

**Commerce 4FR3  
Insurance and Risk Management  
Fall 2019 Course Outline**

**Finance and Business Economics  
DeGroot 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: Wed 11:30 am – 2:20 pm**

Class Location: ETB/238

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

Instructor

sbose@mcmaster.ca

Office: TSH 615

Office Hours: before class and by appointment

Tel: (905) 525-9140 x 26194

(as office is used by various 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.

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF

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>

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)

## Communication and Feedback

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 Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #9 in the term. Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

## Course Deliverables

### ***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.**

***PARTICIPATION / 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 INTEGRITY***


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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

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### ***AUTHENTICITY/PLAGIARISM DETECTION***

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In this course we will be using a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. Students will be expected to submit their work electronically either directly to Turnitin.com or via Avenue to Learn (A2L) plagiarism detection (a service supported by Turnitin.com) so can be checked for academic dishonesty. Students who do not wish to submit their work through A2L and/or Turnitin.com must still submit an electronic and/or hardcopy to the instructor. No penalty will be assigned to a student who does not submit work to Turnitin.com or A2L. All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). To see the Turnitin.com Policy, please go to;

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

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### ***ONLINE COURSE COMPONENTS***

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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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### ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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Students may request relief from a regularly scheduled midterm, test, assignment or other course components. Please refer to the policy and procedure on the DeGroot website at the link below;

<http://ug.degroot.mcmaster.ca/forms-and-resources/misled-course-work-policy/>

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## ***STUDENT ACCESSIBILITY SERVICES***

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Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail [sas@mcmaster.ca](mailto:sas@mcmaster.ca).

For further information, consult McMaster University's Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

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## ***ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)***

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students requiring a RISO accommodation should submit their request, including the dates/times needing to be accommodated and the courses which will be impacted, to their Faculty Office normally within 10 days of the beginning of term or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

<https://multifaith.mcmaster.ca/riso>

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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 enrolment in Commerce 4FR3 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 EVALUATIONS***

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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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**Commerce 4FR3  
Insurance and Risk Management  
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DATE	CH.	LECTURE
<b><i>Introduction to Risk and Insurance</i></b>		
Sept 4	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 11	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 18	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.
Sept 25	4	<b>Homeowners' Insurance</b> Again, details of a policy are examined to uncover the mysteries of the various parts of the policy.
Oct 2	5	<b>Commercial Insurance</b> Commercial coverage has many more aspects to it than personal coverage because there are many more loss exposures.
<b>Oct 9</b>	<b><i>Term Test #1 – Chapters 1 to 5</i></b>	
Oct 14-18	<i>Mid-term Recess</i>	
<b><i>Life and Health Insurance</i></b>		
Oct 23	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 30	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 6	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 13	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.
<b>Nov 20</b>	<b><i>Term Test #2 Chapters 6 to 9</i></b>	
<b>Nov 27</b>	<b><i>**Course Evaluations**</i></b> <b>Career Planning Class</b> <b><i>**Group Assignment Due**</i></b>	

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