

## Course Outline

### SECTION I

SUBJECT AREA AND COURSE NUMBER: BFN 126

COURSE TITLE: Principles of Insurance

**COURSE CATALOG DESCRIPTION:** This course introduces the fundamentals of risk management, property-casualty insurance, liability insurance, life and health insurance, retirement planning, and the operation of insurance companies. The topics to be discussed include underwriting, marketing, rate making, loss adjustment, regulation and the legal characteristics of insurance contracts.

LECTURE HOURS PER WEEK: (3)

CREDIT HOURS: (3)

LAB HOURS PER WEEK: (N/A)

PREREQUISITES: BFN 107, ENG 101

### SECTION II

**A. SCOPE:** From a professional standpoint, this course should help students who are considering a career in the insurance field to decide whether their aptitudes and interests align with this industry. From a personal standpoint, this course should provide students with a broad knowledge to understand insurance policies, insurance market structure, and personal financial planning.

**B. REQUIRED WORK:** Students will complete all assigned readings, projects, and other work as determined by the instructor and described in the course syllabus.

**C. ATTENDANCE AND PARTICIPATION:** Punctuality and attendance in classes is of prime importance for successful completion of this course, just as the same punctuality and attendance is important in the business world. Students will be expected to arrive for class on time and to remain in class until the end of the class session. Specific instructor policies will be included in the course syllabus.

**D. METHODS OF INSTRUCTION:** The methods of instruction will be determined by the instructor and may include but are not limited to lectures, case studies, guest speakers, and exercises from the textbook, videos, transparencies, Power Point presentations and student experiences and responses.

**E. OBJECTIVES, OUTCOMES AND ASSESSMENT:** The following objectives and outcomes represent the department's core requirements for student achievement.

LEARNING OBJECTIVES	LEARNING OUTCOMES	ASSESSMENT METHODS
To demonstrate an understanding of:	Students will:	As measured by:
Basic concepts in Risk Management	<ul style="list-style-type: none"><li>Explain the meaning of risk and the chance of loss</li></ul>	Tests and case studies

	<ul style="list-style-type: none"> <li>• Describe the categories of risk and the methods of handling risk</li> <li>• Explain the steps in the risk management process</li> <li>• Describe the benefits of effective risk management</li> </ul>	
The operations of an insurance company	<ul style="list-style-type: none"> <li>• Explain the structure and operations of an insurance company</li> <li>• Explain rate making</li> <li>• Describe the role of reinsurance</li> <li>• Describe the roles of the actuary, underwriter and claims adjuster</li> </ul>	Case studies, tests, presentations
The manner in which the industry is regulated	<ul style="list-style-type: none"> <li>• Describe the reasons for regulation</li> <li>• Explain the historical development of insurance regulation</li> <li>• Describe state versus federal regulation</li> </ul>	Case Studies
The various risk management applications to support individuals and businesses	<ul style="list-style-type: none"> <li>• Describe the general nature of property-casualty, life, health insurance, and retirement planning</li> </ul>	Written assignments, quizzes
Characteristics of insurance contracts	<ul style="list-style-type: none"> <li>• Explain the basic parts of an insurance contract including the insured, endorsements and riders, deductibles and coinsurance, where applicable</li> <li>• Explain the legal aspects of an insurance contract</li> <li>• Describe the principles of indemnity and insurable risk</li> <li>• Describe the types of policy provisions found in an insurance policy and briefly explain the purpose of each.</li> <li>• Describe the relationship between insurance rates, exposure units, and insurance premiums</li> </ul>	Case studies and tests
The process to analyze and compare various insurance alternatives	<ul style="list-style-type: none"> <li>• Explain how to evaluate each major type of insurance coverage</li> </ul>	Case studies, role plays, and team projects

F. TEXTS:

Rejda, George E., *Principles of Risk Management and Insurance (9th Ed.)*, Addison Wesley publishers, Boston, Mass., 2004

Access to a PC is required. A CD may be required to store assignments and presentations.

**G. INFORMATION TECHNOLOGY:** Use business application software to produce work products and conduct research using the Internet or as determined by the instructor and described in the course syllabus.