

FIN 443: Seminar in Insurance and Risk Management Spring 2011 Syllabus and Class Contract

Instructor: Michael K. McShane, Ph.D.

Class Period: Monday 19:10 – 21:50

Class Location: 1059 Constant Hall

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Office Hours: Tuesday and Wednesday: 10:00 to 11:30AM and by appointment.

Text: *Enterprise-Wide Risk Management: Developing and Implementing*, 1st Edition, 2009. You will need to use the text for the “Student Written and Oral Presentations” described on page 3. Available in ODU bookstore or AICPCU website. *This text is used for the ERM-57 course and ARM-E designation. See description on last page of this syllabus.*

Catalog Description: This course is designed as a capstone course for students concentrating in risk management and insurance. The class will read and discuss recent works concerning advanced topics in risk management and insurance with a focus on current issues of national and international significance.

Learning Goals:

- Gain a fundamental knowledge of the diverse risks faced by corporations.
- Develop an understanding of the concepts, tools, and best practices employed in implementing enterprise risk management (ERM).
- Become aware of current issues related to risk management.

Class Contract:

- This syllabus includes the **class contract** (see later in this document), which explains both your and my duties with respect to this class. Important issues such as attendance, exam procedures, and academic honesty including *plagiarism* are discussed in the class contract.
- **So that I can be sure that you understand the policies for this course, I require that you carefully read the syllabus and class contract, then print and sign the Signature Page of the contract (see later in this document) and hand to me by the beginning of class on Monday, Jan. 24.**
 - If you meet this deadline, you will receive **two (2) extra credit points**. If you miss this deadline, you are still required to read this syllabus/class contract and turn in the signed signature page, but will *not* receive extra credit points.
- Signing the class contract indicates that you have read, understood, and accepted this syllabus/class contract. If during the semester, you ask me questions that are explained in the syllabus/class contract; I will refer you to this syllabus/contract to find the answer yourself. So make sure to check the syllabus/class contract before asking me.
 - I may even cancel the extra points that I gave you for reading the syllabus/class contract if you ask me something that is clearly described in the syllabus/class contract.
- Reading and understanding the syllabus/class contract are one of the keys to doing well in this class.

Use of Blackboard/Communication

- This class will utilize Blackboard as the primary mechanism to disseminate material and communicate with the students outside the classroom.
- PowerPoint outlines of the lecture, syllabus/contract, written presentation guidelines, and other material will be posted on Blackboard. PLEASE print out the appropriate material *before* lectures and bring them to class.
- **It is your responsibility** to make sure you can access Blackboard, and you should check it regularly. See the Class Contract for further information.
- I will also sometimes use Blackboard to send batch e-mail to all enrolled students. You will receive this e-mail at your *odu.edu* e-mail address, so you should be checking your *odu.edu* e-mail regularly.

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|-----------------|--|------------|
| Grading: | Exams: 3 @ 100 points each | 300 Points |
| | Presentations from Text: | |
| | 5 written presentations X 10 points each | 50 Points |
| | One oral presentation | 10 Points |
| | <hr/> | |
| | TOTAL | 360 Points |

| | | |
|----------------------------|-------------------------------|----------------------------|
| Final Course Grade: | A: 324 or more total points | B: 288 to 323 total points |
| | C: 252 to 287 total points | D: 216 to 251 total points |
| | F: less than 216 total points | |

Exams:

- There will be three exams. Exam 3 is during finals week and is *not cumulative*. All the exams carry equal weight and are short answer/essay type exams.
- Exam material will come mainly from lectures and PowerPoint presentations by the professor, but can also come from guest lecturers, student written and oral presentations, class discussions, additional information given by the instructor, videos watched in class, and audio listened to in class.
- Further information regarding testing procedures, missed exams, and rebuttals concerning examination questions may be found in the Class Contract.
- While I encourage discussion of exam questions, the class should not get bogged down in lengthy debate over them. Therefore, I use a *rebuttal procedure as described in the Class Contract*.

Student Oral and Written Presentations from the Text:

- Each week, a different student will do an *oral presentation* of an assigned part of the textbook until all students have done one oral presentation.
- During the semester, each student will prepare *five written PowerPoint presentations* of assigned parts of the textbook.
- *See the next page for the schedule and further guidelines.*

Attendance (extra credit or deduction):

- I will circulate an attendance sheet at the beginning of each class. Attendance points affect your total points as follows:
 - No absences: +3 points 1 absence: 0 points 2 absences: -2 points
 - 3 absences: -7 points 4 or more: -13 points
- Make sure to sign the attendance sheet each class because that is the only way I can know if you were present. If you miss part of the class, I may decide to count you absent even if you sign the attendance sheet. Since this is extra credit, and not part of the main grading, there will be no excused absences for missing class. *See the Class Contract for more information.*

Extra Credit Points:

- The extra credit points that you receive if you sign and turn in the Class Contract signature page **on time** and for attendance are added to your total points.
- Some semesters, there may also be other extra credit opportunities, such as going to see industry speakers or attending industry events or writing an alternative short paper if you cannot attend an extra credit event.
- *If you miss an extra credit opportunity or miss a deadline, you will **not** have a chance to make it up later to get extra credit.*

Student Written and Oral Presentations, Lecture, and Exam Schedule (Tentative Schedule: Subject to Change)

| Date | Student Presentations and Lectures by Professor | |
|-------------|--|---|
| Jan 10 | Syllabus explanation, etc 9:10 | PPSet 1 by professor. |
| Jan 17 | <i>No Class: MLK Birthday</i> | |
| Jan 24 | Ch. 1 oral pres., pp. 3-24: by <i>student.</i> | PPSet 2 by professor. |
| Jan 31 | Ch. 2 oral pres., pp. 3-23: by <i>student.</i> | PPSet 3 by professor. |
| Feb 7 | Exam 1 | |
| Feb 14 | Ch. 3 oral pres., pp. 3-23: by <i>student</i> | PPSet 4 by professor. |
| Feb 21 | Ch. 4 oral pres., pp. 3-24: by <i>student</i> | PPSet 5 by professor. |
| Feb 28 | Ch. 5 oral pres., pp. 3-22: by <i>student</i> | PPSet 6 by professor. |
| Mar 7 | <i>No Class: Spring Break</i> | |
| Mar 14 | Ch. 6 oral pres., pp. 3-23: by <i>student</i> | PPSet 7 by professor. |
| Mar 21 | Exam 2 | |
| Mar 28 | Ch. 7 oral pres., pp. 3-26: by <i>student</i> | PPSet 8 by professor. |
| Apr 4 | Ch. 8 oral pres., pp.3-18; by <i>student</i> | PPSet 9 by professor. |
| Apr 11 | Ch. 9 oral pres., pp. 3-28: by <i>student</i> | PPSet 10 by professor. |
| Apr 18 | <i>Guest lecturer in class.</i> | |
| Apr 25 | Ch. 10 oral pres., p3-22; by <i>student</i> | <i>Catchup or extra lecture if not behind</i> |
| | Ch. 11 oral pres., p3-21; by <i>student</i> | |
| May 2 | Exam 3: 7 to 10 PM. | |

Oral presentation

- On the first day of class, we will determine which date each student will do their oral presentation.
- Each student will do one oral presentation during the semester and graded depending on the overall quality of the oral presentation.
- **For every minute** the presentation is less than 18 minutes or more than 25 minutes, there will be a **one point deduction.**

Written Presentations

- During the semester, each student will **prepare five written PowerPoint presentations.**
 - **Everyone will prepare the first written presentation due January 24. Due Jan. 22 by 7AM.**
 - Another required written presentation will be the one the student presents orally.
 - The other three written presentations are flexible, that is, the student can decide which three other written presentations to prepare. Note that the student doing the oral presentation on Jan. 24 will have four flexible written presentations.
- For you to receive points for a written presentation, I need to receive the written presentation by **7AM on Monday** that the particular presentation is due. *See above schedule.*
 - After the 7AM deadline, it is no longer possible to get points for that specific written presentation.
 - E-mail sometimes gets lost in the ozone. To protect yourself from not receiving points for a presentation that you e-mailed to me on time, you should use your ODU e-mail which saves copies of all your sent e-mail, so you can prove you sent it by the deadline.
 - It is the responsibility of the student to make sure they have turned in five written presentations during the semester.

Grading of Written Presentations

- You can receive up to 10 points for each written presentation. The number of points you receive will reflect the overall quality of each written presentation
- A good presentation will be well-written with correct grammar, informative, logical, well-organized, and easy to understand, so that I know you understand the material well.
- ***It is essential that you carefully read the Written Presentation Guidelines in Blackboard to better understand the determinants of a good written presentation and what items I will deduct points for.***

CLASS CONTRACT: Seminar in Insurance and Risk Management (FIN 443)

This contract specifies important policies and procedures to be used in this course during the semester. Throughout the document, the words "I," "me," and "my" refer to the instructor while "you" and "your" refer to the student. So that I can be sure that everyone understands both your and my duties in the course, I require that you read this document, then **sign and return the Signature Page** (that is later in this document) to me **by the beginning of class on the date specified in the course syllabus**. You will receive *extra credit points* as described in the syllabus merely for accomplishing this feat, which indicates that you understand and accept the provisions set forth in this contract and the syllabus.

Lecture/Schedule/Notes. Although PowerPoint slides are available for the lecture, this is mainly an outline of my lecture. Exam material will mainly come from my lectures. Exam material may also come from student presentations, class discussions, additional information said or written on the board by the instructor, videos watched in class, audio listened to in class, and guest speakers in class. Please take notes!

I will try to adhere to the tentative schedule listed in your syllabus as closely as I can although you should realize this course is constantly evolving and adjustments are inevitable. Significant deviations from the tentative schedule will be announced at least one class period in advance. Naturally, you are responsible for knowing what happens in class. **If you are not in class on a given day, please obtain notes from someone else (not me).** You also should find out whether there were any relevant announcements about the class.

You probably realize that laws, products, and procedures related to risk and insurance change regularly. Most textbooks are out of date in one or more areas even before they are published. Your textbook and other readings may be obsolete or subject to error in some topic areas. New developments and changes in laws and products will be presented in class as part of the lectures. When there is a discrepancy between what is said in class and what is printed in the book, the lecture material always takes precedence. So once again, if you miss a class, be sure to get class notes from a *reliable* source!

Attendance. If you do not sign the attendance sheet, you will be counted absent even if you were present as described in the syllabus. There is no other way that I will know if you are actually present. If you sign the attendance sheet but leave early or come late, you will be counted absent. If you have a valid reason for leaving early or coming late and attend at least half of class, let me know and I may allow you to be counted as present. Since this is extra credit, and not part of the main grading, there will be no excused absences for missing class.

Office Hours. My office hours are listed in your syllabus. I will make every attempt to preserve those hours for student consultation. Occasionally, other commitments may prevent my being there during my listed office hours, however. You can e-mail or call to confirm that I am there. I always will be happy to schedule an alternative time to meet with you. Please observe my office hours if at all possible. If you cannot come by during those hours, *be assured* that I am willing to arrange an appointment with you at a mutually convenient date and time. You can e-mail, call, or talk to me after class about setting up an appointment.

Exams. I *strongly* believe that *all students should get the same deal* when it comes to examination procedures. I expect you to take all exams at the scheduled times.

After I give the exam in class, I do not give make-up exams and no exam grades will be dropped.

For absences that are not planned well in advance, for example, if you have a verifiable illness or similar emergency or if a verifiable death occurs in your immediate family, I may give you an **excused absent** from the test, which means the following. I will use the score you earn on the last exam of the semester as your score for the missed exam, rather than administer a make-up exam. Please e-mail me as soon as possible in such an event. You need to let me know prior to the exam in order to obtain an excused absence. I will require written verification of illness, emergency, or family death from all students receiving an excused absence from an exam.

If you miss one exam because of an **unexcused absence**, I will enter the score you earn on the last exam of the semester less a 20-point penalty for missing the earlier exam. In other words, if you miss one earlier exam and earn an 85 on the last exam of the semester, you will receive a 65 for the missed exam. For any unexcused exam absences after the first such absence, I will assign you a zero.

Everyone must take the last exam. No other exam can substitute for it. If you have a valid excuse for missing it, I will work out an earlier or later time for taking it. You need to let me know prior to the last exam in order to take it at another time. I will require written verification of illness, emergency, or family death if you want to take the last exam at a different time from the regularly scheduled time.

Note: If there is a curve on the last exam, you will get the curve on the last exam, but not on the exam you missed. Because of all the extra credit opportunities I provide during the semester, I almost never curve exams.

I may allow you to take an exam in advance if you have a good reason well in advance of the exam: for example, military service or a business trip. If I do approve of your reason for missing the exam: I will require written verification of the reason. Please note that scheduling an interview during an exam is not a valid excuse for missing an exam.

In some cases, I may not be present during an exam and someone else will be monitoring the exam. You should not ask that person any questions about the exam because they are most likely not familiar with the material. In this case, you can however note any questions that you believe are flawed or incorrect *prominently* on the front of your exam, which I will consider when grading the exam. And you always have the right to rebut questions via the rebuttal procedure discussed subsequently.

I understand the nagging uncertainty students often have with regard to exam results, so I will return each graded exam to you for in-class review just as soon as possible. You *must*, however, return the exam to me (or the monitor) just prior to leaving the classroom after both the examination period and the post-examination review. Because I find it difficult to write challenging, yet fair, exam questions I retain all exam information. Therefore, students who leave the classroom without returning the exam to me (or the exam monitor) *will receive a zero* on the exam. This policy applies whether or not the exam has been graded previously.

Exam Question Rebuttals. For multiple-choice questions on exams, I will *not* allow you to modify the questions or to give answers contingent upon assumptions you write on the exam. After the exams have been discussed in class, however, you will have an opportunity to submit a written rebuttal for each question that you believe is incorrect. I will review your rebuttal and respond promptly, normally by the next class period. Although I encourage you to raise any questions you have about the exam during the class discussion period, I do find lengthy debate over exam questions to be rather wasteful of valuable class time. I am happy to explain my rationale for the question and the answer I deemed correct. If you disagree, please prepare a rebuttal and I pledge to give it open-minded consideration.

Rebuttals can be computer-printed or hand-written. You should specify (1) why the question was incorrect or unduly ambiguous *and* (2) why your answer is better than the one specified as correct by me. I am glad to adjust your grade if there is a valid reason. Please note that a two-line rebuttal scribbled down while we are going over the tests is rarely sufficient. Rebuttals should be well thought out and well written. The burden of proof is upon you! All rebuttals are due during the class following the class period in which graded exams are discussed. So you need to act immediately after the exams are returned and discussed in class. Please don't wait until you are a borderline case at the end of the semester and then try to argue for adjustments to earlier exam scores!

In rare cases, I may establish a curve for an exam. Of course, a rebuttal occasionally results in the elimination of an exam question or the changing of an answer, which then can substantially affect the original grade distribution. In such a case, I reserve the right to review the exams and to change the amount of curve points.

Extra Credit. *Since I typically do not curve exams, extra credit is important so I highly recommend that students take advantage of all extra credit opportunities.* In addition to any extra credit opportunities listed in the syllabus, there may be other extra credit opportunities, such as attending presentations by speakers from the Insurance, Risk Management, or Financial Planning industry in the Finance Club or other events. For students who are unable to attend extra credit events that are not during the scheduled class period, I will offer an alternative short paper to be prepared by the student.

Final Grades. The total points you have at the end of the semester, including extra credit points, will determine your final course grade. Even if you are close to getting a higher grade, I cannot give you extra points that you have not earned. It would be unfair to the rest of the class to single out specific individuals to give extra points to. So if your grade in this class is important in determining whether you will be on academic probation or suspension, or for any another reason, do not expect that I will add points to your grade at the end of the semester. I will not do it.

Speakers in Class. Guest speakers from the Insurance, Risk Management, or Financial Planning industry may come talk to the class. The information conveyed by guest speakers is often more important than that I deliver. Guest speakers are giving us their valuable time, and it is especially important to be courteous to them during their talk, ask questions, come on time, and not leave early.

Blackboard/Communication. I will use the University's Blackboard instruction package for posting announcements, lecture material, syllabus, articles for reading and downloading and grades and for sending e-mail to the class. You are batch enrolled for the class. If you've forgotten how to log into Blackboard or need a new account, it is essential you get this taken care of before the 2nd class meeting.

About Plagiarism

The College of Business and Public Administration
Old Dominion University

What is it?

The Old Dominion University (ODU) Undergraduate Catalogue (2008-2009, p. 13, F) defines plagiarism as follows:

“A student will have committed plagiarism if he or she reproduces someone else’s work without acknowledging its source; or if a source is cited which the student has not cited or used. Examples of plagiarism include: submitting a research paper obtained from a commercial research service, the Internet, or from another student as if it were original work; making simple changes to borrowed materials while leaving the organization, content, or phraseology intact; or copying material from a source, supplying proper documentation, but leaving out quotation marks. Plagiarism also occurs in a group project if one or more of the members of the group does none of the group’s work and participates in none of the group’s activities, but attempts to take credit for the work of the group.”

Hints for Avoiding Plagiarism:

- *More than three words is plagiarism.* This is a good yardstick to use when wondering whether or not quotes are appropriate. They are, if you are copying more than three words in sequence.
- *One source is not “common knowledge.”* Common knowledge does not require citation. But something is not common knowledge if you have found just one source for the information.
- *When in doubt, cite!* If you have any doubt about whether or not to cite a source, err on the side of making the attribution.
- *If your co-author sounds surprisingly eloquent, make sure the contribution is his or her own.* We often work in groups and co-author papers and projects. You should ask the question of your co-author if you doubt the work is their own. In group work, you are responsible for the project/paper in its entirety.
- *Look away.* When you are writing, do not have open books or papers in front of you as you type. Read your sources, and then put what you have read into your own words.
- *Writing is hard work.* Paraphrasing is relatively easy, writing is hard. Learning to be a good writer is part of what your college education is about. Staring at an empty screen in *MS Word* does become less daunting over time!
- *Just because it’s on the Internet, doesn’t mean it’s yours.* The Internet is a fantastic resource and search engines are terrific research tools. But what you find on the Internet was written by someone. You must cite Internet web sites, and if you use a quote, use appropriate quotation procedures.
- *Paraphrasing is more than changing a verb tense or reordering a list.* There is a difference between citing a source for a fact and creating a bad quote.
- *Use a Style Guide.* Purchase a style guide and refer to it. Your teacher may suggest one or look for one at Amazon. Popular and timeless guides are by the American Psychological Association, Strunk and White, and Kate Turabian.

The High Cost of Plagiarism

In your professional career, you will find that reputation is everything. Plagiarism can ruin your reputation and cost you your professional career, along with the respect of your peers and family. Plagiarism at Old Dominion University is an act of academic dishonesty that has serious consequences. Note that plagiarism is specifically covered in the ODU Honor Pledge. Refer to the Student Handbook and Student Affairs for details about sanctions and penalties for this behavior.

Honor and Behavior Codes: Attendance in the class implies acceptance of the university honor and behavior codes. Cheating in any form is not acceptable behavior. The student is expected to be familiar with the University's policy regarding academic honesty. Any incidence of suspected cheating will be dealt with through the appropriate judicial channels. Refer to the Student Judicial Affairs webpage: <http://studentaffairs.odu.edu/osja/>

Honor Code: We, the students of Old Dominion University, aspire to be honest and forthright in our academic endeavors. Therefore, we will practice honesty and integrity and be guided by the tenets of the Monarch Creed. We will meet the challenges to be beyond reproach in our actions and our words. We will conduct ourselves in a manner that commands the dignity and respect that we also give to others.

Thank you for reading this contract. I hope you find that it provides you with answers to issues that occasionally arise during the course of any semester.

Signature Page

I have read the FIN 443 syllabus/class contract and I understand and accept all the provisions set forth in this syllabus/class contract.

Student Name (Please Print)

Student Signature

Date

Keep the previous pages of this syllabus/contract as your reference and return this signed signature page to the professor by the deadline described in the syllabus.

Signing the syllabus/class contract indicates that you have read, understood, and accepted the syllabus/class contract. If during the semester, you ask me questions that are clearly spelled out in the syllabus/class contract, I will refer you to the syllabus/class contract to find the answer. So make sure to check the syllabus/class contract before asking me.

I may even cancel the extra points that I gave you for reading the syllabus/contract if you ask me something that is clearly described in the syllabus/contract.

Reading and understanding the syllabus/class contract is one of the keys to doing well in this class.

The textbook used in this class, FIN 443, is the textbook used for the New ERM 57 course and ARM-E Designation.

Associate in Risk Management (ARM) Designation

Passing the following three ARM exams is required to earn the **ARM designation**.

ARM 54—Risk Assessment: Risk Management Programs; The Risk Management Process; Legal Foundations of Liability Loss Exposures; Assessing Property, Liability, Personnel, and Net Income Loss Exposures; Management Liability and Corporate Governance; Forecasting; Cash Flow Analysis.

ARM 55—Risk Control: Controlling Property, Personnel, Liability, and Net Income Loss Exposures; Intellectual Property Loss Exposures; Criminal Loss Exposures; Disaster Recovery for Property Loss Exposures; Understanding Claim Administration; Fleet Operations Loss Exposures; Environmental Loss Exposures; Understanding System Safety; Motivating and Monitoring Risk Control Activities.

ARM 56—Risk Financing: Insurance as a Risk Financing Technique; Reinsurance and Self-Insurance; Retrospective Rating Plans and Captive Insurance Companies; Finite and Integrated Risk Insurance Plans; Capital Market Products; Forecasting Accidental Losses; Accounting and Income Tax Aspects; Claim Administration; and Allocating Risk Management Costs.

NEW! Associate in Risk Management-ERM (ARM-E) Designation

- Passing the **Enterprise-Wide Risk Management: Developing and Implementing (ERM 57) course**, in addition to the three ARM courses listed above, earns the **ARM-E designation**.
- Passing only the ERM 57 course earns a certificate of completion.

ERM 57—Enterprise-Wide Risk Management: Developing and Implementing: ERM, Strategy, and Exposure Spaces; Integrating Risk Management and Organizational Strategy; and Building the Business Case for the Board