

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

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

1. Review the nature of pure and speculative risk of losses and their opportunities by gaining an understanding of their measurement and metrics
2. Learn to understand ones attitude toward risk through Expected Utility Theory.
3. Examine Risk Management by looking at the fundamental tools and how this tools have evolved into today's Enterprise Risk Management
4. Study the use of insurance the solution of transferring the risk of loss and the resulting insurance institutions
5. Look at the insurance operations, markets, and regulation
6. A review of the fundamental doctrines that affect consequential insurance contracts
7. Study and analyze the structure insurance contracts
8. Review the risk management of pure loss in the ownership of property and liability of living life and operating a business
9. One will review Homeowners, Auto, and Business Insurance
10. Study the pure risks related to the workplace by looking at Workers, Compensation and Unemployment Compensation
11. Gain an understanding of the Life Cycle Financial Risks
12. Examine the creation and continuation of Social Security
13. Review of individual Life Insurance and group Life Insurance
14. Look at 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