
RMIN 4000
RISK MANAGEMENT AND INSURANCE
Spring 2008

Instructor: Charles A. Lankau, III
Class Periods: MWF,
11:15 a.m., Caldwell 102
1:25 p.m., SLC 214
2:30 p.m., SLC 207
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Office Hours: Wed. 3:30 p.m. - 4:30 p.m. & Fri. 10:00 a.m. - 11:00 a.m.

Course Description: Introduction to risk identification, risk evaluation, and risk treatment methods. Consideration is given to both business and personal risks, with an emphasis on insurance as a risk management tool. Designed for non-majors as well as a basis for more advanced courses.

Please Note: The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary. All students are responsible for knowing these changes, if any.

Text book: Trieschmann, Hoyt & Sommer, *Risk Management and Insurance*, 12th Edition, 2005.

Attendance is Required: Students are expected to attend class regularly. Failure to do so will affect your course grade. Each student is permitted 3 absences for any reason. (However, absences due to illness are included in these 3.) Any absences for any reason above the permitted 3 will result in a 1-point deduction from the final course average for **each** such absence. (Once a student has missed the allotted 3 class sessions, no excuse will keep additional absences from resulting in the above-mentioned 1-point deduction from the final course average.) Moreover, attendance is **mandatory** on days when a guest speaker is scheduled. Non-attendance on such a day will result in a loss of 3 percentage points from your final course grade, regardless of your regular attendance record. Students shall keep track of their own no. of absences.

Exams: There will be four exams consisting of three midterms and one final. The final may not be comprehensive. However, your instructor reserves the right to administer a comprehensive final exam if he deems it appropriate. All four exams are mandatory. Students will be tested on material from lectures, assigned readings from the text, guest speakers and any hand-outs distributed in class or electronically. **Make-up exams are not permitted** and will only be offered at the discretion of the instructor if the student advised the instructor of the need to miss a scheduled exam far in advance and as soon as was possible for the student. The offering of a make-up exam will only be considered where the exam was missed because of extreme and serious circumstances. The instructor reserves the right to defer to the Office of Student Affairs in validating any excuse.

Suggested Examination Dates are as follows:

Exam I – Monday, February 4, 2008
Exam II – Friday, March 7, 2008
Exam III – Wednesday, April 2, 2008**

**(These dates are subject to change. Students are responsible for knowing when date changes occur and for knowing what material is covered on each exam.)

The **Final Exam** is anticipated to cover Chapters 20, 21, 22, & 23** and is scheduled as follows:

For 11:15 Period: Friday, May 2, @ 12:00 noon;
For 1:25 Period: Wednesday, April 30, @ 12:00 noon;
For 2:30 Period: Friday, May 2, @ 3:30 p.m..

Grading: The course grade will be determined using the following grade weights:

Exam I	25%
Exam II	25%
Exam III	25%
Final Exam	25%
Total	100%

Grades will be assigned according to the following scale:

A = 93-100%	C+ = 77-79.9%
A- = 90-92.9%	C = 73-76.9%
B+ = 87-89.9%	C- = 70-72.9%
B = 83-86.9%	D = 60-69%
B- = 80-82.9%	F = Below 60%

Academic Integrity: Cheating in any form is not acceptable behavior. All academic work must meet the standards contained in “A Culture of Honesty.” Students are responsible for informing themselves about those standards before performing any academic work. The policy is outlined in the handbook, *A Culture of Honesty*, which is available from the Office of the Vice-President for Academic Affairs. Any incidence of suspected cheating will be dealt with through the appropriate judicial channels. Any students who are determined to be guilty of academic dishonesty or who admit such academic dishonesty will fail this course.

Special Needs: Any student who feels that he or she may need an accommodation for any sort of disability should consult with me so that arrangements can be made.

Religious Holidays: Any student who finds an Exam falling a religious holiday that they celebrate is welcome to a rescheduled exam date. Also, missed classes due to the practice of any faith will be accommodated.

Topics Covered:

1. *Basic Concepts in Risk Management:* This section introduces the concept of risk in our society and the process used by both corporations and individuals to identify, analyze and manage that risk.

- a. Introduction to Risk Chapter 1
- b. Risk Identification and Evaluation Chapter 2
- c. Introduction to Various Loss Exposures Chapters 3 & 4
- d. Risk Management Techniques: Noninsurance Methods Chapter 5

2. *Secondary Risk Management/Legal Principles in Risk and Insurance:* From a contractual perspective, this section assesses the legal environment, introduces the fundamental provisions in the insurance contract and follows with a study of choosing and implementing risk management techniques.

- a. Fundamental Principles Chapter 6
- b. Analysis of Insurance Contracts Chapter 7
- c. Selection and Implementation of RM Techniques Chapter 8

3. *Property and Liability Risks:* From a personal risk perspective, this section addresses the common exposures of Auto and Home risks and analyzes the impact on the individual, society, and the environment. Insurance products used to transfer risk are reviewed. Particular attention is placed on differing global attitudes concerning these risks and their treatment.

- a. Automobile Insurance Chapter 13 & 14
- b. Homeowners Insurance Chapter 15

4. *Life and Health Risks:* This section addresses life and health risk, the insurance issues stemming from this risk, and retirement planning. In addition to introducing the various types of contracts available for managing these risks, particular attention is placed on demographic diversity for employer plans, the impact of government oversight, and the social aspects of providing employee benefits.

- a. Fundamentals of Life Insurance Chapter 16
- b. Health Insurance Chapter 17
- c. Retirement Planning Chapter 18
- d. Employee Benefits Chapters 19 & 20
- e. Financial and Estate Planning Chapter 21

5. *The Insurance Industry:* As a regulated industry, this section introduces the social and political rationales for regulation, and how the insurance product works. Types of insurance companies and the marketing systems available are also discussed.

- a. Types of Insurers and Marketing Systems Chapter 22
- b. Insurance Company Operations Chapter 23