

# Minnesota State University Moorhead

## FINC 352: Principles of Insurance and Risk Management

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite  
FINC 340 - Financial Management

Corequisites: None

MnTC Goals: None

This course provides a study of the basic concepts of business and personal risks from the standpoint of creation, identification, reduction, elimination, and evaluation of risks. The use of insurance in meeting problems of risk is also covered in this course.

**B. COURSE EFFECTIVE DATES:** 06/01/1995 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. The Nature of Risk: Losses, Opportunities, Measurement, and Metrics
2. Pure Risks Related to the Job: Workers Compensation and Unemployment Compensation
3. Life Cycle Financial Risks
4. Social Security
5. Individual Life Insurance and Group Life Insurance
6. Employment-Based Risk Management from Pensions to Health Insurance
7. Risk Attitudes: Expected Utility Theory and Demand for Hedging
8. Evolving Risk Management: Fundamental Tools and Enterprise Risk Management
9. The Insurance Solution and Institutions
10. Insurance Operations, Markets, and Regulation
11. Fundamental Doctrines Affecting Insurance Contracts
12. Structure and Analysis of Insurance Contracts
13. Property and Liability Risk Management
14. Homeowners, Auto, and Business Insurance

#### **D. LEARNING OUTCOMES (General)**

1. Gain an understanding of nature and measurement & metrics of pure and speculative risk of losses.
2. Observe ones attitude toward risk through Expected Utility Theory.
3. Review the application of Risk Management by looking at the fundamental tools and these tools have evolved into today's Enterprise Risk Management.
4. Analyze the use of insurance in transferring the risk of loss .
5. Examine the insurance operations, markets, and regulation.
6. Compare the fundamental doctrines that affect consequential insurance contracts.
7. Review the structure insurance contracts.
8. Analyze risk management as it deals with pure loss in the ownership of property, liability of living life, and operating a business.
9. Investigate Homeowners, Auto, and Business Insurance.
10. Classify the pure risks related to the workplace by looking at Workers Compensation and Unemployment Compensation.
11. Review the Life Cycle Financial Risks.
12. Review the creation and continuation of Social Security.
13. Examine individual Life Insurance and group Life Insurance.
14. Examine employment-based risk management from pensions, retirement programs, annuities, to health insurance coverage.

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted