

---

# **BUSINESS FINANCE 3300 INSURANCE AND RISK**

## ***Course Syllabus***

**Spring Semester 2017  
Tues/Thurs 08:00-9:20 am**

---

**Instructor:** William (Bill) Hansen  
**Guest Lecturer:** Susan Haack  
**Office:** Fisher Hall  
**E-Mails:** Hansen: [hansen.287@osu.edu](mailto:hansen.287@osu.edu)  
Haack: [Susan.Haack@motoristsgroup.com](mailto:Susan.Haack@motoristsgroup.com)  
**Office Hours:** By appointment only

## **COURSE DESCRIPTION**

This course provides an introduction to the field of insurance, an increasingly important area of knowledge for individuals, families, and businesses in the global economy. The course is divided into four broad categories:

- Foundations of insurance and risk
- The private insurance industry – Insurer operations and insurance contracts
- Managing individual life and health risks with insurance
- Managing personal and commercial property and liability risks with insurance

More detailed topics are examined in each category.

This course is the foundation course for the **Insurance Specialization** under the Fisher Finance degree. Students who complete this specialization will take Business Finance 4310, 4311, and 4312, in addition to 3300 (4311 and 4312 are offered online).

Students who complete this course may be eligible to take a licensing exam through the Ohio Department of Insurance: <http://insurance.ohio.gov>. For additional information, please see the instructor.

## **COURSE MATERIALS**

### ***Required Course Text***

George Rejda and Michael McNamara  
***Principles of Risk Management and Insurance***  
**13<sup>th</sup> edition**, Pearson Education, 2014 (ISBN 9780134082578)

Each student should own a copy of the text. We do not support earlier editions, which can differ significantly from the current edition. A digital version of the text is available from Pearson at [Pearsonhighered.com](http://Pearsonhighered.com) or [Coursesmart](http://Coursesmart.com) at [coursesmart.com](http://coursesmart.com). Digital editions tend to be significantly less expensive (and

more flexible) than new print editions.

### ***Required Calculator***

You will need a calculator for this course capable of performing basic time-value-of-money (TVM) calculations. Financial calculators enable you to perform these calculations using pre-programmed functions and are preferred.

If you already own a scientific (statistical) calculator, there is no need to purchase a financial calculator unless you prefer the convenience of pre-programmed TVM functions. You will not be at a disadvantage without a financial calculator.

### ***Lecture Materials***

Most lectures are presented in a lecture format, organized around questions, problems, practical exercises, and small-case situations. Lectures are designed to engage students and promote involvement in class discussion. Some lectures may be presented with PowerPoint slides. When used, the slides will be posted to the course website. Be sure to check the website frequently for new postings.

## **COURSE REQUIREMENTS**

### **Course Exams**

You will take **3 exams** during the course. Each exam covers certain chapters from the course text and may include questions from outside the text based on class discussion and supplemental assignments. Exams are designed to evaluate your understanding of key concepts and your ability to apply basic tools to common problems.

Exam ground rules (additional ground rules may be announced at a later date):

- Make-up exams may be given at the discretion of the instructor. Permission to take a make-up exam will depend upon the particular circumstances. Should permission not be granted, and should the student decide not to take the exam at the regularly scheduled time, the student may receive a grade of zero on the exam in question.
- A topic does not have to be discussed in class to be testable.
- Under no circumstances will a student be excused from an exam.
- Exams are subject to the policy on the use of electronic devices in class (see below).

## **ACADEMIC INTEGRITY**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's *Code of Student Conduct*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's *Code of Student Conduct* and this syllabus may

constitute “Academic Misconduct.”

The Ohio State University’s *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: “Any activity that tends to compromise the academic integrity of the University, or subvert the educational process.” Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University’s *Code of Student Conduct* is never considered an “excuse” for academic misconduct, so I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct. (You can find the full Code at: [http://studentlife.osu.edu/pdfs/csc\\_12-31-07.pdf](http://studentlife.osu.edu/pdfs/csc_12-31-07.pdf) )

**If the instructor suspects that a student has committed academic misconduct in this course, he or she is obligated by University Rules to report suspicions to the Committee on Academic Misconduct.**

## **WAIT-LISTED STUDENTS (undergraduate courses only)**

- Wait-listed students who wish to enroll in a course must attend class for that course through the first class session of the second week of the semester. After that date, students who have not been added to the course will not be enrolled and may not continue attending the class.
- Wait-listed students should contact either the Fisher Undergraduate Program Office or the Department of Finance if they have questions about the wait-list process.

## **DISENROLLMENT**

- The Fisher College of Business strongly enforces University attendance policies.
- Pursuant to University Rule 3335-8-33, a student may be “disenrolled” from a course for failure to attend by the first Friday of the term, by the third instructional day of the term, or by the second class meeting, **whichever occurs first**.

## **POLICY ON EXTRA CREDIT**

- Extra credit will not be offered unless it is available to the entire class. For example, if a student wishes to improve his grade at the end of the course, extra credit will not be available for this purpose, as it unfairly penalizes students who have consistently worked hard throughout the course. This policy is strictly enforced.

## **APPOINTMENTS**

- Unless announced otherwise, Mr. Hansen is available to meet with students on an individual basis before or after class, or by appointment. Please email to make an appointment and provide a general idea of the topic you'd like to discuss so that I can be as prepared as possible for our appointment with you.

## **DISABILITY SERVICES**

- The Student Life Disability Services (SLDS) verifies students with specific disabilities and develops strategies to meet their needs. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the term to discuss their particular needs. Students with a specific disability are encouraged to contact SLDS to explore potential accommodations available to them.

## **POLICY ON THE USE OF ELECTRONIC DEVICES IN CLASS**

- Cell phones may **not** be used in class at any time.
- During class, your cell phone must be set to SILENT (not vibrate) or turned OFF.
- No calculator that is part of a cell phone may be used on an exam.
- Laptops and tablets may be used in class only with the instructor's permission.
- Lectures and other presentations may **not** be recorded (audio or video).
- Any electronic device not mentioned elsewhere in this section may be used in class only with the instructor's permission.
- This policy does not apply to electronic devices used for medical reasons.
- The instructor may amend this policy at any time, should circumstances warrant.

## COURSE SCHEDULE

Class Dates	Activities – Topics – Requirements
TUES JAN 10 WH/SH 1	<b>Introduction and Course Administration</b> Discussion of course topics, requirements, policies and procedures
THURS JAN 12 WH 2	<b>Basic Concepts in Risk</b> Chapter 1 – Risk and Its Treatment
TUES JAN 17 WH 3	<b>Basic Concepts in Risk</b> Chapter 1 – Risk and Its Treatment Chapter 2 – Insurance and Risk (exclude the chapter appendix)
THURS JAN 19 WH 4	<b>Basic Concepts in Insurance and Risk</b> Chapter 2 – Insurance and Risk (exclude the chapter appendix)
TUES JAN 24 WH 5	<b>Risk Management: Insurance Past to Present 1</b> Chapter 3 – Introduction to Risk Management Chapter 4 – Enterprise Risk Management (pages 68-74 only)
THURS JAN 26 SH 6	<b>Risk Management: Insurance Past to Present 2</b> Chapter 3 – Introduction to Risk Management Chapter 4 – Enterprise Risk Management (pages 68-74 only)
TUES JAN 31 WH 7	<b>The Private Insurance Industry</b> Chapter 6 – Insurance Company Operations.
THURS FEB 2 SH 8	<b>The Private Insurance Industry</b> Chapter 7 – Financial Operations of Insurers
TUES FEB 7 WH 9	<b>The Private Insurance Industry</b> Chapter 7 – Financial Operations of Insurers Chapter 8 – Government Regulation of Insurance
THURS FEB 9 WH 10	<b>The Private Insurance Industry</b> Chapter 8 – Government Regulation of Insurance Exam 1 Review
TUES FEB 14 WH 11	<b>EXAM 1</b> Covers Chapters 1, 2, 3, 4, 6, 7, 8 *Bring a calculator for the exam

## COURSE SCHEDULE

<b>Class Dates</b>	<b>Activities – Topics – Requirements</b>
THURS FEB 16 WH 12	<b>Legal Principles in Risk and Insurance</b> Chapter 9 – Fundamental Legal Principles
TUES FEB 21 WH 13	<b>Legal Principles in Risk and Insurance</b> Chapter 9 – Fundamental Legal Principles Chapter 10 – Analysis of Insurance Contracts
THURS FEB 23 SH 14	<b>Legal Principles in Risk and Insurance</b> Chapter 10 – Analysis of Insurance Contracts
TUES FEB 28 WH 15	<b>Life and Health Risks</b> Chapter 11 – Life Insurance
THURS MAR 2 SH 16	<b>Life and Health Risks</b> Chapter 14 – Annuities and Individual Retirement Accounts
TUES MAR 7 WH 17	<b>Life and Health Risks</b> Chapter 15 – Healthcare Reform: Individual Health Insurance Coverages Review for Exam 2
THURS MAR 9 WH 18	<b>Life and Health Risks</b> <b>EXAM 2</b> Covers Chapters 9, 10, 11, 14, 15
Week of March 14/16	<b>SPRING BREAK – NO CLASS</b>
TUES MAR 21 SH 19	<b>Personal Property and Liability Risks</b> Chapter 19 – The Liability Risk
THURS MAR 23 WH 20	<b>Personal Property and Liability Risks</b> Chapter 20 – Auto Insurance
TUES MAR 28 WH 21	<b>Personal Property and Liability Risks</b> Chapter 20 – Auto Insurance Chapter 21 – Auto Insurance, continued
THURS MAR 30 WH 22	<b>Personal Property and Liability Risks</b> Chapter 21 – Auto Insurance, continued
TUES APRIL 4 WH 23	<b>Personal Property and Liability Risks</b> Chapter 22 – Homeowners Insurance, Section I

## COURSE SCHEDULE

<b>Class Dates</b>	<b>Activities – Topics – Requirements</b>
THURS APRIL 6 WH 24	<b>Personal Property and Liability Risks</b> Chapter 22 – Homeowners Insurance, Section I Chapter 23 – Homeowners Insurance, Section II
TUES APRIL 11 WH 25	<b>Personal Property and Liability Risks</b> Chapter 23 – Homeowners Insurance, Section II Chapter 24 – Other Property and Liability Insurance Coverages
THURS APRIL 13 WH 26	<b>Commercial Property and Liability Risks</b> Chapter 25 – Commercial Property Insurance
TUES APRIL 18 WH 27	<b>Commercial Property and Liability Risks</b> Chapter 26 – Commercial Liability Insurance
THURS APRIL 20 WH 28	<b>Contemporary Issues in Insurance and Course Wrap Up</b> Review for Exam 3
THURS APRIL 27 WH 29	<b>EXAM 3</b> Covers Chapters 19, 20, 21, 22, 23, 24, 25, 26 Remember to bring your calculator

We reserve the right to correct errors in this document at any time, with appropriate notice.

Additional reading assignments may be posted at any time during the course, with appropriate notice, and can be found on Canvas.