

RMI 320: Introduction to Risk Management & Insurance (online Section 1)

School of Business
Spring 2023

Instructor Info

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Zoom link for virtual office hours:

<https://maine.zoom.us/j/88639818613?pwd=Vm5lZVhrSUgrMTZEam1iRVFGTStTZz09>

Office: 514 Luther Bonney

Office Hours: Tu & Th 12:30-1:30 PM and by
appointment

Education:

- PhD, Actuarial Science, Risk Management & Insurance – University of Wisconsin
- MBA – Temple University
- BS, Economics – University of Pennsylvania (Wharton School of Business)
- Chartered Property & Casualty Underwriter (CPCU) designation
- Associate in Risk Management (ARM) designation

Course Meetings

There are no in-person class meetings. This is a fully asynchronous online course.

**Services &
Policies that
Support You**



[Academic Services & Policies](#)¹

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¹ <https://mycampus.maine.edu/group/usm/common-syllabus>



1. Course Information

1A. Course Description

This is a fully asynchronous online course taking place over the entire semester. There are no mandatory meeting times. We might, however, have guest speakers give presentations or there might be informal group meetings conducted through our class Zoom link at

<https://maine.zoom.us/j/88639818613?pwd=Vm5lZVhrSUgrMTZEam1iRVFGTStTZz09> (Password: 968108).

This course introduces students to the nature of risk, risk identification, general risk management techniques, and the management of risk through insurance. It covers why the individual or corporation purchases insurance, what constitutes an intelligent insurance plan, and what products are available in the insurance marketplace. This course is designed for non-majors and is a prerequisite for more advanced risk management and insurance courses.

The course has been approved by the Maine Bureau of Insurance for continuing education credits for the Maine insurance producer's license. See Dr. Kerr for details.

1B. Course Materials & Books

Required

- Principles of Risk Management and Insurance, George E. Rejda, Michael J. McNamara, and William Rabel, 14th edition. For about \$40, this book can be rented or purchased through VitalSource at the following link: <https://www.vitalsource.com/>. Or, purchasing the book through the USM bookstore is done through this e-campus bookstore link: <https://usm.ecampus.com/>.
- For Brightspace tech requirements, see the [Academic Services & Policies page](#)².

² <https://mycampus.maine.edu/group/usm/common-syllabus#treq>



1C. Course Format

The course material will be delivered asynchronously online with each weekly period representing a specified module of content. There will be combinations of readings, narrated lectures, quizzes, and online activities and assignments posted for each weekly module. **Each weekly module time period runs from 11:59 PM on Sunday through 11:59 PM on the following Sunday. Anything assigned at the start of a weekly module must be completed by the 11:59 PM deadline at the end of that same week.**

I will use a platform called VoiceThread to post the narrated lectures. In order to access those pre-recorded lectures, you should first register a free account at the VoiceThread website at the following link: <https://voicethread.com/login/join/group/23462955/unpromoted/2184ea3df>. Be sure to use your "@maine.edu" email address when registering. After creating your VoiceThread account, you will be able to access materials posted "RMI 320 (Spring 2023)" folder. I will put VoiceThread links directly into Brightspace as well.

There might be times during the semester when we have a guest speaker or I think it might be helpful to have a live group discussion. In those cases we will use the course Zoom link indicated at the top of the syllabus and on the Brightspace course website and meet at a designated time. These times and days will be communicated to you through email and Brightspace Announcements. Attendance at these sessions will be completely voluntary.

1D. Course Learning Outcomes

Students will achieve an overall fundamental understanding of how individuals and businesses manage the risks that could present obstacles to achieving their goals. The following are the specific learning objectives for the course.

- 1) Students will be able to define risk and other terms important for a broader understanding of the risk management and insurance industry as indicated by online comprehension quizzes and exams given throughout the semester.
- 2) Students will be able to describe how the insurance mechanism works and identify circumstances under which the insurance mechanism does not work well as indicated by online comprehension quizzes and exams given throughout the semester.



- 3) Students will be able to describe important operational areas within the insurance industry as indicated by online comprehension quizzes and exams given throughout the semester.
- 4) Students will be able to identify the steps in the risk management process as indicated by online comprehension quizzes and exams given throughout the semester.
- 5) Students will be able to describe important noninsurance and insurance risk transfer methods through online comprehension quizzes and exams given throughout the semester.
- 6) Students will be able to identify and explain the general coverage terms and conditions for a variety of insurance contracts as indicated by online comprehension quizzes and exams given throughout the semester.
- 7) Students will be able to analyze situations in a risk management context, diagnose potential problems, and propose solutions as indicated by online comprehension quizzes, exams given throughout the semester, and a risk management simulation game project.

CFP Board Learning Objectives

These are the Certified Financial Planning Board of Standards learning objectives intended to be achieved by this course.

D. Risk Management and Insurance Planning

D.22. Principles of risk and insurance

- a. Explain the risk management process.
- b. Provide examples of the four primary risk management techniques available to clients.
- c. Describe how insurers use risk pooling to pay for losses incurred by policyholders.
- d. Explain the factors that affect policyholder premiums and recommend appropriate methods for reducing household insurance costs.

D.23. Analysis and evaluation of risk exposures

- a. Identify and measure liability, automobile, homeowner's, flood, earthquake, health, disability, long-term care, and life risks.
- b. Explain maximum possible and maximum probable loss amount to a client.

D.24. Health insurance and health care cost management (individual)

- a. Compare and contrast group and individual health insurance alternatives, including fee for service and managed care health plans.



c. Explain alternatives for acquiring health coverage including COBRA and Medicaid.

D.26. Long-term care insurance (individual)

a. Identify activities of daily living that can trigger the need for long-term care.

D.31. Insurance policy and company selection

a. Define and communicate key insurance policy terms, coverage, conditions, and exclusions.

b. Recommend appropriate insurance products, given a client's stage in the life cycle, family circumstances, and needs.

c. Recommend insurance companies based upon an evaluation of service, personnel, financial risks, company ratings, and claims processes.

D.32. Property and casualty insurance

a. Identify the primary components of property and casualty insurance and how each component fits into a client's comprehensive financial plan.

b. Differentiate among the basic homeowners insurance (HO) forms and features and explain how to evaluate and compare policies.

c. Identify the primary components of automobile insurance and assess any potential property damage or liability exposures.

d. Explain the role of personal and business liability insurance in comprehensive financial planning and how personal umbrella liability policy (PUP) and business liability insurance interacts with other property and liability insurance products.

2. Coursework & Grading

2A. Grade Scale

100-93%	=	A	79-77%	=	C+
92-90%	=	A-	76-73%	=	C
89-87%	=	B+	72-70%	=	C-
86-83%	=	B	69-60%	=	D
82-80%	=	B-	59% or lower	=	F



2B. Course Grade Breakdown

Your final course percentage and therefore your grade will be determined by dividing the Total Points you earn by the Total Points Possible, or $\left(\frac{\text{Total Points Earned}}{\text{Total Points Possible}}\right)$.

Assessment Name	Value
Comprehension Quizzes	55 points
Activity Assignments	20 points
Discussion Board	40 points
RMI Simulation Game Paper	30 points
Exams (three highest exams, each 80 points)	240 points
Total Points Possible:	385 points

2C. Assessment Descriptions & Requirements

Comprehension Quizzes

Comprehension Quizzes will be given nearly every week in an online format through Brightspace. The quizzes will be open-book/open-note, but they are not group projects so please do not contact others for answers. It is your responsibility to know when these quizzes will be made available and the deadlines for completing them. You will be allowed two attempts for each quiz with the highest score of those two attempts used as the final score. Each quiz will consist of multiple choice questions.

Activities

Several small activities will be assigned throughout the semester and posted in Brightspace.



Discussion Board Participation

Participation in discussion board posting activity will be required in some weeks. I will post a statement or question about a particular topic and you are required to post a minimum of one response to that question that demonstrates you have thought about the issue and how it relates to the assigned material (worth 5 points). You are also required to post at least one intelligent response to a classmate's posting (worth 5 points). Your own initial response is due by 11:59 PM on Wednesday and a response to the posting of at least one classmate is due by 11:59 PM on Sunday of a given week. Points will be deducted for posting after these deadlines. Feel free to make more than the two required postings, but remember to be respectful and careful in making your thoughts clear. I encourage you to read and make references to newspaper, magazine, or academic journal articles that support your comments and opinion about these issues. It is worth stating again that all posts should be respectful and tolerant of different opinions.

Risk Management Simulation Game

You will participate in a risk management simulation game that will take place over the course of the last half of the semester. A short paper will be required at the end of the semester summarizing your experience in the game. Further instructions will be posted on Brightspace at a later date.

Exams

There will be four non-cumulative exams throughout the semester, with the highest three exam scores used when calculating your overall course grade. These will be online exams and each exam will be open-book/open-note. As with the quizzes, they are not intended to be group projects and so you are not to receive help from other people. Unlike the quizzes, you will only have one attempt at each exam, each exam is timed, and your access to each exam is limited to only several days.



3. Class Schedule

Tentative Course Outline

Weekly Module	Dates	Chapter(s)	Topic(s)	Task(s)
1	1/17 - 1/22	1	Defining risk	<ul style="list-style-type: none">• Comprehension Quiz• Activity assignment
2	1/23 - 1/29	2	How insurance works	<ul style="list-style-type: none">• Comprehension Quiz• Discussion Board
3	1/30 - 2/5	3	Risk management decision making	<ul style="list-style-type: none">• Comprehension Quiz• Activity assignment
4	2/6 - 2/12	5, 6	Insurance organizations Insurance operations	<ul style="list-style-type: none">• Comprehension Quiz• Activity assignment
5	2/13 - 2/19	9	Insurance contract principles	<ul style="list-style-type: none">• Exam 1 (Chs 1, 2, 3, 5, 6)
6	2/20 - 2/26	10	Insurance contract structure	<ul style="list-style-type: none">• Comprehension Quiz
7	2/27 - 3/5	19	The liability risk	<ul style="list-style-type: none">• Comprehension Quiz• Discussion Board
8	3/6 - 3/12	20, 21	Personal Auto insurance	<ul style="list-style-type: none">• Exam 2 (Chs 9, 10, 19, 20, 21)• Discussion Board
9	3/13 - 3/19		Spring Break – No classes	
10	3/20 - 3/26	22	Homeowner's property insurance	<ul style="list-style-type: none">• Comprehension Quiz• Activity assignment
11	3/27 - 4/2	23	Homeowner's liability insurance	<ul style="list-style-type: none">• Comprehension Quiz• RMI Game Stage 1
12	4/3 - 4/9	15, 16	Health & disability insurance Deadline to drop course with automatic "W" is 3/31	<ul style="list-style-type: none">• Comprehension Quiz• RMI Game Stage 2
13	4/10 - 4/16	11, 12, 13	Life insurance	<ul style="list-style-type: none">• Exam 3 (Chs 22, 23, 15, 16)• RMI Game Stage 3
14	4/17 - 4/23	25, 26	Business insurance	<ul style="list-style-type: none">• Comprehension Quiz• RMI Game Stage 4
15	4/24 - 4/30	8	Insurance regulation	<ul style="list-style-type: none">• Comprehension Quiz• Discussion Board



16	5/1 - 5/7		Finals Week	• Exam 4 (Chs 11, 12, 13, 25, 26, 8)
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4. Course-Specific Policies

4A. Inclement Weather Contingencies

From time to time USM will close the University due to inclement weather. When the cancellation is for an entire day, the class content will be made up at another time or through additional, outside of class, assignments.

When the school opens late or closes early, and the closing time selected is during the middle of class, we will still hold the class unless you are otherwise notified by me. Two examples:

- If class starts at 1:00 PM, but the University is closing at 1:30 PM, we will still have class unless you hear from me.
- If class starts at 1:00 PM, but the University is opening at 1:30 PM, we will still have class unless you hear from me

4B. Course Evaluations

At the end of each semester every student has the opportunity to provide constructive feedback on the course. It is important to me that you take the time to let me know your thoughts about the course. I use your feedback to make improvements in the course materials, assignments, and outcomes.

5. Academic Services & Policies

Below you'll find information for our most crucial student services and supports. For USM's most complete and current information on services available to students, as well as academic policies, see [The Academic Services & Policies Overview webpage](https://mycampus.maine.edu/group/usm/common-syllabus).³

- **Request disability accommodations** | (207) 780-4706 | dsc-usm@maine.edu
- **Report Interpersonal violence** | (207) 780-5767 | usm.titleix@maine.edu
- **Report On-Campus Emergencies and Safety Concerns** | (207) 780-5211 or your local police

³ <https://mycampus.maine.edu/group/usm/common-syllabus>



agency.

- **Get academic help** | mycampus.maine.edu/group/usm/learning-commons1
- **Get technology help** | usm.maine.edu/computing/helpdesk
- **Meet with an Advisor** | usm.maine.edu/advising

Services & Policies that Support You



Scan the QR Code to go to the [Academic Services & Policies webpage](#)⁴

⁴ <https://mycampus.maine.edu/group/usm/common-syllabus>