

BUSINESS FINANCE 4310

COMMERCIAL PROPERTY AND CASUALTY INSURANCE

Spring Semester 2022
Mon/Wed, 5:30-6:50 PM
Schoenbaum Hall 200

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COURSE DESCRIPTION

This course provides an introduction to commercial property and liability insurance, an important area of knowledge for the risk management and insurance professional. Property and liability insurance is also known as property and casualty insurance or P&C.

The course has four interrelated objectives. All are focused on building capacity to evaluate and manage risk: (1) Sharpen our ability to identify and evaluate commercial loss exposures: (2) Develop a working knowledge of the major commercial insurance contracts and their use; (3) Acquire skill in applying commercial insurance contract(s) to cover given loss situations: (4) Improve our overall ability to make effective risk decisions.

COURSE STRUCTURE

The Course will follow the structure of the Survey of Commercial Lines text, which has 11 chapters or “assignments”, as follows:

- Commercial property insurance, part I
- Commercial property insurance, part II
- Business income insurance
- Commercial crime insurance, and Equipment breakdown insurance
- Inland and Ocean marine insurance
- Commercial general liability insurance, part I
- Commercial general liability insurance, part II
- Commercial auto insurance
- Workers Compensation and Employers Liability Insurance
- Businessowners and Farm Insurance
- Specialty Coverages

An approximate course schedule of classes is provided at the end of the syllabus. The Course Schedule is also posted as a standalone document on the class website on Carmen/Canvas.

COURSE FORMAT:

All classes in the course will be held in person in the classroom. The classes will not be recorded. Quizzes and exams will be managed and administered on paper in the class room. Homework assignments will be administered via the course website on CarmenCanvas.

THE INSTITUTES REGISTRATION

BUSFIN 4310 is registered with the CPCU College Study Program of The Institutes, the principal professional organization for P & C risk management and insurance in the United States. The CPCU (Chartered Property Casualty Underwriter) is the designation program of choice among P&C professionals across the global P&C industry. The CPCU is comparable to the CFA in investments and the CPA in accounting.

Under The Institutes program, students who complete 4310 with a grade of “B” or better qualify for a one-course waiver in the 8-course CPCU program. Work completed toward the CPCU can be a strong addition to a student’s professional credentials upon entering the workforce.

COURSE MATERIALS

Required Course Texts

Survey of Commercial Insurance

3rd Edition, Edited by Arthur L. Flitner
The Institutes, 2017

The Institutes’ Handbook of Insurance Policies

12th Edition
The Institutes, 2018

Each student should own a copy of the current edition (no sharing) of the texts. We DO NOT support earlier editions, which can differ significantly from the current edition.

Learning Objectives

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

- Given a particular situation, identify and classify commercial property loss exposures and determine which exposures can be treated with commercial property insurance.
- Given a commercial property loss, determine whether the loss is a covered cause of loss. Apply the limits of insurance and deductible to determine how much should be paid for the loss.
- Given an insurable commercial property loss, determine whether the additional coverages and coverage extensions of the BPP apply to the described loss.
- Explain how the Loss Conditions, Additional Conditions, Commercial Property Conditions and Common Policy Conditions affects coverage under the BPP.
- Given a particular business income loss, determine whether the loss would be covered by business income insurance and how much an insurer should pay to cover the loss.

- Given a particular situation, identify and classify commercial crime loss exposures and determine which exposures can be treated with commercial crime insurance.
- Given a particular crime loss, determine whether the loss would be covered by the ISO commercial crime program, and if so, which coverage form would provide coverage.
- Given a particular situation, identify and classify equipment breakdown exposures and determine which exposures can be treated with equipment breakdown insurance.
- Given a particular situation, identify and classify commercial liability loss exposures and determine which exposures can be treated with commercial liability insurance.
- Given a particular situation, determine which liability losses can be covered by general liability insurance and how much an insurer should pay to cover each individual loss.
- Given a particular situation, determine whether and or what amount, the Business Auto Coverage Form covers a described claim.
- Given a particular situation, determine whether the Workers Compensation and Employers Liability Insurance Policy covers a described injury or illness and, if so, what types of benefits or what damages are covered.
- Describe the typical Businessowners policy. Contrast the Businessowners policy with the commercial property in a commercial package policy and liability coverages in the CGL.
- Summarize the coverages provided by the ISO Farm program and explain how specialty farm coverages help farmers address additional loss exposures.
- Describe the characteristics the following specialty coverages: commercial umbrella/excess liability, professional and management liability, environment insurance, aircraft insurance, cyber risk insurance, terrorism insurance and surety bonds.

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 3 quizzes, each worth 20 points. Each quiz will consist of 10 multiple choice questions, worth 2 points each. Quizzes will be administered at the start of the class in which they are scheduled. The quizzes must be taken individually and will be closed book. 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. Students must take the quizzes in class on the scheduled date during normal class time. **No make-up quizzes will be given.**
- Homework Assignments: There will be 3 Homework Assignments, each worth 20 points. The assignments will be distributed by CarmenCanvas and students should post their answers directly to Canvas. Discussion Assignments will consist of one or more questions. The questions will be designed to "stretch" your analytical abilities, and apply the knowledge and skills you have acquired from the readings and the classroom. Each student must individually write his or her own answers. Once you post your answers to Canvas, you will not be able to post any revisions. The homework assignments will become available on the Monday of the week they are assigned. Your answers must be posted to Canvas by 11:59 pm of that Friday. **No make-up homework assignments will be offered.**

- **Exams** – The course will have three examinations. Two of the exams will be given during semester and a final exam will be given on the date and time shown on the registrar's final exam schedule. Each exam will be worth 100 points. The first exam will cover material from the first four chapters (chapters 1 – 4). The second exam will cover material the second four chapters (chapters 5 – 8). The final exam will be cumulative. The exams will consist of both multiple choice and short answer questions. The multiple choice questions will have a point value of 2 points each. The point value of short answer questions will vary, ranging from 3 points to 20 points for a multi-part question. 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.
- **Class Participation** – A total of 30 points will be allocated to the class participation grade. Class participation will be graded at the end of the semester. The participation grade will take into account (a) Attendance at class (b) Responses to instructor questions (c) Participation in full class discussions.
- **Absenteeism Policy** - You are strongly encouraged to attend all classes. However, students are allowed to miss 3 (three) classes at their discretion. You are required to attend all classes in which either a quiz or an exam is scheduled. Should your absences exceed 3, each additional absence will negatively affect your class participation grade.

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.

COMMUNICATION GUIDELINES

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

- **Writing style:** Please remember to write using complete sentences, good grammar, correct spelling, and proper punctuation.
- **Standard of excellence:** The standard of excellence will be that of well-written business memo in which you present a recommendation and support your recommendation with relevant evidence and effective reasoning.
- **Tone and civility:** Let's maintain a supportive learning community where everyone feels safe and where people can disagree amicably.

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. It is expected that students will complete readings assignments prior to the class in which they are scheduled to be discussed.

REQUIRED CALCULATOR

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

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, 1/14/22 at 11:59 pm	10
3 Quizzes	10 Multiple Choice Questions/2 points each question/ Administered in class, at the regular class time, on Monday of week scheduled	60
3 Homework Assignments	One or more short-answer questions/20 points per assignment/Submitted to Class website on Carmen Canvas; Due 11:59 pm of Friday of the week scheduled	60
Exam 1	The first exam will cover material from chapters 1, 2, 3 and 4 and will use both multiple choice and short answer questions.	100
Exam 2	The first exam will cover material from chapters 5, 6, 7 and 8 and will use both multiple choice and short answer questions.	100
Final Exam (Cumulative)	Multiple choice and short answer questions, covering all 11 chapters of the text.	100
Class Participation	Grade will be based on attendance and class participation criteria noted above, under: “Attendance and participation requirements”	30
	TOTAL COURSE POINTS	400

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; 614-292-3307; 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, and support for urgent issues is available 24/7.

- **Self-Service and Chat support:** ocio.osu.edu/help
- **Phone:** 614-688-4357(HELP)
- **Email:** 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](https://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 *course schedule* is shown below. The 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.

DATE	KEY TOPICS/EXAMS	READINGS/HOMEWORK
Mon Jan 10	<ul style="list-style-type: none"> Commercial Property Loss Exposures Commercial Package Policy (CPP) Business & Personal Property Form BPP Covered Property BPP Additional Coverages BPP Coverage Extensions 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 1, p. 1.1-1.18
Wed Jan 12	<ul style="list-style-type: none"> Causes of Loss - Basic and Broad Forms Causes of Loss – Special Form Exclusions and Limitations Unique to the Special Form BPP Limits and Deductibles 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 1, p. 1.18-1.34
Mon Jan 17	Martin Luther King Day No class	
Wed Jan 19	<ul style="list-style-type: none"> BPP Loss & Additional Conditions BPP Optional Coverages Commercial Property Conditions Common Policy Conditions 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 2, p.2.1-2.18
Mon Jan 24	<ul style="list-style-type: none"> Commercial Property Endorsements Factors Affecting Commercial Premium Determining Whether the BPP Covers a Loss 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 2, p.2.18-2.35
Wed Jan 26	<ul style="list-style-type: none"> Quiz 1: Chapters 1 & 2 Material Business Income Loss Exposures; BIC Insuring Agreements BIC Additional Coverages and Coverage Extensions 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 3, p. 3.1 – 3.18
Mon Jan 31	<ul style="list-style-type: none"> BIC Limits and Conditions BIC Additional Condition: Coinsurance BIC Optional Coverages 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 3, p. 3.19 – 3.31
Wed Feb 2	<ul style="list-style-type: none"> Overview of Commercial Crime Insurance; Commercial Crime Insuring Agreements Limits and Deductibles 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 4, p. 4.1 – 4.15 HW 1 Due – 2/4 – 11:59 pm
Mon Feb 7	<ul style="list-style-type: none"> Commercial Crime Insurance Exclusions Commercial Crime Insurance Conditions Loss Sustained Form Versus Discovery Form Conditions Applicable to Employee Theft Only 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Ch. 4, p. 4.16 – 4.36

DATE	KEY TOPICS/EXAMS	READINGS/HOMEWORK
Wed Feb 9	<ul style="list-style-type: none"> • Need for Equipment Breakdown Insurance • Equipment Breakdown Insuring Agreements • Equipment Breakdown Policy Conditions 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 4, p. 4.36 – 4.42
Mon Feb 14	EXAM 1	<ul style="list-style-type: none"> • Material To Be Tested On: Chapters, 1, 2, 3, 4
Wed Feb 16	<ul style="list-style-type: none"> • Overview of Inland Marine; • Filed Inland Marine Classes; • Non-filed Inland Marine Classes 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 5, p. 5.1 – 5.15
Mon Feb 21	<ul style="list-style-type: none"> • Overview of Ocean Marine Insurance • Ocean Marine Policies 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 5, p. 5.15 – 5.27 • HW #2 Due – 2/18 – 11:59 pm
Wed Feb 23	<ul style="list-style-type: none"> • Overview of Commercial General Liability; • Components of a CGL Coverage Part • CGL Coverage A, Insuring Agreement • CGL Coverage A, Exclusions, part 1 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 6, p. 6.1-6.18
Mon Feb 28	<ul style="list-style-type: none"> • CGL Coverage A, Exclusions, part 2 • CGL Coverage B, Insuring Agreement and Exclusions • CGL Coverage C, Insuring Agreement and Exclusions • CGL Supplementary Payments 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 6, p. 6.19-6.30
Wed Mar 2	<ul style="list-style-type: none"> • Quiz 2: Chapter 5 & 6 Material • Commercial General Liability Part II • CGL Who Is An Insured Provisions • CGL Limits • CGL Conditions part 1 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 7, p. 7.1-7.15
Mar 7	<ul style="list-style-type: none"> • CGL Conditions part 1 • Rating CGL Coverage • CGL Rating Formula • CGL Rate for Business Classifications 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 7, p. 7.15-7.27
Mon Mar 9	<ul style="list-style-type: none"> • Overview of Commercial Auto • Business Auto Coverage Form – Covered Autos • BACF Liability Coverage 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 8, p. 8.1-8.16
Mar 14 & Mar 16	Spring Break No class	
Mon Mar 21	<ul style="list-style-type: none"> • BACF– Liability Coverage Extensions • BACF – Physical Damages • BACF – Conditions and General Conditions 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 8, p. 8.17-8.30
Wed Mar 23	<ul style="list-style-type: none"> • BACF – Endorsements • Rating Commercial Auto Insurance 	<ul style="list-style-type: none"> • Survey of Commercial Insurance, Chapter 8, p. 8.31-8.46

DATE	KEY TOPICS/EXAMS	READINGS/HOMEWORK
Mon Mar 28	EXAM 2	<ul style="list-style-type: none"> Material To Be Tested On: Chapters, 5, 6, 7, 8
Wed Mar 30	<ul style="list-style-type: none"> W. C. Statutes: Purpose, Benefits, Covered Persons W. C. Statutes: Extraterritorial Provisions, Federal Jurisdiction Methods for Meeting Employers' Obligations 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 8, p. 9.1-9.14 HW #3 Due – 3/25 – 11:59 pm
Mon Apr 4	<ul style="list-style-type: none"> WC&EL Policy – Workers Compensation Insurance WC&EL Policy – Employers Liability Insurance 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 8, p. 9.15-9.22
Wed Apr 6	<ul style="list-style-type: none"> WC&EL Policy – Other States Insurance WC&EL Policy – Endorsements Rating Workers Compensation 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 8, p. 9.23-9.38
Mon Apr 11	<ul style="list-style-type: none"> Overview of Businessowners Policy BOP Property Coverage BOP Liability Coverage 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 10, p. 10.1-10.11
Wed Apr 13	<ul style="list-style-type: none"> ISO Farm Insurance Program Specialty Farm Coverages 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 10, p. 10.12-10.15
Mon Apr 18	<ul style="list-style-type: none"> Quiz 3: Chapter 8 & 9 Material Commercial Excess and Umbrella Liability Insurance Professional Liability Insurance Management Liability Insurance Environmental Insurance 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 11, p. 11.1-11.21
Wed Apr 20	<ul style="list-style-type: none"> Aircraft Insurance Cyber Risk Insurance Insuring International Operations Terrorism Insurance Types of Surety Bonds 	<ul style="list-style-type: none"> Survey of Commercial Insurance, Chapter 11, p. 11.22-11.43
Mon Apr 25	<ul style="list-style-type: none"> Class Summary Selective Review for Final Exam 	<ul style="list-style-type: none"> Chapters, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11
Tues May 3	<ul style="list-style-type: none"> Final Exam (Cumulative) Time: 6:00 – 7:45 pm Location: Schoenbaum Hall 200 	<ul style="list-style-type: none"> Material To Be Tested On: Chapters, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11

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