

## COURSE SYLLABUS

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

# RISK MANAGEMENT & INSURANCE

FIN 350 - Section 700 | Online | January 2-19

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**OFFICE HOURS**    by appointment only

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**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 3 hours

URGENT – response requested within 12 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

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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

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This is an online class and there are no scheduled class meetings, it will require *substantial* amounts of independent study and detailed reading. You will have access to chapter PowerPoint presentations and I will post other notes and assignment guides as necessary. You are always welcome to email or call me as outlined on the first page of this syllabus. While the class only lasts from 1/2 - 1/19, there is a substantial amount of flexibility to allow you to work at your own pace over the allotted Winter Term. However ...

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

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. While a different experience, it is designed so that the rigor and outcomes are equivalent to that of the traditional counterpart.

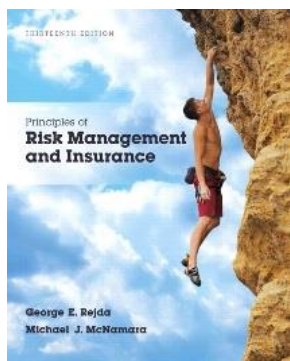
In a traditional course, you would expect to be in class approximately 39-42 hours over the duration of the semester. Also, in order to maximize your chances at success in any upper-level college course you should expect to dedicate 2-3 outside hours (78-126 total outside hours) of preparation and study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

***THEREFORE***, to maximize your chances at success in an upper-division Winter Term course such as this, you should realistically anticipate spending **6 – 9 hours/day** studying and working on assignments (117–168 total learning hours divided by 19 days).

You are not on your own! Contact me with questions or concerns and I will respond as soon as I am able.

## REQUIRED TEXT

### Principles of Risk Management & Insurance, 13<sup>th</sup> Ed.



George E. Rejda | Michael J. McNamara  
ISBN – 978-0-13-408257-8

From the Publisher:

*Fully updated and revised, the 13<sup>th</sup> 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 seriously 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 the cheapest option (see RIN#4) available 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 #4:

To save you money while using the best materials available, this course participates in The WKU Store's Day One Access Program (DOAP). Yes, DOAP. This program is designed to provide immediate access to required materials for all students **at prices cheaper than any other option (see evidence of claim below).**

- \$ 73.41 – DOAP (e-text +\$40 for optional print upgrade)
- \$106.77 – Amazon.com Rental (print, as of 12/15)
- \$179.68 – Amazon.com Used (print, as of 12/15)
- \$309.85 – New through Publisher (ridiculous)

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." For more info on this program or to opt-out of participation, go to [www.wkustore.com](http://www.wkustore.com) and click the Day One Access link under the Course Materials header.

## 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](https://media.pearsoncmg.com/ph/bp/bridgepages/bp_rejda_bridgepage/rejda_13/index.html)

## OPTIONAL TEXT

**Study Guide for Principles of Risk Management & Insurance** | George E. Rejda | ISBN – 978013403339  
MSRP – \$43.20

## RECOMMENDED CALCULATOR

### Texas Instruments BA II PLUS

You will need access to a TVM calculator in order to complete the life insurance assignment. A TVM calculator is not required for exams, though there will be some relatively basic calculations on these and other assignments.

## GRADING

### **EXAMS (150 points each)**

There will be 3 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. 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 with your name on it upon exam completion to receive credit
- **Calculator**
  - One with basic functions (+, -, ×, ÷)
  - BAII Plus
  - Graphing calculator (checked at testing center for stored answers)

EXAM	GENERAL TOPIC COVERAGE	CHAPTERS TESTED	DATE
Section 1	Risk, Insurance, Legal Principles	1, 2, 9	Friday, January 5th
Section 2	Property Insurance	22, 23, 24	Friday, January 12th
Section 3	Life & Health Insurance	11, 12, 15	Friday, January 19th
<b>ALL EXAMS MUST BE TAKEN AT AN APPROVED TESTING LOCATION (SEE LAST PAGE)</b>			

### **AUTO INSURANCE QUIZ (75 points)**

While this quiz can be taken without a proctor, it is timed and designed knowing that students will have access to the text.

### **APPLIED LEARNING EXERCISES (ALEs) (475 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	15 points
Auto Policy Declarations Submission	10 points
Personal Auto Policy Analysis	150 points
Life Insurance Needs Analysis	150 points
WKU Employee Benefits Scavenger Hunt	150 points
Bucket List (optional)	25 points (extra credit)

### **PROFESSIONALISM & PARTICIPATION**

A high level of professionalism is imperative in business and the financial planning profession. Accordingly, the same high standards will apply for 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.

**TOTAL POINTS = 1,000**

## SCHEDULE OUTLINE

Chapter Coverage & Sequence	
1. Risk and its Treatment	
2. Insurance and Risk	
9. Fundamental Legal Principles	
20. Auto Insurance	
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 Plan
T	1/2	Intro Survey	Ch 1, 2
W	1/3		Ch 2,9
R	1/4	PAP Declarations	Review
F	1/5	EXAM 1 (Ch's 1, 2, 9)	READING BREAK
S	1/6		Ch 20
S	1/7		Review
M	1/8	Chapter 20 Quiz	Ch 22
T	1/9	PAP Analysis	Ch 22, 23
W	1/10		Ch 23, 24
R	1/11		Review
F	1/12	EXAM 2 (Ch's 22, 23, select topics 24)	READING BREAK
S	1/13		Ch 15
S	1/14		Review
M	1/15	WKU Benefits Scavenger Hunt	Ch 11
T	1/16		Ch 11 Cont'd
W	1/17	Life Needs Analysis	Ch 12
R	1/18	Bucket List	Review
F	1/19	EXAM 3 (15, 11, 12)	<i>Drinks 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 2005-2007 university catalog on p. 26. 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](http://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                  |  |

## EXAM INSTRUCTIONS

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### 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](mailto: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.