

Risk Management and Insurance (RMIN 4000H)

Professor: Dr. James Hilliard

Office: Brooks 214

Phone: 542-3549

e-mail: jih@uga.edu

Office hours: T 9:30-10:30 a.m., W 2:00-3:00 p.m. and by appointment

Class Hours: TTh, 11:00-12:30 a.m.

Class Location: Journalism 507

1 Course Description

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.

2 Course Objectives

- Know the principles and terminology of insurance and risk management.
- Define and discuss the concepts of risk aversion and loss avoidance, as related to both individual and corporate decision making.
- Explain how individuals and corporations use the risk management process to control or finance their exposure to accidental loss.
- Illustrate the principles and theories of insurance law using three of the most widely purchased insurance policies: homeowners, personal automobile and life insurance.
- Discuss both ethical and global business issues as they relate to the insurance transaction.
- Describe the economic problems presented by the insurance transaction, and how the government regulates this transaction.
- Establish a foundation of understanding to permit intelligent analysis of important economic issues.
- Present your own risk analysis in a confident, organized and coherent manner.

3 Course Materials

3.1 Required

- Text: Rejda, George E., *Principles of Risk Management and Insurance*: 10th Edition, Pearson/Addison-Wesley, 2008 (Rejda)

- Additional course materials posted on eLearning Commons (<https://www.elc.uga.edu/webct/logon/2725072011>)
- A financial calculator
- Access To A Major Business Publication: Suggestions include *Wall Street Journal*, *Wall Street Journal Interactive Edition*, *Business Week*, *Economist*, *Forbes*, *Fortune*, etc. It is important to keep abreast of business news as we will discuss it in class in the context of the material we are studying. It is also an important habit for business majors to begin and continue throughout their professional lives.

3.2 Recommended

Other resources that will aid in understanding and analyzing risk management issues:

- Insurance publications available through the library include: *National Underwriter*, *Risk Management*, *Best's Review*, *Business Insurance Magazine* and other business publications.
- Trieschmann, Hoyt and Sommer, *Risk Management and Insurance*: 12th Edition, South-Western Publishing, 2005
- Harrington and Niehaus, *Risk Management and Insurance*: 2nd edition, Irwin/McGraw-Hill, 2005
- Doherty, *Integrated Risk Management*: 1st edition, McGraw-Hill Professional, 2000
- Annual reports for insurance companies

4 Policies and Procedures

4.1 Classroom Dynamics

Class starts promptly at 11:00 a.m. Latecomers are encouraged to take their seats quietly to avoid distracting others. While you are encouraged to not use a computer in the classroom (except when computer applications are being demonstrated), if you do, please mute your speakers and refrain from excessive e-mail and instant messaging. Cell phones should be turned off or set to vibrate and should not be answered in the classroom. Exams will begin at 11:00 a.m. and will use the entire class day. Latecomers will not be allotted extra time.

Students with disabilities who require reasonable accommodations in order to participate in course activities or meet course requirements should contact the instructor during regular office hours or by appointment.

4.2 Academic Integrity

As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty" found at <http://www.uga.edu/honesty>. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to the course assignments and the academic honesty policy should be directed to the instructor.

I will be academically honest in all of my academic work and will not tolerate academic dishonesty of others.

Cheating in any form will not be tolerated and will result in a grade of F for the course.

4.3 Appeal Process

If you feel that an answer you provided deserved more points than it was awarded, you simply submit an e-mail to me within two class days of when the tests are returned. This appeal must include the following:

1. Note which item(s) you are concerned with and what you answered.
2. Justify why your answer warrants more points. This could include information from the book, notes, other classes, whatever. What is not acceptable, however, are reasons such as “I misread the question” or “my uncle Harry always believed xyz, etc.” I am willing to consider other interpretations of any given item, but they must be properly supported.
3. Finally, tell me how many points you think your answer deserves. Is it really worth full credit? Half? You tell me what you think is fair.

I will consider each appeal that is sent and let you know what I think is fair. We can talk in person if you are not satisfied with the outcome.

4.4 Announcements and Materials

You are responsible for knowing the material and homework assignments due on any given day, as well as changes in the schedule. Material and homework will be posted on eLearning Commons and announcements will be posted on the eLearning Commons announcement function.

From time to time, e-mails will be sent to the class with course and other related information. Unless otherwise requested, the e-mail address in the roster (typically, your MyID e-mail address) will be used. If you prefer a different address, please e-mail the professor.

5 Assessment

There are multiple opportunities to demonstrate understanding of course material. The primary method is through three exams, all not comprehensive. The secondary methods are the WebCT news diary, current events presentation and class participation. The allocation of credit to each assessment tool follows:

Exam 1	25%
Exam 2	25%
Exam 3	35%
Integrated case	10%
Class participation	5%

If the final exam grade is higher than either mid-term, then the weight of the final will increase to 40% and the lowest mid-term will drop to 20%. Plus/minus grading is in effect for this class.

Missed exams cannot be made up. If Exam 1 or 2 is missed for any reason, the final exam weight will be the sum of the weights of the missed exam and the final exam.

5.1 Integrated Case

This course is centered around a case study of a company. The class members will work in teams of two or three to manage a company's risk management department.

Your team will complete and turn in numerous assignments in the course of the case. Some assignments will be graded at random and others will be checked for completion. The case is integral to understanding the material in the class.

5.2 Class Participation

The interactive nature of this class requires regular attendance. Attendance will be taken occasionally but will not directly impact course grade. Of course, ability to participate in class and respond appropriately to exam questions will be severely hampered after three or more absences.

Absence from classes when a guest speaker (including student presentations) is scheduled will result in a 1/2 letter grade reduction (i.e. A to A-).

When a guest speaker is scheduled, students will be expected to participate by reading about the speaker's company, asking intelligent questions and interacting with the speaker in a courteous manner.

6 Tentative Course Outline

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Date	Topic	Reading
Tues., August 18	Risk in Our Society	(Rejda 1) (Case Module 1)
Thurs. August 20	Insurance and Risk	(Rejda 2) (Case Module 2)
Tues. August 25	Introduction to Risk Management	(Rejda 3) (Case Modules 3)
Thurs. August 27	Advanced Topics in Risk Management	(Rejda 4) (Case Module 4)
Tues. Sept. 1	Types of Insurers and Marketing Systems	(Rejda 5) (Case Module 5)
Thurs. Sept. 3	Insurance Company Operations	(Rejda 6) (Case Module 6)
Tues., Sept. 8	Financial Operations of Insurers	(Rejda 7) (Case Module 7)
Thurs., Sept. 10	Government Regulation of Insurance	(Rejda 8) (Case Module 8)
Tues., Sept. 15	Fundamental Legal Principles	(Rejda 9) (Case Module 9)
Thurs., Sept. 17	Exam 1	Chs. 1-9
Tues., Sept. 22	Analysis of Insurance Contracts	(Rejda 10) (Case Module 10)
Thurs., Sept. 24	Life Insurance	(Rejda 11) (Case Module 11)
Tues., Sept. 29	Buying Life Insurance	(Rejda 13) No case
Thurs., Oct. 1	Annuities and Individual Retirement Accounts	(Rejda 14) No case
Tues., Oct. 6	Employee Benefits: Group Life and Health Insurance	(Rejda 16) No case
Thurs., Oct. 8	Employee Benefits: Retirement Plans	(Rejda 17) No case
Tues., Oct. 13	Social Insurance	(Rejda 18) (Case Module 12)
Thurs., Oct. 15	The Liability Risk	(Rejda 19) (Case Module 13)
Tues., Oct. 20	The Liability Risk, continued	(ELC Reading) (Case Module 14)
Thurs., Oct. 22	Exam 2	Chs. 10-19

Date	Topic	Reading
Tues., Oct. 27	Homeowners Insurance, Section I	(Rejda 20) (Case Module 15)
Thurs., Oct. 29	Auto Insurance	(Rejda 22) No case
Tues., Nov. 3	Commercial Property Insurance	(Rejda 25) (Case Module 16)
Thurs., Nov. 5	Commercial Liability Insurance	(Rejda 26) (Case Module 17)
Tues., Nov. 10	Crime Insurance and Surety Bonds	(Rejda 27) (Case Module 18)
Thurs., Nov. 12	Enterprise Risk Management	(ELC Reading) (Case Module 19)
Tues., Nov. 17	Putting it all together	(Case Conclusion)
Thurs., Nov. 19	Team Presentations	
Tues., Dec. 1	Team Presentations	
Thurs., Dec. 3	Team Presentations and Case Results	
Final Exam as scheduled by Office of the Registrar		