FINN 6215-U90 Special Topics in Financial Services  
Risk Management in Insurance Firms - Spring 2015

Class Meetings  
Mondays, 5:30pm-8:15pm, Center City Campus, 606  

Instructor: Larry Bowen, MBA  
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Office Hours: Mondays 4:30 – 5:30 Center City and by appointment upon request

Course Description  
The overall goal of this course is for the student to understand the operations and risks of an insurance firm and how to evaluate and manage those operations and risks in a dynamic business environment. To facilitate this understanding the following topics are covered: 1. The role of insurance firms within the financial services industry, 2. The functions of insurance firms with emphasis on operations unique to insurers, 3. Insurer financial and risk management in the complex regulatory environment and 4. Financial and strategic analysis of insurance firms.

Student Conduct  
All students must be familiar with and abide by UNC Charlotte’s Code of Student Responsibility defined in the 2014-2015 Graduate Catalog and located online at: http://catalog.uncc.edu/graduate-catalogs/current/student-conduct  
1. The UNC Charlotte Code of Student Academic Integrity  
2. The UNC Charlotte Code of Student Responsibility

Course Objectives  
1. Understand the financial industry and regulatory environment within which insurers operate.  
2. Understand and manage the main functions and risks of insurance firms.  
3. Interpret information contained in insurer financial statements and assess insurer strategy.  
4. Analyze an insurance firm including their diversification strategy, pricing, marketing and distribution, underwriting, claims handling and liability and liquidity management.

Required Texts  
ISBN# 978-0-89463-713-1 (RMIF)

Required Resources  
1. Additional readings as assigned.  
2. SNL Financial data subscription located at www.snl.com. Students may sign up for this service at no cost using their UNCC e-mail address and a university computer.
Grading
The course grade will be based on two examinations – a midterm and final exam (55% of the course grade), a project (25%), and assignments & lecture participation (20%). Each of these will be graded on a scale of 1 through 100. The midterm will be worth 25% and the final 30% of your final course grade. The final exam will be administered according to the schedule outlined in the UNCC Final Exam Schedule. Your final grade will be based on the following scale: 90 and above = A, 80 to 89.99 = B, 70 to 79.99 = C, 60 to 69.99 = D, less than 60 = F

Exams
Exams are to be taken when scheduled. If the mid-term exam is missed and the absence is excused based on university guidelines, then you may reschedule to take the midterm before the next class period or the final exam will account for 55% of your final course grade. If the absence is unexcused then you will be given a zero for that exam. Excluding emergencies, an absence is automatically considered unexcused if advance notice, at least 24 hours prior to the exam, of the absence is not provided to the instructor.

Assignments & Lecture Participation
Students will be responsible for three to four assignments during the course of the semester. These assignments along with lecture participations will constitute 20% of your final course grade. Assignments may include, but is not limited to, the following topics: investments, pricing, risk transfer, claims handling, and insurer analysis. Participation in class discussion is a necessary element of this course. All students are expected to participate and respect each others’ opinions.

Guest Speakers and Student Presentations
Class attendance is highly recommended and required when a speaker is present. 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.

Project
Each student is required to work with other students on a semester long underwriting project.

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.
Cell phones: Please use cell phones in a respectful manner. Cell phones are not allowed to be on during exams. Specifically, during an exam cell phones may not be in view of, or in contact with, any student. 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.
**Course communications:** The outlines for the class lectures as well as other class materials including announcements will be posted on Moodle2 or e-mailed to the student. It is the student’s responsibility to check the Moodle2 website and their e-mails frequently to keep updated on the class.

**Exams:** Exams generally include short answer and essay.

**Laptops:** Laptops may be used during class for class purposes only and are permitted at the instructor’s discretion. 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 class or 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.
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<th>Week</th>
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| 1    | Jan 12th | Insurance Industry & Operations Overview  
FIO Annual Report September 2014, (pp. 1 – 10)  |
| 2    | Jan 19th | MLK Day, UNCC Off                                                     |
| 3    | Jan 26th | Insurance Firm Risks & Enterprise Risk Management:  
Reading: 2015 Insurance Outlooks Focus on Bigger Picture Challenges December 2014  
Risk Management and the Rating Process for Insurance Firms  
April 2013  
| 4    | Feb 2nd  | Insurer Accounting & Investment Portfolio Management  
Reading: RMIF (Ch 1, 2, pp. 2.3 – 2.15, & 3)  
FIO report (pp. 26-28)  |
| 5    | Feb 9th  | Insurance Capital  
Reading: RMIF (Ch 4 & 5)  
FIO report, (pp. 29-30)  |
| 6    | Feb 16th | Insurance Industry Regulation & Financial Ratings (AM Best)  
Reading: AM Best BCAR Report  
April 2014 White Paper  
RMIF (Ch 2, pp. 2.16 – 2.28 & Ch 6)  
FIO report, (pp. 37 – 49)  
Terrorism Report (pp. 1- 4)  |
| 7    | Feb 23rd | Actuarial Operations (Quantifying Risk)  
Reading: RMIF (CH 8)  
Understanding Loss Development Factors  
October 2011  |
| 8    | Mar 2nd  | UNCC Spring Break                                                     |
| 9    | Mar 9th  | Mid-term Exam                                                         |
| 10   | Mar 16th | Reinsurance  
Reading: RMIF (CH 9)  
An Introduction To Reinsurance  
2013 Report  |
| 11   | Mar 23rd | Underwriting (Qualitative Analysis)  
Reading: RMIF (CH 10)  
Best Underwriting Guide Sample  |
| 12   | Mar 30th | Underwriting (Quantitative Analysis)                                  |
| 13   | Apr 6th  | Marketing & Distribution  
Reading: RMIF (CH 11)  |
| 14   | Apr 13th | Claims & Loss Control  
Reading: (CH 7)  
Sample Loss Runs & Risk Control Assessment  |
| 15   | Apr 20th | Speaker (TBD)                                                         |
| 16   | Apr 27th | Project Presentations                                                 |
| 17   | May 4th  | Final Exam                                                            |

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.