# ACCT 385 – Introduction to Risk Management and Insurance

**USC Leventhal**
School of Accounting

**Course Syllabus**
Section:   TBD
Location: TBD
Time:      TBD

**Professor: Ward Ching**
Office:      TBD
Office Hours: TBD and/or See Class Link
Office Phone:  415.902.3820
E-Mail:      TBD

## Course Description

This course is an introduction to risk management and insurance for undergraduate students. The concept and role of risk management and insurance is rapidly changing in the international market. Globalization, technological advances and the adaptions by enterprises and economies has led to rapid changes in how risks are evaluated and mitigated.  The ability to identify/anticipate, measure, financially and operationally manage, mitigate and communicate risk exposures as a portfolio is essential to business success.   Moreover, the ability communicates the various impacts and consequences of material risk exposures to executive management and other enterprise stakeholders is becoming a mission critical management skill.   This course provides a basis for further study for those entering into the fields of risk management, insurance, reinsurance, claims management, financial engineering, enterprise risk management, accounting, auditing (internal and external), and operations.

## Learning Objectives

Upon completion of this course, students should be able to:

1. Define the concept of "risk" and how it applies to large enterprises, businesses, organizations and markets;
2. Identify and define significant hazard, operational, human capital risk exposures within an enterprise, business or organization;
3. Understand the basic insurance market and placement process, beginning with exposure identification, coverage definitions, placement and post placement management;
4. Receive a basic understanding of the commonly used risk assessment and management frameworks and tools that apply to the risk management supply and distribution chains;
5. Receive a directed understanding of key risk management concepts including risk including assumption, avoidance, limitation, financing and transfer;
6. Be exposed to methods and organizations that evaluate and to implement an enterprise – wide risk management program within an organization;
7. Develop and deliver strategic memorandum communications to senior management level decision-makers; and,
8. Develop and deliver a professional presentation to communicate key risk information to organization stakeholders.

To achieve these learning objectives, a combination of background reading, team based interactive discussion / lecture, access to "real world experts" and cases will be utilized. This course is designed to be highly collaborative and hands on. Students will more than likely work in teams and will engage with locally based world class companies and experts who represent a variety of risk management and insurance specialties. The objective is to provide the student with the opportunity to encounter real world issues, problems and concepts that are being handled in the international risk management and insurance markets today. Students should come prepared engage, discuss and argue in a constructive and team context.

## Required Materials

The readings indicated in the assignments are from:

- Rejda, George E., and McNamara, Michael J., Principles of Risk Management and Insurance Thirteenth Edition (2017) Pearson (978-1-292-15103-8)

And where noted, as suggested supplemental readings, from:

- Fraser, J., Simkins, B, (2010). Enterprise Risk Management. New Jersey: John Wiley & Sons (978-0-470-49908-5)

- National Alliance Research Academy, (2014). Risk Management Essentials. Texas: National Alliance Research Academy (978-0470559857)

  Additional Materials will be distributed via Blackboard

## Prerequisites and Recommended Preparation

No formal pre-requirements for this course. Regular reading of a general business periodical or newspaper's financial section will aid in your business education. The Wall Street Journal can be purchased at a discounted student rate at www.wsjstudent.com. Another common industry periodical is Business Insurance.

In addition, student may want to join various risk management groups online. Several good risk management groups can be found through LinkedIn (www.linkedin.com) or the Insurance Thought Leadership group (www.insurancethoughtleadership.com). A good insurance and risk management organization to become familiar with is the Risk & Insurance Management Society (www.rims.org). Reviewing the daily posts relating to risk management can give students with a current view on the issues that risk management professionals are confronting and solving on a daily basis. More information on how to join these groups, if desired, will be provided in class.

## Course Notes

### Course Communication

Course communication will take place through announcements in class, announcements on Blackboard (blackboard.usc.edu), and emails sent through Blackboard. It is imperative that all students have a fully operational Blackboard account.

## Grading Policies

Your grade in this class will be determined by your relative performance on the individual projects, case preparation homework, participation and the team project. The total class score will be weighted as follows:

| Assignments | Points | % of Grade |
|---|---|---|
| **INDIVIDUAL STUDENT PROJECT MEMOS (3)** | 600 | 60.0% |
| **TEAM PROJECT** | 200 | 15.0% |
| **CLASS PARTICIPATION** | 100 | 10.0% |
| **FINAL EXAM** | <u>100</u> | <u>15.0%</u> |
| **TOTAL** | | 100.0% |

Details of the **Individual Student Project Memos (individual project memos)** will be discussed in class two weeks prior to the due date and the specifics of the assignments will also be posted on Black Board. The individual project memos are intended to be strategy memorandums that help the student to examine specific aspects of the insurance industry business model and risk management organizational development. Two of the individual project memos are related (weeks 2 and 7 of the syllabus), to possible private equity entry into the insurance market). The third individual project memo (week 11 of the syllabus) focuses on the creation of a risk management department. Each individual project will be 1500 words in length.

The **Team Project** will be introduced in week 1 of the class. Depending on the size of the class, equally sized teams will be developed and will be given an "underwriting submission" to analyze throughout the course semester. The objective of the Team Project is to assume the role of an insurance company as they review a possible risk submission for underwriting. The intent is for the team to analyze the submission materials and through research and review of course materials make a non-technical underwriting presentation that describes their decision and rationale to underwrite or not underwrite the risks presented. Each Team Project will be presented in class at the end of the semester.

Final grades represent how you performed in the class relative to other students. Historically, the average grade for elective classes in Marshall School of Business is 3.3.

The grade of "W" is allowed only if a student withdraws after the official add period and before the end of the drop period during the semester. The grade of incomplete (IN) can be assigned only if there is work not completed because of a documented illness or unforeseen emergency occurring after the drop period of the semester that prevents the student from completing the semester. An "emergency" is defined as a serious documented illness, or an unforeseen situation that is beyond the student's control, that prevents a student from completing the semester. Prior to the end of the drop period, the student still has the option of dropping the class so incompletes will not be considered. Arrangements for completing an IN must be initiated by the student and agreed to by the instructor prior to the final examination. All work required to replace the IN with a final grade must be completed within one calendar year from the date the IN was assigned. If the student does not complete the work within the year, the IN will automatically be converted to a grade of F.

## Assignments and Grading Detail

## Individual Project Memos

Company case study source materials and questions will be handed out during the course (weeks 2, 7 and 11) as the source materials the students will use to write their individual project memos.  A questions set for each  for the company case has been developed and is intended to  stimulate student critical thinking and communications skills while mastering core course content.   The company cases will reflect real world risk management and insurance problems along with contemporary market conditions. In many instances, local risk management or insurance placement experts will be invited to participate in a class to present problem solving perspectives and approaches to/with the students.

## Team Assignment

The Team Assignment will be handed out towards the middle of the semester.  The assignment is a research based project that will require your team to evaluate a public company and produce a class presentation and written report relating to your team's assessment of the company risks and methods for mitigation.   This report will include identifying material risks of the organization, developing a process to evaluate the significance of the risks, creating a risk mapping document to visually illustrate the risks, and finally, recommendations on how to manage the identified risks. You will document your results by: 1) delivering a professional / high quality copy of the report as indicated in the project instructions; and 2) presenting key findings to the class on the day of presentations.

## Add / Drop Process

Students may drop via Web Registration at any time prior to **TBD**.  Please note that if you drop after **TBD** your transcripts will show a W for the class.  Students may add the class as space becomes available via Web Registration through **TBD**.

Dates to Remember:

| | |
|---|---|
| Last day to add classes or drop without a "W" | **TBD** |
| Last day to change enrollment from P/NP to Letter Grade | **TBD** |
| Last day to drop with "W" | **TBD** |

## Retention of Graded Coursework

All graded work which affected the course grade will be retained for one year after the end of the course if the graded work has not already been returned to the student.

## Technology Policy

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the professor and/or staff..  Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, IPads, other texting devices, laptops, I-pods) must be turned off during class.  Upon request, all electronic devices in your possession (e.g., cell / smart phones, tablets, laptops, etc.) must be completely turned off and / or put FACE DOWN on the desk in front of you.  In addition, students might also be asked to deposit your devices in a

designated area in the classroom. Video recording of faculty lectures is not permitted due to copyright infringement regulations. Audio recording is only permitted if approved in advance by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

## Recordings

No student may record any lecture, class discussion or meeting with the professor without the professor's prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. The professor reserves all rights, including copyright, to lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in this class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and the professor.

## Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the The Office of Disability Services and Programs (www.usc.edu/disability) which provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.  Email: ability@usc.edu.

## Statement on Academic Conduct

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own.  All students are expected to understand and abide by these principles.  *SCampus*, the Student Guidebook, (www.usc.edu/scampus or http://scampus.usc.edu) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty.  The Review process can be found at: http://www.usc.edu/student-affairs/SJACS/.  Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

### Academic Conduct

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" https://policy.usc.edu/scampus-part-b/.  Other forms of academic dishonesty are equally unacceptable.  See additional information in *SCampus* and university policies on scientific misconduct, http://policy.usc.edu/scientific-misconduct

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* http://equity.usc.edu or to the *Department of Public Safety* http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* http://www.usc.edu/student-affairs/cwm/ provides 24/7 confidential support, and the sexual assault resource center webpage http://sarc.usc.edu describes reporting options and other resources.

## Support Systems

A number of USC's schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* http://dornsife.usc.edu/ali, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* http://emergency.usc.edu will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. https://engemannshc.usc.edu/counseling/

*National Suicide Prevention Lifeline - 1-800-273-8255*
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. http://www.suicidepreventionlifeline.org

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*
Free and confidential therapy services, workshops, and training for situations related to gender-based harm. https://engemannshc.usc.edu/rsvp/

*Sexual Assault Resource Center*
For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: http://sarc.usc.edu/

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*
Works with faculty, staff, visitors, applicants, and students around issues of protected class. https://equity.usc.edu/

*Bias Assessment Response and Support*
Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. https://studentaffairs.usc.edu/bias-assessment-response-support/

*Student Support & Advocacy – (213) 821-4710*
Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. https://studentaffairs.usc.edu/ssa/

*Diversity at USC – https://diversity.usc.edu/*
Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

## **Emergency Preparedness / Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (http://emergency.usc.edu/*)* will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

For additional information, please see the following:

**USC Emergency – (213) 740-4321**
**USC Emergency Information – (213) 740-9233**
**USC Information – (213) 740-2311**
**KUSC Radio – 91.5 FM**

# MARSHALL GUIDELINES

## Learning Goals

In this class, emphasis will be placed on the USC Marshall School of Business learning goals as follows:

| Goal | Description | Course Emphasis |
|:---:|---|:---:|
| 1 | Our graduates will have an understanding of the key business areas and their reciprocity *to effectively manage different types of modern enterprise.* | Medium |
| 2 | Our graduates will have a global mindset *demonstrating an understanding of the interplay of local, regional, and international markets, and economic, social and cultural issues.* | Medium |
| 3 | Our graduates will demonstrate critical thinking skills, decision-making, and problem-solving abilities *to strategically navigate complex demands of business environments.* | Strong |
| 4 | Our graduates will demonstrate leadership skills *aspiring to be informed, sensible, future-oriented leaders and innovators.* | Strong |
| 5 | Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities *and aspire to add value to society.* | Medium |
| 6 | Our graduates will be effective communicators in speaking and writing *to facilitate information flow in organizational, social, and intercultural contexts.* | Medium |

## Course Calendar and Homework Assignments

| Week | Date | Topic | REJDA and McNamara | Nara/ Fraser | Homework / Case / Other |
|---|---|---|---|---|---|
| 1 | | **Introduction to Risk Management and Insurance – Course Introduction**<br><br>Breakout Discussion session/Small Team Presentations -  What risks do you see?<br><br>Description of Course:<br>• Coverage – What will you learn?<br>• Projects – What are they?   How are they graded?<br>• Final Team Project<br>　○ How are teams defined?<br>• The Art of the Memorandum:  How to communicate with Senior Management<br>　○ Practice Memo to CFO<br><br>Evolution and the Future of Risk Management and Insurance: A preview of upcoming attractions.<br><br>**Readings: Chapter 1**<br><br>**Questions:**<br>• How is risk described?<br>• What is risk management?<br>• What business opportunities benefit from risk management? | **Chapter 1** | **TBD** | |
| 2 | | **What is Risk?**<br>• Definitions<br>• Downside<br>• Upside<br>**Historical Perspectives**:<br>• Property<br>• Casualty<br>• Marine<br>• Aviation<br>• Surety<br>• Employee Benefits<br>• Risk Domains:<br>　○ Hazard<br>　○ Operational<br>　○ Market<br>　○ Reputation<br>　○ Human Capital<br>**Theory, Targets and Types of Insurance**<br>• **Theory**<br>　○ How did the industry develop?<br>　○ Risks, Perils and Hazards:  What can be insured?<br>　○ Shock Losses:  What are they and how do they impact the availability and price of insurance?<br>　○ Law of Large Numbers:  The key to profitable underwriting<br>　　■ Alternatives – No insurance, self-insurance, special purpose insurance companies (captives) contracts and regulations.<br>• **Targets**<br>　○ Personal coverages<br>　○ Commercial coverages | **Chapter 2 & 3 Pg. 40-55, 66-79** | **TBD** | **Readings and questions. Compete Strategy Memo #1** |

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| | | o  Why are these coverages purchased?<br><br>• **Types**<br>  o  Insurance business models – types of companies and their business structures<br>  o  Product pricing – How is it done?<br>  o  Basic financials of insurance carriers<br>  o  How do carriers work – from underwriting to payment of a claim, and beyond<br>  o<br> **Enterprise Risk Management – Overview**<br><br>**Questions:**<br><br>• What is the purpose of risk transfer?<br>• How does risk transfer, including insurance, benefit society?<br>• What are the main components of an insurance carrier and what do they do?<br><br>**Individual Project Memo #1**<br><br>**Prepare a strategy memorandum for Private Equity Partner outlining the basics of an insurance business and the possible rational for entering the market.  Make recommendation to: Pursue Due Diligence; Enter Market; Postpose Entry.  Provide rational**<br><br>**1500 word limit**. | | | |
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| 3 | | **External Influences impacting Risk Management and Insurance**:<br>• **Traditional Influencers**:<br>  o  Government Regulation – Departments of Insurance<br>  o  Geopolitical, natural hazard, emerging influencers<br>  o  Rating Agencies<br>  o  Boards of Directors<br>  o  Accountability and Transparency Standards – Sarbanes Oxley<br>  o  Consumer Advocacy – Fairness and access issues<br>  o  Shareholder Perspectives<br>• **Emerging Influencers:**<br>  o  Innovative competitors<br>  o  New sources of risk transfer<br>  o  Disruptive Social Media: Twitter, Facebook, Yelp<br>• **Cases:  Uber and Airbnb**<br>  o  Group Discussion/Presentation:  How have these two companies changes the risk landscape?<br>**Questions:**<br><br>• What is the value of regulation in the insurance industry?<br>• What is the primary role of the Board of Directors?<br>• How might innovation or disruption play a role in insurance and risk finance? | **Chapter 8 Pg. 165-183** | **TBD** | **Uber and Airbnb materials to be handed out in class** |
| 4 | | **Mattel Case Introduction – Toys that listen and talk.**<br>**How is Risk Management structured and executed in a quickly evolving company.  Guest Speaker/Class Discussion** | **Case Materials provided to** | | **Mattel Case** |

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| | | • What is risk?<br>• How is risk identified?<br>• How is risk measured?<br>• How is risk retained or transferred?<br>• What does a "day in the life" of a risk manager look like? | **students in class and during field trip.** | | |
| 5 | | **What is an Underwriter?**<br>• Underwriting Process<br>• Exposure Analysis and Modeling<br>• Coverage<br>• Technical Underwriting – How is pricing done<br>• The role of Actuaries and Advanced Analytics/Big Data<br><br>• What does the coverage renewal process look like?<br>• How does carrier finance influence pricing and availability of coverage?<br>• How are products designed and distributed?<br><br>**Guest Speaker/Class Discussion – In class underwriting exercise**<br><br>**Questions:**<br><br>• What are the primary duties of an underwriter?<br>• What information does an underwriter use to evaluate and price risk?<br>• How does one train to become a property/casualty underwriter | **Chapter 6 Pg. 126-141** | **TBD** | **Berkshire Hathaway** |
| 6 | | **What is Underwriting – Deeper Dive**<br>• **Underwriting**<br>   o Property and Casualty<br>     ▪ Lines of business<br>     ▪ Coverage types<br>     ▪ Emerging issues<br>   o Financial Lines<br>     ▪ Lines of business<br>     ▪ Coverage types<br>     ▪ Emerging issues<br>   o Surety<br>   o Insurance and contract law<br>     ▪ Impact of legal changes on carriers<br><br>**Questions:**<br><br>• How are property and casualty coverages different in purpose from financial lines?<br>• What role does surety play in economics? | **Chapter 5 Pg. 110-120** | **TBD** | **Answer Questions** |
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| 7 | | **Marketing and Distribution of Risk Finance and Insurance**<br>• **Marketing**<br>   o Product being sold<br>   o How target audiences are reached<br>• **Distribution**<br>   o Agents and Brokers<br>   o Direct to Consumer<br>   o Alternative approaches<br><br>**Guest Speaker/Class Discussion – In class underwriting exercise**<br><br>**Questions:** | **Readings provided in class** | **TBD** | **Broker/Agent Aon, Marsh, E&S, Answer Questions, Complete Strategy memo #2** |

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| | | • What are the major components of the distribution and sale of insurance products and services?<br>• What is the difference between a broker and an agent?<br>• What skills are need to be an effective broker or agent?<br><br>**Individual Project Memo #2:**<br><br>**Update strategy memorandum for Private Equity Partner outlining results of discovery process regarding the basics and distribution of an insurance products and services. Update the possible rational for entering the market. Make recommendation to: Pursue specific area of insurance; Early identify what segment of market to enter; Postpose further discovery. Provide rational.**<br><br>**1500 word limit.** | | | |
| 8 | | **Management of Insurance**<br>   • **Company Management**<br>      o Functions and Responsibilities<br>         ▪ Capital management<br>         ▪ Operations and Agency Services<br>         ▪ Premium Audit and Collection<br>         ▪ Claims and loss control<br>         ▪ G&A – Legal, IT, Vendor Management, Human Resources<br>      o Sustaining the Business<br>         ▪ Talent<br>         ▪ Enter or exit an underwriting segment<br>         ▪ Changes in distribution systems<br>**Financial Fitness in Insurance**<br>   • Investment Portfolio<br>   • Fiscal Requirements<br>      o Solvency<br>      o Cash Flow Underwriting<br>   • Rating Agencies<br>      o Fitch, Moody's, Standard & Poor<br>      o What are the ratings and what do they mean? | | | |
| 9 | | **Disney Risk Management Case – Building A Global Brand**<br><br>   • How is risk and brand connected?<br>   • How does Disney identify risk?<br>   • How does Disney use risk analytics?<br>   • What mechanisms does Disney use to retained or transfer risk? Why?<br>   • How is risk management inform Disney business strategy?<br>   • What does a "day in the life" of a risk management at Disney r look like?<br>   • Team Project Discussed | **Case Materials provided to students in class and during field trip.** | **TBD** | **Disney Risk Management Case/Visit** |
| 10 | | **Reinsurance**<br>   • Reinsurance – Theory and Method<br>      o Treaty<br>      o Facultative<br>      o Distribution<br>      o Analytics<br>      o Emerging methods – Integrated Risk<br>      o Use of Captives<br><br>Possible Reinsurance Brokerage/Carrier guest lecture | **Readings provided in class** | **TBD** | **Munich Re/Swiss Re/AIG/Chubb or Other carrier, Answer questions** |

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| | | **Questions:**<br><br>• How is reinsurance different from or similar to primary insurance?<br>• How are these forms of coverage underwritten and distributed? | | | |
| 11 | | **Health Insurance**<br>• Insurer Types and Economics<br>• Health products<br>• Affordable Care Act<br>    o Advantages<br>    o Disadvantages<br>    o Impact on health care industry<br>    o Changes to ACA<br>• Emerging Issues<br>    o Unemployment<br>    o Health & Wellness<br>    o Ethics<br>Possible Health and Welfare Brokerage/Carrier guest lecturer<br><br><br>**Questions:**<br><br>• Why is health insurance important?<br>• What role does health insurance play in society?<br>• How is health insurance distributed and sold?<br><br>**Individual Project Memo #3:**<br><br>**Prepare a strategy memorandum for Corporate CFO describing how risk management and insurance department should be organized within corporate structure. Focus on insurable hazard risks including Workers' Compensation. Recommend structure and core duties/responsibilities.**<br><br>**1500 word limit** | **Readings provided in class** | **TBD** | **Aon Consulting or Mercer, complete Strategy memo #3** |
| 12 | | **Combined Topics: Life Insurance / Industry Innovation**<br>**Life Coverages**<br>• Coverage overview<br>• Lines of business<br>• Annuities<br>• Accident and Heath<br>• Distribution<br>• Emerging issues<br>• Life expectancy<br>• Long term disability and illness<br><br>**Questions:**<br><br>• Why is life insurance important?<br>• How is it different from health insurance?<br>• What role does life insurance play in society?<br>• How is life insurance distributed and sold differently from other lines of coverage? | **Readings provided in class** | **TBD** | **Life, Health and Welfare materials, answer questions** |
| 13 | | **Combined Topics: Risk Control and Engineering (Avoidance, Transfer, Assumption) and Industry Innovation**<br><br>• Risk Control Engineering | **Readings provided in class** | **TBD** | **Loss Control Engineer** |

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| | | • Role of risk control in underwriting<br>• Market use of information<br><br>• What happens when…<br>    o Uber starts an insurance company<br>    o Google or Apple becomes the biggest automobile manufacturer in the US?<br>    o How will you visit the doctor? On your cell phone or in person?<br>    o Will you live to be over 100 years old?<br><br>**In Class Group Discussion** | | | |
| 14-15 | | **Team Presentations** | | | |
| | | **Final Examination in class** | | | **Final Exam Schedule** |
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| How ACCT 499 (Introduction to Risk Management and Insurance) Contributes to Student Achievement of USC Marshall's Six Undergraduate Programs Learning Goals | | |
|---|---|---|
| **Marshall Undergraduate Programs Learning Goals** | **Degree of Emphasis (1=Low, 2=Moderate, 3=High)** | **RSK 4XX Objectives that support this goal** |
| **Learning goal #1: Our graduates will understand types of markets and key business areas and their interaction *to effectively manage different types of enterprises*** | **2** | |
| 1.1 Students will demonstrate foundational knowledge of core business disciplines, including business analytics and business economics | 2 | |
| 1.2 Students will understand the interrelationships between functional areas of business so as to develop a general perspective on business management | 3 | |
| 1.3 Students will apply theories, models, and frameworks to analyze relevant markets (e.g. product, capital, commodity, factor and labor markets) | 3 | |
| 1.4 Students will show the ability to utilize technologies (e.g., spreadsheets, databases, software) relevant to contemporary business practices | 2 | |
| | | |
| **Learning goal # 2: Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions *so as to anticipate new opportunities in any marketplace*** | **2** | |
| 2.1 Students will understand how local, regional and global markets interact and are impacted by economic, social and cultural factors. | 2 | |
| 2.2 Students will understand that stakeholders, stakeholder interests, business environments (legal, regulatory, competitor) and business practices vary across regions of the world | 3 | |
| | | |
| **Learning goal 3: Our graduates will demonstrate critical thinking skills *so as to become future-oriented decision makers, problem solvers and innovators*** | **2** | **1, 2, 3, 4, 5, 6, 7** |
| 3.1 Students will understand the concepts of critical thinking, entrepreneurial thinking and creative thinking as drivers of innovative ideas | 1 | |
| 3.2 Students will critically analyze concepts, theories and processes by stating them in their own words, understanding key components, identifying assumptions, indicating how they are similar to and different from others and translating them to the real world | 2 | |
| 3.3 Students will be effective at gathering, storing, and using qualitative and quantitative data and at using analytical tools and frameworks to understand and solve business problems | 3 | |
| 3.4 Students will demonstrate the ability to anticipate, identify and solve business problems. They will be able to identify and assess central problems, identify and evaluate potential solutions, and translate a chosen solution to an implementation plan that considers future contingencies | 2 | |
| 3.5 Students will demonstrate the ability to be accurate, clear, expansive (thorough, detailed) and fair-minded in their thinking | 2 | 7 |

| | | |
|---|---|---|
| | | |
| **Learning Goal 4: Our graduates will develop people and leadership skills to promote their effectiveness as *business managers and leaders.*** | **2** | **2, 3, 5, 7** |
| 4.1 Students will recognize, understand, and analyze the motivations and behaviors of stakeholders inside and outside organizations (e.g., teams, departments, consumers, investors, auditors) | 2 | |
| 4.2 Students will recognize, understand and analyze the roles, responsibilities and behaviors of effective managers and leaders in diverse business contexts e.g., marketing, finance, accounting, | 2 | |
| 4.3 Students will understand factors that contribute to effective teamwork | 2 | |
| | | |
| **Learning goal 5: Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities *and aspire to add value to society*** | **1** | **2, 5** |
| 5.1 Students will understand professional codes of conduct | 1 | |
| 5.2 Students will recognize ethical challenges in business situations and assess appropriate courses of action | 2 | |
| | | |
| **Learning Goal #6: Our graduates will be effective communicators *to facilitate information flow in organizational, social, and intercultural contexts.*** | **2** | **3, 6, 7** |
| 6.1 Students will identify and assess diverse personal and organizational communication goals and audience information needs | 2 | |
| 6.2 Students will understand individual and group communications patterns and dynamics in organizations and other professional contexts | 2 | |
| 6.3 Students will demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts | 2 | |

Further detailed explanation of the Marshall School Undergraduate Learning Goals are shown in Appendix I of this Course Syllabus.

**Appendix I**

**USC Marshall**
School of Business

## Undergraduate Program Learning Goals

According to the AACSB, the Learning Goals state how the degree programs demonstrate the Marshall mission. Learning Goals should be broad statements, describing the goal of learning as well as the outcome. Accordingly, below the **goal** is what Marshall intends the students should be and the *outcome further describes students' application and transfer of knowledge*. The goals should express expectations that reflect the depth and breadth of student knowledge and skills that are sustainable foundations for life-long learning in support of their professional and personal development.

1. **Our graduates will have an understanding of the key business areas and their interplay** *to effectively manage different types of modern enterprise.*
2. **Our graduates will have a global mindset** *demonstrating an understanding of the interplay of local, regional, and international markets, and economic, social and cultural issues.*
3. **Our graduates will demonstrate critical thinking skills, decision-making, and problem-solving abilities** *to strategically navigate complex demands of business environments*.
4. **Our graduates will demonstrate leadership skills** *aspiring to be sensible, future-oriented leaders and innovators.*
5. **Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities** *and aspire to add value to society*.
6. **Our graduates will be effective communicators in speaking and writing** *to facilitate information flow in organizational, social, and intercultural contexts.*

## Learning objectives associated with each learning goal:

According to AACSB, the more places in a curriculum [exist] that support one or more learning goals [and their objectives], the greater the probability of student success.

**1.** Learning goal: **Our graduates will have an understanding of the key business areas and their reciprocity** *to effectively manage different types of modern enterprise.*

- Students will gain factual, conceptual, procedural, and metacognitive knowledge of the following areas: Accounting, finance, marketing, management & organizational behavior, operations and information management, and entrepreneurship.
- Students will integrate disciplinary knowledge to develop a general management perspective and know how to tailor it to different types of modern enterprise.
- Students will understand and utilize current technology in all disciplines.

**2.** Learning goal: **Our graduates will have a global mindset** *demonstrating an understanding of interplay of local, regional, and international markets, and economic, social and cultural issues.*

- Students will understand the complexities of business in the global economy and society, including its local, regional and global impact.
- Students will understand the different markets such as product, capital, commodity and factor, labor and global markets.
- Students will apply theories, models, and frameworks to analyze those markets.
- Students will have knowledge of the role of the legal, regulatory, competitor, financial, and consumer environments on business.

- Students will have knowledge of other cultures and their implications for business practice.
- Students will be able to adapt behavior and business practices to diverse business environments and cultures.

3. Learning goal: **Our graduates will demonstrate critical thinking skills, decision-making, problem-solving abilities** *to strategically navigate complex demands of the business environments.*

- Students will gather, categorize, analyze, interpret, and evaluate relevant qualitative and quantitative information.
- Students will critically question problems, competing priorities and points of view in situations characterized by ambiguity and/or uncertainty.
- Students will apply analytic tools and frameworks of business disciplines to create and defend well-reasoned conclusions and solutions based on relevant criteria and standards.
- Student will develop abstract ideas and design novel conceptual frameworks based on facts and theories.

4. Learning Goal: **Our graduates will demonstrate leadership skills** *aspiring to be informed,*
      *sensible, future-oriented leaders and innovators.*

- Students will recognize the intricacies of individual and organizational group behaviors and demonstrate leadership skills at all levels in organizations, such as team leadership, departmental leadership, executive leadership, and entrepreneurial leadership.
- Students will demonstrate the ability to be creative and innovative thought-leaders.

5. Learning goal: **Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities** *and aspire to add value to society.*

- Students will understand and abide by professional codes of conduct.
- Students will understand the importance of ethics across cultures.
- Students will know how to apply ethical frameworks to assess appropriate courses of conduct.
- Students will recognize situations and issues that present ethical challenges and will be able to develop solution approaches.
- Students will understand businesses' responsibilities to stakeholders and moral obligations to society at large.

6. Learning goal: **Our graduates will be effective communicators in speaking and writing** *to facilitate information flow in organizational, social, and intercultural contexts.*

- Students will assess and characterize diverse communication goals and audience needs across cultures and utilize the appropriate oral or written form of communication as well as applicable media and technology.
- Students will understand interpersonal and organizational communication dynamics and implement effective internal and external organizational communication strategies.
- Students will conduct research using a broad range of sources, synthesizing and judging the quality of collected information and support their written or oral claims logically and persuasively.
- Students will write effectively in professional contexts and in all common business formats.
- Students will create and deliver context specific presentations and/or lead meetings individually or collaboratively.

**Appendix II**

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<u>**Undergraduate Enterprise and Insurance Risk Management Program -  Student Learning Objectives**</u>

| | | |
|---|---|---|
| **OBJECTIVE 1** | Technical Knowledge | Students will demonstrate technical proficiency in the risk management and insurance discipline, including the understanding of contractual coverages, product develop and product/service distribution approaches standard in the global insurance industry.  The use of these skills will enable the student to better appreciate the industry operational mechanisms and help solve risk management problems and contribute to strategy discussions in an operational/commercial setting. |
| **OBJECTIVE 2** | Research, Analysis and Critical Thinking | Students will demonstrate the ability to critically analyze, synthesize, and evaluate information for decision making in the local, regional and global business environment. |
| **OBJECTIVE 3** | Ethical Decision Making | Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making. |
| **OBJECTIVE 4** | Communication | Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner. |
| **OBJECTIVE 5** | Leadership, Collaboration and Professionalism | Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals. |

**Appendix III**

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**Participation – Behavioral Anchor Rating Approach**

<u>**Excellent Performance**</u>

        -Initiates information relative to topics discussed
        -Accurately exhibits knowledge of assignment content
        -Clarifies points that others may not understand
        -Shares personal experiences or opinions related to topic
        -Offers relevant / succinct input to class
        -Actively participates in simulations and class exercises
        -Demonstrates ability to apply, analyze, evaluate & synthesize course material.
        -Demonstrates willingness to attempt to answer unpopular questions
        -Builds on other students contributions

<u>**Good Performance**</u>

        -Regularly participates in discussions
        -Shares relevant information
        -Gives feedback to classroom discussions
        -Consistently demonstrates knowledge of reading assignments
        -Demonstrates ability to analyze / apply course material
        -Demonstrates willingness to attempt to answer questions

<u>**Fair / Average Performance**</u>

        -Participates in group discussions when asked
        -Demonstrates knowledge of course material
        -Offers clear, concise, "good" information on class assignments
        -Offers input, but tends to reiterate the intuitive
        -Attends class regularl

<u>**Poor Performance**</u>

        -Occasional input, often irrelevant, unrelated to topic
        -Reluctant to share information
        -Not following the flow of ideas
        -Personal applications only
        -Drains energy from the class

<u>**Unacceptable Performance**</u>

        -Fails to participate even when specifically asked
        -Gives no input to discussions
        -Does not demonstrate knowledge of the readings
        -Shows up to class: does nothing
        -Distracts group / class
        -Irrelevant discussion