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
E-mail: frneale@uncc.edu
Office: 351A Friday Building
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 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/
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

IRMI is a copyrighted and password protected educational service and use of their material is subject to important restrictions. An extract from the Terms of Use Agreement, including some of these restrictions is noted below.

"IRMI grants you a nonexclusive, nontransferable license to search and view text and databases accessible to you subject to these Terms of Use. Text and databases on the site that are accessed by password are restricted to authorized users, and authorized users are prohibited from sharing their passwords with others. The text and database(s) may be used only for viewing information or for extracting information to the extent described below.

In no event will you cause or permit any of the Content on this product to be published, printed, downloaded, transmitted, distributed, reengineered, or reproduced in any form (whether directly or in condensed, selective, or tabulated form) for resale, republishing, redistribution, viewing, or other commercial purposes.

Nevertheless, you may on an occasional and irregular basis save to a file or print out individual pages of information that have been individually selected, to include in letters, memoranda, e-mails, reports, and legal briefs that are distributed for noncommercial purposes to a very limited number of individuals. You may make such limited number of duplicates of any output, both in machine-readable or printed form, as may be reasonable for these purposes only. You must include in all such memoranda, reports, and correspondence the phrase, "Reprinted with permission from this product. Copyright International Risk Management Institute, Inc., Dallas, TX." This product includes copyrighted material of Insurance Services Office, Inc.; American Association of Insurance Services, Inc.; National Council on Compensation Insurance (NCCI); and the Surety Association of America with their permission. Content copyrighted by these organizations is identified and may not be copied, published, reprinted, reengineered, translated, hosted, or otherwise distributed by any means without the explicit permission of the copyright holder. You agree to treat your product password as strictly private and confidential. This password is unique to you and you agree not to share it with other people, whether employed by your organization or not.

The above is "Reprinted with permission from IRMI-Online. Copyright International Risk Management Institute, Inc., Dallas, TX."

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


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:

IRMI is a copyrighted and password protected educational service and use of their material is subject to important restrictions. An extract from the Terms of Use Agreement, including some of these restrictions is noted below.

"IRMI grants you a nonexclusive, nontransferable license to search and view text and databases accessible to you subject to these Terms of Use. Text and databases on the site that are accessed by password are restricted to authorized users, and authorized users are prohibited from sharing their passwords with others. The text and database(s) may be used only for viewing information or for extracting information to the extent described below.

In no event will you cause or permit any of the Content on this product to be published, printed, downloaded, transmitted, distributed, reengineered, or reproduced in any form (whether directly or in condensed, selective, or tabulated form) for resale, republishing, redistribution, viewing, or other commercial purposes.

Nevertheless, you may on an occasional and irregular basis save to a file or print out individual pages of information that have been individually selected, to include in letters, memoranda, e-mails, reports, and legal briefs that are distributed for noncommercial purposes to a very limited number of individuals. You may make such limited number of duplicates of any output, both in machine-readable or printed form, as may be reasonable for these purposes only. You must include in all such memoranda, reports, and correspondence the phrase, "Reprinted with permission from this product. Copyright International Risk Management Institute, Inc., Dallas, TX." This product includes copyrighted material of Insurance Services Office, Inc.; American Association of Insurance Services, Inc.; National Council on Compensation Insurance (NCCI); and the Surety Association of America with their permission. Content copyrighted by these organizations is identified and may not be copied, published, reprinted, reengineered, translated, hosted, or otherwise distributed by any means without the explicit permission of the copyright holder. You agree to treat your product password as strictly private and confidential. This password is unique to you and you agree not to share it with other people, whether employed by your organization or not.

The above is "Reprinted with permission from IRMI-Online. Copyright International Risk Management Institute, Inc., Dallas, TX."

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


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:

IRMI is a copyrighted and password protected educational service and use of their material is subject to important restrictions. An extract from the Terms of Use Agreement, including some of these restrictions is noted below.

"IRMI grants you a nonexclusive, nontransferable license to search and view text and databases accessible to you subject to these Terms of Use. Text and databases on the site that are accessed by password are restricted to authorized users, and authorized users are prohibited from sharing their passwords with others. The text and database(s) may be used only for viewing information or for extracting information to the extent described below.

In no event will you cause or permit any of the Content on this product to be published, printed, downloaded, transmitted, distributed, reengineered, or reproduced in any form (whether directly or in condensed, selective, or tabulated form) for resale, republishing, redistribution, viewing, or other commercial purposes.

Nevertheless, you may on an occasional and irregular basis save to a file or print out individual pages of information that have been individually selected, to include in letters, memoranda, e-mails, reports, and legal briefs that are distributed for noncommercial purposes to a very limited number of individuals. You may make such limited number of duplicates of any output, both in machine-readable or printed form, as may be reasonable for these purposes only. You must include in all such memoranda, reports, and correspondence the phrase, "Reprinted with permission from this product. Copyright International Risk Management Institute, Inc., Dallas, TX." This product includes copyrighted material of Insurance Services Office, Inc.; American Association of Insurance Services, Inc.; National Council on Compensation Insurance (NCCI); and the Surety Association of America with their permission. Content copyrighted by these organizations is identified and may not be copied, published, reprinted, reengineered, translated, hosted, or otherwise distributed by any means without the explicit permission of the copyright holder. You agree to treat your product password as strictly private and confidential. This password is unique to you and you agree not to share it with other people, whether employed by your organization or not.

The above is "Reprinted with permission from IRMI-Online. Copyright International Risk Management Institute, Inc., Dallas, TX."

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](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 3rd 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.

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

This schedule is tentative and subject to change.

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