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**BUSINESS FINANCE 741**  
**LIFE AND HEALTH RISK MANAGEMENT**  
***Course Syllabus***

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<b>Academic Term:</b>	Winter 2008
<b>Class Schedule:</b>	1:30 – 3:18pm Monday and Wednesday
<b>Class Location:</b>	205 Schoenbaum Hall
<b>Course Web Site:</b>	On Carmen
<b>Instructor:</b>	Dr. Bill Rives 638 Fisher Hall (614) 292-6436 University office (614) 292-5026 Finance Department
<b>E-Mail Address:</b>	Use <a href="mailto:rives_4@fisher.osu.edu">rives_4@fisher.osu.edu</a> for all correspondence
<b>Office Hours:</b>	Immediately before or after class and by appointment
<b>Required Text:</b>	Burton Beam and Eric Wiening <b><i>Fundamentals of Insurance Planning</i></b> Second edition, The American College Press, 2007 (ISBN 1932819401)  Previous editions of the text should not be used.
<b>Required Calculator:</b>	You will need a calculator to complete this course.  A business or financial calculator is preferred. However, a scientific or statistical calculator may be acceptable (check with the instructor at the start of the course).  You should bring your calculator to each class.  If you use a laptop for lectures, instead of a calculator, you may not use your laptop on quizzes or exams.

## **COURSE DESCRIPTION AND OBJECTIVES**

The focus of this course is the nature and management of the risks associated with life and health. In particular, the course examines the principal risk management products and strategies developed by the life and health insurance industry and their application to different personal and business planning situations. Topics are considered from the perspective of insurance companies, insurance and financial advisors, and consumers.

Major course topics include:

- A framework for life and health risk management
- Life insurance and life insurance planning
- Longevity risk management and income planning
- Health risk management and health insurance
- Disability risk management and income protection
- Growing old in America – The challenge of long-term care
- Social insurance and economic security in the United States

When you complete this course, you will have covered the major topics on Ohio's Life & Health Insurance License Exam; indeed, you may be offered the opportunity to take this exam for part of your course grade.

## **COURSE REQUIREMENTS**

There are three course requirements, each to be discussed in greater detail in class.

### **Class Contribution**

(course grade weight = 15%)

We expect you:

- to attend class on a regular basis;
- to prepare adequately for class; and
- to contribute effectively to class discussion.

We will take roll on a regular basis to maintain a record of class attendance.

### **Problem Assignments**

(course grade weight = 35%)

During the course, you will complete **5 problem assignments**. These assignments are designed to let you apply important tools and techniques to practical situations.

Each assignment will be distributed in class, may be completed on an individual or team basis (teams not to exceed 2 persons), and will have a relatively short turnaround time.

### **Team Case Presentation**

(course grade weight = 15%)

You will work on a **team basis** (teams not to exceed 3 persons) to develop and present a series of recommendations for the Hogan Family covering all the questions examined in the **5 problem assignments** (see immediately above). Presentations may be judged by a panel of professional financial planners and industry specialists.

The instructor will discuss presentation requirements and procedures in class.

### **Comprehensive Final Exam**

(course grade weight = 35%)

- The exam will cover all the subject matter contained in the course, regardless of the source (course text, supplemental readings, class discussion, etc).
- Exam questions will follow a multiple-choice format.
- Sample exam questions may be available for review.
- Questions may be drawn from state licensing and professional certification exams.
- Exam requirements and procedures will be discussed in class.

In lieu of the final exam, students may be offered the opportunity to take the Ohio Life & Health Insurance License Exam (the full license exam). The instructor will provide more information concerning this opportunity in class.

## **CLASS ATTENDANCE POLICY**

We expect you:

- to attend class on a regular basis, and
- to arrive promptly for the start of each class and stay for the entire class period.

Should you miss class, you are solely responsible for all the material we covered in your absence. You should contact a classmate to determine what you missed.

## **ACADEMIC MISCONDUCT**

- Pursuant to ***University Faculty Rule 3333-5-487***, all instances of alleged academic misconduct will be reported to the University's Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs.
- We aggressively pursue violations of University standards on academic conduct.

## COURSE SCHEDULE

Reading assignments other than the course text can be found on the course website.

Class Date	Topics and Assignments
JAN 4 FRI	<p><b>Course Administration</b> Distribution of course documents and discussion of course policies and procedures</p> <p><b>Life and Health Risk Management as a Field of Study and a Career</b></p> <p><b>The Planning Environment for Life and Health Risk Management</b> Read <i>Living Longer, Working Longer</i></p>
JAN 7 MON	<p><b>Risk and the Risk Management Process</b> Read text chapters 1, 2</p>
JAN 9 WED	<p><b>Risk Management and the Insurance Industry</b> Read text chapters 3, 4, 5 Review Standard &amp; Poor's <i>Life and Health Insurance Industry Survey</i></p>
JAN 14 MON	<p><b>Legal and Contractual Foundations of Insurance</b> Read text chapter 6 Review <i>Specimen Level Term Life Insurance Policy</i> from John Hancock Life Review <i>Specimen Whole Life Insurance Policy</i> from John Hancock Life</p>
JAN 16 WED	<p><b>Social Insurance in the United States: The Social Security System</b> Read text chapter 7 (entire chapter) Read <i>Status of Social Security and Medicare 2007</i> Review <i>Social Security Reform Options</i> Review <i>Investing Social Security Assets in the Securities Markets</i></p>
JAN 21 MON	<p><b>Martin Luther King Holiday – NO CLASS</b></p>
JAN 23 WED	<p><b>Social Insurance in the United States: The Medicare Program</b> Review text chapter 7 Review <i>Medicare &amp; You 2008</i> (pages 9-74) Review <i>Ohio Shoppers Guide to Medicare Options</i> Review <i>A Medicare Reform Proposal Everyone Can Love</i></p>
JAN 28 MON	<p><b>Life Risk Management and Life Insurance</b> Read text chapters 8, 9 Review <i>Ohio Shoppers Guide to Life Insurance</i> Review <i>Specimen Universal Life Insurance Policy</i> from Lincoln Benefit Life</p>
JAN 30 WED	<p><b>Life Insurance Planning</b> Read text chapter 10 Read <i>Integrative Life Insurance Needs Analysis</i></p>

## COURSE SCHEDULE

Class Date	Topics and Assignments
FEB 4 MON	<b>Market Innovation: Life Settlements</b> Read <i>Life Settlements – Trends, Developments and Emerging Issues</i> Read <i>The Benefits of a Secondary Market for Life Insurance Policies</i> Review <i>Life Equity Media Kit</i> (read article inside on “New Value in Old Policies”)
FEB 6 WED	<b>Longevity Risk Management and Income Planning</b> Read text chapter 11 Read <i>Annuities and Suitability – Reflections on the State of the Debate</i> Read <i>Longevity and Retirement Policy in America</i> Review <i>Ohio Shoppers Guide to Annuities</i>
FEB 11 MON	<b>Market Innovation: Guaranteed Minimum Withdrawal Benefits</b> Reading assignments TBA
FEB 13 WED	<b>Health Risk Management and Medical Expense Insurance</b> Read text chapters 12, 13 Read <i>A Primer on Medical Insurance Pools</i> Review <i>Ohio Shoppers Guide to Health Insurance</i>
FEB 18 MON	<b>Market Innovation: Health Savings Accounts</b> Read <i>HSA Basics 2007</i> from the US Treasury Read <i>The CelticSaver HSA Health Plan</i> brochure from Celtic Insurance
FEB 20 WED	<b>Disability Risk Management and Income Protection</b> Read text chapter 14 Review <i>Disability Insurance – A Missing Piece in the Financial Security Puzzle</i>
FEB 25 MON	<b>Business Applications of Life and Health Insurance</b> Review text chapter 10 (pages 10.32-10.40) and chapter 14 (pages 14.34-14.37) Read <i>Disability Issues in Buy-Sell Planning</i>
FEB 27 WED	<b>Financial Planning for Long-Term Care</b> Read text chapter 15 Read <i>LTC Choice – Solving the Long-Term Care Financing Puzzle</i> Review <i>Ohio Shoppers Guide to Long-Term Care Insurance</i>
MAR 3 MON	<b>Team Presentations – The Hogan Family Case Recommendations</b> This requirement will be discussed in greater detail in class
MAR 5 WED	<b>Team Presentations – The Hogan Family Case Recommendations</b> Discussion of <u>final exam</u> requirements and procedures

We reserve the right to correct factual errors and other material misrepresentations in this syllabus, and in the information posted on the course web site, at any time during the course, with appropriate prior notice.