

# 2012-2013 LONG SIGNATURE SHEET



UNC CHARLOTTE

Proposal Number: FINN 09-25-15

Proposal Title: Establishment of a new course FINN 5275"

Originating Department: Finance

TYPE OF PROPOSAL: UNDERGRADUATE \_\_\_\_\_ GRADUATE X UNDERGRADUATE & GRADUATE \_\_\_\_\_

(Separate proposals sent to UCCC and Grad Council)

DATE RECEIVED	DATE CONSIDERED	DATE FORWARDED	ACTION	SIGNATURES
9/24/15	9/24/15	10/13/15	Approved	DEPARTMENT CHAIR  Dr. Dolly King
10/13/15	11/16/15	11/20/15	Approved	MBA Program Committee  Dr. Linda Swayne
11/24/15	11/25/15	12/15/15	Approved	Belk College Graduate Council  Dr. Monica Johar
		2/26/16	Approved	COLLEGE FACULTY CHAIR (if applicable)  Dr. Rob Roy McGregor
2/26/16	2/26/16	2/29/16	Approved	COLLEGE DEAN  Dr. Steven Ott
			Approved	GENERAL EDUCATION (if applicable; for General Education courses)
			Approved	UNDERGRADUATE COURSE & CURRICULUM COMMITTEE CHAIR (for undergraduate courses only)
3/2/16	4/5/16	5/11/16	Approved	GRADUATE COUNCIL CHAIR (for graduate courses only)  Dr. Rob Roy McGregor
				FACULTY GOVERNANCE ASSISTANT (Faculty Council approval on Consent Calendar)
				FACULTY EXECUTIVE COMMITTEE (if decision is appealed)



# UNC CHARLOTTE

## LONG FORM COURSE AND CURRICULUM PROPOSAL

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\*To: Belk College MBA Program Committee

From: Department of Finance

Date: October 13, 2015

Re: Creation of a New Course FINN 5275 Corporate Risk Management

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The Long Form is used for major curriculum changes. Examples of major changes can include:

**Undergraduate:** Major changes include new undergraduate degrees, minors, concentrations, certificates, and changes to more than 50% of an existing program (Note: changing the name of an academic department does not automatically change the name(s) of the degree(s). The requests must be approved separately by the Board of Governors.)

**Graduate:** Major changes include new graduate courses, major changes to an existing graduate course or major changes to an existing graduate program

Submission of this Long Form indicates review and assessment of the proposed curriculum changes at the department and collegiate level either separately or as part of ongoing assessment efforts.

\*Proposals for undergraduate courses and programs should be sent to the Undergraduate Course and Curriculum Committee Chair. Proposals related to both undergraduate and graduate courses, (e.g., courses co-listed at both levels) must be sent to both the Undergraduate Course and Curriculum Committee and the Graduate Council.

University of North Carolina at Charlotte

New Graduate Course

Course Proposal from: Department of Finance

Title: Creation of a New Graduate Course FINN 5275 Corporate Risk Management

## I. PROPOSAL

### A. PROPOSAL SUMMARY

The Department of Finance proposes to add a new course FINN 5275 Corporate Risk Management to the graduate curriculum. This new course will be cross-listed with FINN 4275 Corporate Risk Management, which is the revised course of FINN 3275 Advanced Risk Management based on the undergraduate short form curriculum proposal titled "Revision to Course Title, Description and Number, and add Cross-list of FINN 3275". The undergraduate short form proposal is being submitted for review concurrently.

The syllabus of FINN 5275 Corporate Risk Management is attached as Appendix B; the syllabus for the undergraduate level cross-listed course, FINN 4275 Corporate Risk Management, is attached as Appendix C for reference. Three major parts of distinction occur in the course design between FINN 4275 and FINN 5275. First, in the application of risk management process to a commercial enterprise and the analysis of the application in the Course Objectives Section, undergraduate students in FINN 4275 will focus on the firm's pure risks including hazard and operational risks whereas graduate students will analyze regulatory/compliance and financial risks of the firm. In addition, graduate students will examine strategic firm risk in context of the four other risk categories. Second, in the Exams Section, undergraduate student exams generally include short answer and multiple-choice questions requiring scantron sheets; graduate student exams include short answer and essay questions. Finally, graduate students will research an emerging issue in risk management and/or insurance, write a research paper and present their findings to the class. The three main parts of distinction are highlighted in the syllabus of FINN 5275.

### B. JUSTIFICATION

#### 1. Identify the need addressed by the proposal and explain how the proposed action meets the need.

The Department of Finance recognizes the dramatic changes in the financial industry and the demand for a knowledgeable workforce. We realize the importance of responding to the changing needs of the business community and offering a curriculum consistent with the emerging trends in relevant fields.

Risk Management has been identified as a need for today's businesses, requiring skilled employees according to executives and industry professionals – both

regionally and nationally. To address the needs of the business community for well-qualified talents with a strong background in business and in-depth knowledge of risk management, we propose to create a new graduate-level course on corporate risk management. This new course will be included as one of the elective courses in the MBA Program at the Belk College of Business. In addition, the Finance Department plans to work with the MBA Program to propose a new concentration and a new graduate certificate in risk management, which can further address the industry demand for students in this area. FINN 5275 will be included as one of the main courses in the risk management concentration and in the graduate certificate.

**2. Discuss prerequisites/corequisites for course(s) including class-standing, admission to the major, GPA, or other factors that would affect a student's ability to register.**

To register for this course, students are required to be admitted to the MBA program or approved by the Finance Department.

**3. Demonstrate that course numbering is consistent with the level of academic advancement of students for whom it is intended.**

This new proposed course is at the 5000, which is designated for Master-Level Courses that can be cross-listed with advanced level undergraduate courses. Therefore, course numbering in the proposal is consistent with the level of academic advancement of students for whom it is intended.

**4. In general, how will this proposal improve the scope, quality and/or efficiency of programs and/or instruction?**

Because of recent market dynamics and regulatory changes, demand is high for students with specialized knowledge in risk management. We believe the creation of this course strengthens the array of courses we can offer to students in this area, and enables the department to further establish a new risk management concentration and a graduate certificate in the future.

**C. IMPACT.**

**1. What group(s) of students will be served by this proposal? (Undergraduate and/or graduate; majors and/or non-majors, others? Explain). Describe how you determine which students will be served.**

The changes will impact the students in the Master of Business Administration Program. The new course will be open to graduate students in the Belk College of Business.

**2. What effect will this proposal have on existing courses and curricula?  
a. When and how often will added course(s) be taught?**

The proposed course will be offered twice a year.

**b. How will the content and/or frequency of offering of other courses be affected?**

The scheduling and content of other courses are not affected by the proposal.

**c. What is the anticipated enrollment in course(s) added (for credit and auditors)?**

Based on past experience, we anticipate that the graduate student enrollment in this new course will be between 10 and 15.

**d. How will enrollment in other courses be affected? How did you determine this?**

The enrollment in other courses will not be affected as the content of this course has very little overlap with the other courses offered in the college's graduate programs.

**e. Identify other areas of catalog copy that would be affected, including within other departments and colleges (e.g., curriculum outlines, requirements for the degree, prerequisites, articulation agreements, etc.)**

Catalog copy of other departments and colleges are not affected by this proposal. The student learning outcomes (SLOs) will be not be affected by this proposal.

## **II. RESOURCES REQUIRED TO SUPPORT PROPOSAL.**

### **A. PERSONNEL**

#### **1. HIRING:**

No new faculty members are needed for the proposed course, FINN 5275. Current faculty including Dr. Faith Neale (current full-time faculty) and Mr. Larry Langevin (current part-time faculty) will teach the course in the fall and spring semesters. Mr. Langevin has the background and credentials to teach this course, including a master degree and an extensive industry experience in this field. The department is in the process of nominating Mr. Langevin for his application for graduate faculty.

### **B. PHYSICAL FACILITY.**

Current facilities are adequate.

### **C. EQUIPMENT AND SUPPLIES:**

Current equipment and supplies are adequate.

### **D. COMPUTER.**

Current computer resources are adequate.

### **E. AUDIO-VISUAL.**

Current audio and visual resources are adequate.

**F. OTHER RESOURCES.**

No applicable

**G. SOURCE OF FUNDING**

No applicable

**III. CONSULTATION WITH THE LIBRARY AND OTHER DEPARTMENTS OR UNITS**

**A. LIBRARY CONSULTATION.**

Consultation on library holdings is attached in Appendix A1. The written consultation from the library staff indicates that library holdings are adequate to support the proposed course.

**B. CONSULTATION WITH OTHER DEPARTMENTS OR UNITS**

The consultation memo from the MBA Program Committee regarding this proposal is attached in Appendix A2.

**IV. INITIATION, ATTACHMENTS AND CONSIDERATION OF THE PROPOSAL**

**A. ORIGINATING UNIT**

The Department of Finance.

**B. CREDIT HOUR. (Mandatory if new and/or revised course in proposal)**

Review statement and check box once completed:

The appropriate faculty committee has reviewed the course outline/syllabus and has determined that the assignments are sufficient to meet the University definition of a [credit hour](#)

**C. ATTACHMENTS**

1. CONSULTATION: Library consultation is attached as Appendix A.

2. COURSE OUTLINE/SYLLABUS: Course syllabus for the proposed new course FINN 5275 is attached as Appendix B. Course syllabus for the proposed cross-listing course FINN 4275 is attached as Appendix C.

3. PROPOSED CATALOG COPY:

**FINN5275. Corporate Risk Management. (3)** Cross-listed as FINN 4275. Prerequisites: Admission to a Belk College Graduate Program and Permission of the Program Director. 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.

a. For a new course or revisions to an existing course, check all the statements that apply:

- This course will be cross listed with another course.
- There are prerequisites for this course.
- There are co-requisites for this course.
- This course is repeatable for credit.
- This course will increase/decrease the number of credits hours currently offered by its program.
- This proposal results in the deletion of an existing course(s) from the degree program and/or catalog.

For all items checked above, applicable statements and content must be reflected in the proposed catalog copy.

4. STUDENT LEARNING OUTCOMES ([UNDERGRADUATE](#) & [GRADUATE](#)): Does this course or curricular change require a change in Student Learning Outcomes (SLOs) or assessment for the degree program?
  - Yes. If yes, please provide updated SLOs in template format.
  - No.
  
5. TEXTBOOK COSTS: It is the policy of the Board of Governors to reduce textbook costs for students whenever possible. Have electronic textbooks, textbook rentals, or the buyback program been considered and adopted?
  - Yes. Briefly explain below.
  - No. Briefly explain below.

Ebook version of the textbook and an online resource providing relevant reference information for risk management and insurance have been considered and adopted.

**IMPORTANT NOTE:** A Microsoft Word version of the final course and curriculum proposal should be sent to [facultygovernance@uncc.edu](mailto:facultygovernance@uncc.edu) upon approval by the Undergraduate Course and Curriculum Committee and/or Graduate Council chair.

**Appendix A1: Library Consultation**



J. Murrey Atkins Library

**Consultation on Library Holdings**

To: Dolly King  
From: Alison Bradley  
Date: 10/6/15  
Subject: FINN 4275/5275

**Summary of Librarian's Evaluation of Holdings:**

Evaluator: Alison Bradley      Date: <sup>10/6/15</sup>~~12/2/13~~

**Check One:**

- 1. Holdings are superior \_\_\_\_\_
- 2. Holdings are adequate   x
- 3. Holdings are adequate only if Dept. purchases additional items. \_\_\_\_\_
- 4. Holdings are inadequate \_\_\_\_\_

**Comments:**

Library holdings should be adequate to support student research for FINN 4275/5275, Corporate Risk Management (see list of items held by subject heading below). Students will have access to relevant databases including Business Source Complete, LexisNexis Academic, and many others.

LC Subject Heading	Books	Journals
Risk (Insurance)	292	22
Risk management	1368	65
Liability (Law)	758	16

\_\_\_\_\_  
Evaluator's Signature

10/6/15  
\_\_\_\_\_  
Date






UNC CHARLOTTE  

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BELK COLLEGE *of* BUSINESS

TO: Dolly King, Chair  
Finance Department

From: Linda Swayne, Chair   
MBA Program Committee

Date: November 17, 2015

RE: FINN 5275 Corporate Risk Management

The Belk College MBA Program Committee unanimously supports and endorses the Finance Department's new course proposal, FINN 5275 Corporate Risk Management, as an elective in the MBA Program. We are pleased to support this new course that is valuable for any MBA student and will likely be a very popular free elective in the MBA Program.

## **FINN 5275**

### **Corporate Risk Management**

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#### **Class Meetings**

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

**Instructor:** Faith R. Neale, Ph.D.

Phone: 704-687-7636

E-mail: [frneale@uncc.edu](mailto:frneale@uncc.edu)

Office Hours: Mondays  
Fridays

Office: 351A Friday Building

11 –12pm; 3-5pm  
9-10am

#### **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 the application 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 Policies 406 and 407, The Code of Student Responsibility and Academic Integrity** at <http://legal.uncc.edu/policies/up-406> and <http://legal.uncc.edu/policies/up-407>, respectively.

UNC Charlotte's current **Graduate Catalog** may be located online at:  
<http://catalog.uncc.edu/graduate-catalogs/current>.

**Course Objectives:** Graduate students will focus on the following.

1. Acquire a comprehensive understanding of the role of risk management within a business environment and the impact of emerging issues on risk management.
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. Graduate students will analyze regulatory/compliance and financial risks of the firm. Graduate students will examine strategic firm risk in context of the four other risk categories.

#### **Required Resources**

**IRMI-Online**, [http://www.irmi-online.com/NXT/gateway.dll?f=templates\\$fn=default.htm](http://www.irmi-online.com/NXT/gateway.dll?f=templates$fn=default.htm)

International Risk Management Institute, Inc. (IRMI) provides a significantly discounted annual subscription to IRMI-Online to authorized colleges and universities. IRMI-Online is a comprehensive, most current reference source with more than 45,000 pages used by insurance brokers and multiline insurance

companies. Topics are continually updated as needed. The cost for this resource for approved university programs is \$49 for a one-year subscription. All students are required to purchase 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."

## **Required Text**

Risk Management and Insurance, Second Edition, Harrington and Niehaus, McGraw-Hill/Irwin

The ebook version is available online and can be purchased from McGraw-Hill by following the steps below.

1. Go to <http://create.mcgraw-hill.com/shop/>
2. Search for and select book by Title, ISBN, Author, or State/School.  
Title: Advanced Risk Management ISBN: 9781121812338
3. Add the book to your cart and pay using a credit card or access code.

Graduate students may also be able to purchase used textbooks using the following information.

Risk Management and Insurance, Second Edition, Harrington and Niehaus, McGraw-Hill/Irwin, 2004, [H&N]  
ISBN: 0-07-233970-5

The textbook is one of the best textbooks in the area of risk management and insurance, and is used to cover the fundamental and theoretical foundations of risk management and insurance. I use the IRMI Library, the most comprehensive and up to date resource available in risk management and insurance, as the main source of materials and concepts that are timely and on the emerging trend in the field. I also assign other readings from various sources as needed.

**Recommendations:** Students should have a good understanding of the basic concepts of finance including time value of money and net present value calculations.

**Grading:** The course grade will be based on two examinations (60% of the course grade), a project (30%), and class participation (10%). The exams account for 30% 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, less than 70 = F

## Exams

Graduate student exams will be short answer and essay. 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. Graduate students will research an emerging issue in risk management and/or insurance, write a research paper and present their findings to the class. Loss of class participation points may result from any one or a combination of the following:

- More than one unexcused absence
- More than two excused absences. Excluding emergencies, an absence is automatically considered unexcused if advance written notice of the absence, at least 12 hours prior to the class, is not provided to the instructor. Acceptable documentation, as determined by the instructor, of the emergency must be provided by the next scheduled class for the absence to be excused.
- Classification of an absence, excused or unexcused, is solely at the instructor's discretion.
- More than one missed homework; entering class late; turning in homework after class has started.
- Using a laptop during class for anything other than this class
- Using a cell phone or text messaging during class
- Other discourteous or otherwise unprofessional behavior may automatically result in loss of class participation points.

## Project

Graduate student projects consist of three parts based on the steps in the risk management process. Each graduate student will work with 1-2 other students on the project. Each project part is due at the beginning of class on the day stated by the instructor. **5 points** will be **deducted** from the **final project grade** for each day the project part is late, including projects turned in after the starting time for class.

The project will identify, evaluate and suggest risk mitigation strategies for a company from the following risk categories: hazard, operational, strategic, regulatory and financial exposures. Graduate students will assist group members with all risk categories but are responsible for assessing and treating regulatory compliance and financial exposures. Graduate students will work with undergraduate team members to assess and treat strategic risks. Graduate students are expected to assume a leadership role in the group.

Each part must be clearly marked and include all previous parts. The final project grade will be based on content, organization, presentation and writing mechanics. Students needing assistance with writing and presentations should consult the Writing Resource Center at <http://www.uncc.edu/writing/wrcindex.html>. 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 classmates 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
- 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 purchase this subscription by the end of the second week of class to avoid falling behind in the reading assignments. Failure to purchase this subscription will result in 2 points deducted from your final course grade for each day you do not purchase the subscription beginning the Monday of the 3<sup>rd</sup> 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 Moodle or e-mailed to the student. It is the student's responsibility to check the Moodle website and their e-mails frequently to keep updated on the class.
- Exams: Exams are short answer and essay exams. Writing must be legible by the instructor in order for the exam to be graded.
- 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 5275, Fall 2016

Instructor: Faith R. Neale, Ph.D.

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<u>Week of</u>	<u>Topic</u>	<u>Reading</u>
Week 1 11	Overview of risk management  The Risk Management Process	CH 1 [H&N], IRMI PRM Topic A-1, A-  CH 2 [H&N], IRMI PRM Topic A-25
Week 2	Risk Identification Cost of Risk	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)
Week 4	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	Analytical Tools and Measurement	CH 26 [H&N]
Week 6	Employment Practices and Personnel Exposures Identification and Risk Management	IRMI PRM Topic G-36, G-38
Week 7	<b>Mid-Term</b>	
Week 8	Worker's Compensation Pooling and Diversification	CH 18 [H&N] CH 4 [H&N]
Week 9	Executive Risk and Cyber Liability	IRMI PRM G-6, G-21
Week 10	Risk Management and Shareholder Wealth Risk Retention/Reduction Decisions	CH 20 [H&N] CH 22 [H&N]
Week 11	Loss Control	CH 11 [H&N]
Week 12	Commercial Insurance Contracts/Policies	CH 23 [H&N], IRMI PRM A-4
Week 13	Hedging Alternative Risk Transfer	CH 24 [H&N], IRMI PRM Topic B-14 CH 25 [H&N]
Week 14	Emerging Issues in Risk Management Terrorism	 IRMI PRM E-11
Week 15	<b>EXAM 2</b>	
<b>Final Exam Period</b>	Project Presentations	

**This schedule is tentative and subject to change.**

Class meetings: Mondays 5:30-8:15pm, Center City Campus
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## **FINN 4275**

### **Corporate Risk Management**

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#### **Class Meetings**

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

**Instructor:** Faith R. Neale, Ph.D.

Phone: 704-687-7636

E-mail: [frneale@uncc.edu](mailto:frneale@uncc.edu)

Office Hours: Mondays  
Fridays

Office: 351A Friday Building

11 –12pm; 3-5pm  
9-10am

#### **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 application 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 Policies 406 and 407, The Code of Student Responsibility and Academic Integrity** at <http://legal.uncc.edu/policies/up-406> and <http://legal.uncc.edu/policies/up-407>, respectively.

UNC Charlotte's current **Undergraduate Catalog** may be located online at: <http://catalog.uncc.edu/undergraduate-catalogs/current>.

#### **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. Students will focus on the firm's pure risks including hazard and operational risks. Students will examine strategic firm risk in context of the four other risk categories.

#### **Required Resource**

**IRMI-Online**, [http://www.irmi-online.com/NXT/gateway.dll?f=templates\\$fn=default.htm](http://www.irmi-online.com/NXT/gateway.dll?f=templates$fn=default.htm)

International Risk Management Institute, Inc. (IRMI) provides a significantly discounted annual subscription to IRMI-Online to authorized colleges and universities. IRMI-Online is a comprehensive, most current reference source with more than 45,000 pages used by insurance brokers and multiline insurance

companies. The cost for this resource for approved university programs is \$49 for a one-year subscription. All students are required to purchase 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:

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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.

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## **Required Text**

Risk Management and Insurance, Second Edition, Harrington and Niehaus, McGraw-Hill/Irwin

The ebook version is available online and can be purchased from McGraw-Hill by following the steps below.

1. Go to <http://create.mcgraw-hill.com/shop/>
2. Search for and select book by Title, ISBN, Author, or State/School.  
Title: Advanced Risk Management    ISBN: 9781121812338
3. Add the book to your cart and pay using a credit card or access code.

Students may also be able to purchase used textbooks using the following information.

Risk Management and Insurance, Second Edition, Harrington and Niehaus, McGraw-Hill/Irwin, 2004, [H&N]  
ISBN: 0-07-233970-5

**Grading:** The course grade will be based on two examinations (60% of the course grade), a project (30%), and class participation (10%). The exams account for 30% 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:** Exams are multiple-choice. Make-up exams are not given except for medical or family emergencies involving urgent medical care or treatment.



## Class Participation

Class participation includes attendance, discussion, homework assignments, class activities and meeting the general requirements of the course. Loss of class participation points may result from any one or a combination of the following:

- More than one unexcused absence
- More than two excused absences. Excluding emergencies, an absence is automatically considered unexcused if advance written notice of the absence, at least 12 hours prior to the class, is not provided to the instructor. Acceptable documentation, as determined by the instructor, of the emergency must be provided by the next scheduled class for the absence to be excused.
- Classification of an absence, excused or unexcused, is solely at the instructor's discretion.
- More than one missed homework; entering class late; turning in homework after class has started.
- Using a laptop during class for anything other than this class
- Using a cell phone or text messaging during class
- Other discourteous or otherwise unprofessional behavior may automatically result in loss of class participation points.

## Project

There are multiple parts to the project based on the steps in the risk management process. Each student will work with 1-2 other students on the project. Each project part is due at the beginning of class on the day stated by the instructor. **5 points** will be **deducted** from the **final project grade** for each day the project part is late, including projects turned in after the starting time for class.

The project will identify, evaluate and suggest risk mitigation strategies for a company for the following risk categories: hazard, operational, strategic, regulatory and financial exposures. Undergraduate students are responsible for assessing and treating hazard and operational exposures. Undergraduate students will work with graduate students to assess and treat strategic risks. Undergraduate students are expected to consult with graduate students in the identification and assessment of hazard and operational exposures.

Each part must be clearly marked and include all previous parts. The final project grade will be based on content, organization, presentation and writing mechanics. Students needing assistance with writing and presentations should consult the Writing Resource Center at <http://www.uncc.edu/writing/wrcindex.html>. 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
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 purchase this subscription by the end of the second week of class to avoid falling behind in the reading assignments. Failure to purchase this subscription will result in 2 points deducted from your final course grade for each day you do not purchase the subscription beginning the Monday of the 3 <sup>rd</sup> 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 Moodle or e-mailed to the student. It is the student's responsibility to check the Moodle website and their e-mails frequently to keep updated on the class.
Exams:	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, Fall 2016**  
**Instructor: Faith R. Neale, Ph.D.**

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<b><u>Week of</u></b>	<b><u>Topic</u></b>	<b><u>Reading</u></b>
Week 1	Overview of 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
Week 2	Risk Identification Cost of Risk	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)
Week 4	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	Analytical Tools and Measurement	CH 26 [H&N]
Week 6	Employment Practices and Personnel Exposures Identification and Risk Management	IRMI PRM Topic G-36, G-38
Week 7	<b>Mid-Term</b>	
Week 8	Worker's Compensation Pooling and Diversification	CH 18 [H&N] CH 4 [H&N]
Week 9	Executive Risk and Cyber Liability	IRMI PRM G-6, G-21
Week 10	Risk Management and Shareholder Wealth Risk Retention/Reduction Decisions	CH 20 [H&N] CH 22 [H&N]
Week 11	Loss Control	CH 11 [H&N]
Week 12	Commercial Insurance Contracts/Policies	CH 23 [H&N], IRMI PRM A-4
Week 13	Hedging Alternative Risk Transfer	CH 24 [H&N], IRMI PRM topic B-14 CH 25 [H&N]
Week 14	Emerging Issues in Risk Management Terrorism	IRMI PRM E-11
Week 15	<b>EXAM 2</b>	
<b>Final Exam Period</b>	Project Presentations	

**This schedule is tentative and subject to change.**

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