



### **Instructor:**

Name: George D. Krempsey, CIC, CRM  
Department: Finance  
Office Location: 301 B Fisher Hall  
Phone Number: (614) 937-8964 (cell)  
Email: [krempsey.1@osu.edu](mailto:krempsey.1@osu.edu)  
Office Hours: By Appointment

### **Class Meeting Schedule:**

Class 4611: TTH, 8:00 AM-9:20 AM  
Location: Schoenbaum Hall 200

### **Course Materials:**

**Required Text:** Rejda, McNamara, and Rabel, *Principles of Risk Management and Insurance*, 2020, 14e, Pearson Education. This book (Rejda) is the standard principles of risk management and insurance (RMI) text used by many business schools in their introductory RMI courses, as well as in more advanced courses.

The textbook is provided via CarmenBooks. Unless you choose to opt-out of the program, you do NOT need to purchase any course materials at the bookstore. The fee for this material is included as part of tuition and is listed as CarmenBooks fee on your Statement of Account.

**Supplemental Companion Website:** Students can also access an online study resource through the link below. The student companion website contains two learning supplements that can enhance learning of the material:

- Practice quizzes – 10 multiple choice questions for each chapter
- Internet Exercises – Available for each chapter

[https://media.pearsoncmg.com/ph/bp/bridgepages/bp\\_rejda\\_bridgepage/rejda\\_14/](https://media.pearsoncmg.com/ph/bp/bridgepages/bp_rejda_bridgepage/rejda_14/)

**Required Calculator:** You will need a standard financial calculator for assignments, quizzes, and exams. The choice of calculator is yours.

**Course Description:** This course provides an introduction to insurance and its use to finance pure risks. Pure risks are defined as situations in which there are only the possibilities of loss or no loss. The course begins with a broad definition of risk and its meaning. Key terms are introduced to help us differentiate among various kinds of risk. The distinction between pure risk and speculative risks is clarified.

Using this foundation, our focus shifts to the identification and management of pure risks. Insurance is introduced as one of the options available to manage pure risk. Other options for treating pure risk are also reviewed, including loss control, risk retention and non-insurance risk transfer. The objective is to provide students with a rational methodology to evaluate pure risks and make optimal insurance decisions.

As the course unfolds, the statistical and legal foundations of insurance are reviewed. This provides the basis to analyze common insurance contracts. The essential characteristics of all insurance contracts are discussed. Personal automobile, homeowners, life and health insurance, and annuity contracts are all reviewed. Employee benefit plans, social insurance, government regulation of insurance and related public policy issues are also examined.

The course is structured to serve both as a survey course for students, who intend to take only one course in the risk management and insurance, and also as a foundation course for students wishing to pursue further studies in the field.

### **Course Learning Outcomes:**

By the end of this course, students should successfully be able to:

- Define and explain the meaning of risk. Distinguish among pure, speculative risk and other kinds of risk.
- Demonstrate proficiency in using the unique language of risk and insurance.
- Identify, analyze and evaluate various kinds of risks faced by business firms and individuals.
- Explain the conceptual framework for making risk management decisions. Be able to select the most appropriate technique for treating pure risks in a given case.
- Understand the essential details of insurance contracts and the institutional features of the insurance industry.
- Integrate and apply knowledge from other business courses to solve risk management problems.
- Be more knowledgeable and efficient consumers of both personal and business insurance.

### **How This Course Works:**

**Classroom Mode of delivery:** This course will be presented “live” in the classroom, with the exception of one class. The only class that will not be offered live is the one scheduled for Thursday, September 23<sup>rd</sup>. The instructor will record a video of the lecture on September 23<sup>rd</sup> and post it to Carmen.

### **Credit Hours and Work Expectations:**

This is a 3-credit-hour course. According to [Ohio State policy](#), students should expect to spend approximately 3 hours per week of time in direct instruction, plus 6 hours of study and homework outside of the classroom.

**Attendance and participation requirements:** You are strongly encouraged to attend all classes.

- However, students will be allowed to miss 5 (five) classes at their discretion.
- The only specific classes you are required to attend are classes in which either a quiz or an exam is scheduled.
- Should your absences exceed 5, each additional absence will negatively affect your class participation grade.
- The participation grade will take into account (a) Attendance at class (b) Participation in class discussions, (c) Responses to instructor questions (d) Participation in breakout discussions.

### **Communication guidelines**

The following are my expectations for how we should communicate as a class.

- Classroom discussions: Please be respectful and thoughtful in responding to questions and in communicating with other students. The value you get from the course depends to a significant degree on hearing the spoken word and on the quality of our discussions.
- Short answer questions: The standard of excellence for short answer questions on the mid-term and final exam is that of well-written business memo. Please remember to write using complete sentences, good grammar, correct spelling, and proper punctuation.

## **Description of Graded Course Assignments:**

- Introduce Yourself to the Class – Please prepare a short personal profile with answers to several general questions (shown on CarmenCanvas). The due date is 11:59 pm, Friday, 1/15/21. 10 points for a timely post.
- Quizzes - The course will have 5 quizzes, each worth 10 points. Each quiz will have 10 multiple choice questions, worth 1 point each. Quizzes will be administered at the start of the class in which they are scheduled. Quizzes will be "closed book". The quizzes will be taken individually. No one may assist you while you are taking the quiz. Quizzes will be run on the honor system, subject to the University's Code of Academic Conduct. Discussion with any other person regarding quiz questions, either in person or electronically, is strictly prohibited. Use of any answer key which a student may find on the internet or any other source is prohibited. **No make-up quizzes will be given.**
- Midterm Exam – A midterm exam will be given midway through the semester on 10/19/21. The exam will be administered in the classroom at normal class time. The midterm will consist of 40 multiple choice questions, worth two points each, and 4 short answer questions, worth 5 points each. Questions will reflect a relatively evenly distributed selection of the material from the text assigned from the class' inception to the date of the midterm. A mixture of analytic and conceptual questions will be used. Some questions may require calculations. The midterm must be taken individually. As with quizzes, the midterm will be run on the honor system, subject to the University's Code of Academic Conduct. Students must take the exam on the assigned date and at the assigned time. **No make-up exams will be given.**
- Comprehensive Final Exam - At the end of the course, you will take a comprehensive final exam covering all the material studied in the course. The comprehensive final exam will consist of 50 multiple-choice questions, each worth 2 points, and 6 short answer questions, each worth 5 points. The exam will be available online on Carmen. Students must take the exam time assigned by the registrar to the class and indicated in the Course Schedule below. **No make-up exams will be given.**
- Class Participation –A total of 30 points is allocated to the class participation grade. Class participation will be graded at the end of the semester. As noted above, participation will be evaluated based on (a) Attendance at class (b) Participation in class discussions, (c) Responses to questions in the regular class (d) Participation in breakout discussions.

## **Policy on Extra Credit**

Extra credit will not be offered unless it is available to the entire class. If an individual student wishes to improve their 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 will be strictly enforced.

## **Grading and Evaluation:**

Students should note the expectations for each in the descriptions of our class assignments below.

Assignment Name	Description/Timing	Points / Weight
Introduce Yourself to the Class	Written Statement Due Friday, 8/27/21, 11:59 pm	10
5 Quizzes	10 Multiple Choice Questions/1 points each question/ Must be taken in class, at the regular class time, on Tuesday of week scheduled	50
Mid-term Exam	40 multiple choice questions – 2 points each; 4 short- answer questions – 5 points each Must be taken in class on Tuesday, 10/19/21	100
Final Exam (Cumulative)	50 multiple choice questions – 2 points each; 6 short answer questions – 5 points each	130
Class Participation	Based on attendance and participation in class discussions and in breakout discussions	30
<b>TOTAL COURSE POINTS</b>		<b>320</b>

## **Grading scale**

93–100: A  
90–92.9: A-  
87–89.9: B+  
83–86.9: B  
80–82.9: B-  
77–79.9: C+  
73–76.9: C  
70–72.9: C-  
67–69.9: D+  
60–66.9: D  
Below 60: E

## **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 (<https://trustees.osu.edu/bylaws-and-rules/code>) and this syllabus may constitute Academic Misconduct (<https://oaa.osu.edu/academic-integrity-and-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.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

## **Safety and health requirements:**

Teaching staff and students are required to comply with and stay up to date on all University safety and health guidance, which includes wearing a face mask in any indoor space and maintaining a safe physical distance at all times. Non-compliance will be warned first and disciplinary actions will be taken for repeated offenses.

## **Disability Services:**

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's [request process](#), managed by Student Life Disability Services. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12th Avenue.

Students with the following exam accommodations may schedule to take their exams at SLDS:

- Accessible formats (e.g. braille, large print, screen-free)
- Assistive technology (e.g. JAWS, CCTV)
- Private testing room accommodation
- Test assistant (reader or scribe)

## **Course Technology:**

For help with your password, university email, Carmen, or any other technology issues, questions, or requests, contact the Ohio State IT Service Desk. Standard support hours are available at [ocio.osu.edu/help/hours](http://ocio.osu.edu/help/hours), and support for urgent issues is available 24/7.

- **Self-Service and Chat support:** [ocio.osu.edu/help](http://ocio.osu.edu/help)
- **Phone:** 614-688-4357(HELP)
- **Email:** [servicedesk@osu.edu](mailto:servicedesk@osu.edu)
- **TDD:** 614-688-8743

### **Baseline technical skills**

- Basic computer and web-browsing skills
- Navigating Carmen: for questions about specific functionality, see the [Canvas Student Guide](#).

### **Required equipment**

- Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
- Other: a mobile device (smartphone or tablet) or landline to use for BuckeyePass authentication

## Required software

- [Microsoft Office 365](#): All Ohio State students are now eligible for free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Full instructions for downloading and installation can be found [at go.osu.edu/office365help](http://go.osu.edu/office365help).

## Carmen access

You will need to use [BuckeyePass](#) multi-factor authentication to access your courses in Carmen. To ensure that you are able to connect to Carmen at all times, it is recommended that you take the following steps:

- Register multiple devices in case something happens to your primary device. Visit the [BuckeyePass - Adding a Device](#) help article for step-by-step instructions.
- Request passcodes to keep as a backup authentication option. When you see the Duo login screen on your computer, click **Enter a Passcode** and then click the **Text me new codes** button that appears. This will text you ten passcodes good for 365 days that can each be used once.
- Download the [Duo Mobile application](#) to all of your registered devices for the ability to generate one-time codes in the event that you lose cell, data, or Wi-Fi service.

If none of these options will meet the needs of your situation, you can contact the IT Service Desk at 614-688-4357 (HELP) and IT support staff will work out a solution with you.

## Course Schedule:

The schedule is shown on the next page. It shows a detailed timeline, with activities and dates for each module. All chapter readings refer to the course text: Rejda, McNamara, and Rabel, [Principles of Risk Management and Insurance](#), 2020, 14E Pearson Education. The course schedule will also be posted on the course website.

Class Dates	Class Schedule Activities – Topics – Requirements
Tues 8/24 & Thurs 8/26	<b>Module 1: Course Overview/Introduction to Risk Concepts</b> <ul style="list-style-type: none"><li>• Read: Chapter 1: Risk and Its Treatment</li><li>• Post “Introduce Yourself to Class” statement – Due: 8/27 at 11:59 pm</li></ul>
Tues 8/31 & Thurs 9/2	<b>Module 2: Basic Characteristics of Insurance</b> <ul style="list-style-type: none"><li>• Read: Chapter 2 – Insurance and Risk</li><li>• Read Chapter 2 Appendix</li></ul>
Tues 9/7 & Thurs 9/9	<b>Module 3: Important Legal Concepts Related To Insurance, part 1</b> <ul style="list-style-type: none"><li>• Read: Chapter 9: Fundamental Legal Principles</li><li>• Quiz 1: Tues, 9/7– Administered in class; Chapter 1 &amp; 2 material</li></ul>
Tues 9/14 & Thurs 9/16	<b>Module 4: Important Legal Concepts Related To Insurance, part 2</b> <ul style="list-style-type: none"><li>• Read: Chapter 10: Analysis of Insurance Contracts</li></ul>
Tues 9/21	<b>Module 5: Insurers and Insurance Distribution Systems</b> <ul style="list-style-type: none"><li>• Read: Chapter 5 – Types of Insurers and Marketing Systems</li><li>• Quiz 2: Tuesday, 9/21 – Administered in class; Chapter 9 &amp; 10 material</li></ul>
Thurs 9/23	<b>Module 6: Insurance Company Operations - No In-Person class; Lecture Will Be Recorded</b> <ul style="list-style-type: none"><li>• Read Chapter 6 – Insurance Company Operations</li><li>• View video lecture on Canvas</li></ul>

<b>Class Dates</b>	<b>Class Schedule Activities – Topics – Requirements</b>
<b>Tues 9/28 &amp; Thurs 9/30</b>	<b>Module 7: Insurance Regulatory Structure and Issues</b> <ul style="list-style-type: none"> <li>Chapter 8 – Government Regulation of Insurance</li> <li>Quiz 3 – Tues, 9/28 - Administered in class – Covers Chapter 5 &amp; 6</li> </ul>
<b>Tues 10/5 &amp; Thurs 10/7</b>	<b>Module 8: Life Risks</b> <ul style="list-style-type: none"> <li>Read: Chapter 11 – Life Insurance</li> </ul>
<b>Tues 10/12</b>	<b>Module 9: Life Insurance Contracts</b> <ul style="list-style-type: none"> <li>Read: Chapter 12 – Life Insurance Contractual Provisions</li> </ul>
<b>Thurs 10/14</b>	<b>Autumn Break No class</b>
<b>Tues 10/19</b>	<b>Midterm Exam</b> <ul style="list-style-type: none"> <li>Covers Chapters 1, 2, 2A, 5, 6, 8, 9, 10, 11 and 12</li> <li>Administered in class at regular class time</li> </ul>
<b>Thurs 10/21</b>	<b>Module 10: Individual Retirement Risks</b> <ul style="list-style-type: none"> <li>Read Chapter 14 – Annuities and Individual Retirement Accounts</li> </ul>
<b>Tues 10/26 &amp; Thurs 10/28</b>	<b>Module 11: Basis of Legal Liability</b> <ul style="list-style-type: none"> <li>Read: Chapter 19: The Liability Risk</li> </ul>
<b>Tues 11/2 &amp; Thurs 11/4</b>	<b>Module 12: Personal Auto Insurance Coverages</b> <ul style="list-style-type: none"> <li>Read: Chapter 20: Auto Insurance</li> <li>Quiz 4 – Tues, 11/2 - Administered in class – Covers Chapters 14 &amp; 19</li> </ul>
<b>Tues 11/9 &amp; Thurs 11/11</b>	<b>Module 13: Auto Insurance: Societal Problems and Attempts at Resolution</b> <ul style="list-style-type: none"> <li>Read: Chapter 21 – Auto Insurance (Continued)</li> </ul>
<b>Tues 11/16 &amp; Thurs 11/18</b>	<b>Module 14: Homeowners Risks: Property</b> <ul style="list-style-type: none"> <li>Read: Chapter 22 – Homeowners Insurance, Section I</li> <li>Quiz 5 – Tues, 11/16 – Covers Chapter 20 &amp; 21 Material</li> </ul>
<b>Tues 11/23</b>	<b>Module 15: Homeowners Risks: Liability</b> <ul style="list-style-type: none"> <li>Read: Chapter 23 – Homeowners Insurance, Section II</li> </ul>
<b>Thurs 11/25</b>	<b>Thanksgiving Holiday No Class</b>
<b>Tues 11/30 &amp; Thurs 12/2</b>	<b>Module 16: The U. S. Healthcare System and Individual Health Insurance Policies – Class 1</b> <ul style="list-style-type: none"> <li>Read: Chapter 15 – Individual Health Care Coverages</li> </ul>
<b>Tues 12/7</b>	<b>Module 17: Introduction to Pure Risk Management</b> Read: Chapter 3 – Introduction to Risk Management
<b>Fri 12/10</b>	<b>Final Exam - 6:00 to 7:45 pm</b> <ol style="list-style-type: none"> <li>The final exam will be cumulative.</li> <li>The text chapters tested will include: 1, 2, 2A, 5, 6, 9, 10, 11, 12, 14, 15, 19, 20, 21, 22, and 23</li> <li><b>Location: Hitchcock Hall, 2070 Neil Avenue, Room 031</b></li> </ol>

The course schedule is subject to change at the instructor's discretion. Students will be given prior notice of any changes to the schedule. The instructor also reserves the right to correct any content or administrative errors in this syllabus at any time, with appropriate notice.

**Copyright:** © The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.