

PRINCIPLES OF RISK MANAGEMENT AND INSURANCE
RMIN 4000
FALL 2009

Instructor: Leon Chen
E-mail: yilinc@uga.edu
Office: 283 Brooks Hall
Office hours: Wednesday and Friday, 2:00-3:00pm
Other times by appointment
Classroom: 504 Journalism
Meeting time: 11:15am – 12:05pm MWF

Textbook

George R. Rejda, *Principles of Risk Management and Insurance*, 10th Edition, 2008

Course Description

This course is designed to introduce to the student the fundamentals of risk management, including the concept and the impact of risk, risk identification and evaluation, and tools used to efficiently manage risk with an emphasis on insurance. It is designed for both non-majors and majors.

Grading

Your course grade will be determined using the following weights:

Exams of 3 Highest Grades	75% (25% each)
Article Review & Presentation (Group)	10%
Individual Homework	10%
Attendance/Participation	5%
	100%

Letter grades will be assigned based on the following scale:

92–100% = A	82–87.9% = B	72–77.9% = C	0–59.9% = F
90–91.9% = A-	80–81.9% = B-	70–71.9% = C-	
88–89.9% = B+	78–79.9% = C+	60–69.9% = D	

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.

Exams

There will be four exams consisting of three midterms and one final. The final will be comprehensive. Students will be tested on lecture materials, materials related to homework, information from any guest speakers and any hand-outs distributed either in class or electronically.

As shown above, each student's lowest exam grade will be dropped in determining the final grade, and exams of 3 highest grades will account for 75% (25% each) of the final grade. This grading scheme allows students to redeem themselves on the final should they fail to perform well on either of the midterms, and to make the final exam optional should they perform well on all of the three midterms.

Make-up exams are generally not permitted but might be offered at the discretion of the instructor,

in the case of extreme or serious circumstances. The instructor reserves the right to defer to the Office of Student Affairs in validating any excuse. Tentative examination dates are as follows:

Exam I	Wednesday, September 16
Exam II	Monday, October 19
Exam III	Friday, November 20
Final Exam	Thursday, December 10, 12:00pm – 3:00pm

Article Review & Presentation

This assignment determines 10% of your final course grade, and should be performed by a group of 2 or 3 students (no more than 3). You will be required to find an article that interests you and that is clearly related to the subject matter of this course. The article may come from any source, although I encourage you to take your article from the risk management and insurance trade literature. Prepare a brief review (about 2 pages) of the article. The review should include a synopsis and discussion/analysis of the article. The primary emphasis should be on the discussion and analysis rather than the synopsis. In writing your review, avoid taking phrases or sentences directly from the article, or simply paraphrasing. You will also be required to make a brief presentation (5-10 minutes) to the class on the article you review. The procedure for assigning presentation dates and groups will be explained in class. Presentation should be accompanied by professional slides such as PowerPoint slides.

On the due date (the date of your oral presentation), you should turn in a hard copy of your review, your PowerPoint slides (please print at least two slides on one page), and a copy of the article. Make sure the source of the article is clearly indicated. Late submissions will be penalized, so please plan ahead. Suggested source of articles include, but not limited to: The Wall Street Journal, Treasury and Risk Management (treasuryandrisk.com), Risk Management (rmmag.com), Best's Review, Business Insurance, National Underwriter, CFO (CFO.com).

Individual Homework

There will be 3 minor individual homework assignments throughout the course. Those homework assignments are designed to practice the things we learn in class and will also greatly help you in exam preparation. The due dates of the homework assignments will be announced in class.

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. Your attendance record will decide 5% of your grade. Each student is permitted 3 absences for any reason, which means, you will get full attendance score if the total number of your absences are equal to or below 3. Attendance is mandatory on days when a guest speaker is scheduled, except excused by the instructor in advance. Exceptional classroom participation will result in a 1 bonus points added in your final course average.

Academic Integrity

Cheating in any form is unacceptable. As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty", and the Student Honor Code. All academic work must meet the standards described in "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 course assignments and the academic honesty policy should be directed to the instructor. Any incidence of suspected cheating will be dealt with through the appropriate judicial channels.

Classroom Conduct

The University policy prohibits smoking, food or drink in all classrooms. Please turn off cell phones and other electronic devices during class.

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.

Topics Covered

The following topics only serve as a guideline for the course; I will add certain topics not covered by the book, and possibly skip some topics covered by the book.

1. *Basic Concepts in Risk Management and Insurance*: 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.

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| a. Introduction to Risk and Insurance | Chapter 1-2 |
| b. Topics of Risk Management | Chapter 3-4 |

2. *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.

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| a. Types of Insurers and Marketing Systems | Chapter 5 |
| b. Insurance Company Operations | Chapter 6-7 |
| c. Insurance Regulation | Chapter 8 |

3. *Legal Principles in Risk and Insurance*: From a contractual perspective, this section assesses the legal environment, introduces the fundamental provisions in the insurance contract.

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| a. Fundamental Legal Principles | Chapter 9 |
| b. Analysis of Insurance Contracts | Chapter 10 |

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.

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| a. Life Insurance and Annuities | Chapter 11-14 |
| b. Health Insurance | Chapter 15 |
| c. Employee Benefits | Chapter 16-17 |
| d. Social Insurance | Chapter 18 |

4. *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.

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| a. The Liability Risk | Chapter 19 |
| b. Homeowners Insurance | Chapter 20-21 |
| c. Auto Insurance | Chapter 22-23 |

Please note that this course syllabus is a general plan for the course; deviations announced to the class or on eLC by the instructor may be necessary.