FINN 5275-009
Corporate Risk Management
Fall 2016

Class Meetings

Mondays, 6:30pm-9:15pm, Friday 383

Instructor: Faith R. Neale, Ph.D.

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E-mail: frneale@uncc.edu
Office Hours: Mondays and Wednesdays 11-12:30pm and by appointment

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 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


The ebook version can be purchased from McGraw-Hill by following the steps below.
1. Go to http://create.mcgraw-hill.com/shop/

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)

IRMI Online is a mandatory resource that students must obtain a subscription to in order to meet the requirements for the class. Students must obtain this subscription within the first week of class in order to have access to mandatory material and keep up with the class topics. Students must post to Canvas documentation of subscription by the beginning of the second day of class. 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 purchase this subscription by the end of the second week of class to avoid falling behind in the reading assignments. Failure to purchase this subscription will result in 2 points deducted from your final course grade for each day you do not provide evidence of subscription beginning the Monday of the 2nd 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. IRMI is providing complimentary subscriptions for current, active Gamma Iota Sigma students.

International Risk Management Institute, Inc. (IRMI) provides a significantly discounted annual subscription to IRMI-Online for students at authorized colleges and universities. IRMI-Online is a comprehensive reference source with more than 75,000 pages used by insurance brokers and multiline insurance companies. The cost for this resource for approved university programs is $49 for a one-year subscription and IRI provides complimentary subscriptions to current, active Gamma Iota Sigma students. All students are required to provide proof of subscription in order to fulfill the general requirements of this class including assigned reading and group project work. Current, active GIS students must contact the Professor for instructions to receive the complimentary subscription. 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 may 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 (65% of the course grade), a risk analysis project (25%), and data analysis project (10%). The midterm accounts for 30% and the final exam accounts for 35% of your final 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

At all points in the semester students are responsible for calculating and/or projecting their own final course grade based on the distribution above and the grades earned for each component. Students are not to rely on the grade component or final course grade calculation by Canvas or any other learning management system used. Generally, Canvas is used to post grades only and not to calculate any component of grades or the final course grade.

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. Loss of class participation points may result from any one or a combination of the following:

- More than one unexcused absence
- More than two excused absences. Excluding emergencies, an absence is automatically considered unexcused if advance written notice of the absence, at least 12 hours prior to the class, is not provided to the instructor. Acceptable documentation, as determined by the instructor, of the emergency must be provided by the next scheduled class for the absence to be excused.
- Classification of an absence, excused or unexcused, is solely at the instructor’s discretion.
- 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 1-2 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 all previous parts. The final project grade will be based on content, organization, presentation and writing mechanics. Students needing assistance with writing and presentations should consult the Writing Resource Center at [http://www.uncc.edu/writing/wrcindex.html](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.

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 and announcements will be posted on Canvas. It is the student’s responsibility to check the course website and their e-mails frequently to keep updated on the class.

Exams: Graduate exams are multiple-choice, short answer and essay exams. Writing must be legible by the instructor in order for the exam to be graded. Students are responsible for providing their own #2 pencils and calculators on the day of exams to complete the multiple-choice portion of the exam.

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.

Turnitin.com As a condition of taking this course, all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. No student papers will be submitted to Turnitin.com without a student’s written consent and permission. If a student does not provide such written consent and permission, the instructor may: (i) require a short reflection paper on research methodology; (ii) require a draft bibliography prior to submission of the final paper; or (iii) require the cover page and first cited page of each reference source to be photocopied and submitted with the final paper. Therefore, students should take care when choosing group members for the project.
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.

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<thead>
<tr>
<th>Week of</th>
<th>Topic</th>
<th>Reading</th>
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<tr>
<td>Week 1</td>
<td>Overview of Risk Management</td>
<td>CH 1 [H&amp;N], IRMI PRM Topic A-1</td>
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<td>The Risk Landscape</td>
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<td>Week 2</td>
<td>Analytical Tools and Measurement</td>
<td>CH 26 [H&amp;N], IRMI Topic H-6</td>
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<td>Aug 29</td>
<td>Assessing Property Exposures and Risk</td>
<td>IRMI PRM Topic A-3</td>
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<td>Risk Register</td>
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<td>Sep 5</td>
<td>Labor Day – No Classes</td>
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<td>Week 3</td>
<td>Legal Foundations of Liability</td>
<td>IRMI PRM Topic A-3 (Liability Risks) CH 3 [H&amp;N],</td>
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<td>Sep 12</td>
<td>Objectives of Tort System</td>
<td>IRMI PRM Topic E-1, E-2</td>
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<td>CH 12 [H&amp;N] (12.4-12.7)</td>
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<td>Week 4</td>
<td><strong>Project Part 1 Due by 6:30pm</strong></td>
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<td>Sep 19</td>
<td>Tour of Charlotte-Douglas Airport</td>
<td>IRMI Topic I-1</td>
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<td>Public Entities</td>
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<td>Week 5</td>
<td>Worker’s Compensation</td>
<td>CH 18 [H&amp;N], IRMI Topic G-3</td>
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<td>Sep 26</td>
<td>Employment Practices and Personnel Exposures</td>
<td>IRMI PRM Topic G-36, G-38</td>
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<td>Identification and Risk Management</td>
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<td>Week 6</td>
<td>Pooling and Diversification</td>
<td>CH 4 [H&amp;N]</td>
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<td>Oct 3</td>
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<td>Week 7</td>
<td>Student Recess – No Class</td>
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<td>Oct 10</td>
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<td>Week 8</td>
<td><strong>Midterm – Lloyd’s of London</strong></td>
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<td>Oct 17</td>
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<td>Week 9</td>
<td><strong>Project Part 2 Due on Canvas by 6:30pm</strong></td>
<td>CH 20 [H&amp;N]</td>
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<td>Oct 24</td>
<td>Risk Management and Shareholder Wealth</td>
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<td>Week 10</td>
<td>Risk Retention/Reduction Decisions</td>
<td>CH 22 [H&amp;N], IRMI Topic B-1</td>
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<td>Oct 31</td>
<td>Loss Control</td>
<td>CH 11 [H&amp;N], IRMI Topic D-1</td>
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<td>Week 11</td>
<td>Commercial Insurance Contracts/Policies</td>
<td>CH 23 [H&amp;N], IRMI PRM A-4</td>
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<td>Nov 7</td>
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<td>Week 12</td>
<td>Derivatives and Financial Risk Management</td>
<td>IRMI Topic B-14</td>
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<td>Nov 14</td>
<td>Hedging</td>
<td>CH 24 [H&amp;N]</td>
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<td>Week 13</td>
<td><strong>Project Part 3 and Risk Register Due by 6:30pm</strong></td>
<td>CH 25 [H&amp;N]</td>
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<td>Nov 21</td>
<td>Alternative Risk Transfer</td>
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Week 14
Final Project Due (in its entirety) – Executive Summary, Project Organization, etc...
Team Member Evaluation Due
Nov 28
ERM and Emerging Issues in Risk Management
Cost of Risk
IRMI PRM Topic A-16

Week 15
Project Presentations
Dec 5
Presentation Power Point Due

Monday, Dec 12th, 8-10:30pm
Final Exam**

***Please check the University website at http://registrar.uncc.edu/calendar-and-exam-schedules/exam-schedules for updates on the final exam schedule. Many times changes to this schedule are made very late in the semester. While I will try to keep you updated on any changes it is your responsibility to check the schedule immediately prior to final exam week to verify the date and time of your exam.

This schedule is tentative and subject to change.

Class meetings: Mondays 6:30-9:15pm, Friday 383