

**Finance 3271-090**  
**Principles of Risk Management and Insurance**  
**Spring 2007**

Instructor: Thomas S. Marshall

Office: 341A Friday Building

Office Hours: MWF 3:00 – 5:00 PM and by Appointment

Phone: 704 - 687- 6633

URL: <http://www.belkcollege.uncc.edu/tsmarsha>

Email: [tsmarsha@email.uncc.edu](mailto:tsmarsha@email.uncc.edu)

Class Meets: Monday 6:30-9:15 PM, Friday #11

**Special Information**

Regular class attendance and promptness are expected. Three or more unexcused absences or frequent tardiness are considered adverse attendance. Classroom performance and attendance represents 10% of the final grade.

All students are welcome to visit with me during office hours or by appointment.

All students are required to be familiar with the following two codes defined in the 2005-2007 Undergraduate Catalog (pages 299-302) and to conduct themselves in accordance with the standards set forth:

- A. The UNC Charlotte code of Student Academic Integrity
- B. The UNC Charlotte code of Student Responsibility

**Course Description**

This course is a study of the different types of nonspeculative risks faced by individuals and businesses and the possible alternative methods of treating such risks. The course includes an examination of the specific application of these methods with regard to life, health, property, casualty and liability contracts.

**Course Objectives**

1. Understand the principles and terminology of insurance and risk management
2. Understand how business firms and individuals use the risk management process to control or finance their exposure to accidental loss.

**Finance 3271-090**  
**Principles of Risk Management and Insurance**  
**Spring 2007**

3. Illustrate the principles and theories of insurance with specific reference to three of the most widely purchased insurance policies: homeowners, personal auto and life insurance.
4. Explain the financial planning concept and how life and health insurance create economic security.
5. Develop a general understanding of the social security program.
6. Examine the characteristics and structure of the insurance industry and the job opportunities available in the industry.

**Textbook**

Principles of Risk Management and Insurance, 9<sup>th</sup> Edition, George E. Rejda, Pearson, Addison Wesley 2005

**Examinations and Grades**

The grading scale is as follows:

90 and above = A; 80 – 89 = B; 70 – 79 = C; 60 – 69= D; less than 60 = F

1. There will be two hourly examinations and a final examination. Each exam is 25% of the final grade. The time of the final exam is determined and printed in the UNCC Course Schedule. In general, no make-up exams will be given. If a student misses an exam because of an excused absence, the missed exam weight will be added to the final exam weight. If a student misses an exam because of an unexcused absence, a zero (0) grade will be assigned for that exam.
2. 15% of the final grade is based on participation in team debates on current insurance topics. A group grade will be assigned to each debate team based on class and instructor evaluations. Individual team members may receive a lower grade or a higher grade than the group grade, subject to the team member's efforts based on peer evaluations.
3. Positive classroom performance and class attendance represent 10% of the final grade. Positive classroom performance means that students are well prepared for class and contribute to classroom discussion.

**Tentative Assignments**

| <b>Date</b> | <b>Topic</b>                                    | <b>Chapter or Reference</b> |
|-------------|---|-----------------------------|
| January 8   | Risk in Society,<br>Insurance and Risk          | Chapters 1 & 2              |
| January 22  | Risk Management,<br>Advanced Risk<br>Management | Chapter 3 & 4               |

**Finance 3271-090  
Principles of Risk Management and Insurance  
Spring 2007**

|                 |   |                  |
|-----------------|---|------------------|
| January 29      | Legal Principles;<br>Analysis of Contracts                      | Chapters 5 & 6   |
| February 5      | Exam  |                  |
| February 12     | Liability Risk  | Chapter 7        |
| February 19     | Homeowners<br><br>Debate #1                                     | Chapter 8        |
| February 26     | Homeowners<br><br>Debate #2                                     | Chapter 9        |
| March 12        | Automobile Insurance<br><br>Debate #3                           | Chapter 10       |
| March 19        | Automobile insurance<br><br>Debate #4                           | Chapter 11       |
| March 26        | Exam  |                  |
| April 2         | Fundamentals of Life Ins.;<br>Types of Life Insurance           | Chapters 16 & 17 |
| April 9         | Life Insurance Contract<br>Provisions;<br>Buying Life Insurance | Chapters 18 & 19 |
| April 16        | Individual Health Insurance                                     | Chapter 21       |
| April 23        | Social Insurance;   | Chapter 24       |
| April 30        | Types of Insurers,<br>Insurance Company<br>Operations;          | Chapter 25 & 26  |
| May 7 (5:00 PM) | Final Exam  |                  |

**Team Debate Topics will be assigned by the instructor from the following list:**

Should flood damage be covered under the homeowners policy?

**Finance 3271-090**  
**Principles of Risk Management and Insurance**  
**Spring 2007**

Should coverage for mold damage be limited under the homeowners policy?

Should age and gender be used as a rating factor for automobile insurance?

Should personal auto base rates in N.C. be averaged so that good drivers subsidize bad drivers?

Should credit scoring be used to establish eligibility and rates for personal auto and homeowners insurance?

Do Health Savings Accounts (HSAs) represent the best solution to controlling the rising cost of health insurance?

Should insurance companies and insurance rates continue to be regulated by the states in lieu of the federal government?

Should hurricane/flood/earthquake first response continue to be the primary responsibility of local/state governments in lieu of the federal government?