BUSINESS FINANCE 4310
PROPERTY AND LIABILITY INSURANCE

Course Syllabus
Spring Semester 2016
Tuesday and Thursday, 11:10AM–12:30PM
210 Gerlach

Instructor: Dr. Bill Rives
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Office Hours: By appointment only

COURSE DESCRIPTION
This course provides an introduction to the field of property and liability insurance (also known as property and casualty insurance or P&C insurance), an increasingly important area of knowledge not only for individuals and families, but also for all forms of business in the global economy. The course is divided into two broad categories:

- Commercial property risk management and insurance
- Commercial liability risk management and insurance

More detailed topics are examined in each category. Because P&C insurance issues frequently make national and international headlines, the course offers an opportunity to explore topics within the context of practical applications. Guest speakers may be used from time to time to broaden the perspective on certain issues.

This course is part of the Insurance Specialization under the Fisher Finance degree.

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

Under The Institutes program, students who complete 4310 with a grade of “B” or better qualify for a one-course waiver in the 8-course CPCU program. Work completed toward the CPCU can be a strong addition to a student’s professional credentials upon entering the workforce. More detailed information on the College Study Program and the CPCU designation can be found HERE. The Program brochure is posted on Carmen.
COURSE MATERIALS

Required Course Texts
George Rejda & Michael McNamara
Principles of Risk Management and Insurance

Arthur Flitner (editor), Commercial Insurance

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

Required Calculator

You will need a calculator for this course capable of performing basic time-value-of-money (TVM) calculations. Financial calculators enable you to perform these calculations using pre-programmed functions. In contrast, scientific (statistical) calculators require you to enter values manually into mathematical formulas.

If you already own a scientific (statistical) calculator, there is no need to purchase a financial calculator unless you prefer the convenience of pre-programmed TVM functions. You will not be at a disadvantage without a financial calculator.

COURSE REQUIREMENTS

Class Contribution

(course grade weight = 30%)

The course is designed to facilitate interaction between students and the instructor, and among students. To this end, we expect you:

• to attend every class;
• to notify the instructor in advance if you need to arrive late or leave early;
• to provide the instructor with a written explanation for each class you miss (including appropriate supporting documentation to be determined by the instructor);
• to prepare adequately for class by completing all pre-class assignments; and
• to contribute effectively to class discussion (emphasis on quality, not quantity).

In the most general sense, grading class contribution provides an opportunity to assess the results of your efforts to learn the material and benefit from the course experience. Apart from simply noting whether you attend class, your contribution grade incorporates a subjective assessment by the instructor of the extent to which you “made the effort.”
**Commercial Lines Problem Assignments**

(course grade weight = 35% applied to each of 2 assignments; total weight = 70%)

During the course, you will complete **2 problem assignments**, one associated with the commercial property segment of the course, and the other, with the commercial liability segment:

- Each assignment is designed to assess your ability to take a set of requirements that too often are characterized by some degree of ambiguity and produce an impressive finished product that addresses key issues.
- Assignment questions are drawn from reading assignments and class discussion.
- You will organize your assignment answers into some form of written work product (report rules for each assignment TBA).
- Each assignment is to be completed on an **individual basis** (no group products!).

The problem assignment requirement will be discussed in greater detail in class.

**ACADEMIC MISCONDUCT**

- In accordance with University Faculty Rule No. 3333-5-487, all instances of alleged academic misconduct must be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs.
- We aggressively pursue violations of University standards on academic conduct.

**WAIT-LISTED STUDENTS (undergraduate courses only)**

- Wait-listed students who seek to enroll in a course must attend class for that course through the first class session of the second week of the semester. After that date, any student who has not been added to the course will not be enrolled and may not continue attending the class.
- Wait-listed students should contact either the Fisher Undergraduate Program Office or the Department of Finance if they have questions about the wait-list process.

**DISABILITY SERVICES**

- The Office of Disability Services (ODS) verifies students with specific disabilities and develops strategies to meet their needs. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the term to discuss their particular needs. Students with a specific disability are encouraged to contact ODS to explore potential accommodations available to them.
DISENROLLMENT
• The Fisher College of Business strongly enforces University attendance policies.
• Pursuant to University Rule 3335-8-33, a student may be “disenrolled” from a course for failure to attend by the first Friday of the term, by the third instructional day of the term, or by the second class meeting, \textit{whichever occurs first}.

POLICY ON EXTRA CREDIT
• No student will be permitted to complete “additional work” for extra credit without the permission of the instructor.

POLICY ON THE USE OF ELECTRONIC DEVICES IN CLASS
• Cell phones may \textbf{not} be used in class.
• During class, your cell phone must be set to SILENT (not vibrate) or turned OFF.
• No calculator that is part of a cell phone may be used on an exam.
• Laptops and tablets may be used in class only for course business.
• Lectures and other presentations may \textbf{not} be recorded (audio or video).
• Any electronic device not mentioned elsewhere in this section may be used in class only with the instructor’s permission.
• This policy does not apply to electronic devices used for medical reasons.
• The instructor may amend this policy at any time, should circumstances warrant.
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<th>Class Dates</th>
<th>Activities – Topics – Requirements</th>
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| **TUE JAN 12** | Course Administration and Introduction  
Discussion of course topics, requirements, policies and procedures |
| **THR JAN 14** | **Introduction to the Global Insurance Industry**  
1. Review *Standard & Poor’s Insurance Industry Survey* |
| **TUE JAN 19** | **Commercial Property Insurance**  
1. Read Rejda Chapter 25 (read this first)  
2. Read Flitner Assignment 1  
ASSIGN Problem Assignment 1 |
| **THR JAN 21** | **Commercial Property Insurance**  
1. Read Flitner Assignment 2 (pages 2.1-2.26)  
2. Review Flitner Assignment 1 |
| **TUE JAN 26** | **Commercial Property Insurance**  
1. Review Flitner Assignment 2 (pages 2.1-2.26) |
| **THR JAN 28** | **Commercial Property Insurance – Case Application**  
1. Review the case section at the end of Assignment 2 (starting on page 2.26) |
| **TUE FEB 2** | **Business Income Insurance**  
1. Read Flitner Assignment 3 (pages 3.1-3.22) |
| **THR FEB 4** | **Business Income Insurance – Case Application**  
1. Review Flitner Assignment 3 (pages 3.1-3.22)  
2. Review the case section at the end of Assignment 3 (starting on page 3.22) |
| **TUE FEB 9** | **Commercial Crime Insurance**  
1. Read Flitner Assignment 4 (pages 4.1-4.27; exclude Equipment Breakdown) |
| **THR FEB 11** | **Commercial Crime Insurance – Case Application**  
1. Review Flitner Assignment 4 (pages 4.1-4.27)  
2. Review the case section at the end of Assignment 4 (starting on page 4.27) |
| **TUE FEB 16** | **Inland and Ocean Marine Insurance**  
1. Read Flitner Assignment 5 (pages 5.1-5.21) |
| **THR FEB 18** | **Inland and Ocean Marine Insurance – Case Application**  
1. Review Flitner Assignment 5 (pages 5.2-5.21)  
2. Review the case section at the end of Assignment 5 (starting on page 5.21) |
## COURSE SCHEDULE

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| **TUE FEB 23** |  **Problem Assignment 1 Work Period – NO CLASS**  
1. You should use this time to complete work on the problem assignment  
2. Should you have questions or want to discuss the assignment, you can contact the instructor or one of your classmates (feel free to talk to classmates) |
| **THR FEB 25** |  **Problem Assignment 1 Class Discussion**  
1. Post your completed assignment (2 PDFs) to the Carmen Dropbox no later than **5:00 PM on Wednesday, FEB 24**  
2. Bring a copy of your completed assignment to class  
3. Class discussion will be devoted to assignment questions and solutions  
**Problem Assignment 1 DUE** |
| **TUE MAR 1** |  **Commercial General Liability Insurance**  
1. Read Rejda Chapter 26 (read this first)  
2. Read Flitner Assignment 6 |
| **THR MAR 3** |  **Commercial General Liability Insurance**  
1. Read Flitner Assignment 7 (pages 7.1-7.19)  
2. Review Flitner Assignment 6 |
| **TUE MAR 8** |  **Commercial General Liability Insurance**  
1. Review Flitner Assignment 7 (pages 7.1-7.19)  
**ASSIGN Problem Assignment 2** |
| **THR MAR 10** |  **Commercial General Liability Insurance – Case Application**  
1. Review the case section at the end of Assignment 7 (starting on page 7.19) |
| **TUE MAR 15** |  **Spring Break – NO CLASS** |
| **THR MAR 17** |  **Spring Break – NO CLASS** |
| **TUE MAR 22** |  **Workers Compensation and Employer Liability Insurance**  
1. Read Flitner Assignment 9 (pages 9.1-9.32) |
| **THR MAR 24** |  **WC&EL Insurance – Case Application**  
1. Review Flitner Assignment 9 (pages 9.1-9.32)  
2. Review the case section at the end of Assignment 9 (starting on page 9.32) |
| **TUE MAR 29** |  **Business Owners Policy (BOP)**  
1. Read Flitner Assignment 10 (pages 10.3-10.11) |
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| THR MAR 31  | Commercial Excess and Umbrella Liability Insurance  
1. Read Flitner Assignment 11 (pages 11.3-11.9) |
| TUE APR 5   | Professional Liability and Management Liability Insurance  
1. Read Flitner Assignment 11 (pages 11.9-11.16) |
| THR APR 7   | Environmental Insurance  
1. Read Flitner Assignment 11 (pages 11.16-11.22) |
| TUE APR 12  | Cyber Risk Insurance  
1. Read Flitner Assignment 11 (pages 11.26-11.30) |
| THR APR 14  | Problem Assignment 2 Work Period – NO CLASS  
1. You should use this time to complete work on the problem assignment  
2. Should you have questions or want to discuss the assignment, you can contact the instructor or one of your classmates (feel free to talk to classmates) |
| TUE APR 19  | Problem Assignment 2 Class Discussion  
1. Post your completed assignment (2 PDFs) to the Carmen Dropbox no later than 5:00 PM on Monday APR 18  
2. Bring a copy of your completed assignment to class  
3. Class discussion will be devoted to assignment questions and solutions |
| THR APR 21  | Course Wrap and Lessons Learned |

We reserve the right to correct errors in this document at any time, with appropriate notice.
Supplemental reading assignments can be found on Carmen.
Additional reading assignments may be posted at any time during the course, with appropriate notice.