

COURSE SYLLABUS

You are responsible for knowing and understanding the contents of this syllabus.

RISK MANAGEMENT & INSURANCE

FIN 350 - Section A70 | Online | June 4-29 2018

INSTRUCTOR

Andrew J. A. Head, MAAE, CFP®

Director – WKU Center for Financial Success

Assistant Professor – WKU Department of Finance

Managing Partner – Journey Financial Management, LLC

www.linkedin.com/in/wkuandrewhead

www.wku.edu/finance/staff/andrew_head

www.wku.edu/finance

www.wku.edu/cfs

PHONE

270-745-4733

TEXT

270-303-9564 (dire emergencies only, though hilarious gifs also acceptable)

OFFICE

325 Grise Hall

OFFICE HOURS

By appointment only, in person or web-meeting. I prefer Zoom but also use Skype

EMAIL

andrew.head@wku.edu

EMAIL POLICY

Due to the volume of email I receive daily, if your subject line is improperly formatted I cannot guarantee a timely response. Therefore, I ***strongly*** recommend that students **structure the subject line of email messages as follows.**

Course Abbreviation and Section | Title | Priority Level* (optional, see below)

e.g.: *FIN 350-700 | Exam Question | Urgent*

*Please use the following guide and associated expectations for responses from me.

DESPERATE – response requested within 12 hours

URGENT – response requested within 24 hours

IMPORTANT – response requested ASAP

GENERAL – response requested at least someday

Response times will vary for messages received after 4PM or on weekends.

COURSE OBJECTIVE

To develop and demonstrate an understanding of:

- the basis for risk management and insurance
- how the various types of insurance contracts work
- how insurance is used in financial planning
- current issues in the insurance industry

Financial planning issues are also examined.

COURSE STRUCTURE

This is an online class and there are no in-person meetings. You will be receiving the same amount of credit for taking this version of the class as you would for participating in a regular semester course. The course lasts from 6/4 – 6/29 and there is a certain amount of flexibility to allow you to work at your own pace over the allotted Summer Term.

However ...

THIS IS NOT AN EASIER VERSION OF THE REGULAR-SEMESTER COURSE.

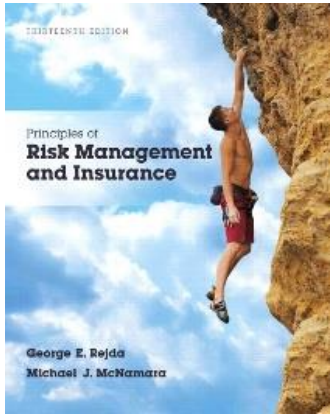
While this version of the course is a different experience, it is designed so that the rigor and outcomes are *equivalent* to that of its traditional counterpart. As such, this course will require **significant** amounts of independent study and detailed reading.

In a traditional course, you would expect to be in class approximately 39-42 hours over the duration of the semester. Also, in order to maximize your chances at success in any upper-level college course you should expect to dedicate 2-3 outside hours (78-126 total outside hours) of preparation and study for each hour you are in a traditional classroom....

THEREFORE, to maximize your chances at success in an upper-division Summer Term course such as this, you should very realistically anticipate spending **4.5–7 hours per day** studying and working on assignments (117–168 total learning hours divided by 19 days). Exams and assignments are constructed accordingly.

You are not on your own! You are always welcome to email or call me using the information on the first page of this syllabus.

REQUIRED TEXT



Principles of Risk Management & Insurance, 13th Ed.

George E. Rejda | Michael J. McNamara

ISBN – 978-0-13-408257-8

From the Publisher:

Fully updated and revised, the 13th edition now covers global topics ranging from natural disasters and terrorism, to domestic issues like the ever-evolving Affordable Care Act and Healthcare Reform. Principles of Risk Management and Insurance sets itself apart by placing primary emphasis on insurance consumers and blends basic risk management and insurance principles with consumer considerations, allowing students to apply basic concepts to their own personal risk management & insurance programs

Ridiculously Important Note #1:

You **WILL NOT** pass this course without the textbook. Not even lying. PowerPoint slides alone will not cut it.

Ridiculously Important Note #2:

I really have reviewed *every other text* on this subject and this IS the best option. It provides enough detail to be thorough while maintaining as much readability as possible given the subject matter. I do not receive any compensation from Pearson for making this recommendation. I have taken the time to work with the publisher to find an affordable option (see RIN#3) to save you money. Choosing to use an older edition is strongly discouraged. I will not respond if you contact me to ask if it is okay to use an older edition of this text.

Ridiculously Important Note #3:

To save you money while using the best materials available, this course participates in The WKU Store's Day One Access Program (DOAP). This program is designed to provide immediate access to required materials for all students **at prices cheaper than new & e-text purchase options.**

\$70.00 – DOAP e-text (+\$53 for optional print upgrade)

\$70.99 – E-text through Publisher (print upgrade not available)

\$323.60 – New through Publisher (ridiculous)

*There are other purchase options at cheaper prices available through Amazon.com, **BUT** absolutely ZERO consideration will be given to students experiencing delayed shipping, etc. All due dates for quizzes, exams and assignments stand unless extended for the entire class.*

More information on the next page...

DAY-ONE ACCESS PROGRAM (DOAP) INFO

DOAP materials will be delivered automatically by enrolling in this course unless you choose to opt-out. By participating in this program, WKU Store will invoice your Student Billing account after the Add/Drop period, and you will see a charge appear this along with Tuition & Fees ("Account Summary by Term" under the Student Services tab) labelled as "The WKU Store Purchases."

Initially, access to the book will be through a link on the course Blackboard site. You will sign up for a Bookshelf by VitalSource account and get access to the desktop version of the text. ***That said, reading on a laptop/desktop screen is a terrible way to go through life. INSTEAD,*** I'd recommend using the Bookshelf by VitalSource app on a tablet. The reading experience is considerably better. If you don't have a tablet, you can get new ones for well under \$75. For example, a *new* Amazon Fire 7 Tablet is currently \$49.99. I've known people to buy a basic tablet to use solely for e-texts, even if they already have a tablet. On their existing ones, they have distracting apps that are a tap away; this other tablet is only for reading.

Consider this: by using DOAP, I've saved you enough money over the print price on this text to get a tablet that you'll be able to love and cherish long after you've finished this course! And, assuming you've gotten used to using an e-text app, you can save some *serious* dollars by using e-textbooks from this point forward in college.

By now, I'm sure you're feeling compelled to rise your feet and begin chanting my name. You're very welcome. But you should probably shouldn't, because with my last name it's going to make you look crazy.

For more info on this program or to opt-out of participation, go to www.wkustore.com and click the Day One Access link under the Course Materials header.

OPTIONAL TEXT

Study Guide for Principles of Risk Management & Insurance

George E. Rejda

ISBN – 978013403339

MSRP – \$43.20

COMPANION WEBSITE

A companion website accompanies the above textbook. Among other items, students will find a helpful self-assessment quiz and glossary for each chapter. For more information, go to:

https://media.pearsoncmg.com/ph/bp/bridgepages/bp_rejda_bridgepage/rejda_13/index.html

GRADING – 500 Points Total

EXAMS (100 points each)

MUST BE TAKEN AT APPROVED TESTING CENTER (SEE NEXT PAGE)

There will be 4 major assessments during the semester as described in the table below. Students should expect exams to be highly challenging, requiring substantial study efforts in advance. Exams will primarily consist of multiple choice questions and some short answer.

During the exam students may use:

- **Notecard**
 - 5 x 8 index card or piece of paper, front and back, *handwritten*, no exceptions.
 - The notecard must be turned in with your name on it upon exam completion to receive credit
- **Calculator**
 - One with basic functions (+/-/×/÷), BAIL Plus , Graphing calculator (checked @ test center for answers)

EXAM	GENERAL TOPIC COVERAGE	CHAPTERS TESTED	DATE
Section 1	Risk, Insurance, Legal Principles	1, 2, 9	Friday, June 8th
Section 2	Auto Insurance	20, 21 Sample Policy	Friday, June 15th
Section 3	Home & Other Property Insurance	22, 23, 24	Friday, June 22nd
Section 4	Life & Health Insurance	11, 12, 15	Friday, June 29th
ALL EXAMS MUST BE TAKEN AT AN APPROVED TESTING LOCATION (SEE LAST PAGE)			

PAP Declarations Quiz (40 points)

This quiz is taken without a proctor, though timed and designed knowing that students have access to the text.

APPLIED LEARNING EXERCISES (ALEs) (60 points)

To facilitate successful learning, students will complete various Applied Learning Exercises related to the material being covered at the time. Assignments vary in scope and depth as will the point value.

- Introductory Survey 10 points
- Auto Policy Declarations Submission 10 points
- WKU Employee Benefits Scavenger Hunt 40 points
- Bucket List (optional) 15 points (extra credit)

ASKING FOR EXCEPTIONS IN GRADES/DUE DATES/OTHER COURSE POLICIES

Assuming there are no errors in calculation on my part, (and if you feel there are, you should certainly bring it to my attention) my posted grades are final and not open to discussion/negotiation. You will receive the grade you *earn* in my class. I do not “give” grades. I will not listen to any lobbying for grade changes based on irrational reasons. These arguments are unprofessional and inappropriate, and I will not respond to such communications. Examples of inappropriate reasons include, but are not limited to, the following:

- “This is my last semester” or “I am graduating this semester.”
- “I am only x # of points from an (A/B/C)”
- “I will not graduate if I don’t get a C (or whatever) in this class.”
- “I will lose my scholarship/place on ___ team if I don’t get a better grade.”
- “It is a financial burden to have to retake the course” and/or “I paid a lot of money to take this class.”
- “I took x number of credits this semester” and/or “I work x number of hours each week on top of school.”
- “I have gotten an A (or whatever other passing grade) in x other class or classes.”
- “I did not have internet access for a while because (insert any reason).”
- “I will do some kind of extra credit to get a higher grade”
- “I meant to work harder in this course”
- “I really tried” and/or “This course was really hard for me” “I have never gotten such a low score before”

PROFESSIONALISM

A high level of professionalism is imperative in business and the financial planning profession. Accordingly, the same high standards will apply to communication with me during this course. Students should take the time to structure emails per the guidelines on page one and written as though they are being read by a manager or client. Attention to this sort of thing is what I will consider if a student ends up on the borderline of a higher letter grade at the end of the term.

EXAM INSTRUCTIONS

REMINDER:

EXAMS MUST BE TAKEN AT A DISTANCE LEARNING TESTING CENTER (DLTC)

Testing Procedure

Registration instructions differ depending on whether students wish to complete the exam at the WKU Main Campus or at an off-campus site.

1. WKU MAIN CAMPUS – DLTC - Garrett Conference Center

- a. Register for your exams by clicking on the following links in Topnet:
 - i. → Student Services
 - ii. → Registration
 - iii. → Schedule an Exam at the DL Testing Centers
- b. The system will lead you through the process of making the reservation. Only the dates established by me for the exam will be shown.
- c. The system will confirm your date and time immediately and you will be able to print the confirmation page as a reminder. Be careful! Once you make your reservation and receive the confirmation you will not be able to alter the reservation on-line. To alter your confirmed reservation, call 270-745-5122 to have the system reset. You must then follow the instructions as before in TopNet to schedule your exam again.

2. ALTERNATE LOCATION

- a. For a list of alternate testing locations and instructions to set up your exam with a remote site, please go to <http://www.wku.edu/testing/students.php>
 - i. You may contact Tabatha Spain Phillips at 270-745-5122 or email her at tabatha.phillips@wku.edu. She can help you in finding a site near where you want to take the exam.)
- b. Schedule your exam time with your chosen proctored site at a WKU Regional campus or another DLTC approved site
- c. Fill out the appropriate Examination Request Form found at <http://www.wku.edu/testing/students.php>
- d. Allow time for processing by submitting your exam request form at least 4 days before your testing.

SCHEDULE OUTLINE

Chapter Coverage & Sequence

1. Risk and its Treatment
2. Insurance and Risk
9. Fundamental Legal Principles
20. Auto Insurance I
21. Auto Insurance II
22. Homeowners Insurance, Section I
23. Homeowners Insurance, Section II
24. Other Property and Liability Insurance Coverages
15. Healthcare Reform: Individual Health Insurance Coverages
11. Life Insurance
12. Life Insurance Contractual Provisions

Date		What's Due?	Suggested Reading
M	4-Jun	Intro Survey	Ch 1
T	5-Jun		Ch 2
W	6-Jun		Ch 9
Th	7-Jun		Review
F	8-Jun	EXAM 1 (Ch's 1, 2, 9)	READING BREAK
S	9-Jun		Ch 20
Su	10-Jun		Ch 20
M	11-Jun	PAP Declarations	Ch 21
T	12-Jun		Ch 21
W	13-Jun	PAP Declarations Quiz	Sample Policy
Th	14-Jun		Review
F	15-Jun	EXAM 2 (20, 21, Sample Policy)	READING BREAK
S	16-Jun		Ch 22
Su	17-Jun		Ch 22
M	18-Jun		Ch 23
T	19-Jun		Ch 23
W	20-Jun		Ch 24
Th	21-Jun		Review
F	22-Jun	EXAM 3 (Chs 22, 23, select topics 24)	READING BREAK
S	23-Jun		Ch 15
Su	24-Jun		Review
M	25-Jun	WKU Benefits Scavenger Hunt	Ch 11
T	26-Jun		Ch 11 Cont'd
W	27-Jun		Ch 12
Th	28-Jun	Bucket List	Review
F	29-Jun	EXAM 4 (Chs 15, 11, 12)	<i>Adult Beverages Menu</i>

STUDENTS WITH DISABILITIES

In compliance with university policy, students with disabilities who require accommodations (academic adjustments and/or auxiliary aids or services) for this course must contact the Office for Student Disability Services in DUC A-200 of the Student Success Center in Downing University Center. The phone number is 270-745-5004.

Please **DO NOT** request accommodations directly from me without a letter of accommodation from the Office for Student Disability Services.

ACADEMIC OFFENSES

These include academic dishonesty, plagiarism, cheating, and other types of offenses (e.g., theft of exams) and are discussed in the university catalog. Such offenses will be dealt with in the most **serious manner available to me** consistent with the guidelines in the catalog. Students are also referred to the “Student Life Policies Statement on Student Rights and Responsibilities” on pp. 285-286 of the catalog.

OTHER CLASS POLICIES

- **I do not give make up quizzes/exams except in** *extreme* circumstances that prevent students from taking the quiz when scheduled. An official excuse must be provided. Examples of these include:
 - doctor’s note
 - national guard orders
 - timestamped-selfie with kidnappers
 - decree from the king sealed with wax using the royal signet ring
- With the exception of unplanned illness, students must contact me at least 24 hours in advance and arrange for an alternative time to take a more difficult exam. The alternative exam must be taken before exams are handed back (usually the following class period) and will only be accepted for a grade with proof of excuse.
- There are no individual extra credit projects. Period. Everyone’s grade for is based on the same material.
- Do **NOT** anticipate any curving of grades.
- Incompletes are not given except under extreme circumstances.

TOPIC COVERAGE FOR EDUCATION COMPONENT OF CFP® CERTIFICATION

This course is required as part of Western Kentucky University’s (1) B.S. in Finance—Financial Planning Track and (2) the Certificate in Financial Planning. These programs are both offered WKU Department of Finance and are registered with the CFP® Board. As such, this course is required to cover the following topics, which are part of the 89 Topic List published by the CFP® Board, which can be found at www.cfp.net.

The specific topics by number and name that will be covered are the following:

- | | |
|---|--|
| 13. Principles of risk and insurance | 23. Insurance policy and company selection |
| 14. Analysis and evaluation of risk exposures | 26. Annuities |
| 15. Health insurance & cost mgmt (individual) | 27. Group life insurance |
| 16. Disability income insurance (individual) | 28. Group disability insurance |
| 17. Long-term care insurance (individual) | 29. Group medical insurance |
| 18. Life insurance (individual) | 30. Other employee benefits |
| 19. Income taxation of life insurance | 73. Incapacity planning |
| 20. Business uses of insurance | 80. Use of life insurance in estate planning |
| 21. Insurance needs analysis | |