theories of Inflation -Impact of Inflation on macroeconomic variables-Controlling Inflation-Interest

Rates, Factors affecting the level of Interest Rate -Impact of interest rates-Concept of Real Interest Rate

National Income Accounting: National Income Accounting: Measuring Economic Activity -Some other ways to measure National Income, The Expenditure Approach, and The Income Approach, National Income Accounting and relationship among macroeconomic variables, The relationship among macroeconomic variables, Saving and Investment in India, The changing composition of India's economic environment

Government and Fiscal Policy: Role of the Government in an Economy, Government Expenditure and Revenue, Understanding the government accounts, Government Receipts, Government Expenditure, Bringing together the Revenue and the Expenditure side, The Deficit Indicators, Financing of the deficit by the government, Fiscal Deficit and Sustainability of Internal Debt, Fiscal policies and their impact on the financial markets

Money and Monetary Policy: What is the role of Money? Components of Money in India, Demand for Money, Supply of Money, Different Roles of RBI in India

How RBI regulates Money Supply in the Economy, What are the roles of Commercial Banks in Money Supply? Other Instruments of Money Supply, Market Stabilization Scheme, Use of Monetary policy, Use of Fiscal policy

The External Sector: Open economy macroeconomics

Why do Countries Trade? Absolute advantage theory, Comparative advantage theory India and International Trade, India's merchandise trade, Trade in services, Transfer payments and net factor incomes, Balance of Payments

Classification of Balance of Payments accounts: Foreign Direct Investment, Foreign Portfolio Investment, Exchange Rates, Foreign Exchange reserves, Impact of capital flows on money supply, Sterilization of Capital Flows

Regulatory institutions in India: Role of regulatory institutions in a market-based economy, The Reserve Bank of India (RBI), The Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), Forward Markets Commission (FMC), Stock Exchanges in India.

UNIT-2: CONCEPT OF WEALTH MANAGEMENT

COURSE Objective: This unit would serve as an introduction to Wealth Management and Credit Management. The unit would cover the Wealth Management Process, client interactions, time value of money applications, personal financial statements, cash flow and debt management and asset acquisition, Loan and Credit Management. Overview of the Wealth Management Industry Globally and especially in India.

A. Wealth Management:

- What is Wealth Management?
- Different verticals of Wealth Management
- Role of Wealth Management in Banking
- Managing Wealth Management Services
- Wealth Management and Financial Planning

B. Wealth Management Process

1. Identify and Clarify the Current Situation:

- a. Explain issues and concepts related to overall Wealth Management process, as appropriate to the client
- b. Explain services provided, the process of planning, documentation required, and disclosure statements
- c. Clarify client's and Wealth Managers responsibilities.

2. Identify Goals and Objectives

- a. Obtain information from client through data gathering sheet and personal interview
- b. Help Client in Determining personal and financial goals, needs and priorities
- c. Check if the Goals are Smart
- d. Assess client's values, attitudes and expectations
- e. Determine client's time horizons
- f. Determine client's risk tolerance level
- g. Collect supporting documents

3. Analyze Financial Issues and Opportunities

- a. Techniques of Data Analysis
- b. Identifying Need for specialist advice
- c. Develop a Financial SWOT Chart for the Client

4. Developing the Wealth Management Plan

- a. Assessing Client's risk tolerance
- b. Review of Financial options
- c. Draft Wealth Management Plan
- d. Presenting and reviewing the plan with the client

5. Implementation of the Wealth Management Plan

- a. Assist the client in implementing the recommendation of the Plan
- b. Creating the Action Plan

6. Monitoring and Reviewing the Plan

- a. Monitor and evaluate soundness of recommendations
- b. Review the progress of the plan with the client
- c. Discuss and evaluate the Macro and Micro level that require plan review.
- d. Altering the Plan.

7. Critical Discipline in a Wealth Plan

- a. Tax Planning
- b. Cash and Credit Planning
- c. Insurance Planning
- d. Retirement Planning
- e. Investment Planning
- f. Estate Planning

8. Preparation of Personal Financial Statements

- a. Cash Flow Statement
- b. Income Statement
- c. Balance Sheet
- d. Budget
- e. Investment Plan

9. Financial Mathematics

- a. Concept of time value of money
- b. Calculation of Present and Future Value
- c. Calculation of annuities
- d. Calculation of Unequal Cash Flows
- e. Use of Capital Budgeting Techniques in Personal Finance
- f. Loan Calculations
- g. Inflation- adjusted interest rates
- h. Measures of Returns

10. Describe Credit

Various methods of availing Credit;

- Limits and Term Loans
- Secured and Unsecured Loans

11. Credit facilities available to an Individual:

11.1. Unsecured Credit Facilities:

- Credit Card
- Personal Loan

11.2 Secured Credit Facilities:

- Home Loan
- Auto Loan

11.3. Education Loan: Secured and Unsecured.

12. Main features of the following credit agreements:

- Hire purchase
- Credit sale
- Credit cards
- Mortgage
- Credit unions
- Other types of credit agreement
- Determining which type of credit agreement is the most appropriate in a given set of circumstances
- The role of Credit in the life of a consumer:- Benefits and dangers in using credit
- Understanding consumer rights and obligations

13. Credit Disbursal Process:

13.1. Assessing the Creditworthiness of an Individual

- Credit Evaluation:-
 - o The 7 C's of Credit:-
 - o Character
 - o Capacity
 - o Capital
 - o Collateral
 - o Credit History
 - o Conditions
 - o Common Sense
- **Consumer Assessments:-**
 - o Gathering Information
 - o Credit Applications & Credit Agreements
 - o (Open accounts, cash loans & installment)
 - o (Which information is asked for & why)
 - o Credit Bureau – CIBIL, Credit Score
 - o (include the role of the bureau and consumer information)

13.2. Securing an Account

- Theory of Securities - Role of securities
 - o Securities available
 - o Documentation required
 - o Cost in taking securities
 - o Value of security when taken
- Practical application of securities - Value of security when needed
 - o Maintaining securities
 - o Perfecting securities
 - o Limitations of Securities
- Insurance
 - o Debtors
 - o Goods

13.3 Issues of Life Cycle in Debt Management

14. Financial Mathematics of a Loan:

- Different Rates used in Loans
- Fixed Vs Floating
- Flat Vs. Reducing
- Calculation of Principal Outstanding
- Calculation of Interest Paid
- Calculation of EMI

15. Tax Benefits of Loan:

Income Tax Benefits u/s 24, 80 C and 80E

16. Wealth Management Industry: Wealth Management Industry in the Developed World, Wealth Management Industry in the Emerging Markets, Global Trends and Challenges of Wealth Management Industry, Concept of Family Offices, Client Servicing models

UNIT-3: MEASURING INVESTMENT RETURNS IN WEALTH MANAGEMENT

COURSE Objective: Understand risk, return and investor outlook, describe the relationship between risk and return, Understand investor's ability to take risk and willingness to take risk and identify optimal portfolio allocation

1. Measuring Investment Returns

Understand risk, return and investor outlook

Describe the relationship between risk and return,

Understand investor's ability to take risk and willingness to take risk and identify optimal portfolio allocation

Define and understand how to apply the following:

Time value of money

Annuities and its types

EMI

Compounding

NPV

Inflation and tax adjusted interest rates

Holding period return

CAGR & IRR

Distinguish between

Time weighted return Vs. money weighted return,

Real (Inflation adjusted) rate of return vs. nominal return,

2. Know how to assess mutual fund performance using benchmark and peer performance Calculate

1. Total returns
2. Risk-adjusted returns
3. Sharpe ratio
4. Treynor Ratio
5. Jensen's Alpha

3. Discuss Capital Gains, Types i.e. STCG and LTCG and taxation

UNIT-4: LIFE CYCLE MANAGEMENT:

COURSE Objective: This unit would cover the knowledge requirements relating to life cycle management including retirement planning for a Wealth Manager professional. The emphasis is on the process of wealth creation and the reviewing retirement planning strategies for clients.

1. Financial Life Cycle

- a. Theory of Life Cycle Investing
- b. Stages of client financial life cycle.
- c. New Measures of Risk and Reward
- d. Financial Gerontology- Principles and Issues.

2. Wealth creation

- a. Wealth accumulation and erosion
- b. Concept of Human Capital.
- c. Interaction between Human Capital and Financial Capital.
- d. Early retirement, living longer than expected, delaying retirement
- e. Effect of inflation

3. Basics of Retirement Planning

- a. Issues in retirement planning
- b. Importance of retirement planning
- c. Life expectancy and career stability
- d. Pre-retirement counseling

4. Retirement Benefits

Types of plans

- a. Defined benefit plans
- b. Defined contribution plans
- c. Defined benefits v/s defined contribution plans, employer's and employee's perspectives.
- d. Trends and reasons for transition
- e. Portability of plans

5. Defined benefit plans

- a. Gratuity and the Payment of Gratuity Act, 1972
- b. Leave Salary
- c. Retrenchment compensation and the Industrial Disputes Act, 1947
- d. Voluntary Retirement Scheme
- e. Nature of defined benefit, tax issues in defined benefit plans, age/service requirements, applicability of plans to clients

6. Defined contribution plans

- a. Statutory provident fund, Provident Fund Act, 1925
- b. Recognized provident fund, Employee Provident Fund and Miscellaneous Provisions Act, 1952, Employees' Provident Fund Organization, features, mode of operation and investment norms

- c. Unrecognized provident fund
- d. Employees' Pension Scheme, 1995, features, funding of scheme
- e. Employees' Deposit Linked Insurance Scheme, 1976, features, funding of scheme
- f. Public Provident Fund, features
- g. Nature of defined contribution, tax issues in defined contribution plans, withdrawal norms, applicability of plans to clients

7. Superannuation and other retirement plans

- a. Trust funds – fiduciary responsibilities
- b. Approved superannuation funds
- c. Employer pension plans and applicability to client
- d. Private fund managers, investment norms
- e. Pension plans from mutual funds and insurance companies
- f. Social security benefits – civil servants, defense personnel and war widows, agricultural workers, destitute, disaster affected people, etc.
- g. Retirement plans for self-employed
- h. Profit sharing plans

8. Group Life and Health Insurance

- a. Group insurance contracts and characteristics
- b. Basic underwriting principles and eligibility requirements of group plans
- c. Group life insurance plans
- d. Group medical insurance plans and managed care
- e. Group disability-income plans
- f. Workers compensation

Retirement Planning and Strategies

9. Retirement needs analysis

- a. Determination of financial objectives at retirement
- b. Estimating retirement expenses
- c. Calculation of retirement funds available to meet objectives
- d. Calculation of additional funds needed to meet objectives

10. Retirement income streams

- a. Employer pension scheme
- b. Commuted and un-commuted pension, tax treatment, advice on commutation
- c. Immediate and deferred annuities
- d. Other income streams and their tax treatment – fixed deposits, rental income, schemes from Indian Savings Organization, monthly income plans

11. Post-retirement counseling

- a. Investment risk and constraints
- b. Investment portfolio evaluation, restructuring of investments or debt
- c. Risk tolerance and attitude to equities
- d. Client's health, interests and hobbies, home, vacations, gifting

12. Life Cycle Investment Advise Model

- a. The traditional advice model.
- b. Role of Human Capital in Investment Advice.
- c. Human Capital and Asset Allocation.
- d. Human Capital and Life Insurance
- e. Retirement Portfolio and Longevity Risk
- f. Modeling the Life cycle.

UNIT-5: INVESTMENT VEHICLES OF WEALTH MANAGEMENT

Course Objective: Concept, structure, returns measurement (income and/or capital gains), tradability, liquidity and legal issues of the major investment vehicles. The objective is to provide an essential understanding of the products from a risk-return perspective, so that proper product recommendations can be made.

- 1. Introduction to Financial Product:** Overview, What is a Financial Product? How it differs with other products? Features of Financial Instruments, Types of Financial Products, Why knowledge of Financial Products is so important for everybody: Layman, educated, entrepreneur, etc.
- 2. Banking Products:** Evolution of Bank, Features of Banking, Types of Bank, Central banking system, Reserve bank Of India, Schedule Bank and Nationalized banks.
 - 2.1. Types of Bank Deposits:** Saving Account, Current Account, Recurring Deposit Account, Fixed Deposit Account, Some Aspects of Deposits Account: New Account Opening, Closing of a Bank Account, Insurance of Bank Deposits, Nomination,
 - 2.2 Mode of Transfer of Funds:** Cheques/Drafts, TC, ECS, On-line Transfer, Different Features of cheques, Types of cheques.
 - 2.3 Retail Banking:** ATM, Tele Banking, Mobile Banking, Internet Banking, Credit Cards, Types of Cards
 - 2.4 Banking Loan Products:** Personal Loan, Home Loan, Auto Loan, Consumer loan, Educational Loan
- 3. Fixed Deposits:** Investment in Fixed Deposit, Benefits & Needs, Choosing the right tenure, Types of Fixed Deposit, Risk & Yield, Pre-mature liquidity & Penalty norms, Company Fixed Deposit,
- 4. Mutual Funds**
 - a. Concept & Role of a Mutual Fund, Benefits of Mutual Funds, Popular terms used in Mutual Fund, Types of Mutual Fund, Fund Structure & Constituents, Legal & Regulatory Environment.
 - b. Offer Document, Fund Distribution & Channel Management Practices, Valuation & Taxation, KYC Requirements for Mutual Fund Investors,
 - c. Return, Risk & Performance of Funds, Scheme Selection, Selecting the Right Investment Products for Investors.
 - d. Helping Investors with Financial Planning, Recommending Model Portfolios & Financial Plans, Examination for Mutual Fund Advisor
 - e. Mutual Fund Portfolio Planning for Client
- 5. Others Products - ETF, FMP**
- 6. SMALL SAVINGS SCHEMES:**
 - a. PPF
 - b. NSC, PORD
 - c. POMIS, SCSC
 - d. KVP, RBI 8% Taxable Bonds
- 7. Equity Shares:**
 - a. Type of Equity shares.

- b. Corporate Actions: Right Issue, Bonus Shares, Stock Split.
- c. Common Terms Associated with Equity Shares: Face Value, Par Value, Dividend, Dividend Yield, EPS, Book Value, Authorised-Issued and Outstanding Share Capital, Treasury Shares.
- d. Stock Market Index: Major Indices, Methods of Calculation, Types and uses.
- e. Trading of Shares in Stock Market: Demat Accounts, Types of Order, Trading and Settlement.
- f. Basics of Equity Valuation: Fundamental and Technical Analysis. Dividend Discount Model, Multipliers Method of Equity Valuation.

8. Derivatives:

- a. **Types of** derivatives terms associated with derivatives, Difference between futures and Forwards. Cost of Carry, Margin Requirement for Derivative Trading, Use of derivatives for hedging.
- b. **Options:** Basic of Options, Terms associated, Difference between Futures and Options, European and American Options, Intrinsic value of an option, Profit and loss calculations.
- c. **Option Strategies:**
- d. Option Premium Pricing models: Binomial Method, Black Scholes Formulae. Option Greeks and their use in option trading.

9. Real Estate:

- a. Concept and meaning of Real Estate.,
- b. Important features of Real Estate Investment.
- c. Difference between Real estate with Security Investments.
- d. Characteristics which distinguish Real estate investment from other investments.
- e. Advantages, Disadvantages and attraction of Real Estate Investment.
- f. Different categories and forms of real estate investment.
- g. Housing Loans, Features of Housing Loans, Types of Home Loans. Eligibility for Home Loans, Documentation requirements - pre-approval. Documentation requirements - post-approval/disbursal stage. Repayment Period, Collateral Securities, Interest rate calculation, Fixed and Floating/ Adjustable rate of Interest, Fees and Charges, Tax Benefits and Guidelines for buying Flat.
- h. Features and attraction for investment in agricultural land, farmhouse, urban land.
- i. Features of Real Estate Market.
- j. Determinates of Real Estate Value.
- k. Methods of owning Real Estate
- l. Five decision making factors in prioritizing selection of property for investment.
- m. Different approaches to the valuation of real estate: Cost method, Sales comparison method, Income method/Capitalization method, discounted cash flow method.
- n. Real Estate Investment Trust (REIT), Features of REIT and its eligibility.
- o. The salient features of SEBI's draft guidelines
- p. Real Estate Mutual Fund (REMF).

UNIT-6: MANAGING INVESTMENT RISK IN WEALTH MANAGEMENT

COURSE Objective: This unit would cover the knowledge requirements relating to risk analysis for a Wealth Manager. It introduces students to risk analysis and insurance decisions in Protection Planning in a Wealth Management Plan. Wealth planning for clients' involves decisions on exposures to mortality, health, disability, property, liability, and long term care. A Wealth Manager should be able to protect their client from these exposures in an efficient manner.

Concepts of Insurance and Risk Management

1.1. Introduction to Insurance

- 1.1.1. Overview of insurance sector in India
- 1.1.2. Purpose and need of insurance
- 1.1.3. How Insurance Works-Mechanism of Insurance
- 1.1.4. Insurance as a tool to manage risk
- 1.1.5. Cost and benefits of insurance to individuals and the society

1.2. Basic Concepts of Insurance

- 1.2.1. Perils and hazards
- 1.2.2. Law of large numbers
- 1.2.3. Adverse selection
- 1.2.4. Insurable risk
- 1.2.5. Self-insurance

1.3. Insurance and Risk

- 1.3.1. Meaning of risk
- 1.3.2. Types of pure risk
- 1.3.3. The principle of pooling of risk
- 1.3.4. Methods of handling risk
- 1.3.5. Difference between insurance and hedging
- 1.3.6. Advantages and disadvantages of insurance in handling risk
- 1.3.7. Reinsurance

1.4. Fundamental Principles of Insurance

- 1.4.1. Indemnity
- 1.4.2. Insurable Interest
- 1.4.3. Utmost Good Faith
- 1.4.4. Subrogation
- 1.4.5. Contribution
- 1.4.6. Aleatory Contract
- 1.4.7. Contract of Adhesion
- 1.4.8. Unilateral Contract

1.4.9. Proximate Cause

1.5. Risk Management

- 1.5.1. Meaning and objective of risk management
- 1.5.2. Understanding the Cost of Risk
- 1.5.3. Steps in personal risk management
- 1.5.4. Risk control and risk financing
- 1.5.5. Insurance market dynamics and the underwriting cycle
- 1.5.6. Loss forecasting using probability and regression analysis
- 1.5.7. Construction of a plan
- 1.5.8. Implementation of a plan
- 1.5.9. Monitoring the plan
- 1.5.10. Risk Management and Social Welfare

Insurance Contract and Legal Liability

2.1. The Insurance Contract

- 2.1.1. Contract-Introduction
- 2.1.2. Contract Terminology
- 2.1.3. Elements of Valid Contract
- 2.1.4. Competent parties
- 2.1.5. Offer and acceptance
- 2.1.6. Consideration
- 2.1.7. Basic parts and common clauses and sections of an Insurance Contract
- 2.1.8. Distinct legal characteristics of an Insurance Contract
- 2.1.9. Performance and discharge of Insurance Contract
- 2.1.10. Insurance policy documents and their legal implications
- 2.1.11. Sample Insurance contract and Policy Documents

2.2. Important Terms in Insurance Contract

- 2.2.1. Endorsements/riders
- 2.2.2. Deductibles
- 2.2.3. Co-insurance
- 2.2.4. Assignment
- 2.2.5. Nomination and beneficiary status
- 2.2.6. Insurance provisions- Reinstatement value basis and depreciation basis

2.3. Insurance Pricing and Premium Calculation

- 2.3.1. Objective of rate making/rating
- 2.3.2. Important factors in rating
- 2.3.3. Risk assessment and rating

- 2.3.4. Role of Tariff Advisory Committee
- 2.3.5. Rate making for life insurance
- 2.3.6. Rate making property and liability insurance

2.4. Analysis and Selection of Insurance Products and its Provider

- 2.4.1. Purpose of coverage
- 2.4.2. Duration of coverage
- 2.4.3. Participating or non-participating
- 2.4.4. Cost-benefit analysis
- 2.4.5. Claim settlement

2.5. Legal Liability

- 2.5.1. Intentional torts
- 2.5.2. Absolute liability
- 2.5.3. Law of negligence
- 2.5.4. Special tort liability problems
- 2.5.5. Civil justice system- IRDA, Insurance Ombudsman and Consumer Protection Act-1986

Life Insurance- Analysis of Life Cover, Strategies and Products

3.1. Assessment and Identification of Risk Exposure

- 3.1.1. Gathering data on current life insurance coverage
- 3.1.2. Identifying client's life insurance needs
- 3.1.3. Analysis of current life insurance coverage and loss of income to family

3.2. Analysis of Life Insurance Needs

- 3.2.1. Economic value of human life
- 3.2.2. Replacement of future income of the insured
- 3.2.3. Replacement of expenses and financial liabilities of the family
- 3.2.4. Review of coverage in case of change in income and/or financial liabilities

3.3. Types of Life Insurance Policies

- 3.3.1. Term Insurance
- 3.3.2. Whole Life Insurance
- 3.3.3. Endowment Insurance
- 3.3.4. Investment Linked Insurance
- 3.3.5. Insurance Linked Annuities
- 3.3.6. Life insurance policy riders
- 3.3.7. Annuities
- 3.3.8. Group Insurance
- 3.3.9. Industrial Life Assurance
- 3.3.10. Life insurance premium and tax benefits

3.4. Calculations of Claim Amount and Other Benefits

- 3.4.1. Bonus- revisionary, performance, maturity, etc.
- 3.4.2. Maturity claim
- 3.4.3. Death claim
- 3.4.4. Surrender value
- 3.4.5. Return on savings component
- 3.4.6. Taxation of life insurance policy

3.5. Other Provisions of Life Insurance Contract

- 3.5.1. Free look-in period and Grace period
- 3.5.2. Claim concession
- 3.5.3. Lapse, non-forfeiture provision, surrender and revival
- 3.5.4. Loans against life insurance policies
- 3.5.5. Exclusions and restrictions
- 3.5.6. Suicide clause

General Insurance- Property, Health and Liability Insurance

4.1. General Insurance

- 4.1.1. Classification of Insurance
- 4.1.2. Classification of Non-life Insurance

4.2. Health Insurance and Accident Insurance

- 4.1.3. Individual health insurance
- 4.1.4. Family floater policy
- 4.1.5. Critical illness policy
- 4.1.6. Group health insurance policies
- 4.1.7. Pre-existing disease clause and other provisions
- 4.1.8. Personal and group accident insurance
- 4.1.9. Long-term care insurance
- 4.1.10. Income assurance- hospitalization and temporary disability

4.3. Personal Disability Insurance

- 4.2.1. Disability- Permanent and Temporary
- 4.2.2. Disability- Partial and Total
- 4.2.3. Scope of benefits- Short-term and long-term disability

4.4. Property and Liability Insurance

- 4.3.1. Types of Property Insurance
- 4.3.2. Fire Insurance
- 4.3.3. Various Types of Engineering Insurance
- 4.3.4. Contractors All Risk Insurance

- 4.3.5. Marine Cargo Insurance
- 4.3.6. Burglary Insurance
- 4.3.7. Money Insurance
- 4.3.8. Basis of property cover - Reinstatement, book or market value
- 4.3.9. Insuring house, household items, business unit, plant and machinery
- 4.3.10. Personal umbrella policy- Mortgage Cover
- 4.3.11. Miscellaneous overseas travel insurance
- 4.3.12. Use of excess/deductible and franchise
- 4.3.13. Motor Insurance- Comprehensive and Mandatory Third Party Cover
- 4.3.14. Motor Insurance - No claim bonus and Claims
- 4.3.15. Liability Insurance
- 4.3.16. Employers Liability Insurance
- 4.3.17. Public Liability Insurance
- 4.3.18. Professional Indemnity Insurance
- 4.3.19. Product Liability Insurance

4.5. Other Business Specific Insurance

- 4.4.1. Keyman insurance
- 4.4.2. Professional indemnity insurance
- 4.4.3. Employee state insurance liability
- 4.4.4. Workmen's compensation insurance

Regulatory Framework of Insurance

5.1. Regulations Relating Insurance

- 5.1.1. Insurance Regulatory and Development Authority (IRDA) Act- 1999
- 5.1.2. The Insurance Act-1938
- 5.1.3. Indian Contract Act- 1872
- 5.1.4. Public Liability Insurance Act- 1991
- 5.1.5. Motor Vehicle Act- 1988
- 5.1.6. Consumer Protection Act- 1986
- 5.1.7. Workmen's Compensation Act- 1923
- 5.1.8. Employee State Insurance Act- 1948
- 5.1.9. Life Insurance Act, 1956
- 5.1.10. General Insurance Act, 1972
- 5.1.11. Insurance Advertisements and Disclosure Regulations, 2000
- 5.1.12. Protection of Policy holders Interest Regulations, 2002

5.2. Other Regulatory Aspects of Insurance and Agency Law

- 5.2.1. Laws regarding insurance companies in India
- 5.2.2. Agency law and functions of an agent

5.2.3. Doctrines of waiver and estoppels

5.3. Insurance Intermediaries

5.3.1. Introduction

5.3.2. Individual Agent: Corporate agent, Code of Conduct

5.3.3. Brokers

5.3.4. Functions of a direct broker

5.3.5. Functions of a re-insurance broker

5.3.6. Functions of composite broker

5.3.7. Procedure for licensing

5.3.8. Validity of licence

5.3.9. Renewal of licence

5.3.10. Remuneration

5.3.11. Professional Indemnity Insurance

5.3.12. Difference between Insurance Agents and Brokers

5.3.13. Capital Requirements of Brokers

5.3.14. Broker Examination and eligibility

5.3.15. Various other intermediaries: Surveyors, loss assessors, consultants etc.

Indian Insurance Market & Prospects

6.1. Indian Insurance Market and Prospects

6.1.1. Introduction

6.1.2. Prospects of Insurance

6.1.3. Nationalization of Life Insurance on India

6.1.4. Privatization of life Insurance in India

6.1.5. Life Insurance Players

6.1.6. Non-life Insurance

6.1.7. Nationalization of General Insurance in India

6.1.8. Privatization of Non-Life Insurance

6.1.9. Catastrophe Insurance

6.1.10. Credit Insurance and Surety

6.1.11. Corporate Governance

6.1.12. Bancassurance

6.1.13. International Insurance Scene

6.2. Micro Insurance

6.2.1. Introduction

6.2.2. Rural Insurance and Prospects of Agricultural Insurance in India

6.2.3. Urban Non-Traditional Insurance

6.2.4. Progress of Miscellaneous General Insurance

6.2.5. Progress of Total General Insurance

Insurance Mathematics

7.1. Probability

- 7.1.1. Mortality Table
- 7.1.2. Construction of Mortality Tables
- 7.1.3. Life Assurance Premiums
- 7.1.4. Assurance Benefits
- 7.1.5. Net Premiums for Assurance plans
- 7.1.6. Net Premiums for Annuity Plans
- 7.1.7. Premium Conversion Tables
- 7.1.8. Office values
- 7.1.9. Policy Values
- 7.1.10. Methods of Valuation
- 7.1.11. Special Reserves and Adjustments
- 7.1.12. Surplus and its Distribution

Financial Planning and Life Insurance

8.1 Financial Planning and Life Insurance

- 8.1.1 Financial Planning
- 8.1.2 Emergency Funding
- 8.1.3 Education Fund
- 8.1.4 Unemployment
- 8.1.5 Premature Death
- 8.1.6 Property Loss
- 8.1.7 Retirement Planning
- 8.1.8 Ratios as a tool for Financial Analysis
- 8.1.9 Factors affecting rating under Life Insurance

Case Study

9.1. Case Study on Risk Assessment and Protection Planning

UNIT-7: INDIAN TAX LAWS

Course Objective: This unit would cover the required knowledge base for Indian Taxation System. Taxation is one certain thing in wealth management. After this unit, the student should be able to:

1. Evaluate the appropriateness of tax strategies for individual family situations.
2. Integrate tax planning into the wealth management process.
3. To understand the universal nature of estate planning needs.
4. To recognize the high level of ignorance regarding estate planning among the general population as well as students.

Tax Planning Considerations

1. Ethical considerations in tax planning

- a. Privileged communications
- b. Dangers of tax evasion

2. Tax compliance matters

- a. Filing tax returns and documentation
- b. Advance tax
- c. The audit process
- d. Refund of income tax
- e. Judicial review

3. Taxation terminology

- a. Inclusions
- b. Exclusions
- c. Deductions

Tax Computations

4. Tax calculations and special rules

- a. Gross income
- b. Adjusted gross income
- c. Itemized deductions
- d. Taxable income
- e. Tax liability
- f. Clubbing of Income

5. Tax characteristics of business forms

- a. Sole proprietorship
- b. General partnership
- c. Limited liability companies
- d. Trusts
- e. Foundations/exempt organizations
- f. Professional associations/corporations
- g. Co-operative Societies

h. Others

6. Non Resident Indians (NRIs)

- a. Residential status of individuals
- b. Types of accounts for non-residents
- c. Investment opportunities for non-residents
- d. Tax implication for non-residents

7. Heads of income

- a. Salaries
- b. Income from other sources
- c. Capital gains
- d. Business/ profession
- e. House property
- f. Interest on government securities

8. Capital Gains tax rules

- a. Determination of gain or loss
- b. Characterization of gain or loss
- c. Netting rules
- d. Indexation benefits
- e. Capital loss limitations

Tax Planning Strategies

9. Tax relief

- a. Exemptions
- b. Deductions
- c. Rebates

10. Non taxable transactions (e.g., gifts, estate)

11. Tax management techniques

- a. Deferral and acceleration
- b. Maximizations of exclusions and credits
- c. Managing loss limitations
- d. Capital asset transactions
- e. Deductible expenditures of individuals and business forms

12. Interest and penalty taxes and other charges

- a. Failure to file tax return or to pay tax
- b. Preparer penalties
- c. Accuracy related penalties
- d. Fraud/concealment penalties

UNIT-8: INTERGENERATIONAL WEALTH TRANSFER AND TAX PLANNING

Course Objectives: Wealth transfer and preservation is as important as wealth accumulation. Few things are more important to an individual than planning his or her estate. This determines who will receive your wealth at your death, how much of your wealth will go to the government in taxes, and whether your property will pass through a probate estate.

Estate and Gift Tax Planning

How property may be transferred

- a. Gift
- b. Probate (bequest, intestate succession)
- c. Ownership (Joint-tenancy, tenancy by entirety)
- d. Contract (beneficiary of a life insurance policy, pension plan, etc.)
- e. Trust

Will: Definition, characteristics, Origin and Growth of Law of Wills in Hindu Law, Origin and Growth of law of Wills under Mohammedan Law, Law of Will for Hindus, Intention Should Take Effect After Death, Legal Declaration of the Intention, Declaration of Intention Should be with respect to Testator's Property, Different kinds of Will, Who can make a will?, What properties can be disposed of in a will & to what extent? How to prepare a will?, Registration & deposits of wills, Personal disabilities of Testator, Power of Appointment with the testator, Proof of will, Will obtained by fraud, coercion, undue influence importunity, Revocations, alterations and revival of wills, How to prove a will? Wills creating trusts, Mohammedan Law of Wills, Tax planning through wills. What happens when no will is prepared?

Intestate Succession: History and Growth of Law of Succession under Hindu law, The Hindu Succession Act, 1956. Hindu Dying Intestate, Law of Succession for property of a Hindu male, Law of succession for property of a Hindu Female, General provisions relating to Succession, History of Growth of Succession under Mohammedan law, Distribution of assets among the Shareholder, Residuaries and Distant kindred, Succession in accordance with Shia law

Transfer of Property: Meaning of Property, Immovable Property, Freehold Property, Leasehold Property, Covenants, Covenants Affecting Freehold Land, Mutation, Power-of attorney, Meaning of POA, Parties to POA, Classes of POA, Distinction between POA and Vakalatnama, The General and Standard form of POA,

Trusts

Introduction to Trust: What is a Trust, Why a Trust advantages, Need for a trust deed, Types of Trusts, Features of trusts, parties to a trust, trust documentation, Foundations – definition, characteristic of foundations, parties to a foundation structure, documentation & tax considerations, Trusts v. Foundations

Registration of Public Trusts, Public Trust under the Islamic Law, Is Family Control of Public Trusts possible?

Private Trusts: Certain Definition, Salient points relating to certain of a Private Trust, Rights of the Beneficiary, Liability of Beneficiary joining in breach of Trust, Rights and liabilities of beneficiary's transferee, Rights and powers of Trustees, Duties of trustees, Liability of Trustees for breach of Trust, Disabilities of Trustees, Provision relating to vacation of office of Trustee, Extinction of Trusts, Revocation of Trusts, Cases where an obligation in the nature of a trust created, Obliger's duties, liabilities and disabilities

Society as a form of charitable Organization: Minimum number of Members, Memorandum of association, Registration and fees, Requirement to file Annual list of managing body, Vesting of Property of Society, Suits by and against societies, Suits not to abate, Enforcement of Judgment against Society, Recovery of penalty, Members liable to be used as a strangers, Member guilty of offences punishable as strangers, Alteration, etc, of its purposes by the societies, Dissolution of societies

Wakfs: Importance, Constitutional Position, Original of Wakf, Purpose or objects of a Wakf, Essential of Wakf, Kinds of Wakf, Wakf and Trusts distinguished, Applicability of the Wakf Act, 1995, Definition of Key terms, provisions relating to survey of wakf, Provision relating to Central Wakf Council, Provisions relating to establishment of State Wakf Bonds, Requirements relating to registration of Wakfs, Accounts of Wakfs, Finance of the Board, Judicial Proceedings, Other Provisions

Foreign Contributions and Donations: Key definitions, Application of other laws not barred, Regulation of Foreign Contribution and Foreign Hospitality, Other Miscellaneous Provisions

Trust Deed: Salient points relating to a Trust deed, General Trust Deed, Trust Deed for Providing Medical Facilities to Poor Persons, Trust for running a school, Deed WAKF-alal-aulad, Wakf for Public Purposes, Trust Deed constituting Superannuation Fund, Trust deed constituting Pension Fund, Appointment of a new Trustee. Check list of Trust Deed

Tax Implication of Public Trust and Institutions: Charitable/Religious objects, Section 10 Vis-à-vis Charitable Institutions, Income from property held for charitable religious purposes, Income of trusts or institutions from contributions, Registration of trusts, Withdrawal of exemption, Deduction in respect of donation to certain funds, charitable institutions etc, Assessment in tax management of charitable and religious trusts, Practice Problems

Tax Implications of Private Trusts: General, Representative Assessee, Liability of a representative Assessee, Right of Representative assessee to recover tax paid, Charge of tax where share of beneficiaries unknown, Charge of Tax in case of oral Trust, Case where part of trust income is chargeable, Direct assessment or recovery not barred, Remedies against property in case of representative assessee, If the share of the beneficiaries are determinate and trust income does not include, if the share of the beneficiaries are determinate and trust income includes business income also, if the share of the beneficiaries are indeterminate or unknown and trust income does not include business income, if the shares of the beneficiaries are indeterminate or unknown and trust income includes business income, Private cum public trust, ie, trust partly for charitable/religious purposes and partly for other purposes, Charge of income tax in case of oral trust

Public Institutions Vs. Private Benefits: Stability, Family control possible, Deduction on Donations, Indian Trust Act, 1882, Maintain Public Character, Bar on private benefits, What is expensive benefit to interested person, Exemptions for both-Trust and Institutions

HUF: Meaning, How to form a HUF, HUF opening a bank A/c, Demat A/c, HUF whether can do business, Rebates/deduction available under IT Act, Whether can give or receive gifts, How to dissolve or discontinue a HUF, HUF investment options, Multiple HUF, Whether a single member can form HUF?, Whether can be constitute only with female members? HUF-speculation income-status, HUF-drawings, HUF-whether can be a shareholder or a subscriber to MOA of a company? HUF-Whether can be a proprietor? HUF can be a trustee/settlor? HUF-recent amendments in the Hindu succession Act

HUF-meaning of karta, managing member and whether a female can become a karta? HUF-compliance with TDS provisions, HUF-check list for tax purposes, HUF-Tax Planning, HUF Gift Tax, HUF-Wealth Tax, Meaning of important terms relating to HUF, KUF-whether any restrictions on no of membership in HUF? Whether Husband/wife can form a HUF? Meaning of the term of Coparcener, HUF-audit & account books, Residential Status, Capital Gains, Whether can hold credit cards/debit cards, ATM cards, or can apply for internet banking,

Wealth Tax: Applicability, Meaning of different terms, Charge of wealth tax, Valuation of assets, Return of wealth, Self assessment, assessment in the case of executors, assessment after partition of HUF, Assessment in cases of diversion of property, or of income from property, held under trusts for public charitable or religious purpose, Assessment when assets are held by certain AOP, assessment of persons residing outside India

UNIT 9: ROLE OF WEALTH MANAGEMENT IN BANKING

Introduction to Banking

1.1 Fundamental Role and Evolution

1.1.1 India

1.1.2 United States

1.2 Banking Structure in India

1.3 Licensing of Banks in India

1.4 Branch Licensing

1.5 Foreign Banks

1.6 Private Banks – Capital and Voting Rights

1.7 Dividend

1.8 Corporate Governance

Banking and the Economy

2.1 Cash Reserve Ratio (CRR)

2.2 Statutory Liquidity Ratio (SLR)

2.3 Repo and Reverse Repo

2.4 Open Market Operations

2.5 Security Valuation

2.6 Capital Account Convertibility

Bank Deposits, Nomination and Deposit Insurance

3.1 Kinds of Deposits

3.1.1 Demand Deposits

3.1.2 Term Deposits

3.1.3 Hybrid Deposits / Flexi Deposits

3.1.4 Non-Resident Accounts

3.2 Joint Accounts

3.3 Nomination

3.4 Closure of Deposit Accounts

3.5 Deposit Insurance



Other Banking Services

4.1 Fund-based Services

- 4.1.1 For Business
- 4.1.2 For Individuals

4.2 Non-Fund-based Services

- 4.2.1 For Business
- 4.2.2 For Individuals

4.3 Money Remittance Services

- 4.3.1 Demand Draft / Banker's Cheque / Pay Order
- 4.3.2 National Electronic Funds Transfer (NEFT)
- 4.3.3 Real Time Gross Settlement (RTGS)
- 4.3.4 Society for Worldwide Interbank Financial Telecommunications (SWIFT)

4.4 Banking Channels

Bank - Customer Relationship

5.1 Roles of Banks

- 5.1.1 Bank as Debtor
- 5.1.2 Bank as Creditor
- 5.1.3 Bank as Bailee
- 5.1.4 Bank as Agent
- 5.1.5 Bank as Lessor
- 5.1.6 Bank as Executor / Trustee

5.2 Bankers' Obligation of Secrecy

- 5.2.1 Disclosure under Law
- 5.2.2 Disclosure based on customer's consent
- 5.2.3 Disclosure with Credit Information Bureaus
- 5.2.4 Disclosure with Business Correspondent / Business Facilitator (BC/BF)
- 5.2.5 Disclosure in Bankers' Interest

Security Creation

6.1 Pledge

6.2 Hypothecation

6.3 Mortgage

- 6.3.1 Simple Mortgage
- 6.3.2 Mortgage through Conditional Sale
- 6.3.3 Usufructuary Mortgage
- 6.3.4 English Mortgage
- 6.3.5 Equitable Mortgage / Mortgage by Deposit of Title Deeds
- 6.3.6 Anomalous Mortgage



6.4 Assignment

NPA and Securitization

7.1 Non-Performing Assets

7.2 NPA Categories

- 7.2.1 Sub-Standard Assets
- 7.2.2 Doubtful Assets
- 7.2.3 Loss Assets

7.3. NPA Provisioning Norms

- 7.3.1 Loss Assets
- 7.3.2 Doubtful Assets
- 7.3.3 Sub-standard Assets
- 7.3.4 Standard Assets

7.4 SARFAESI Act

- 7.4.1 Securitization
- 7.4.2 Asset Re-construction
- 7.4.3 Enforcement of Security Interest
- 7.4.4 Central Registry
- 7.4.5 Resolution of Disputes
- 7.4.6 Debt Recovery Tribunal (DRT)
- 7.4.7 Appellate Tribunal

Understanding a Bank's Financials

8.1 Balance Sheet

8.2 Profit and Loss Account

8.3 CAMELS Framework

BASEL Framework

9.1 Bank for International Settlements (BIS)

9.2 Basel Accords

Regulatory Framework

10.1 Anti-Money Laundering and Know Your Customer

- 10.1.1 Money Laundering
- 10.1.2 Terrorist Financing
- 10.1.3 Know Your Customer (KYC)
- 10.1.4 Customer Risk Categorization (CRC)
- 10.1.5 Customer Identity and Due Diligence
- 10.1.6 Wire Transfers

10.2 Banking Ombudsman Scheme, 2006

11.1 Indian Contract Act, 1872

- 11.1.1 Proposal and Promise
- 11.1.2 Agreement and Contract
- 11.1.3 Appropriation of Payments
- 11.1.4 Effect of Novation / Rescission
- 11.1.5 Breach of Contract
- 11.1.6 Indemnity and Guarantee
- 11.1.7 Principal and Agent

11.2 Sale of Goods Act, 1930

- 11.2.1 Goods
- 11.2.2 Documents of title to goods
- 11.2.3 Sale and Agreement to Sell
- 11.2.4 Condition and Warranty
- 11.2.5 Implied Undertakings
- 11.2.6 Passing of property
- 11.2.7 Unpaid Seller

11.3 Negotiable Instruments Act, 1881

- 11.3.1 Negotiable Instrument
- 11.3.2 Promissory Note
- 11.3.3 Bill of Exchange
- 11.3.4 Cheque
- 11.3.5 Holder and Holder in due course
- 11.3.6 Negotiation
- 11.3.7 Endorsement / Indorsement
- 11.3.8 General Crossing of Cheque
- 11.3.9 Special Crossing of Cheque
- 11.3.10 When payable
- 11.3.11 Payment in due course
- 11.3.12 Dishonour
- 13.3.13 Dishonour of Cheque for insufficiency of funds (Sec 138)

11.4 The Limitation Act, 1963

UNIT-10: LEGALITIES IN WEALTH MANAGEMENT

Course Objectives: Legalities in Wealth Management focuses on statutes and regulations affecting businesses, families, and individuals in their related roles in managing and accumulating wealth. Legalities in Wealth Management is a unit designed to give students the knowledge they need regarding a basis of law while preparing students to make ethical, legally-minded, professional decisions currently and in the future.

1. **Introduction to Law:** The Essence of Law, Law and Business, Law and Wealth Management, Sources of Law, Criminal and Civil Law, Methods of Resolving Civil Disputes, Methods of Enforcing Civil Judgment
2. **Meaning & Essentials of a Contract:** Offer, Acceptance, Consideration, Intention to create legal relations, Variation of Contract, Parties to the Contract
3. **Offer & Acceptance:** Communication of offer & acceptance,
4. **Considerations:** Meaning of Considerations, Essentials of Valid Consideration, Contract Without Consideration
5. **Capacity of Parties to contract:** Who is competent to contract,
6. **Flaw in consent,** Misrepresentation, Fraud, coercion, mistake,
7. **Illegal agreement, void & voidable agreement, Breach of contract & remedies**
8. **Law of Agency:** The essence of Agency, Agent-Principal Relationship, Principal-Third Party Relationship, Agent-Third Party Relationship
9. **Formation of Companies:** Promotion, Incorporation, Commencement of Business, Memorandum of Association, Articles of Association, Types of company
10. **Various Act**
 - a. Workmen's Compensation act
 - b. Employees Provident Fund Act
 - c. Employees State Insurance Act
 - d. Consumer Protection Act
 - e. Employees Provident Fund Act
 - f. Payment of Gratuity Act
 - g. The Negotiable Instrument Act
 - h. IRDA Act, Insurance Act, 1938, Married Woman Property Act
 - i. Transfer of Property Act
 - j. Succession Act
 - k. Law of Trusts
 - l. Income Tax Act in Wealth Management

11. Anti Money Laundering

- 11.1 Money Laundering - Origin - Definition - Techniques Impact on Banks - Structuring; Integration, Preventive Legislations – International Co-operation -

UK; USA; India - Basel Committee - PMLA Objectives - RBI Guidelines -
System Adequacy to Combat Money Laundering - Antiterrorism finance -
Financial Intelligence Unit (FIU)

11.2 Governing Standards:

International standards and standard setters including FATF and OECD, UN, OFAC and other sanctions.

Practical implementation

International impact on your region

The Financial Action Task Force (FATF) - IBA Working Group - Software for

11.3 AML Screening: Money Laundering and Correspondent Banking - Exchange Companies - Foreign Branches

11.4. Terrorist Financing: Defining Terrorist Financing, FATF's 9 Special Recommendations, How terrorism is funded, Preventing and detecting terrorist financing.

11.5. Know Your Customer - Introduction and overview, Due Diligence

- Customer Profile - KYC Policies - Countries Deficient in KYC Policies,
- Initiatives by the RBI - Organized Financial Crimes Customer - Definition under the KYC Principles - Transaction Profile - Organizational Structure – Important KYC framework in RBI prescriptions - Operating Guidelines.
- Introduction of new accounts - Guidelines for Opening Accounts of Companies, Trusts, Firms, Intermediaries etc., Client Accounts opened by Professional Intermediaries - Trust / Nominee or Fiduciary Accounts - Accounts of **Politically Exposed Persons (PEPs)** Residing outside India, Higher Risk Accounts, Accounts of 'non-face-to-face' Customers - Qualitative data - Joint accounts - Minor accounts - KYC for existing accounts - KYC for low income group customers.
- Monitoring Accounts - Customer research - Suspicious transaction

11.6. Identifying & Reporting Suspicious Activity

Warning Signs, Laundering Methodology, Identifying Suspicious Activity, Internal Reporting, External Reporting

11.7. Preventative Measures: Policies and procedures, Essential systems and controls, Competence, fitness and propriety, Staff recruitment and vetting, making use of technology

12. Islamic/ Sharia Banking

12.1 Islamic Economic System: Introduction to Economic Theories and Islamic Economic System, The Historical Development of Islamic Banking, Islamic Commercial law, The Basic Prohibitions, Qard and Dayn in Islamic banking, Principles of Islamic Commercial Contracts' Islamic law of Sale and Purchase

12.2 Modes of Shari'ah-Compliant Transactions: Introduction to Islamic Modes of finance, Non-participatory Modes of finance, Participatory Modes of finance, Accessory Modes

- 12.3 Islamic Banking Operations:** Key Characteristics of Islamic Banking Operations, Islamic Retail Banking Services, Islamic Investment Management Services, Corporate Banking Services, Investment Banking in Islamic Banks, treasury and International Banking
- 12.4 Governance, Regulation, Accounting Issues in Islamic Banking:** Social Responsibility and Internal Controls, Regulatory Compliance Functions, Risk Management in Islamic financial Institutions, Modern trends in Islamic Banking
- 12.5 Introduction to Islamic Insurance (Takaful):** Insurance and the Introduction of Takaful, Takaful and Retakaful