
[INS 300] PRINCIPLES OF INSURANCE

SPRING 2024

SECTION:	001	E-MAIL:	essaidi@hawaii.edu
CLASS:	WF 3:00 - 4:15 PM BUSAD-D106	OFFICE HOURS:	W 11:30am-1:30pm or by appointment
INSTRUCTOR:	Hamza Essaidi	Zoom CODE:	979 364 9407

COURSE DESCRIPTION

Risk management is an integral part of an individual or a corporation's decision making process. The importance of risk management is further highlighted in the recent events (catastrophes, financial crisis, etc.). The tools of risk management have also broadened and developed significantly over time. This course introduces the fundamental concepts and principles of risk and risk management, and develops the basic toolkit for individuals and organizations to manage risks with a focus on the use of insurance.

Topics covered include principles of risk management, risk management techniques, use of insurance in individual/household and business settings, managerial aspects of underwriting and pricing, financial aspects of insurance companies and markets, public policies, and other more advanced issues.

This course satisfies a requirement for the Financial Services and Planning track or Finance majors and can be used as a general Finance elective.

This is a required course for the CFP™ exam.


KEY LEARNING OUTCOMES

The goal of this course is to engage students in active discovery of risk management and insurance principles. Through the chapters and lectures, students will be introduced to the important concepts and analytical skills that can prepare them to function in a business environment. With additional reading materials from a variety of sources (scholarly journals, reputable professional publications, major media sources), students will also be exposed to key issues and cutting-edge developments of risk management and insurance, e.g., enterprise risk management. Some of these issues will be discussed in the form of a series of special topics, where students are encouraged to use the tools they have learnt to tackle the new challenges.

This course will serve as a stepping-stone for students to explore more advanced areas of risk management and insurance, and to contribute to other related disciplines of study. To achieve the objectives, students are expected to actively contribute to the collective learning of the class.

TEXTBOOKS AND COURSE MATERIALS

 **ONLINE RESOURCES:** Lecture notes and PowerPoint slides will be posted on Laulima

 **TEXTBOOK:** Rejda, George E., McNamara, Michael J., and Rabel, William, Principles of Risk Management and Insurance (14th Ed.), Pearson Education, Inc., 2020 (required) (cheaper e-book version available through IDAP)

GRADING

Course Component	Overall Weight	Tentative Period
Individual Work		
<i>Attendance & Participation</i>	10%	
<i>Summaries</i>	10%	TBA
<i>Current Event Presentation</i>	5%	TBA
Exams		
<i>Exam 1</i>	25%	February 7
<i>Exam 2</i>	25%	March 6
<i>Exam 3</i>	25%	April 3
<i>Exam 4 (Optional)</i>	25%	TBA

ATTENDANCE & PARTICIPATION

Taking a course implies a commitment to regular attendance. Any absence, regardless of the reason, requires students to make up for missed work. It's crucial to recognize that frequent absences might, at the instructor's discretion, impact both the grade and the ability to stay in the course. Active participation is equally vital; students should be prepared to engage by answering questions, contributing comments, participating in discussions, and presenting in class. Attendance will be taken starting the last day to register for a course (January 17th). You are allowed up to four unexcused absences without penalty. Each subsequent absence (starting the 5th absence) will result in an automatic one point deduction.

CURRENT EVENT PRESENTATION

Each student will have the opportunity to briefly share with the class a current article from a quality newspaper (e.g. Financial Times, Wall Street Journal...) that they found interesting relating to Risk Management and Insurance. The discussion should summarize the findings of the article and discuss the relevancy of the article in relation to the class material we have covered. Details about the presentation schedule will be discussed in class.

SUMMARIES

The contents discussed in class are largely based off the textbook material. Therefore, it is crucial to read the assigned book chapters. To encourage students to spend time reading the material, there will be three assigned module summaries to be completed throughout the semester. Not only this is a great way to gain in-depth knowledge of insurance basics that we might not have time to cover in class, it is also an excellent way to prepare for the exams. The course is divided into 4 different modules (see course calendar for tentative dates). For each chapter, I will provide an outline detailing a set of questions that you have to answer. The summaries are due one week after we cover the last chapter in the module.

EXAMS

There will be three (required) exams and one (optional) exam scheduled for the semester, each worth 25% of your grade. Each of the required exams are non-cumulative and cover all the chapters in the module. The fourth and optional exam is a cumulative exam and covers all the chapters discussed during the semester. If a student elects to take the optional exam, the exam grade will replace the lowest score received on one of the three mandatory exams.

Exam Policy

- If you must miss a scheduled exam, you must notify me beforehand and provide documentation related to your absence.
- If the reason is sufficient to warrant the absence, the weight will be divided amongst the remaining exams.
- If the excuse is insufficient, you will be assigned a grade of 0 if you fail to take the exam.
- Exams are closed-note & closed-book.

EXTRA CREDIT OPPORTUNITIES

There will be opportunities for extra credit that will be offered to the entire class throughout the semester. I will share the details of the extra credit assignments beforehand and will allow sufficient time to complete the assignments.

LATE ASSIGNMENT POLICY

All assignments are designed to reinforce your learning. They are due at specific dates/times and in proper formats. Assignments handed in after the due date/time but during the next 24 hours will receive HALF credit. Assignments handed in more than 24 hours after the due time will receive NO credit.

GUEST LECTURES

Guest lectures bring real-world insights, diverse perspectives, and invaluable experiences directly to our classroom, enriching our understanding of the subject matter. Throughout the semester, I aim to schedule 2-3 guest lectures. The guest lecture take place during class time and all students are expected to attend the lecture. The tentative lecture dates will be announced and posted on Laulima. The guest lecture are designed to help you interact with insurance professionals who are seasoned in the field, and ask relevant questions about insurance topics. In addition, the guest lectures might discuss internship and/or job opportunities that you can take advantage of.

NORMATIVE CLASS COMMUNICATIONS

Interactions are very important for effective learning and are highly encouraged.

- Attendance is mandatory, and students are strongly encouraged to participate in class discussions and raise questions. You are responsible for material covered in class and any assignments missed due to absence. It is recommended that you make pre-arrangements with me in this case.
- Besides office hours, email is the best way to reach me outside class. When sending e-mails regarding the class, please include "INS 300" in the subject line and please remember to leave your name at the end of the email.

- Information will be communicated mainly through “Laulima” and group emails. You are responsible for checking “Laulima” and emails regularly. All scores are posted on “Laulima/Gradebook.”
- In order to be considered, all grading questions should be raised within two weeks of the score posting date.
- Please refrain from using laptops for any purpose not directly related to the current class since it affects/distracts other students.

USE OF LAULIMA

This class uses [Laulima](#). It may be used to distribute course materials, to communicate and collaborate online, to post grades, to submit assignments, and to take online quizzes and surveys. You will be responsible for checking Laulima course site regularly for class work and announcements. Scheduled Laulima downtimes are posted on the Laulima login page, and thus are not an excuse for late work. Laulima technical support can be reached at itech-l@hawaii.edu, so plan accordingly.

STUDENT PREPARING FOR THE CFP® EXAM

If you are taking this course as preparation for the CFP® exam, you are encouraged to contact [Summer K. Lee](#) for further information as early as possible. Also, you may be given additional self-study and practice materials that go beyond the scope required for the satisfactory completion of INS 300. You will not be graded on this material but it will be to your advantage to complete it and use it as a guide in preparing for the exam.

SPECIAL ACCOMMODATIONS

Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and free of charge. In case of need, contact KOKUA at 956-7511, or kokua@hawaii.edu, or Student Services Center Room 13. Early contact is strongly recommended.

DROP POLICY

If the University policies permit, a student may withdraw or drop this class with approval by the withdraw/drop deadlines set by the University. For deadlines for dropping/withdrawing from business classes, please check the [Spring 2024 Academic Calendar](#).

SCHOLASTIC DISHONESTY POLICY

Acts of academic dishonesty are not tolerated in this class. Acts of academic dishonesty as defined by university policies may lead to redoing the assignment, receiving a failing or reduced grade for the course or being referred to the UH Dean of Students for University disciplinary action. Students should refer to the [UH Student Conduct Code](#) for detailed definitions and explanations of academic dishonesty.

MODULES OUTLINE

- **Module 1: Introduction to Risk and Insurance**

Chapter 1 Risk and its treatment
Chapter 2 Insurance and Risk
Chapter 3 Introduction to Risk Management
Chapter 4 Enterprise Risk Management
Appendix Probabilities and Statistics

February 2 Summary Module 1 Due

- **Module 2: Insurance Companies**

Chapter 5 Types of Insurers and Marketing Systems
Chapter 6 Insurance Company Operations
Chapter 7 Financial Analysis and Regulation of Insurers
Chapter 9 Fundamental Legal Principles
Chapter 10 Analysis of Insurance Contracts

March 1 Summary Module 2 Due

- **Module 3 Types of Insurance**

Chapter 11-12 Life Insurance
Chapter 14 Annuities
Chapter 20 & 21 Auto Insurance
Chapter 22 & 23 Homeowners Insurance
Chapter 25 & 26 Commercial Property & Liability Insurance

March 27 Summary Module 3 Due

- **Module 4 Selected Topics in Insurance**

Chapter 18 Social Insurance
Chapter 14 Health Insurance
Chapter 8 Government Regulation
Chapter 27 Crime Insurance and Surety Bond Insurance
Chapter 24 Other P&L Coverages

April 26 Summary Module 4 Due

TENTATIVE COURSE CALENDAR

Date	Topics	Chapters
10-Jan	Introductions & Syllabus/Course Overview	
12-Jan	What is Risk?	Ch1
17-Jan	Introduction to Insurance	Ch2
19-Jan	Introduction to Risk Management (beyond insurance)	Ch3
24-Jan	Enterprise Risk Management	Ch4
26-Jan	Statistics and Probabilities	Appendix
31-Jan	Types of Insurers and Marketing Systems	Ch5
2-Feb	Exam 1 Review	
7-Feb	Exam 1	
9-Feb	Insurance Operations	Ch6
14-Feb	Financial Analysis and Regulation of Insurers	Ch7
16-Feb	Fundamental Legal Principles	Ch9
21-Feb	Analysis of Insurance Contracts	Ch10
23-Feb	Life Insurance	Ch11,12
28-Feb	Annuities	Ch14
1-Mar	Exam 2 Review	
6-Mar	Exam 2	
8-Mar	Automobile Insurance	Ch20,21
13-Mar	[Guest Lecture] Homeowners Insurance	Ch22,23
15-Mar	Commercial Property & Liability Insurance	Ch25,26
20-Mar	No Class: Spring Break	
22-Mar	No Class: Spring Break	
27-Mar	Exam 3 Review	
29-Mar	No Class: Good Friday	
3-Apr	Exam 3	
5-Apr	Social Insurance	Ch18
10-Apr	Health Insurance	Ch15,16
12-Apr	[Guest Lecture] Introduction to Actuarial Science	
17-Apr	Government Regulation	Ch8
19-Apr	Crime Insurance and Surety Bond Insurance	Ch27
24-Apr	Other P&L Coverages & Current Issues in Insurance	Ch24
26-Apr	Exam 4 Review	
1-May	Last Day of Class	

NOTE: The above actual dates may be modified due to the requirements of the class. Also, the indicated dates may be moved backward or forward depending on class progress. **Exact dates and instructions will be announced on course webpage.**