

**Business F731  
Insurance and Risk Management  
Fall 2019 Course Outline**

**Finance and Business Economics  
DeGroote School of Business  
McMaster University**

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***COURSE OBJECTIVE***

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This course looks at risk exposures and how these risks are addressed. Risk management is a life-long process that involves five steps: identification, evaluation, control, financing and monitoring. Risks can be managed with control techniques or can be financed using insurance. The course covers different types of insurance, life, health and disability and home, property and automobile insurance and including methods to calculate insurance needs

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Section 1: Thurs 8:30 AM – 11:20 AM**

Class Location: RJC/TBA

**Sumit Bose, MBA CFP FMA CIWM FCSI**

Instructor

sbose@mcmaster.ca

Office: RJC/231

Office Hours: before class and by appointment

Tel: (905) 525-9140, Ext. 20694

(as office is used by number of instructors, please do not leave messages)

**Course website:** <http://avenue.mcmaster.ca>

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***COURSE ELEMENTS***

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Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	No	Guest speaker(s):	Yes

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## ***COURSE DESCRIPTION***

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Upon completion of this course, students will be able to name and discuss the issues in insurance and will be able to demonstrate this knowledge by being able to evaluate possible outcomes for various courses of actions.

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## ***LEARNING OUTCOMES***

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Upon completion of this course, students will be able to complete the following key tasks:

- Recognize risk exposures in various situations;
  - Classify risks in order to assess risk exposures;
  - Use appropriate risk management techniques for various situations; and
  - Understand how the basic principles apply to both themselves and others.
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## ***REQUIRED COURSE MATERIALS AND READINGS***

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Avenue registration for course content, readings and case materials

- <http://avenue.mcmaster.ca> \$ FREE

- Textbook: Risk Management and Insurance in Canada, Second Edition Coleen Clark, 2018. Purchase a copy at the bookstore \$ 69.50 CAD
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## ***EVALUATION***

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A combination of lectures, discussion and problem solving. Students will be encouraged to think, analyze, evaluate, and problem-solve, not memorize. Students are expected to come to class on time and be prepared for the class, i.e., to have read the assigned reading and to have done the assigned problems. Your final grade will be calculated as follows:

### **Components and Weights**

Participation	In-class Contribution (individual)	10%
Assignment	Assignment on Avenue to Learn (Group)	20%
Term Test #1	Multiple Choice and Short Answer (individual) Ch. 1 - 5	35%
Term Test #2	Multiple Choice and Short Answer (individual) Ch. 6 - 9	35%
<b>Total</b>		<b>100%</b>

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NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

[www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf](http://www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf)

### **Grade Conversion**

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

LETTER GRADE	PERCENT	POINTS
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

### **Communication and Feedback**

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors are encouraged to conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

### **ASSIGNMENT**

The group assignment report **must** be typed (double space) maximum twelve pages. They can be completed in groups of no more than **3** students. The groups are to be organized by students themselves. Your mark will be first based on content, and second, on presentation. Presentation includes effective and correct use of the English language.

**The assignment is due at the start of class indicated on the class schedule section of the course outline.** Late assignments will not be accepted unless the student and the professor have made prior arrangements.

## **TERM TESTS**

The term-tests are 60% closed book, multiple choice and 40% open book, short answer. Students may use any aids with the exception of another person or a personal computer.

**Students must pass the combination of the two term tests in order to pass the course.**

## **CLASS CONTRIBUTION**

Name cards and class pictures are used to help give credit for your participation. You must have a name card with your **full first and last name** clearly written and displayed in front of you for every class.

Your contribution is essential component in the overall education process. Contribution takes place in many forms: asking informed questions in class, making intelligent comments, reading the case and being prepared to discuss the issues, actively listening to your peers and working with others. Please remember that quantity is no substitute for quality.

There will be ample opportunity to contribute to the class. The format of the in-class discussions of cases may take a variety of forms including: group analysis of single case issues during class, presentation of issues and leading discussions of the case issues.

**It is your responsibility to ensure that you take an active role in class. If this is a problem for you, I urge you to talk to me to discuss ways that you can make a contribution. The grading for the class contribution in each class is as follows:**

<b>Grade</b>	<b>Contribution</b>
<b>0</b>	Does not show up for class.
<b>1</b>	Attends class but says very little.
<b>2</b>	Makes a significant contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed prior to class, the various aspects of the problems and issues involved, shares in class presentations, contributes to in-class group work.

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## **ACADEMIC DISHONESTY**

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You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an

assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

[www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity)

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

### **Language for Use in Courses with an On-Line Element**

In this course we will be using X\*. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

X\* = e-mail, LearnLink, WebCT, web pages, capa, Moodle, ThinkingCap, etc

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## ***MISSED ACADEMIC WORK***

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### ***Missed Mid-Term Examinations / Tests / Class Participation***

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the Student Experience – Academic (MBA) office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroote website at <http://mbastudent.degroote.mcmaster.ca/forms-and-applications/>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for

special exam arrangements. Such requests must be made to the Student Experience – Academic (MBA) office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by Student Experience – Academic (MBA).

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

### ***Missed Final Examinations***

A student who misses a final examination without good reason will receive a mark of 0 on the examination.

All applications for deferred and special examination arrangements must be made to the Student Experience – Academic (MBA) office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the following term. There will be one common sitting for all deferred exams.

Failure to write an approved deferred examination at the pre-scheduled time will result in a failure for that examination, except in the case of exceptional circumstances where documentation has been provided and approved. Upon approval, no credit will be given for the course, and the notation N.C. (no credit) will be placed on the student's transcript. Students receiving no credit for a required course must repeat the course. Optional or elective courses for which no credit is given may be repeated or replaced with another course of equal credit value.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

Any student who is unable to write a final examination because of illness is required to submit the Application for Deferred MBA Final Examination and a statement from a doctor certifying illness on the date of the examination. The Application for Deferred MBA Final Examination and the McMaster University Student Health Certificate can be found on the DeGroote website at <http://mbastudent.degroote.mcmaster.ca/forms-and-applications/>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. Students who write examinations while ill will not be given special consideration after the fact.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within five business days of the missed examination.

Special examination arrangements may be made for students unable to write at the posted exam time due to compelling reasons (for example religious, or for part-time students only, work-related reasons):

- Students who have religious obligations which make it impossible to write examinations at the times posted are required to produce a letter from their religious leader stating that they are unable to be present owing to a religious obligation.
- Part-time students who have business commitments which make it impossible to write examinations at the times posted are required to produce a letter on company letterhead from the student's immediate supervisor stating that they are unable to be present owing to a specific job commitment.

In such cases, applications must be made in writing to the Student Experience – Academic (MBA) office at least ten business days before the scheduled examination date and acceptable documentation must be supplied.

If a student is representing the University at an academic or athletic event and is available at an overlapping scheduled time of the test/examination, the student may write the test/examination at an approved location with an approved invigilator, as determined by the Student Experience – Academic (MBA) office.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within ten business days of the end of the examination period.

Note: A fee of \$50 will be charged for a deferred exam written on campus and a fee of \$100 for deferred exams written elsewhere. In cases where the student's standing is in doubt, the Graduate Admissions and Study Committee may require that the student with one or more deferred examination privileges refrain from re-registering until the examination(s) have been cleared.

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## ***STUDENT ACCESSIBILITY SERVICES***

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Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

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## ***POTENTIAL MODIFICATION TO THE COURSE***

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The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

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## ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of MBA F731 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

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## ***COURSE EVALIATIONS***

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A course evaluation will be conducted near the end of the term. Students are asked to participate in this evaluation

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## COURSE SCHEDULE

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### Business F731 Insurance and Risk Management Fall 2019 Course Schedule

DATE	CH.	LECTURE
		<b><i>Introduction to Risk and Insurance</i></b>
Sept 12	1	<b>Risk, Risk Management and Insurance</b> This chapter introduces the concept of risk and the various ways to evaluate and manage it. The basics of insurance – one way of managing risk – is then introduced.
Sept 19	2	<b>Backdrop to Insurance and Insurance Law</b> This chapter provides the underpinnings of insurance rates as well as the essence of Contracts – all insurance policies are contracts – and Negligence – the basis for the need for liability insurance
		<b><i>General Insurance</i></b>
Sept 26	3	<b>Automobile Insurance</b> After covering the fundamentals of personal auto insurance, the Ontario Automobile Policy is covered in order to know how and what is covered.
Oct 3	4	<b>Homeowners' Insurance</b> Again, details of a policy are examined to uncover the mysteries of the various parts of the policy.
Oct 10	5	<b>Commercial Insurance</b> Commercial coverage has many more aspects to it than personal coverage because there are many more loss exposures.
Oct 17		<b>Term Test #1 – Chapters 1 to 5</b>
		<b><i>Life and Health Insurance</i></b>
Oct 24	6	<b>Health Care</b> The Canada Health Act regulates provincial and territorial health plans. Workers' Compensation, Canada Pension Plan and Employment Insurance also provide support for workers when they are unable to work due to illness.
Oct 31	7	<b>Income Protection Plans</b> This covers individual and group (employer-sponsored) coverage for health, disability, critical care, long-term care and travel insurance.
Nov 7	8	<b>Life Insurance</b> The basic life insurance contract is reviewed and the various types of contracts available – term life, whole life, universal life and segregated funds.
		<b><i>The Insurance Industry</i></b>
Nov 14	9	<b>Insurance Operations and Insurance Industry</b> This includes the build-up of reserve – funds set aside to meet future operations and the special accounting rules employed by the insurance industry – as well the distribution system for insurance products and special accounting principles for the insurance industry. Also covered is the insurance industry – its size, regulations covering licensing, and organizations which support both the insurance industry and consumers.
Nov 21		<b>Term Test #2 Chapters 6 to 9</b>
Nov 28		<b>**Course Evaluations**</b> <b>Career Planning Class</b> <b>**Group Assignment Due**</b>

\* Course Evaluations: 10 minutes at the beginning of class. Bring your electronic devices.