

FINN 4275-001

Corporate Risk Management

Spring 2017

Class Meetings

Tuesdays, 12:30pm-3:15pm, Friday 107

Instructor: Faith R. Neale, Ph.D.

Phone:	704-687-7636	Office:	351A Friday Building
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Office Hours:	Tuesdays		10 - 11:30am
	Wednesdays		10 - 11:30am

Course Description

This course provides an in-depth discussion of risk management in non-financial firms including analysis of techniques that firms use to manage risks. Risk handling devices and how they are applied to business problems are discussed. Some of the techniques examined include self-insurance, captives, financial instruments, and retentions.

Student Conduct

All students must be familiar with and abide by **University Policy 406, The Code of Student Responsibility** at <http://legal.uncc.edu/policies/up-406>.

All students must be familiar with and abide by **University Policy 407, The Code of Student Academic Integrity** at <http://legal.uncc.edu/policies/up-407>.

Course Objectives

1. Facilitate a comprehensive understanding of the role of risk management within a business environment.
2. Understand the interaction of laws, regulations, and insurance in risk management decision-making.
3. Understand the challenges confronting risk managers in the current environment and the tools available to assist in analysis.
4. Apply the risk management process to a commercial enterprise and present an organized analysis of that application.
 - a. Undergraduate students will focus on the firm's pure risks including hazard and operational risks.
 - b. Graduate students will analyze strategic and financial risks of the firm.
 - c. All students will examine strategic firm risk in context of the four other risk categories.

Required Text

Risk Management and Insurance, Second Edition, Harrington and Niehaus, McGraw-Hill/Irwin, 2004, [H&N]
ISBN: 0-07-233970-5 (OUT OF PRINT)

The ebook version can be purchased from McGraw-Hill by following the steps below.

1. Go to <http://create.mcgraw-hill.com/shop/>

2. Search for and select book by Title, ISBN, Author, or State/School.

ISBN: 9781121812338

Title: Advanced Risk Management

3. Add the book to your cart and pay using a credit card or access code.

Required Resource

IRMI-Online, [http://www.irmi-online.com/NXT/gateway.dll?f=templates\\$fn=default.htm](http://www.irmi-online.com/NXT/gateway.dll?f=templates$fn=default.htm)

International Risk Management Institute, Inc. (IRMI) provides a significantly discounted annual subscription to IRMI-Online to authorized colleges and universities and a free subscription to GIS members. IRMI-Online is a comprehensive reference source with more than 45,000 pages used by insurance brokers and multiline insurance companies. The cost for this resource for students of approved university programs who are not GIS members is \$25 for a one-year subscription. All students are required to obtain this subscription in order to fulfill the general requirements of this class including assigned reading and group project work. Students must protect and may not share their passwords or IRMI material with any other students or persons. The names and UNCC e-mail addresses of students enrolled in this class will be provided to IRMI in order to facilitate the reduced subscription rate. By purchasing a subscription to IRMI, students agree to the following terms:

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Grading

The course grade will be based on two examinations (55% of the course grade), a project (20%), a research paper (15%) and class participation and assignments (10%). The exams account for 27.5% each of your course grade. Your final grade will be based on the following scale:

90 and above = A, 80 to 89 = B, 70 to 79 = C, 60 to 69 = D, less than 60 = F

Exams

Make-up exams are not given except for medical or family emergencies involving urgent medical care or treatment.

Class Participation

Class participation includes attendance, discussion, homework assignments, class activities and meeting the general requirements of the course. Additional loss of class participation points may result from any one or a combination of the following:

- More than one absence whether excused or unexcused.
- More than one missed homework; entering class late; turning in homework after class has started.
- Using a laptop during class for anything other than this class
- Using a cell phone or text messaging during class
- Other discourteous or otherwise unprofessional behavior may automatically result in loss of class participation points.

Project

There are multiple parts to the project based on the steps in the risk management process. Each student will work with 2-3 other students on the project. Each project part is due at the beginning of class on the day stated by the instructor. **5 points** will be **deducted** from the **final project grade** for each day the project part is late, including projects turned in after the starting time for class. Each part must be clearly marked and include names of all contributing team members.

The final project grade will be adjusted based on content, organization, report presentation, final oral presentation and writing mechanics. Individual student project grades will be adjusted based on team member evaluations.

Students needing assistance with writing and presentations should consult the Writing Resource Center at <http://www.uncc.edu/writing/wrcindex.html>. The instructor also will refer you to the Writing Resource Center if needed.

Guest Speakers and Student Presentations

Class attendance is required at all times but additional penalties will be assessed if a student arrives late or misses a class when a guest speaker or students are presenting. Advance notification will be given when a speaker is scheduled or students are presenting. If you are **absent** during one of these classes, **3 points** will be **deducted** from your **final course grade**. If you **arrive late** for one of these classes or after a mandatory class break, then **2 points** will be **deducted** from your **final course grade**.

Class Policies

Special accommodations: Students needing special accommodations should inform the instructor of the type of accommodation needed during the first week of class.

E-mail: A great deal of communication is done by e-mail. Students are responsible for checking their UNCC e-mail account throughout the semester. Failure to check this account does not excuse the student from any missed assignments, classes, etc.... All e-mails to the instructor must be written in a professional manner.

Cell phones:	Cell phones may not be on during class or exams. This includes ringing, text messaging, internet, video, camera, and silent modes. If a cell phone rings during class then that student relinquishes consideration of class participation points stated above. In addition, cell phones may not be in view of, or in contact with, any student during exams. Violations of this policy will result in a zero on the exam. In the case of family emergencies accommodations may be made with the instructor.
IRMI-Online:	This online subscription is used throughout the entire course beginning with the first topic. IRMI-Online is also very useful for the projects. Students are required to obtain/purchase this subscription by the end of the second week of class to avoid falling behind in the reading assignments. Failure to obtain/purchase this subscription will result in 2 points deducted from your final course grade for each day you do not purchase the subscription beginning the Monday of the 3 rd week of class, including partial weeks including weekends. Students are prohibited from sharing their password or material from IRMI-Online. Failure to abide by these restrictions may result in a significant penalty including receiving a zero for the course.
Class materials and notes:	Additional materials may be provided as needed by the instructor throughout the course. If a student misses a class when this material is provided it is the student's responsibility to arrange to obtain this material from another student or from the instructor during the instructor's office hours. If you miss a day of class, lecture notes and materials should be obtained from another student.
Website:	The outlines for the class lectures as well as other class materials including sample projects and announcements will be posted on Canvas or e-mailed to the student. It is the student's responsibility to check the Canvas website and their e-mails frequently to keep updated on the class.
Exams:	Undergraduate exams generally include short answer and multiple-choice questions requiring scantron answer sheets. Students are responsible for providing their own #2 pencils and calculators on the day of exams.
Laptops:	Laptops may be used during class for class purposes only and are permitted at the instructor's discretion. Those using laptops are to sit on the back row of the classroom. If the laptop becomes a distraction the student will be required to turn it off and put it away immediately upon the instructor's request. Failure to do so will result in removal from class that day. If laptop use continues to be a distraction, the instructor may prohibit their use for the remainder of the semester.

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Class Schedule for FINN 4275, Spring 2017

Instructor: Faith R. Neale, Ph.D.

Week of	Topic	Reading
Week 1 Jan 10 th	Overview of Class & Risk Management The Risk Management Process	CH 1 [H&N], IRMI PRM Topic A-1, A-11 CH 2 [H&N], IRMI PRM Topic A-25
Week 2 Jan 17 th	Risk Identification Cost of Risk Tyler McNeill Snyders-Lance, Inc	IRMI PRM Topic A-3 IRMI PRM Topic A-16
Week 3 Jan 24 th	Legal Foundations of Liability	CH 3 [H&N], IRMI PRM Topic E-1, E-2 IRMI PRM Topic A-3 (Liability Risks)
Week 4 Jan 31 st	Objectives of Tort System International Risk Management	CH 12 [H&N] (12.4-12.7) IRMI PRM Topic E-5, E-6, E-7
Week 5 Feb 7 th	Hendricks Tour (to be confirmed)	
Week 6 Feb 14 th	Analytical Tools and Measurement Catch-up	CH 26 [H&N]
Week 7 Feb 21 st	Mid-Term Cyber Liability (IRMI G-21) – Guest – Cyber expert	
Week 8 Feb 28 th	Worker’s Compensation Pooling and Diversification	CH 18 [H&N] CH 4 [H&N]
Week 9 Mar 14 th	Executive Risk & Employment Practices Vonni Davis	IRMI PRM Topic G-36, G-38
Week 10 Mar 21 st	Risk Management and Shareholder Wealth Risk Retention/Reduction Decisions	CH 20 [H&N] CH 22 [H&N]
Week 11 Mar 28 th	Loss Control	CH 11 [H&N]
Week 12 Apr 4 th	Commercial Insurance Contracts/Policies	CH 23 [H&N], IRMI PRM A-4
Week 13 Apr 11 th	Hedging Alternative Risk Transfer	CH 24 [H&N] CH 25 [H&N]
Week 14 Apr 18 th	Emerging Issues in Risk Management Terrorism	IRMI PRM E-11
Week 15 Apr 25 th May 2 nd May 9 th	EXAM 2 Presentation Practice Formal Project Presentation, 11-1:30pm, to be confirmed with client	

This schedule is tentative and subject to change.

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12:30-3:15pm, Friday 107