



ARIZONA STATE UNIVERSITY

GENERAL STUDIES COURSE PROPOSAL COVER FORM

Course information:

Copy and paste current course information from Class Search/Course Catalog.

College/School College of Liberal Arts and Sciences Department School of Mathematical & Statistical Sciences
Prefix ACT Number 301 Title Risk Management and Insurance Units: 3
Is this a cross-listed course? No If yes, please identify course(s)

Is this a shared course? No If so, list all academic units offering this course

Note- For courses that are crosslisted and/or shared, a letter of support from the chair/director of each department that offers the course is required for each designation requested. By submitting this letter of support, the chair/director agrees to ensure that all faculty teaching the course are aware of the General Studies designation(s) and will teach the course in a manner that meets the criteria for each approved designation.

Is this a permanent numbered course with topics? No

If yes, all topics under this permanent numbered course must be taught in a manner that meets the criteria for the approved designation(s). It is the responsibility of the chair/director to ensure that all faculty teaching the course are aware of the General Studies designation(s) and adhere to the above guidelines. (Required)

Course description: Provides an introduction to the different types of risks faced by individuals, businesses and society along with ways in which they make an assessment of, control and transfer of different types of risks including property risk, liability risk, personal risks and speculative risks such as financial risks. Covers risk management techniques including risk control and risk financing with a focus on insurance policies, and also presents other major topics in personal financial planning, social insurance, insurance operations and regulations, and reinsurance. Also gives attention to contemporary issues and challenges in risk management and insurance.

Requested designation: Social-Behavioral Sciences-SB Mandatory Review: No

Social-Behavioral Sciences-SB

Note- a separate proposal is required for each designation.

Eligibility:

Permanent numbered courses must have completed the university's review and approval process. For the rules governing approval of omnibus courses, contact Phyllis.Lucie@asu.edu.

Submission deadlines dates are as follow:

For Fall 2016 Effective Date: October 1, 2015

For Spring 2017 Effective Date: March 10, 2016

Area(s) proposed course will serve:

A single course may be proposed for more than one core or awareness area. A course may satisfy a core area requirement and more than one awareness area requirements concurrently, but may not satisfy requirements in two core areas simultaneously, even if approved for those areas. With departmental consent, an approved General Studies course may be counted toward both the General Studies requirement and the major program of study.

Checklists for general studies designations:

Complete and attach the appropriate checklist

- Literacy and Critical Inquiry core courses (L)
Mathematics core courses (MA)
Computer/statistics/quantitative applications core courses (CS)
Humanities, Arts and Design core courses (HU)
Social-Behavioral Sciences core courses (SB)
Natural Sciences core courses (SQ/SG)
Cultural Diversity in the United States courses (C)
Global Awareness courses (G)
Historical Awareness courses (H)

A complete proposal should include:

- Signed course proposal cover form
Criteria checklist for General Studies designation(s) being requested
Course catalog description
Sample syllabus for the course
Copy of table of contents from the textbook and list of required readings/books

It is respectfully requested that proposals are submitted electronically with all files compiled into one PDF.

Contact information:

Name Jelena Milovanovic E-mail jmz@asu.edu Phone 480-965-5892

Department Chair/Director approval: (Required)



ARIZONA STATE UNIVERSITY

Chair/Director name (Typed): Al Boggess, Director Date: 2/21/17

Chair/Director (Signature): 

Arizona State University Criteria Checklist for
SOCIAL-BEHAVIORAL SCIENCES [SB]

Rationale and Objectives

Social-behavioral sciences use distinctive scientific methods of inquiry and generate empirical knowledge about human behavior, within society and across cultural groups. Courses in this area address the challenge of understanding the diverse natures of individuals and cultural groups who live together in a complex and evolving world.

In both private and public sectors, people rely on social scientific findings to consider and assess the social consequences of both large-scale and group economic, technological, scientific, political, ecological and cultural change. Social scientists' observations about human interactions with the broader society and their unique perspectives on human events make an important contribution to civic dialogue.

Courses proposed for a General Studies designation in the Social-Behavioral Sciences area must demonstrate emphases on: (1) social scientific theories, perspectives and principles, (2) the use of social-behavioral methods to acquire knowledge about cultural or social events and processes, and (3) the impact of social scientific understanding on the world.

Revised April 2014

Proposer: Please complete the following section and attach appropriate documentation.

ASU--[SB] CRITERIA			
A SOCIAL-BEHAVIORAL SCIENCES [SB] course should meet all of the following criteria. If not, a rationale for exclusion should be provided.			
YES	NO		Identify Documentation Submitted
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Course is designed to advance basic understanding and knowledge about human interaction.	Highlighted course description (appendix A). Highlighted student learning outcomes (Appendix B). Highlighted Course Outline (Appendix C).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Course content emphasizes the study of social behavior such as that found in:	Highlighted chapter coverings: 1,2,4, 5, 8, 11, 15, & 18, (Appendix C). Discussion Board topics on current social issues (Appendix F)
		<ul style="list-style-type: none"> • ANTHROPOLOGY • ECONOMICS • CULTURAL GEOGRAPHY • HISTORY 	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Course emphasizes: <ul style="list-style-type: none"> a. the distinct knowledge base of the social and behavioral sciences (e.g., sociological anthropological). <li style="text-align: center;">OR b. the distinct methods of inquiry of the social and behavioral sciences (e.g., ethnography, historical analysis). 	Highlighted Chapter coverings: Chapter 1, 2, 4, 8, 15, & 18. (Appendix D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Course illustrates use of social and behavioral science perspectives and data.	Highlighted Chapter Coverings: Chapter 1, 2, 8, 11, 15, 18 (Appendix E)
		THE FOLLOWING TYPES OF COURSES ARE EXCLUDED FROM THE [SB] AREA EVEN THOUGH THEY MIGHT GIVE SOME CONSIDERATION TO SOCIAL AND BEHAVIORAL SCIENCE CONCERNS:	
		<ul style="list-style-type: none"> • Courses with primarily arts, humanities, literary or philosophical content. • Courses with primarily natural or physical science content. • Courses with predominantly applied orientation for professional skills or training purposes. • Courses emphasizing primarily oral, quantitative, or written skills. 	

Course Prefix	Number	Title	General Studies Designation
ACT	301	Risk Management and Insurance	SB

Explain in detail which student activities correspond to the **specific** designation criteria. Please use the following organizer to explain how the criteria are being met.

Criteria (from checksheet)	How course meets spirit (contextualize specific examples in next column)	Please provide detailed evidence of how course meets criteria (i.e., where in syllabus)
1. Course is designed to advance basic understanding and knowledge about human interaction	This course is designed to define and explain the nature of risk in society and the need of insurance. The nature of risk involves human decision making and can include social aspects of decision making and management.	The course description in the syllabus indicates the focus and nature of risk (Appendix A). The student learning outcomes emphasize the nature of risk and proper risk management tools (Appendix B). Appendix C highlights course content in the syllabus that focuses on the understanding of risk and management.
2. Course content emphasizes study of behavior such as Economics, Risk Management and Insurance	Risk management and insurance does deal in the realm of economics, but is not the sole focus of the course. This course emphasizes the nature and management of risk, which is best understood by understanding human behavior.	Appendix C highlights topics from the syllabus that emphasizes the role of human behavior in risk and risk management. The historical background of risk is emphasized. The discussion board homework will focus on social issues that are related to the content.
3. Course Emphasizes the distinct knowledge base/ analysis methods	This course emphasizes the historical context of risk and risk management. It includes methods for analyzing the impact of risk in the modern world along with best practices for risk management	The highlighted chapter coverings in Appendix D focus on the historical context of risk, the cost to society, and the impacts on the modern family.
4 Course illustrates the use of Social Behavioral Methods and Data	This course emphasizes data collected on the need and cost of insurance and the risk to society and focuses on methods of risk management to reduce the cost.	The highlighted chapter coverings in Appendix E focus on the burden of risk to society, the history of regulation, the role of law in insurance, and the impact of risk and risk management to families.

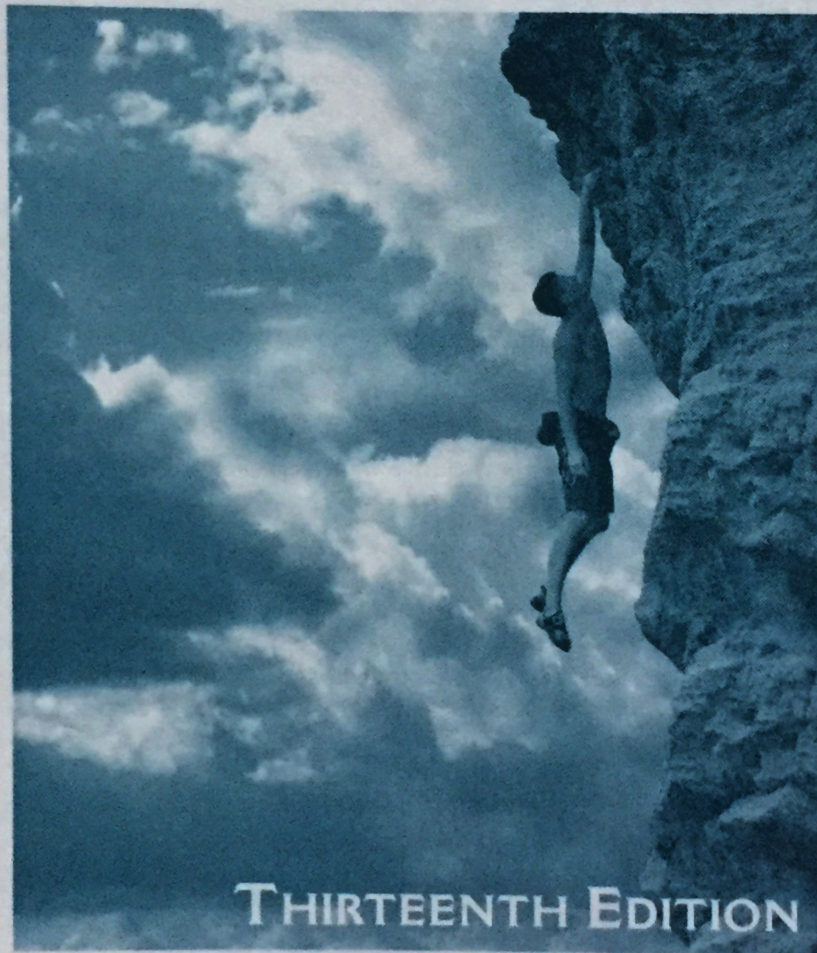
ACT 301:

Course description: This course provides an overview to the different types of risks faced by individuals, businesses, and society along with ways in which they make an assessment of, control, and transfer of different types of risks including property risk, liability risk, personal risks, and speculative risks such as financial risks. It covers risk management techniques including risk control and risk financing with a focus on insurance policies, and also presents other major topics in personal financial planning, social insurance, insurance operations and regulations, and reinsurance. Attention will also be given to contemporary issues and challenges in risk management and insurance and how they are applied in society at large.

Principles of **RISK MANAGEMENT AND INSURANCE**

GEORGE E. REJDA

MICHAEL J. McNAMARA



PEARSON

Boston Columbus Indianapolis New York San Francisco Amsterdam Cape Town
Dubai London Madrid Milan Munich Paris Montréal Toronto Delhi Mexico City
São Paulo Sydney Hong Kong Seoul Singapore Taipei Tokyo

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PREFACE

This text deals with risk and its management. Since the last edition of the text appeared, several tragedies have occurred that clearly demonstrate the deadly presence of risk in our society. A suicide bomber entered a market near Baghdad, detonated a bomb, and killed 11 people. Malaysia Flight 360 mysteriously disappeared with 239 passengers aboard, causing an enormous amount of pain and suffering to the surviving families. A deadly earthquake struck Nepal, a low-income country in Asia, which killed more than 8,600 people and destroyed or damaged tens of thousands of houses. Meanwhile, in the United States, a gunman killed nine members of a Bible study group in an historical African American church in Charleston, South Carolina, and a student enrolled at Umpqua Community College in Oregon killed nine people and himself in a tragic and senseless shooting.

In addition to reporting events making national headlines, the media routinely report on tragic events at the local level that clearly show the destructive presence of risk. A runner is hit by a car while jogging; a tornado touches down and destroys most of a small town; a house fire leaves a family homeless; a drunk driver fails to stop at a red light and smashes into another motorist; a plant explosion kills two people and injures several employees; and a blinding snowstorm and ice-packed interstate highway cause a chain-like accident and collision damage to 10 cars. To say that we live in a risky and dangerous world is an enormous understatement.

This thirteenth edition of *Principles of Risk Management and Insurance* discusses these issues and other insurance issues as well. As in previous editions, the text is designed for a beginning undergraduate course in risk management and insurance with no prerequisites. This edition provides an in-depth treatment of major risk management and insurance topics. Topics discussed include basic concepts of risk and insurance, introductory and advanced topics in traditional risk management and enterprise risk management,

functional and financial operations of insurers, legal principles, life and health insurance, property and liability insurance, employee benefits, and social insurance. In addition, the Affordable Care Act is discussed in depth. Once again, *Principles of Risk Management and Insurance* places primary emphasis on insurance consumers and blends basic risk management and insurance principles with consumer considerations. With this user-friendly text, students can apply basic concepts immediately to their own personal risk management and insurance programs.

KEY CONTENT CHANGES IN THE THIRTEENTH EDITION

Thoroughly revised and updated, this edition provides an in-depth analysis of current insurance industry issues and practices, which readers have come to expect from *Principles of Risk Management and Insurance*. Key content changes in this edition include the following:

- *Capital retention approach eliminated.* In Chapter 11, the capital retention approach for determining the amount of life insurance has been eliminated. This method generally is not discussed in the online websites of life insurers. In contrast, the needs approach is heavily stressed in the available online calculators.
- *Healthcare reform.* Chapter 15 has an in-depth discussion and update of the broken healthcare delivery system in the United States, which led to enactment of the Affordable Care Act.
- *Update on the Affordable Care Act.* Chapters 15 and 16 provide an update on the Affordable Care Act (ACA) and its impact on individual and group health insurance coverages. Primary attention is devoted to provisions that have a major financial impact on individuals, families, and employers. Chapter 18 summarizes the possible desirable and

undesirable effects of the ACA on both workers compensation programs and employers.

- *Current developments in employer-sponsored group health insurance plans.* Employers continue to grapple with the rapid increase in group health insurance premiums and to seek new solutions for holding down costs. Chapter 16 discusses current trends in group health insurance to contain higher healthcare costs and premiums.
- *Change in sequence of homeowners and auto insurance chapters.* In previous editions, homeowners insurance was discussed prior to auto insurance. This thirteenth edition reverses the sequence of homeowners and auto insurance chapters. Auto insurance is discussed first because it is more relevant and interesting to students than homeowners insurance. In addition, discussion of liability coverage in the Personal Auto Policy (now Chapter 20) logically follows the general discussion of the liability risk treated in the previous chapter (Chapter 19).
- *Legalization of medical marijuana and opiate overuse in workers compensation.* The medical use of marijuana has been legalized in at least 20 states and the District of Columbia. The increased use of medical marijuana and opiate overuse, and their impact on workers compensation programs, are important issues discussed in Chapter 18.
- *Cyber-liability insurance.* Computer hackers have been successful in accessing the credit card records and other personal information of millions of customers of major retail firms. Cyber-liability insurance covers damages arising from the failure of a data holder to protect private information from being accessed by an unauthorized party. Chapter 26 discusses some basic concepts in cyber-liability insurance.
- *New Insurance Services Office (ISO) Forms.* The latest revisions of the ISO Commercial Property form, the Commercial General Liability form, and the Commercial/Government Crime Forms are discussed in these pages. The text also covers the new Auto Dealers Coverage form.
- *New Insight boxes.* A number of new and timely Insight boxes appear. Insights are valuable learning tools that provide real-world applications of a concept or principle discussed in the text.
- *Technical accuracy.* As in previous editions, numerous experts have reviewed the text for

technical accuracy, especially in areas where changes occur rapidly. This new edition presents technically accurate and up-to-date material.

INSTRUCTOR RESOURCES

At the Instructor Resource Center, www.pearsonhighered.com/irc, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <http://247.pearsoned.com> for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- **Companion Website**
 - Internet exercises
 - A multiple choice practice quiz for each chapter
- **Instructor's Resource Manual & Test Bank**
- **TestGen® Computerized Test Bank**
- **PowerPoint Presentations**
- **Student Study Guide**

ACKNOWLEDGMENTS

A market-leading text is never written alone. We owe an enormous intellectual debt to numerous risk management and insurance professors, risk management experts, insurance industry personnel, and other professionals for their kind and gracious assistance. These experts provided supplementary materials, made valuable comments, answered technical questions, or provided other help. As a result, this new edition is a substantially improved educational product. Our experts include the following:

- Steve Avila, Ball State University
- Burton T. Beam, Jr., The American College (retired)
- Patricia Born, Florida State University
- Nick Brown, Chief Executive Officer, Global Aerospace
- Leon Chen, Minnesota State University, Mankato
- Ann Costello, University of Hartford
- Edward Graves, The American College (retired)
- Jane Henderson, LIMRA
- Robert Klein, Georgia State University

- Yu-Luen Ma, Illinois State University
- Rebecca A. McQuade, Director of Risk Management, PACCAR, Inc.
- William H. Rabel, The University of Alabama
- Bill Rives, The Ohio State University
- Fred Travis, University of Missouri-Columbia
- Johnny Vestal, Texas Tech University
- Eric Wiening, Insurance and Risk Management Author/Educator/Consultant
- Millicent W. Workman, Research Analyst, International Risk Management Institute, Inc. (IRMI), and Editor, *Practical Risk Management*

The views expressed in the text are those solely of the authors and do not necessarily reflect the viewpoints

or positions of the reviewers whose assistance we gratefully acknowledge.

Finally, the fundamental objective underlying this thirteenth edition remains the same as in the first edition: We have attempted to write an intellectually stimulating and visually attractive textbook from which students can learn and professors can teach.

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Nebraska—Lincoln*

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Mutual of Enumclaw/Field Distinguished Professor
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ACT 301 – Risk Management and Insurance

Instructor: Dr. May Boggess and Dr. Jelena Milovanovic	Office: WXL R 335 and 337
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Course description: This course provides an overview to the different types of risks faced by individuals, businesses, and society along with ways in which they make an assessment of, control, and transfer of different types of risks including property risk, liability risk, personal risks, and speculative risks such as financial risks. It covers risk management techniques including risk control and risk financing with a focus on insurance policies, and also presents other major topics in personal financial planning, social insurance, insurance operations and regulations, and reinsurance. Attention will also be given to contemporary issues and challenges in risk management and insurance and how they are applied in society at large.

Student learning outcomes: Students successfully completing this course will be able to:

- Demonstrate an understanding of the scope, application and definition of risk.
- Explain the risk management requirements needed by various entities in the 21st century.
- Define and match risk management methods with the appropriate risk.
- Identify and classify insurance and uninsurable risks.
- Explain the role private insurance market and how it functions.
- Identify and calculate insurance finance.
- Explain the role of regulation.
- Explain how insurance law and contract function.
- Define and explain: life, health, and personal property and casualty insurance, retirement plans, commercial insurance, and social insurance.

Prerequisites: MAT 270, 265 or 210 with C or better; STP 420, STP 226 or ECN 221; ECN211 or ECN212 recommended.

Required Textbooks: *Principles of Risk Management and Insurance* (13th edition) by G. Rejda and M. McNamara

Optional Textbooks: CAS Online Course 1 (CA 1) – *Risk Management and Insurance Operations*
Risk Management and Insurance (2nd edition) by S. Harrington and G. Niehaus

Calculator: TI-30XS Multiview.

Attendance: For classes that meet two days a week, the maximum number of allowed absences is four (4). Students who exceed the number of allowed absences will receive a grade of EN.

Course Outline:

<i>Week</i>	<i>Topics</i>	<i>Due Dates</i>
1	Intro to class Ch. 1: Risk in our society <ul style="list-style-type: none"> • Definitions of Risk • Chance of Loss • Peril and Hazard • Classification of Risk • Major Personal Risks and Commercial Risks • Burden of Risk on Society • Techniques for Managing Risk 	
2	Ch. 2: Insurance and Risk <ul style="list-style-type: none"> • Definition and Basic Characteristics of Insurance • Characteristics of An Ideally Insurable Risk • Adverse Selection and Insurance • Insurance and Gambling Compared • Insurance and Hedging Compared • Types of Insurance • Benefits and Costs of Insurance to Society Ch. 3: Intro to Risk Management <ul style="list-style-type: none"> • Meaning of Risk Management • Objectives of Risk Management • Steps in the Risk Management Process • Benefits of Risk Management • Personal Risk Management 	QUIZ_1 (Ch. 1)
3	Ch. 3: Intro to Risk Management Ch. 4: Advanced Topics in Risk Management <ul style="list-style-type: none"> • The Changing Scope of Risk Management • Insurance Market Dynamics • Loss Forecasting • Financial Analysis in Risk Management Decision Making • Other Risk Management Tools 	HW_1 (Ch. 1 and 2) QUIZ_2 (Ch. 2)
4	Ch. 4: Cont.	QUIZ_3 (Ch. 3)
5	Ch. 5: Types of Insurers and Marketing Systems <ul style="list-style-type: none"> • Overview of Private Insurance in the Financial Services Industry • Types of Private Insurers • Agents and Brokers • Types of Marketing Systems • Group Insurance Marketing 	HW_2 (Ch. 3 and 4) QUIZ_4 (Ch. 4)
6	Ch. 6: Insurance Company Operations <ul style="list-style-type: none"> • Rating and Ratemaking • Underwriting • Production • Claims settlement • Reinsurance • Alternatives to Traditional Reinsurance • Investments • Other Insurance Company Functions 	QUIZ_5 (Ch. 5)
7	Ch. 7: Financial Operations of Insurers <ul style="list-style-type: none"> • Property and Casualty Insurers 	HW_3 (Ch. 5 and 6) QUIZ_6 (Ch. 6)

	<ul style="list-style-type: none"> • Life Insurance Companies • Ratemaking in Property and Casualty Insurance • Ratemaking in Life Insurance <p>Ch. 8: Government Regulation of Insurance</p> <ul style="list-style-type: none"> • Reasons for Insurance Regulation • Historical Development of Insurance Regulation • Methods for Regulating Insurers • What Areas are Regulated? • State versus Federal Regulation • Modernizing Insurance Regulation • Insolvency of Insurers • Credit-Based Insurance Scores 	
8	Review for the midterm exam	QUIZ_7 (Ch. 7 and 8) MIDTERM (Ch. 1-8) in class
9	Spring Break	
10	<p>Ch. 9: Fundamental Legal Principals</p> <ul style="list-style-type: none"> • Principle of Indemnity • Principle of Insurable Interest • Principle of Subrogation • Principle of Utmost Good Faith • Requirements of an Insurance Contract • Distinct Legal Characteristics of Insurance Contracts • Law and the Insurance Agent <p>Ch. 10: Analysis of Insurance Contracts</p> <ul style="list-style-type: none"> • Basic parts of an insurance contract • Definition of “Insured” • Endorsements and Riders • Deductibles • Coinsurance • Other-insurance provisions 	HW_4 (7 and 8)
11	<p>Ch. 11: Life Insurance</p> <ul style="list-style-type: none"> • Premature Death • Financial Impact of Premature Death on Different Types of Families • Amount of Life Insurance to Own • Types of Life Insurance • Variations of Whole Life Insurance • Other Types of Life Insurance 	HW_5 (Ch. 9 and 10) QUIZ_8 (Ch. 9 and 10)
12	<p>Ch. 15: Health Care Reform; Individual Health Insurance Coverages</p> <ul style="list-style-type: none"> • Health-Care Problems in the US • Health-Care Reform • Basic Provisions of the Affordable Care Act • Individual Medical Expense Insurance • Individual Medical Expense Insurance and Managed Care Plans • Health Savings Accounts • Long-term Care Insurance • Disability-Income Insurance • Individual Health Insurance Contractual Provisions 	HW_6 (Ch. 11) QUIZ_9 (Ch. 11)
13	<p>Ch. 18: Social Insurance</p> <ul style="list-style-type: none"> • Social Insurance 	HW_7 (Ch. 15) QUIZ_10 (Ch. 15)

	<ul style="list-style-type: none"> • Old-age, Survivors, and Disability Insurance • Types of Benefits • Medicare • Problems and Issues • Unemployment Insurance • Workers Compensation 	
14	Ch. 20: Auto Insurance <ul style="list-style-type: none"> • Personal Auto Policy <ul style="list-style-type: none"> – Part A: Liability Coverage – Part B: Medical Payments Coverage – Part C: Uninsured Motorists Coverage – Part D: Coverage for Damage to Your Auto – Part E: Duties After an Accident or Loss – Part F: General Provisions • Insuring Motorcycles and Other Vehicles 	HW_8 (Ch. 18) QUIZ_11 (Ch. 18)
15	Review for the final exam (see final exam schedule)	QUIZ_12 (Ch. 20) FINAL

Homework: Homework will be written and will contain a mixture of problems from the textbooks, in class instructor-led discussions, and other resources and due before class on the due date. Homework assignments will be posted on Blackboard after relevant material is covered in class.

Online Quizzes: Quizzes will be online and posted on Blackboard. They will contain a mixture of problems from the textbooks, in class instructor-led discussions, and other resources.

Exams: You will take two exams during the semester. Each will involve a mix of mechanical skills and conceptual reasoning. The best possible preparation for them is regular **attendance** and completion of assigned **homework**.

- **Midterm** – Will be taken in class during regular class time.
- **Final exam** – Prescribed by the standard university final exam schedule - see <http://students.asu.edu/final-exam-schedule>. The place of the final exam will be announced later in the semester.
- **No test will be dropped!**

Makeup tests: Makeup exams are given at the discretion of the instructor and only in the case of verified medical or other **documented** emergencies. Notify your instructor **before the test is given** if possible. Call your instructor or the Math Department Office (480-965-3951) and leave a message or directly notify your instructor by email ASAP. If the event is not an emergency, you must notify the instructor in advance to request a makeup.

Piazza discussion: During the semester each student is required to post two current issues relating to two different chapters covered in the course as well as to comment twice on their fellow peers post expressing your view/opinion.

Assignments and Grading Criteria:

Point Allocation	
Midterm and Final Exam (each 35%)	70%
Homework (equally weighted)	10%
Online Quizzes (equally weighted)	10%
Piazza Discussion	10%

Grading Scale:

A+: 97-100%, A: 93-96.9%, A-: 90-92.9, B+: 87-89.9%, B: 83-86.9%, B-: 80-82.9%, C+: 76-79.9%, C: 70-75.9%, D: 60-69.9% E: 59.9% or less.

Classroom behavior: Make sure you arrive on time for class. Excessive tardiness will be subject to sanctions. **Under no circumstances should you allow your cell phone to ring during class.** Any disruptive behavior, which includes ringing cell phones, listening to your mp3/iPod player, text messaging, constant talking, eating food noisily, reading a newspaper will not be tolerated. The use of laptops (unless for lecture note taking), cell phones, MP3, IPOD, etc are strictly prohibited during class. Students who engage in disruptive classroom behavior may be subject to various sanctions. The procedures for initiating a disruptive behavior withdrawal can be found at <http://clas.asu.edu/classroom/disruptive>.

Academic Integrity: Academic honesty is expected of all students in all examinations, papers, and laboratory work, academic transactions and records. The possible sanctions include, but are not limited to, appropriate grade penalties, course failure (indicated on the transcript as a grade of E), course failure due to academic dishonesty (indicated on the transcript as a grade of XE), loss of registration privileges, disqualification and dismissal. For more information, see <http://provost.asu.edu/academicintegrity>

Attendance Policy: Attendance is mandatory! Your instructor reserves the right to take attendance and to incorporate your attendance as part of your overall grade. For classes that meet two days a week, the maximum number of absences is four. For classes that meet three days a week, the maximum number of absences is six. Students who exceed the number of allowed absences will receive a grade of EN. Your instructor reserves the right to take attendance and to incorporate your attendance as part of your overall grade.

Disability Accommodations: Qualified students with disabilities who will require disability accommodations in this class are encouraged to make their requests to me at the beginning of the semester either during office hours or by appointment. **Note:** *Prior to receiving disability accommodations, verification of eligibility from the Disability Resource Center (DRC) is required. Disability information is confidential.*

Establishing Eligibility for Disability Accommodations: Students who feel they will need disability accommodations in this class but have not registered with the Disability Resource Center (DRC) should contact DRC immediately. Their office is located on the first floor of the Matthews Center Building. DRC staff can also be reached at: 480-965-1234 (V), 480-965-9000 (TTY). For additional information, visit: www.asu.edu/studentaffairs/ed/drc. Their hours are 8:00 AM to 5:00 PM, Monday through Friday.

Policy against threatening behavior: All incidents and allegations of violent or threatening conduct by an ASU student (whether on-or off campus) must be reported to the ASU Police Department (ASU PD) and the Office of the Dean of Students. If either office determines that the behavior poses or has posed a serious threat to personal safety or to the welfare of the campus, the student will not be permitted to return to campus or reside in any ASU residence hall until an appropriate threat assessment has been completed and, if necessary, conditions for return are imposed. ASU PD, the Office of the Dean of Students, and other appropriate offices will coordinate the assessment in light of the relevant circumstances.

Agreement of Terms: **By remaining registered in the course through drop/add period, you agree to all terms and policies set forth in the syllabus.**

Appendix A

ACT 301:

Course description: This course provides an overview to the different types of risks faced by individuals, businesses, and society along with ways in which they make an assessment of, control, and transfer of different types of risks including property risk, liability risk, personal risks, and speculative risks such as financial risks. It covers risk management techniques including risk control and risk financing with a focus on insurance policies, and also presents other major topics in personal financial planning, social insurance, insurance operations and regulations, and reinsurance. Attention will also be given to contemporary issues and challenges in risk management and insurance and how they are applied in society at large.

Appendix B

Student Learning Outcomes

- Demonstrate an understanding of the scope, application and definition of risk.
- Explain the risk management requirements needed by various entities in the 21st century.
- Define and match risk management methods with the appropriate risk.
- Identify and classify insurance and uninsurable risks.
- Explain the role private insurance market and how it functions.
- Identify and calculate insurance finance.
- Explain the role of regulation.
- Explain how insurance law and contract function.
- Define and explain: life, health, and personal property and casualty insurance, retirement plans, commercial insurance, and social insurance.

Appendix C

Course Outline:

<i>Week</i>	<i>Topics</i>	<i>Due Dates</i>
1	<p>Intro to class</p> <p>Ch. 1: Risk in our society</p> <ul style="list-style-type: none"> • Definitions of Risk • Chance of Loss • Peril and Hazard • Classification of Risk • Major Personal Risks and Commercial Risks • Burden of Risk on Society • Techniques for Managing Risk 	
2	<p>Ch. 2: Insurance and Risk</p> <ul style="list-style-type: none"> • Definition and Basic Characteristics of Insurance • Characteristics of An Ideally Insurable Risk • Adverse Selection and Insurance • Insurance and Gambling Compared • Insurance and Hedging Compared • Types of Insurance • Benefits and Costs of Insurance to Society <p>Ch. 3: Intro to Risk Management</p> <ul style="list-style-type: none"> • Meaning of Risk Management • Objectives of Risk Management • Steps in the Risk Management Process • Benefits of Risk Management • Personal Risk Management 	QUIZ_1 (Ch. 1)
3	<p>Ch. 3: Intro to Risk Management</p> <p>Ch. 4: Advanced Topics in Risk Management</p> <ul style="list-style-type: none"> • The Changing Scope of Risk Management • Insurance Market Dynamics • Loss Forecasting • Financial Analysis in Risk Management Decision Making • Other Risk Management Tools 	HW_1 (Ch. 1 and 2) QUIZ_2 (Ch. 2)
4	Ch. 4: Cont.	QUIZ_3 (Ch. 3)
5	<p>Ch. 5: Types of Insurers and Marketing Systems</p> <ul style="list-style-type: none"> • Overview of Private Insurance in the Financial Services Industry • Types of Private Insurers • Agents and Brokers • Types of Marketing Systems • Group Insurance Marketing 	HW_2 (Ch. 3 and 4) QUIZ_4 (Ch. 4)
6	<p>Ch. 6: Insurance Company Operations</p> <ul style="list-style-type: none"> • Rating and Ratemaking • Underwriting • Production • Claims settlement • Reinsurance • Alternatives to Traditional Reinsurance 	QUIZ_5 (Ch. 5)

	<ul style="list-style-type: none"> • Investments • Other Insurance Company Functions 	
7	<p>Ch. 7: Financial Operations of Insurers</p> <ul style="list-style-type: none"> • Property and Casualty Insurers • Life Insurance Companies • Ratemaking in Property and Casualty Insurance • Ratemaking in Life Insurance <p>Ch. 8: Government Regulation of Insurance</p> <ul style="list-style-type: none"> • Reasons for Insurance Regulation • Historical Development of Insurance Regulation • Methods for Regulating Insurers • What Areas are Regulated? • State versus Federal Regulation • Modernizing Insurance Regulation • Insolvency of Insurers • Credit-Based Insurance Scores 	HW_3 (Ch. 5 and 6) QUIZ_6 (Ch. 6)
8	Review for the midterm exam	QUIZ_7 (Ch. 7 and 8) MIDTERM (Ch. 1-8) in class
9	Spring Break	
10	<p>Ch. 9: Fundamental Legal Principals</p> <ul style="list-style-type: none"> • Principle of Indemnity • Principle of Insurable Interest • Principle of Subrogation • Principle of Utmost Good Faith • Requirements of an Insurance Contract • Distinct Legal Characteristics of Insurance Contracts • Law and the Insurance Agent <p>Ch. 10: Analysis of Insurance Contracts</p> <ul style="list-style-type: none"> • Basic parts of an insurance contract • Definition of “Insured” • Endorsements and Riders • Deductibles • Coinsurance • Other-insurance provisions 	HW_4 (7 and 8)
11	<p>Ch. 11: Life Insurance</p> <ul style="list-style-type: none"> • Premature Death • Financial Impact of Premature Death on Different Types of Families • Amount of Life Insurance to Own • Types of Life Insurance • Variations of Whole Life Insurance • Other Types of Life Insurance 	HW_5 (Ch. 9 and 10) QUIZ_8 (Ch. 9 and 10)
12	<p>Ch. 15: Health Care Reform; Individual Health Insurance Coverages</p> <ul style="list-style-type: none"> • Health-Care Problems in the US • Health-Care Reform • Basic Provisions of the Affordable Care Act 	HW_6 (Ch. 11) QUIZ_9 (Ch. 11)

	<ul style="list-style-type: none"> • Individual Medical Expense Insurance • Individual Medical Expense Insurance and Managed Care Plans • Health Savings Accounts • Long-term Care Insurance • Disability-Income Insurance • Individual Health Insurance Contractual Provisions 	
13	<p>Ch. 18: Social Insurance</p> <ul style="list-style-type: none"> • Social Insurance • Old-age, Survivors, and Disability Insurance • Types of Benefits • Medicare • Problems and Issues • Unemployment Insurance • Workers Compensation 	HW_7 (Ch. 15) QUIZ_10 (Ch. 15)
14	<p>Ch. 20: Auto Insurance</p> <ul style="list-style-type: none"> • Personal Auto Policy <ul style="list-style-type: none"> – Part A: Liability Coverage – Part B: Medical Payments Coverage – Part C: Uninsured Motorists Coverage – Part D: Coverage for Damage to Your Auto – Part E: Duties After an Accident or Loss – Part F: General Provisions • Insuring Motorcycles and Other Vehicles 	HW_8 (Ch. 18) QUIZ_11 (Ch. 18)
15	Review for the final exam (see final exam schedule)	QUIZ_12 (Ch. 20) FINAL

Appendix D

Course Outline:

<i>Week</i>	<i>Topics</i>	<i>Due Dates</i>
1	Intro to class Ch. 1: Risk in our society <ul style="list-style-type: none"> • Definitions of Risk • Chance of Loss • Peril and Hazard • Classification of Risk • Major Personal Risks and Commercial Risks • Burden of Risk on Society • Techniques for Managing Risk 	
2	Ch. 2: Insurance and Risk <ul style="list-style-type: none"> • Definition and Basic Characteristics of Insurance • Characteristics of An Ideally Insurable Risk • Adverse Selection and Insurance • Insurance and Gambling Compared • Insurance and Hedging Compared • Types of Insurance • Benefits and Costs of Insurance to Society Ch. 3: Intro to Risk Management <ul style="list-style-type: none"> • Meaning of Risk Management • Objectives of Risk Management • Steps in the Risk Management Process • Benefits of Risk Management • Personal Risk Management 	QUIZ_1 (Ch. 1)
3	Ch. 3: Intro to Risk Management Ch. 4: Advanced Topics in Risk Management <ul style="list-style-type: none"> • The Changing Scope of Risk Management • Insurance Market Dynamics • Loss Forecasting • Financial Analysis in Risk Management Decision Making • Other Risk Management Tools 	HW_1 (Ch. 1 and 2) QUIZ_2 (Ch. 2)
4	Ch. 4: Cont.	QUIZ_3 (Ch. 3)
5	Ch. 5: Types of Insurers and Marketing Systems <ul style="list-style-type: none"> • Overview of Private Insurance in the Financial Services Industry • Types of Private Insurers • Agents and Brokers • Types of Marketing Systems • Group Insurance Marketing 	HW_2 (Ch. 3 and 4) QUIZ_4 (Ch. 4)
6	Ch. 6: Insurance Company Operations <ul style="list-style-type: none"> • Rating and Ratemaking • Underwriting • Production • Claims settlement • Reinsurance • Alternatives to Traditional Reinsurance 	QUIZ_5 (Ch. 5)

	<ul style="list-style-type: none"> • Investments • Other Insurance Company Functions 	
7	<p>Ch. 7: Financial Operations of Insurers</p> <ul style="list-style-type: none"> • Property and Casualty Insurers • Life Insurance Companies • Ratemaking in Property and Casualty Insurance • Ratemaking in Life Insurance <p>Ch. 8: Government Regulation of Insurance</p> <ul style="list-style-type: none"> • Reasons for Insurance Regulation • Historical Development of Insurance Regulation • Methods for Regulating Insurers • What Areas are Regulated? • State versus Federal Regulation • Modernizing Insurance Regulation • Insolvency of Insurers • Credit-Based Insurance Scores 	HW_3 (Ch. 5 and 6) QUIZ_6 (Ch. 6)
8	Review for the midterm exam	QUIZ_7 (Ch. 7 and 8) MIDTERM (Ch. 1-8) in class
9	Spring Break	
10	<p>Ch. 9: Fundamental Legal Principals</p> <ul style="list-style-type: none"> • Principle of Indemnity • Principle of Insurable Interest • Principle of Subrogation • Principle of Utmost Good Faith • Requirements of an Insurance Contract • Distinct Legal Characteristics of Insurance Contracts • Law and the Insurance Agent <p>Ch. 10: Analysis of Insurance Contracts</p> <ul style="list-style-type: none"> • Basic parts of an insurance contract • Definition of “Insured” • Endorsements and Riders • Deductibles • Coinsurance • Other-insurance provisions 	HW_4 (7 and 8)
11	<p>Ch. 11: Life Insurance</p> <ul style="list-style-type: none"> • Premature Death • Financial Impact of Premature Death on Different Types of Families • Amount of Life Insurance to Own • Types of Life Insurance • Variations of Whole Life Insurance • Other Types of Life Insurance 	HW_5 (Ch. 9 and 10) QUIZ_8 (Ch. 9 and 10)
12	<p>Ch. 15: Health Care Reform; Individual Health Insurance Coverages</p> <ul style="list-style-type: none"> • Health-Care Problems in the US • Health-Care Reform • Basic Provisions of the Affordable Care Act 	HW_6 (Ch. 11) QUIZ_9 (Ch. 11)

	<ul style="list-style-type: none"> • Individual Medical Expense Insurance • Individual Medical Expense Insurance and Managed Care Plans • Health Savings Accounts • Long-term Care Insurance • Disability-Income Insurance • Individual Health Insurance Contractual Provisions 	
13	<p>Ch. 18: Social Insurance</p> <ul style="list-style-type: none"> • Social Insurance • Old-age, Survivors, and Disability Insurance • Types of Benefits • Medicare • Problems and Issues • Unemployment Insurance • Workers Compensation 	HW_7 (Ch. 15) QUIZ_10 (Ch. 15)
14	<p>Ch. 20: Auto Insurance</p> <ul style="list-style-type: none"> • Personal Auto Policy <ul style="list-style-type: none"> – Part A: Liability Coverage – Part B: Medical Payments Coverage – Part C: Uninsured Motorists Coverage – Part D: Coverage for Damage to Your Auto – Part E: Duties After an Accident or Loss – Part F: General Provisions • Insuring Motorcycles and Other Vehicles 	HW_8 (Ch. 18) QUIZ_11 (Ch. 18)
15	Review for the final exam (see final exam schedule)	QUIZ_12 (Ch. 20) FINAL

Appendix E

Course Outline:

<i>Week</i>	<i>Topics</i>	<i>Due Dates</i>
1	Intro to class Ch. 1: Risk in our society <ul style="list-style-type: none"> • Definitions of Risk • Chance of Loss • Peril and Hazard • Classification of Risk • Major Personal Risks and Commercial Risks • Burden of Risk on Society • Techniques for Managing Risk 	
2	Ch. 2: Insurance and Risk <ul style="list-style-type: none"> • Definition and Basic Characteristics of Insurance • Characteristics of An Ideally Insurable Risk • Adverse Selection and Insurance • Insurance and Gambling Compared • Insurance and Hedging Compared • Types of Insurance • Benefits and Costs of Insurance to Society Ch. 3: Intro to Risk Management <ul style="list-style-type: none"> • Meaning of Risk Management • Objectives of Risk Management • Steps in the Risk Management Process • Benefits of Risk Management • Personal Risk Management 	QUIZ_1 (Ch. 1)
3	Ch. 3: Intro to Risk Management Ch. 4: Advanced Topics in Risk Management <ul style="list-style-type: none"> • The Changing Scope of Risk Management • Insurance Market Dynamics • Loss Forecasting • Financial Analysis in Risk Management Decision Making • Other Risk Management Tools 	HW_1 (Ch. 1 and 2) QUIZ_2 (Ch. 2)
4	Ch. 4: Cont.	QUIZ_3 (Ch. 3)
5	Ch. 5: Types of Insurers and Marketing Systems <ul style="list-style-type: none"> • Overview of Private Insurance in the Financial Services Industry • Types of Private Insurers • Agents and Brokers • Types of Marketing Systems • Group Insurance Marketing 	HW_2 (Ch. 3 and 4) QUIZ_4 (Ch. 4)
6	Ch. 6: Insurance Company Operations <ul style="list-style-type: none"> • Rating and Ratemaking • Underwriting • Production • Claims settlement • Reinsurance • Alternatives to Traditional Reinsurance 	QUIZ_5 (Ch. 5)

	<ul style="list-style-type: none"> • Investments • Other Insurance Company Functions 	
7	<p>Ch. 7: Financial Operations of Insurers</p> <ul style="list-style-type: none"> • Property and Casualty Insurers • Life Insurance Companies • Ratemaking in Property and Casualty Insurance • Ratemaking in Life Insurance <p>Ch. 8: Government Regulation of Insurance</p> <ul style="list-style-type: none"> • Reasons for Insurance Regulation • Historical Development of Insurance Regulation • Methods for Regulating Insurers • What Areas are Regulated? • State versus Federal Regulation • Modernizing Insurance Regulation • Insolvency of Insurers • Credit-Based Insurance Scores 	HW_3 (Ch. 5 and 6) QUIZ_6 (Ch. 6)
8	Review for the midterm exam	QUIZ_7 (Ch. 7 and 8) MIDTERM (Ch. 1-8) in class
9	Spring Break	
10	<p>Ch. 9: Fundamental Legal Principals</p> <ul style="list-style-type: none"> • Principle of Indemnity • Principle of Insurable Interest • Principle of Subrogation • Principle of Utmost Good Faith • Requirements of an Insurance Contract • Distinct Legal Characteristics of Insurance Contracts • Law and the Insurance Agent <p>Ch. 10: Analysis of Insurance Contracts</p> <ul style="list-style-type: none"> • Basic parts of an insurance contract • Definition of “Insured” • Endorsements and Riders • Deductibles • Coinsurance • Other-insurance provisions 	HW_4 (7 and 8)
11	<p>Ch. 11: Life Insurance</p> <ul style="list-style-type: none"> • Premature Death • Financial Impact of Premature Death on Different Types of Families • Amount of Life Insurance to Own • Types of Life Insurance • Variations of Whole Life Insurance • Other Types of Life Insurance 	HW_5 (Ch. 9 and 10) QUIZ_8 (Ch. 9 and 10)
12	<p>Ch. 15: Health Care Reform; Individual Health Insurance Coverages</p> <ul style="list-style-type: none"> • Health-Care Problems in the US • Health-Care Reform • Basic Provisions of the Affordable Care Act 	HW_6 (Ch. 11) QUIZ_9 (Ch. 11)

	<ul style="list-style-type: none"> • Individual Medical Expense Insurance • Individual Medical Expense Insurance and Managed Care Plans • Health Savings Accounts • Long-term Care Insurance • Disability-Income Insurance • Individual Health Insurance Contractual Provisions 	
13	<p>Ch. 18: Social Insurance</p> <ul style="list-style-type: none"> • Social Insurance • Old-age, Survivors, and Disability Insurance • Types of Benefits • Medicare • Problems and Issues • Unemployment Insurance • Workers Compensation 	HW_7 (Ch. 15) QUIZ_10 (Ch. 15)
14	<p>Ch. 20: Auto Insurance</p> <ul style="list-style-type: none"> • Personal Auto Policy <ul style="list-style-type: none"> – Part A: Liability Coverage – Part B: Medical Payments Coverage – Part C: Uninsured Motorists Coverage – Part D: Coverage for Damage to Your Auto – Part E: Duties After an Accident or Loss – Part F: General Provisions • Insuring Motorcycles and Other Vehicles 	HW_8 (Ch. 18) QUIZ_11 (Ch. 18)
15	Review for the final exam (see final exam schedule)	QUIZ_12 (Ch. 20) FINAL

Appendix F

Piazza discussion: During the semester each student is required to post two current issues relating to two different chapters covered in the course as well as to comment twice on their fellow peers post expressing your view/opinion.