FIN 139  Course Outline  
*Business Property/Casualty Risk Management and Insurance*  
**SPRING 2013**

Eric C. Lin, Ph.D., CFP®

**HOW TO REACH**

**E-mail:** Use BlackBoard/SacCT  
Best method to receive a quick response.

**Office:** Tahoe Hall 2058  
**Phone:** 278-7229 (Office)

**SCHEDULE**

**Office Hours**  
MW: 10:15-11:45am (No appt. needed)  
Other times by appt.; you may always contact me via e-mail.

**PREREQUISITES**

Passed Fin 138 and Business Core (including Fin 101), OR Instructor Permission

**REQUIRED MATERIALS**

**SacCT:** Syllabus, Required Files, Class Notes

**FOCUS & OBJECTIVES**

The course provides a more detailed knowledge of property & liability risk management and insurance primarily from an organization’s perspective. The principles course provided for learning vocabulary and concepts primarily through personal risk management and all types of personal lines insurance. FIN 139 assumes that you know the basic concepts, vocabulary, processes and some personal contracts and then builds upon that knowledge using an organizational risk manager's perspective and organizational applications.

When you successfully finish the course, you should be able:

- To recognize and to apply an enterprise risk management approach in organizational situations.
- To identify organizational risk exposures and to select the most appropriate method of handling and financing the exposures in pre-, post-, and during organizationally-related losses.
- To understand the more important commercial property/casualty (p/c) commercial insurance contracts and their use as part of the risk management process.
- To recognize and to use additional concepts and vocabulary in risk management and insurance decisions by organizations.
- To understand the workings of the international insurance marketplace and selected marketplaces that sophisticated risk managers of organizations need to be aware and to utilize.
- To analyze and to present reasoned arguments concerning current issues and challenges in organizational risk management and insurance, including catastrophes, terrorism, worker injuries, and financial markets.

**STYLE OF TEACHING**

Classes are a mix of styles. Lectures are used primarily for the more detailed material such as contracts and workers’ compensation. There are also in-class group applications. Attending class is important AND can even be FUN!

**CLASSROOM**

Turn off cell phones. Laptops are for note-taking ONLY, otherwise turn them off. If used for other purposes, you may not use them in class. If you arrive late, enter quietly, and find the first available seat. Remain for the FULL period.
EXAMS
Exams are a mixture of multiple-choice, true/false, and may include short answers. There is no comprehensive exam. If there is a discrepancy between the text and notes, the NOTES rule. Exam Review Sheets are posted the weekend before an exam.

In the event of a verifiable serious illness or tragedy, NOTIFY me BEFORE the exam. SEND AN E-MAIL OR CALL MY OFFICE (278-7229)! Make-up exams may not be the same and must be scheduled immediately.

PRESENTATIONS
Presentations are on a pre-approved topic and are given by pre-approved teams. The topics are current issues or problems in property casualty risk management and insurance. A separate document provides details.

APPLICATIONS
Various applications, usually completed in class, will be given, each worth different points. For example, one application consists of a partial risk management analysis of a small organization.

ATTENDANCE
Former students indicate the exams are easier if they attend regularly and some questions are similar to examples given in class. Also, not all the material is in the text. Attendance is not required; however, it is recorded occasionally for extra credit. It can be one or two points OR 1% of your final grade.

EXTRA CREDIT
In addition to attendance points, other opportunities available for extra credit will be given for attendance at certain Gamma Iota Sigma (GIS) meetings and RMI Career Nights.

INCOMPLETES
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 MY OFFICE (278-7229). Examples of tragedies include a death or hospitalization of yourself or a close relative, not because of low grades. Incompletes require the approval of the Associate Dean.

CHEATING
All exams and the presentations are your work only. Duplicate work or copying results in an “F” for that work for any student involved. Examples of cheating include submitting another’s work, using unauthorized material/copying on an exam, and copying others’ words without references or quotation marks (plagiarism).

GRADES

<table>
<thead>
<tr>
<th></th>
<th>Points</th>
<th>Letter Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>100</td>
<td>A = ≥ 93% C = 73%-76%;</td>
</tr>
<tr>
<td>Exam 2</td>
<td>100</td>
<td>A- = 90% - 92% C- = 70%-72%</td>
</tr>
<tr>
<td>Exam 3</td>
<td>100</td>
<td>B+ = 87%-89%; D+ = 67%-69%;</td>
</tr>
<tr>
<td>Presentation</td>
<td>100</td>
<td>B = 83%-86%; D = 63%-66%;</td>
</tr>
<tr>
<td>Homework, Misc.</td>
<td>100</td>
<td>B- = 80%-82% D- = 60%-62%;</td>
</tr>
<tr>
<td><strong>Total Possible Points</strong></td>
<td><strong>500 Pts.</strong></td>
<td>C+ = 77%-79%; F = ≤ 59%</td>
</tr>
<tr>
<td>Date</td>
<td>Assignment/Topic</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
Ch.1 (P. 7-8; 12-14; Ch.2 (P. 21-24; 25-27; 37-40)  
Ch.3 (P.42-53); Ch.4 + Appendix |
| Feb 4/6    | Ch. 19: Review Liability (P. 416-429) (Review of Material Covered in FIN 138 for Liability Exposures)  
Ch. 19: Commercial Liability Exposures, Policies, RM, & Issues (cont.)  
Professional Liability Exposures (P. 429-433) |
| Feb 11/13  | Ch. 26: Commercial Liability Exposures, Policies, RM, & Issues  
- General Liability Business Exposures (P.592-594)  
- Claims-Made & Occurrence Liability Forms (P.599-600)  
- Commercial General Liability Policy (CGL) (P. 594-599) |
| 18/20      | Ch. 26: Commercial Liability Exposures, Policies, RM, & Issues (cont.)  
- Businessowners’ Policy (BOP) Section II Liability (P. 609)  
- Commercial Auto Policy (P. 604-606) |
| 25         | Ch. 26: Commercial Liability Exposures, Policies, RM, & Issues (cont.)  
- Professional Liability Policies (P. 609-612)  
- Commercial Umbrella, Excess Liability Policies (P.607-08)  
- Employment Practices Liability Ins. (EPLI) (P.600-01) |
| Feb 27     | EXAM 1                                                                                                                                 |
| Mar 4/6    | Ch. 26: Commercial Liability Exposures, Policies, RM, & Issues (cont.)  
- Cyberrisk Liability Insurance  
- Aviation Liability (P. 606-607)  
Ch. 18: Employee Injuries, Sicknesses (Workers Compensation)  
- Social Insurance: Workers’ Compensation (P. 404-409)  
Ch. 26: W.C. Issues, Systems, Insurance, Rate-Making  
- Workers’ Compensation Policy (P. 601-604)  
- Rate-Making in General with Focus on Rate-Making in W.C. (P.139-143) |
| 11/13      | Review of Property Insurance Basics  
- Notes  
- Pgs.175-77; 200-01; 452-53  
Ch. 25: Commercial Property Exposures, Forms, Insurance, Issues  
- Commercial Package Policy (P. 566-569)  
- Building & Personal Property Coverage Form (P. 569-74)  
- Business Income Insurance (P. 574-577)  
- Businessowners Policy (BOP) (P. 584-587)  
- Ocean & Inland Marine Insurance (P. 580-584) |
| 18/20      | Ch. 25: Commercial Property Insurance cont.  
- Equipment Breakdown Insurance (P. 578-580)  
- Difference-in-Conditions (DIC) Insurance (P. 580)  
Ch. 27: Crime Exposures, Insurance & Bonds |
| Mar 25/27 & | Spring Break - No Class                                                                                                                                 |
| Apr 1      | Holiday – No Class                                                                                                                                 |
| Apr 3      | EXAM 2                                                                                                                                 |
| Apr 8/10   | Financial Assessment of P/C Insurers From Risk Manager’s Perspective  
- Insurers & Markets (P. 25-27; 65-69; 92-97) |
<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment/Topic</th>
</tr>
</thead>
</table>
| 15/17      | Financial Assessment of P/C Insurers From Risk Manager’s Perspective (cont.)  
- Underwriting (P. 109-112)  
- Reinsurance (P. 115-121)  |
| 22/24/29   | Financial Assessment of P/C Insurers From Risk Manager’s Perspective (cont.)  
- Financial Aspects of Insurers (P. 123-124; 130-137; 152-156; 166-167; 279-80; Handouts)  
Example: Financial Analysis of Insurer From Risk Manager’s Perspective |
| May 1      | EXAM 3                                                                                                                                           |
| May 6/8    | Presentations                                                                                                                                 |
| 13/15      | Presentations                                                                                                                                 |
| May 20     | Presentations, if Necessary                                                              |