

Survey of Property/Casualty Insurance MET AT 754

Wednesdays 6:00 P.M. – 8:45 P.M.

On Campus (SAR 102)

Instructor: Glen Patashnick, FCAS

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Office hours are offered in person and on Zoom (<https://bostonu.zoom.us/my/gmfp.bu>)

TBA

and by appointment

Course Description

AT 754 is a survey of the Property and Casualty Industry. It will provide valuable background for students who are not familiar with the details of this branch of actuarial science. We will study:

- The theory of insurance, including what risks are insurable, how to calculate premiums on them, and pay losses on the inevitable claims.
- The history of the insurance industry, focusing on court cases that shaped the current regulatory structure.
- The basic policy structures of Homeowners, Auto, and Liability insurance.
- What kinds of reinsurance are available, and how they are used by insurance companies.

Books

- 1) Custom textbook available at <https://web.theinstitutes.org/purchase-study-materials>
- 2) Werner, Geoff and Modlin, Claudine, *Basic Ratemaking* (5th Edition), available for free download from https://www.casact.org/library/studynotes/Werner_Modlin_Ratemaking.pdf

Courseware

All announcements and assignments will be posted on Blackboard.

Many additional resources are available at www.casact.org.

Class Policies

Attendance & Absences – Attendance is expected of all students to all classes. Absences mean missing three hours of lecture, which you will be responsible for making up on your own.

Assignment Completion & Late Work – All assignments will be due at the beginning of the class following the one when they were assigned. Late work may be accepted but will not receive full credit.

Academic Conduct Code – Cheating and plagiarism will not be tolerated in any Metropolitan College course. They will result in no credit for the assignment or examination and may lead to disciplinary actions. Please take the time to review the Student Academic Conduct Code: http://www.bu.edu/met/metropolitan_college_people/student/resources/conduct/code.html.

Grading Criteria

Homework/Quiz: 10%

Presentation: 20%

Midterm: 35%

Final: 35%

Class Meetings, Lectures & Assignments

Lectures, Readings, and Assignments subject to change, and will be announced in class as applicable within a reasonable time frame.

Date	Topics	Readings Due (Old Texts)	Readings Due (New Texts)
Jan 24	Risks; What is Insurable?; How does Insurance work?	CAS1 Ch. 1 CAS1 Ch. 5	Chapters 1 & 2
Jan 31	Exposure Bases	Werner & Modlin Ch. 4	Werner & Modlin Ch. 4
Feb 7	Classification & Credibility	Werner & Modlin Ch. 9 Werner & Modlin Ch. 12 (no math) Werner & Modlin Ch. 13	Werner & Modlin Ch. 9 Werner & Modlin Ch. 12 (no math) Werner & Modlin Ch. 13
Feb 14	Underwriting	CAS1 Ch. 8	Chapter 4
Feb 21	No Class – Substitute Monday		
Feb 28	Reinsurance	CAS1 Ch. 13	Chapter 7
Mar 6	MIDTERM		
Mar 13	No Class – Spring Recess		
Mar 20	Claims	CAS1 Ch. 11 CAS1 Ch. 12	Chapter 5
Mar 27	Actuarial – Ratemaking	Werner & Modlin Ch. 8	Werner & Modlin Ch. 8
Apr 3	Regulation Presentation Review with Professor	CAS1 Ch. 6 CAS2 Ch. 15	Chapters 3 & 14
Apr 10	Court Cases That Shaped the Industry (Student Presentations; see below for topics)		
Apr 17	Insurance Law	CAS2 Ch. 13 CAS2 Ch. 14	Chapters 12 & 13
Apr 24	Homeowner's Insurance	CAS2 Ch. 6 CAS2 Ch. 7	Chapters 10 & 11
May 1	Personal Passenger Auto Insurance	CAS2 Ch. 4 CAS2 Ch. 5	Chapters 8 & 9
TBD	FINAL EXAM		

Sample Topics for Presentation

McCarran-Ferguson Act

Sherman Antitrust Act

Insurance Fraud Protection Act

Terrorism Risk Insurance Act

Boston University Metropolitan College



The National Flood Insurance Act
Clayton & Robinson-Patman Acts
The South-Eastern Underwriters Association Decision
Federal Trade Commission Act
The Risk Retention Act
Paul v. Virginia
Group Life and Health Insurance Co. v. Royal Drug
Armstrong Committee
National Board of Fire Underwriters