FINS3631 Risk and Insurance  
Session 1, 2002

Instructors:
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Contact:
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Office: 3046 Quadrangle Building Office Telephone: 9385-5873
Class meetings: Wednesday 9:10-12:00, Smith Theatre
Consultation Hours: Monday 14:00—16:00 pm, other by appointment
Course Web Site: http://banking.web.unsw.edu.au/

Course Objectives:
This course introduces the principles of risk management and insurance and provides a structured methodology in the identification, analysis and management of risks. An introduction to the basic principles of insurance, as one possible risk financing tool, is also presented.

Reading Material:
Risk Management and Insurance / Williams, Smith and Young (8th edition), 1998
I will be regularly updating the subject web site with the most recent lecture notes and other relevant course material so check the course web site often. You’ll need UNIPASS to access the subject web. Details on how to get UNIPASS please check http://www.disconnect.unsw.edu.au/faqs/unipass-faq.html
Other suggested readings:
Risk Management and Insurance / Harrington and Niehaus (1st edition), 1999
Essentials of risk financing / Head, Elliott and Blinn (3rd edition), 1996
Reading material can be found in library open reserve.

Attendance:
Although regular class attendance of all students is expected, the student’s grade will not be subjectively affected by his/her absence from class, i.e., the student will not be arbitrarily penalized based on lack of class attendance (however missing quizzes may objectively affect a student’s grade).

Assessment:
For the first half of this course, there will be two unannounced quizzes, each worth 5%. Quiz questions will be from the immediately previous lecture. The group project is weighted 20%. Mid-session exam will be worth 20%.

Special Consideration:
Any requests for “special consideration” must strictly follow official UNSW guidelines, which can be found in http://www.student.unsw.edu.au/studentguide/assess.htm It is the student’s responsibility to
understand the process for filing such requests. Additionally, the student must notify the instructor prior to an examinable event to explain their situation and their intentions to file such requests. Failure to do so will automatically result in the rejection of any special consideration request. A student requesting special consideration is generally eligible for only a passing mark.

**Student Misconduct:**
Students in this course are expected to be familiar with the standards of acceptable academic behavior at the UNSW. The Student Guide specifically addresses issues and penalties associated with “misconduct” (http://www.student.unsw.edu.au/studentguide/misconduct.htm) and it is the student’s responsibility to understand and comply with those expectations. Of particular significance is misconduct associated with plagiarism (discussed at length at the above web site).

**Lecture Schedule:**

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Date</th>
<th>Topic</th>
<th>Chapters in WSY</th>
<th>Group Schedule</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>6/3</td>
<td>Introduction to Risk Management &amp; Insurance</td>
<td>1, 2, 3 (HN appendix 7A)</td>
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<tr>
<td>2</td>
<td>13/3</td>
<td>Risk Management Objectives and Risk Identification</td>
<td>4</td>
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<td>3</td>
<td>20/3</td>
<td>Risk Assessment Risk Control</td>
<td>10 (HN12.4)</td>
<td>11</td>
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<tr>
<td>4</td>
<td>27/3</td>
<td>Property exposures</td>
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<td>6</td>
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<td>Exposures of financial asset</td>
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<td>Exposures of human asset</td>
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<td>Mid-session Break</td>
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<tr>
<td>5</td>
<td>10/4</td>
<td>Liability Exposures</td>
<td>8 (HN14)</td>
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<td>Exposures to work-related injury</td>
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<td>6</td>
<td>17/4</td>
<td>Risk Financing</td>
<td>12,13 (HN 13)</td>
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<tr>
<td>7</td>
<td>24/4</td>
<td>Mid-Session Exam</td>
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<td>8-14</td>
<td></td>
<td>To be announced by Mr. Kirievsky</td>
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*HN refers to the suggested book by Harrington and Niehaus (1st edition), 1999*
FINS3631 Group Project

You should work on this project in teams of 2 to 4 students. Choose any company and conduct a risk management project on it. The purpose of this project is for you to apply the material learned from this subject to an existing organization. The due date for the completed written project is on 13/6 (week 14). In preparing for the project, you should assume the role of independent risk management consultants hired by this organization. The project should contain the following components:
1. Table of contents, as well as an executive summary section.
2. A brief introduction of this organization, including the objective of this entity.
3. Identification and discussions of the problems (or potential problems), i.e. exposures, perils and hazards.
4. Complete recommendations for risk management alternatives (including reasons supporting your suggestions). You should also describe their current risk management strategies and make comments or suggestions for improvements.
5. Reference section should list all the documentation (including directories of web links) you've used in preparing your project.

Please be precise and clear in your writing. Cite references appropriately in the main content whenever applicable. There is no minimum requirement as to the length of the project. However, I would expect no more than 25 pages.

In order to make sure you are making reasonable progress in your assignment, there are a couple of deadlines you have to keep in mind. The following is a guideline for your project timetable.

- You should form your group by **week 4**.
- By **week 8**, you should have decided which organization on which you want to do the analysis. Access to company information should be an important factor in your choice of companies so make sure you have done some research on this before making your decision. Write down (within one page) the company name and what are the resources or methods for obtaining the information/data about this company you have identified so far.
- Prepare a rough draft of your project by **week 12**. This rough draft should incorporate as much of your final project as possible. Include a cover memo describing what remains to be completed and your plan for the next three weeks. The memo should also mention the contribution by each group member thus far as well as each individual’s responsibility for the rest of the project.
- The completed project is due on **week 14**. Everyone is required to evaluate the contribution of each group member in your group. Assign the percentage of contribution toward the finished project by each group member (including yourself). Your contribution to the group project will be used as a reference as to your individual grade for this project.

You should submit your project in my office no later than 12:15 pm on June 13 (Wednesday).
Writing and Learning Assistance

If you need writing assistance, you could contact the Learning Center. Very useful on-line information can be found at http://www.lc.unsw.edu.au/olib.html which details the format of research papers, the structure of the contents, the appropriate ways of citing various resources and the assistance they could extend to students.

Additional learning and language support is available from the Education Development Unit (EDU) in the Faculty. The EDU provides individual and small group consultations, academic skills workshops, discipline-specific support workshops and a range of study skills resource materials and handouts. Students requiring advice and assistance with assignment writing, academic reading and note-taking, oral presentation, study skills or other learning needs are advised to drop in or contact the learning advisers in the Unit which is located in:

Room 3054, Level 3, Quadrangle Building.

Contact details of the learning advisers are as follows:

Colina Mason       Tel:    93856163  
                     Email:  cm.mason@unsw.edu.au

Carolyn Cousins    Tel:    93856087  
                     Email:  c.cousins@unsw.edu.au

The assistance is free and available only to students in this Faculty. I strongly encourage every student to be familiar with the formal writing style and take full advantage of these services.