

Management of Risk and Insurance
FINA 341-001
Fall 2002
TTh 9:30 a.m., Room 003
dmsweb.moore.sc.edu/doerpinghaus

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Office Hours: Tuesday and Thursday 12:30 - 3:00 pm

If you are unable to meet during Office Hours, come by my office or make an appointment to come by at your convenience. I am available Monday through Friday and welcome students anytime.

TEXT: *Risk Management and Insurance*, Harrington and Niehaus, 1999.

COURSE OBJECTIVE:

Today's business managers must operate in an increasingly complex, global environment that generates many risks. These risks can threaten not only operational goals such as profitability and growth, but also the organization's very survival. These risks are often associated with legal liability, property losses, political risks, currency exchange and interest rate fluctuations, workplace injury, and employee benefits.

"Risk management" is a systematic approach to dealing with business risks. In FINA 341, we will learn to identify and measure risk, and explore alternative methods for reducing and financing risk. The purpose of the course is to equip students to develop a conceptual framework for making risk management decisions that increase business value and individual welfare.

COURSE ASSIGNMENTS:

Students should read the assigned textbook chapters before coming to class (reading assignments are provided on the syllabus). Class will provide an opportunity for both lecture and class discussion, and students are strongly encouraged to participate with ideas and questions of their own. Following class discussion, students should go to the end of each chapter and review the questions provided to allow a "self test" of mastery of the material. Answers to the chapter questions are posted on the website. Before each test, there will be an optional Review Session for interested students.

COURSE GRADE:

There will be four tests each worth one-fourth of the final grade. There will be no make-up exams without a written medical excuse (i.e., please arrange your interview schedule and other business around the exam dates). The standard University attendance policy applies. Students are urged to call the professor or come by the office at any time, but certainly whenever there is a situation which affects course work.

Assignment Schedule

August 22	Introduction to Risk and Corporate Risk Management (Chapter 1) Chapter questions: 1-5
August 27	Objectives of Risk Management (Chapter 2) Video: One Earthquake: Not If, But When Chapter questions: 1, 3, 4, 6
August 29 September 3	Risk Measurement and Risk Pooling (Chapter 3) Chapter questions: 1-4, 9
September 5, 10	Risk Pooling and Insurance Institutions (Chapter 4) Chapter questions: 1, 3, 5, 7
September 12	Test 1 (Chapters 1-4, Video)
September 17	Reinsurance Operations
September 19	Insolvencies, Solvency Ratings, and Regulations (Chapter 5) Chapter questions: 1-4, 6
September 24, 26	Insurance Pricing (Chapter 6) Chapter questions: 1, 2, 4-8, 10
October 1, 3	Demand for Insurance (Chapter 7) Chapter questions: 1-3, 6, 7
October 8	Insurability, Contracts, and Legal Doctrines (Chapter 8) Chapter questions: 1-6, 9, 10
October 10	Test 2 (Chapters 5-8)
October 15	Fall Break - no class
October 17	Legal Liability Risk (Chapter 14; section 15-1 of Chapter 15) Chapter 14 questions: 1-3, 5, 10 Chapter 15 questions: 1,2
October 22	Liability for Workplace Safety (Chapter 16) Chapter questions: 2, 3, 5, 6, 8
October 24, 29, 31	Employee Benefits: Overview and Group Medical Coverage (Chapter 18) Video: Benefits of Choice Chapter questions: 1-3, 5-7, 10
November 5	Election Day - no class
November 7	Life Insurance and Annuities (Chapter 23) Chapter questions: 1-4, 9

November 12	Test 3 (Chapters 14, 15-1, 16, 18, 23, Video)
November 14, 19	Retirement Plans (Chapter 19) Chapter questions: 1, 2, 8, 9
November 21, 26	Public Insurance: Social Security (Chapter 20) Chapter questions: 1, 2, 4, 6, 7, 9
November 28	Thanksgiving Day - no class
December 3	An Insurance Example: Automobile Insurance (Chapter 21) Chapter questions: 4, 5, 8, 10
December 5	Regulation and Risk (Chapter 24) Chapter questions: 2, 3, 5, 8
December 12, 9:00 a.m.	Test 4 (Chapters 19, 20, 21, 24)

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Student Information**

Name:	
Address:	
Telephone:	
E-mail:	
Major:	Expected Date of Graduation:
Hometown:	
Work Experience:	
Achievements or Honors:	
Special interests or experiences:	