Kim B. Staking  
Office: Tahoe 2053  
Office Hours: T/TH 2:45-3:45 PM (Tuesday after 8:45 PM or Thursday after 5:45 PM by appointment)  
E-mail: staking@csus.edu (preferred contact method)  
Tel: (916) 278-7035 (please note that there is no voicemail; call only during office hours)

 Classes being taught this semester:  
Fin 138: Section 5  T/Th 4:30-5:45 PM Alpine 204  
Fin 138: Section 6  T 6:00-8:50 PM Alpine 204

Website for self-assessment quizzes, etc.: www.awlonline.com/rejda

Optional Study Guide (for purchase in Bookstore)  
You may want the Study Guide:  
If you have trouble with applications in exam questions;  
If you had trouble with application questions in Business Law, and/or  
If English is your 2nd or 3rd language

Objectives  
When you finish the course successfully, you should be able:  
1. To use risk management with all types of risk but especially pure risks AND to apply that knowledge in real situations.  
2. To use a risk management decision-making, not an insurance-buying, approach and to apply it in real situations.  
3. To identify pure risks, select the most efficient method of financing losses, pre- and post-loss, AND in real situations.  
4. To use a risk management approach when selecting insurance and to apply the approach to real insurance policies.  
5. To know the vocabulary of risk management and insurance and to apply the terms in real situations.

The objectives are accomplished primarily using a personal risk management approach and personal insurance contracts.  
Examples of risk management in business situations are used in Mgmt. 138, but the majority of risk management for businesses is covered in FIN 139 and FIN 140.

<table>
<thead>
<tr>
<th>Graded Assignments</th>
<th>Points</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Examinations (3 x 100 points)</td>
<td>300</td>
<td>The final exam is not cumulative, but builds on prior material.</td>
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<tr>
<td>Mini-Project (Individual)</td>
<td>50</td>
<td>Career Strategies in Insurance: Requires a 3 page Executive Memo regarding your strategy to obtain your preferred job in the insurance industry (entry level to 5 years of experience) plus annotated references and notes of in person conversations. See handout for details.</td>
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</table>
| Group Presentation | 100 | Reform Challenges: Health Care and Health Insurance. Requirements:  
• Research paper: 5-7 pages  
• Handout on Pros and Cons of various alternatives (2-pages)  
[Bring enough copies for all class members.]  
• PowerPoint presentation (15-minutes well rehearsed)  
[All member of the team must participate in presentation.]  
See handout for details. |
| Self Assessment quizzes (5 x 15) | 75 | Online chapter quizzes (15 highest scores). See note below. |
| Quizzes/Activities (7.5 x 10) | 75 | Graded in-class exercises (10 highest scores) |
| TOTAL | 600 | Extra Credit | There may be some specific extra credit assignments (e.g., attending presentation of insurance professionals on campus). |
Notes on the Assignments in the following schedule:

- It is expected that all readings and problems assignments will be completed prior to each class unless otherwise noted. For evening class (double period, meeting once a week) this includes all assignments for the week.
- Readings from the textbook are referred to as GR: n where “n” stands for the chapter number. Other readings will be posted on Blackboard / SacCT.
- For every chapter in the text that is covered, there is an online self-assessment (SA Quiz) that is to be completed online prior to class and e-mailed to me. I will give you credit for the 15 highest scores (5 points per quiz maximum). The SA quizzes are found at: http://wps.prenhall.com/bp_rejda_prmi_11/134/34387/8803292.cw/index.html.
- There are problem assignments due from the textbook most week. Under the assignments listed below RQ refers to “Review Questions” and AQ to “Application Questions”. These assignments should be completed prior to class, but are not turned in. However, I will periodically give a short in-class quiz or other assignment based on RQs and AQS, and a portion of problems on the examinations will be derived from review and application questions.
- Insurance has a very specialized vocabulary – at times this differs from usage of the same terms in finance. It is highly recommended that you review the “Key Concepts and Terms” associated with each chapter.

Late work will be penalized as follows:

- Submitted within 24 hours: 25% penalty,
- Submitted after 24 hours, but within 48 hours: 50% penalty.
- Submitted after 48 hours no credit will be given.

Course Outline

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>Week 1:</td>
<td>Introduction</td>
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<tr>
<td>1/29/13</td>
<td>Risk Management and Insurance Course</td>
<td>GR: 1 Risk in Our Society</td>
<td>Read Syllabus &amp; Policies</td>
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<tr>
<td></td>
<td>(review Syllabus and course requirements)</td>
<td></td>
<td>SA Quiz Chapter 1 Key Concepts and Terms RQ 1:11-11; AQ 1:1-5</td>
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<tr>
<td></td>
<td>Lecture: Risk in our Society</td>
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<tr>
<td>1/31/13</td>
<td>Lecture: Risk Aversion and the Insurance Decision Making Process</td>
<td>D. Cather, A Gentle Introduction to Risk Aversion</td>
<td>Quick Team: Risk Aversion Assignment (to be given in class)</td>
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<tr>
<td>Week 2:</td>
<td>Insurance and Risk Basics</td>
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<tr>
<td>2/05/13</td>
<td>Lecture: Insurance and Risk Management</td>
<td>GR: 2 Insurance and Risk</td>
<td>SA Quiz Chapter 2 Key Concepts and Terms RQ 2: 2, 3, 6; AQ 2: 2, 3</td>
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<td></td>
<td>– Fundamental tools</td>
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<tr>
<td>2/07/13</td>
<td>Lecture: Insurance and Insurability;</td>
<td>GR: 3 Insurance and Risk</td>
<td>SA Quiz Chapter 3 Key Concepts and Terms RQ 3: 1, 2, 5, 9; AQ 3: 1, 2, 5 Quick Team Project (in class assignment) on Franklin Insurance Company’s Risk Management Controls</td>
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<td></td>
<td>Introduction to Adverse Selection and</td>
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<td></td>
<td>Moral Hazard</td>
<td>Benjamin Franklin’s Insurance</td>
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<td></td>
<td>Company</td>
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<td>Week 3:</td>
<td>Private Insurance Markets</td>
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<td>2/12/13</td>
<td>Lecture: Insurance Pooling and Risk</td>
<td>GR: 2 Appendix (p. 39-42)</td>
<td>In class assignments</td>
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<td>Transfer Mechanisms</td>
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<td>2/14/13</td>
<td>Lecture: Market Structure; Types of</td>
<td>GR: 5 Types of Insurers and</td>
<td>SA Quiz Chapter 5 Key Concepts and Terms RQ 5: 1, 2, 4, 6, 8; AQ 5: 1, 2, 3</td>
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<td>Insurance Companies and Marketing</td>
<td>Marketing Systems</td>
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<td>Systems</td>
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<tr>
<td>Week:</td>
<td>Date</td>
<td>Topic</td>
<td>Notes</td>
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| **Week 4:**  
2/19/13 | Safe and Sound – Probability of Ruin  
SA Quiz Chapter 6  
Key Concepts and Terms  
RQ 6: 1, 2, 4; |
| 2/21/13 | Lecture: Reinsurance | | D. McIsaac, D. Babbel: World Bank Primer on Reinsurance  
RQ 6: 7, 8; AQ 6: 1, 2, 3 |
| **Week 5:**  
2/26/13 | Risk Management at the Base of Economic Pyramid  
Lecture: MicroInsurance | Knowledge@Wharton: Micro Insurance: A Safety Net With Too Many Holes?  
J. Morduch: Micro-insurance: the next revolution?  
Tina Rosenberg: The Microinsurance Revolution  
S. Mapfumo: Weather Index Crop Insurance | One-page summary (based on your understanding of insurance and insurability): Is Micro Insurance Sustainable? |
| 2/28/13 | Insurance Market Regulation  
Lecture: Insurance Market Regulation; Public and Private Sector Roles in Regulation | GR: 8 Government Regulation of Insurance | SA Quiz Chapter 8  
Key Concepts and Terms  
RQ 8: 2, 5, 6, 7; AQ 8: 2, 3, 4 |
| **Week 6:**  
3/05/13 | Examination | Exam #1 covering week 1-5 | Study for Examination  
You may bring a 1 page (one sided) notes summary |
| 3/07/13 | Mini-Research Project: Employment Opportunities in Insurance  
You will need to interview one or more individuals working in the risk management or insurance industry | Satisfactory completion requires:  
• Independent online research  
• Interview with individuals working in the Insurance Industry  
• A concrete action plan | Three-page Executive Memo on your strategy to obtain your preferred job in the insurance industry (entry level to 5 years of experience).  
Annotated bibliography, name/contact information for the individuals you interviewed.  
See handout for details. |
| **Week 7:**  
3/12/13 | Mini Research Project – Continued | | |
| 3/14/13 | Insurance and the Law Part I  
Lecture: Legal Principles | GR: 9 Fundamental Legal Principles | SA Quiz Chapter 9  
Key Concepts and Terms  
RQ 9: 1, 3, 4, 7;  
AQ 9: 1, 2, 3, 5, 7 |
| **Week 8:**  
3/19/13 | Insurance and the Law Part II  
Lecture: Insurance Contracts | GR: 10 Analysis of Insurance Contracts | SA Quiz Chapter 10  
Key Concepts and Terms  
RQ 10: 1, 2, 3 , 5, 6, 7;  
AQ 10: 1, 2a, 3, 4, 5 |
| 3/21/13 | Lecture: Legal Liability | GR: 19 The Liability Risk | SA Quiz Chapter 19  
Key Concepts and Terms  
RQ 19: 1-5, 8, 9; AQ 19: 1-4, 7 |
| **Week 9:**  
3/26/13 | SPRING BREAK | No Class | |
| 3/28/13 | | | |
| Week 10: 4/02/13 | **Property Casualty Insurance – Home**  
Lecture: *Homeowner Policy – Property* | GR: 20 *Home Owners Insurance I* | **SA Quiz Chapter 20**  
Key Concepts and Terms  
RQ 20: 1-3, 9-10; AQ 20: 4-7 |
|----------------------|-------------------------------------------------|---------------------------------|------------------------------------------------------------------|
Key Concepts and Terms  
RQ 21: 3, 4, 7, 8; AQ 21: 1, 2, 5 |
| **Week 11: 4/09/13** | **Property Casualty Insurance – Auto**  
Lecture: *Auto Policy – Collision and Comprehensive* | GR: 22 *Auto Insurance* | **SA Quiz Chapter 22**  
Key Concepts and Terms  
RQ 22: 1-4, 6, 8; AQ 22: 4, 6, 7 |
Key Concepts and Terms  
RQ 23: 1, 2, 4, 6, 9; AQ 23: 1-4 |
| **Week 12: 4/16/13** | **Examination**  
Exam #2 covering week 7-11 | | **Study for Examination**  
You may bring a 1 page (one sided) notes summary  
**SA Quiz Chapter 11**  
Key Concepts and Terms  
RQ 11: 4a, 5, 6, 9;  
AQ 11: 1, 2, 3, 8 |
| 4/18/13 | **Introduction to Life Insurance**  
Lecture: *How much Life Insurance is needed; Term and Group life insurance* | GR: 11 *Life Insurance*  
(p. 210-221) | **SA Quiz Chapter 11**  
Key Concepts and Terms  
RQ 11: 4a, 5, 6, 9;  
AQ 11: 1, 2, 3, 8 |
| **Week 13: 4/23/13** | **Life Insurance Investment Products**  
Lecture: *Permanent Life Insurance (Whole life, Variable Life, Universal Life;*  
**Individually Retirement Products**  
Lecture: *Annuities and IRAs* | GR 12 *Life Insurance Contract Fundamentals* | **SA Quiz Chapter 12**  
Key Concepts and Terms  
RQ 12: 1-10; AQ 12: 1, 2, 3 |
| 5/09/13 | **Group Presentations - Continued** | | **Group Presentations:**  
**Paper (5-7 pages)**  
**PowerPoint Presentation (15 minutes; well-rehearsed)**  
**Summary of Pros and Cons (2 pages) [bring enough copies for all class members]**  
**Annotated Bibliography** |
| 4/25/13 | **Individual Retirement Products**  
Lecture: *Annuities and IRAs* | GR: 14 *Annuities & Individual Retirement Accounts* | **SA Quiz Chapter 14**  
Key Concepts and Terms  
RQ 14: 1-9; AQ 14: 2, 4, 5 |
| 5/02/13 | **Employee Sponsored Retirement Savings (Pensions)**  
Lecture: *Defined Contribution and Defined Benefit Pensions; Individuals Retirement Accounts* | GR: 17 *Employee Benefits: Retirement Plans* | **SA Quiz Chapter 17**  
Key Concepts and Terms  
RQ 17: 4, 5, 6, 9, 10;  
AQ 17: 1, 2, 3, 4 |
| 5/07/13 | **Group Presentations:**  
**Options for and Challenges to Health Care Insurance Reform / Pros and Cons of Public Health Care** | | |
| 5/09/13 | **Group Presentations - Continued** | | |

**Syllabus: FIN 138  
Staking – Spring 2013**
OTHER IMPORTANT COURSE POLICIES

Disabilities:
The College of Business Administration complies with the Americans with Disabilities Act in making reasonable accommodations for qualified students with disabilities. If you have a disability and require accommodations, you need to provide disability documentation to SSWD, Lassen Hall 1008, (916) 278-6955. Please discuss your accommodation needs with me after class or during my office hours early in the semester.

Teaching Style
Classes are primarily lectures, but the lectures use LOTS of examples and stories. Digression into current issues is important, necessary and FUN!

Exams
Exams are multiple-choice, true/false and short answer. If necessary, exams are scaled to a class average of at least 70%. You can bring an 8 ½” x 11” paper with notes on ONE side. Any discrepancy between the text and the lecture notes is decided in favor of the notes, as they are current and more accurate for California applications. In the event you cannot take an examination due to a verifiable serious illness or tragedy, please NOTIFY me BEFORE the exam by sending an E-MAIL. Make-up exams must be scheduled immediately and may not be the same structure.

Project Teams (4-6 individuals per Team)
It is expected that you will actively participate with your project team and contribute to team discussions. Each team member is expected to: (a) contribute original work that is accepted and used by the team; (b) participate in the project from initial organizing of the project through the final review of the team project for submission; and c) ensure that your contributions are original work and properly quoted, cited, and referenced. Each Team member must participate in the well-rehearsed presentation. The project is considered an essential part of the class. A couple of weeks into the semester, I will post a series of topics and ask you to rate your top interests. Project Teams will be assigned according to this ranking. Each team member will submit a breakdown of time and effort of each team maker. The total points for the project (100 times the number of team members) will be allocated according to this feedback. If your team is having problems with a team member’s participation, please let me know early in the process.

Attendance
Attendance will be taken periodically and a persistent pattern or missing class, arriving late or leaving early will be penalized at the instructor’s discretion. Failure to sign the attendance roster will result in the student being reported as absent. Students entering late or leaving early must note this on the roster.

Syllabus revision
During the semester, the instructor may revise this syllabus.

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Syllabus revision
During the semester, the instructor may revise this syllabus.
Outside Speakers
I hope to bring insurance professionals into the class. This may result in modifications to the schedule. Attendance for outside speakers is mandatory and 25 points will be subtracted for non-attendance.

Laptops and Cell Phones
To maintain an effective learning environment, it is expected that students will not receive or place calls or text during class time. Should a student anticipate an emergency call during class time, it is the student’s responsibility to notify the instructor in advance of the class and to make arrangements accordingly. The use of Laptops is encouraged, but this should be limited to: taking notes; viewing resources when the entire class is asked to do so; and undertaking in-class assignments that can be facilitated by the laptop as directed. During student presentations, the laptop should be closed. Hiding behind a laptop, answering e-mail, playing games, watching sports, surfing the web, etc. will not be tolerated.

Written Work and Team Presentations
All papers are to be typed, proofread, spell-checked, double-spaced, and prepared in accordance with APA style. Written work is graded for content, organization, style, grammar and formatting. Oral presentations are graded for content, style, visual aids, time limits, and creativity. Written assignments must include proper citations of reference materials. In addition to your textbooks, you should include substantive outside references. You may note information obtained from Wikipedia, blogs, or online dictionaries, but these will not count as substantive outside references. Preferred references sources are recognized academic and professional authors, independent (as opposed to political) think tank analysts. Political and partisan sources need to so identified and balanced with opposite perspectives. Plagiarism is a serious matter. All written presentations will be passed through a plagiarism checker. Plagiarism will result in failing the assignment or failing the class. Student Tutorial on how not to plagiarize: http://library.csus.edu/content2.asp?pageID=353.

Academic Honesty
Any situation involving academic dishonesty may result in an automatic grade of "0" for the assignment. More serious situations may result in an automatic grade of "F" in the course and the removal of the student from the course. All student actions suspected of academic dishonesty will be reported of the to the office of the Associate Dean of Undergraduate Studies and to the Office of the Dean of the College of Business. Cheating includes collaboration on any outside assignments, unauthorized preparation of notes for use on examinations, use of such notes during an examination, looking at another student's examination answers, allowing another student to look at your own examination answers, the requesting or passing of information during an examination, and the sharing of calculators during an examination. Plagiarism is another form of cheating. At CSUS, plagiarism is defined as “the use of distinctive ideas or works belonging to another person without providing adequate acknowledgement of that person's contribution.”

Grading Scale

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<th>Points</th>
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<tbody>
<tr>
<td>92+</td>
<td>A</td>
<td>73-76</td>
<td>C</td>
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<tr>
<td>90-91</td>
<td>A-</td>
<td>70-72</td>
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<tr>
<td>87-89</td>
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<td>B</td>
<td>63-66</td>
<td>D</td>
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<tr>
<td>80-82</td>
<td>B-</td>
<td>60-63</td>
<td>D-</td>
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<tr>
<td>77-79</td>
<td>C+</td>
<td>0-59</td>
<td>F</td>
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Incompletes are given ONLY for a student’s verifiable serious illness or tragedy AND if I am notified immediately. SEND AN E-MAIL or call during my office hours. Examples of tragedies include a death or hospitalization of a close relative. Incompletes are NOT given to students with low grades who want to repeat the course the next semester.