

RMIN 4000 – Principles of Risk Management and Insurance Spring 2009

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Office: 285 Brooks Hall
Office Hours: By appointment: Monday and Wednesday: 1:30 – 2:30 pm
Classroom: Caldwell 304
Meeting Time(s): 11:15 – 12:05 MWF

Course Description:

Upon completion of this course, students should understand: the concept of risk, costs associated with risk, methods for identifying risk, and tools for appropriately managing risk. Students will also gain hands-on experience with common insurance policies that they likely already have, or will have upon graduation, such as automobile insurance, renter's insurance and homeowner's insurance.

This course will give the student practical knowledge that can be used on a stand-alone basis as well as form a solid basis for future coursework in the major, should the student choose to pursue a major in RMIN.

Required Text:

Redja, Principles of Risk Management and Insurance, 10th edition.

Academic Integrity:

Cheating in any form is unacceptable. The student is expected to be familiar with the University's policy regarding academic honesty. This policy is outlined in the handbook, "A Culture of Honesty", which is available from the Office of the Vice-President for Instruction or at http://www.uga.edu/ovpi/academic_honesty/ah.pdf. Any incidence of suspected cheating will be dealt with through the appropriate judicial channels.

Any exam, whether graded or ungraded, leaving the room, while not in the hands of the instructor is considered cheating. The offender will receive a 0 for that exam, without exception.

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.

WEBCT:

A WEBCT page has been established as a means to efficiently administer this class. The WEBCT page allows you to obtain a copy of the syllabus, obtain lecture notes, link to other important web pages, etc. You are responsible for accessing WEBCT on a regular basis. You may log on to the WEBCT page through the following address: <https://webct.uga.edu/>. You will be asked for your UGA MyID and password. Please refer to the UGA MyID information at webct.uga.edu. Log on to the WEBCT pages as soon as possible. Should you have trouble accessing WEBCT, please let me know as soon as possible or go to the following page: <http://webct.uga.edu/www/student.html>

RMI Homepage:

The address for the RMI homepage is <http://www.terry.uga.edu/insurance/>. For those students interested in becoming RMI majors, you should familiarize yourself with this site. Important dates, events, and announcements related to the RMI program appear here as well as information regarding the Resume Book, Internships, Scholarships, Careers Day, Job Placement, RMININFO listserv and other important topics.

Grading:

Highest Exam Grade:	25%
2 nd Highest Exam Grade:	25%
3 rd Highest Exam Grade:	25%
Lowest Exam Grade:	0%
Attendance/Participation:	6%
Current Event Report:	19%
Total:	100%

Grades will be assigned according to the following scale:

Grade	Range	Grade	Range	Grade	Range
A	92 – 100%	A-	90 – 91.99%		
B+	88 – 89.99%	B	82 – 87.99%	B-	80 – 81.99%
C+	78 – 79.99%	C	72 – 77.99%	C-	70 – 71.99%
D	60 – 69.99%	F	Below 60%		

The final grades, at my discretion, are subject to a curve. If curved, the curve will always be to the student's benefit. Grading guidelines will not be more stringent than those listed above.

Grade Components:

Exams:

There will be three mid-term exams during the semester, all given during scheduled class time. Exams will consist primarily of multiple choice questions and quantitative problems, however there *may* be one or two "essay" type questions on each exam. Exam material will come from lectures, text, current events, and any material distributed in class or through WEBCT (see below). Please do not miss an exam. If you miss an exam for any reason, you will be required to take the final (the final will replace the missed exam score). You may only replace *one* exam (this includes the final). Therefore, you can only miss *one* exam and still complete the course. Under no circumstances will I give an exam early.

There will be a final exam offered during the scheduled final exam period. This exam will be comprehensive and optional. Those students who are happy with their grade are not required to take the final. The final will replace the lowest exam score obtained on the three exams. The final exam must be taken at the designated time. The only exceptions that will be made are for those students who have three or more exams scheduled on the same day, or two

scheduled at the same time. If you have such a schedule, you should complete the following steps *before* your scheduled final exam:

1. Complete the petition at <http://www.curriculumsystems.uga.edu/FinalExamConflicts/FinalExamConflicts.html>
2. Return the completed petition to me in a timely manner, so that the exam can be rescheduled.

Attendance and Class Participation:

Although this class will be primarily of a lecture format, quality discussion and questions will create a better learning environment for all. Thus, you are encouraged to contribute to class discussions. Your degree of participation in class discussions will decide up to 6% of your grade (i.e. those students who do not regularly participate will have a class participation grade equal to the average of their exam grades). Attendance will not be taken, but please note that some material presented in lecture will not be covered in the text.

Current Event Report (1):

Students are required to prepare one report on a current event in the risk management field that is written up in a *reputable* periodical. Possible starting points include, but are not limited to: The Wall Street Journal, Risk Management Magazine, BestWeek or Best's Review. **In addition, the student must include some critical analysis of the event in question, such as discussing another possible view of the event not considered in the article, interesting parallel articles that could be written, questions left unanswered, etc. In short, I do not want a simple retelling of the article.** Each report must contain a minimum of 3-5 pages of critical analysis. Each report must be submitted with the article.

Logistics:

Important Dates:

Exam #1:	Monday, Feb 23 rd (in class)
Exam #2:	Monday, April 6 th (in class)
Exam #3:	Wednesday, April 29 th (in class)
Final Exam:	Monday, May 4 th 12:00 to 3:00 pm (304 Caldwell)

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. Insurance and Risk - Chapter 2
 - c. Risk Management Process and Risk Measurement - Chapters 3, lecture notes and selected parts of chapter 4

2. Case study in Corporate Risk Management – The Marsh case study and related assigned readings will be presented in lecture only. It is designed to prepare you to complete the report assignment AND is subject to examination.

3. The Insurance Industry: As a regulated industry, this section introduces the social and political rationales for regulation, and how the insurance firm operates. Types of insurance companies and the marketing systems available are also discussed.
 - a. Types of Insurers and Marketing Systems - Chapter 5
 - b. Insurance Company Operations - Chapter 6
 - c. Government Regulation of Insurance - Chapter 8

4. Legal Principles in Risk and Insurance: From a contractual perspective, this section assesses the legal environment and introduces the fundamental provisions in the insurance contract.
 - a. Fundamental Legal Principles - Chapter 9
 - b. The Liability Risk - Chapter 19
 - c. Analysis of Insurance Contracts - Chapter 10

5. Property and Liability Risks: From a personal and corporate risk perspective, this section addresses common exposures and analyzes the impact on individuals, corporations, society and environment. Insurance products used to transfer risk are reviewed.
 - a. Homeowner's Insurance - Chapters 20 and 21
 - b. Automobile Insurance - Chapters 22 and 23

6. Life Health and Retirement Risks: This final section addresses life and health risk and insurance issues. In addition to introducing the various types of contracts available for managing these risks.
 - a. Life Insurance - Chapter 11
 - b. Life Insurance Contractual Provisions - Chapter 12
 - c. Buying Life Insurance - Chapter 13
 - d. Individual Health Insurance - Chapter 15
 - e. Retirement Planning - Selections of Chapters 14 and 17

Please note that this syllabus is tentative and any changes will be announced in class or on WEBCT.