

PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS

RISK MANAGEMENT & INSURANCE
CUE 2250

Class Hours: 3.0

Credit Hours: 3.0

Laboratory Hours: 0.0

**Date Revised: Spring
00**

NOTE: This course is not designed for transfer credit.

Catalog Course Description:

A study of the concepts and principles of risk management and control. Important concepts of insurance, property and liability, personal and institution risk exposures and insurance are covered.

Entry Level Standards:

None

Prerequisites:

None

Textbook(s) and Other Course Materials:

Risk & Insurance, 7th edition, Mark R. Greene and James S. Trieschmann, South-Western Publishing Co., Livermore, California, 1988.

Risk Management and Insurance, Howard G. Olson, Kendall/Hunt Publishing Company, Dubuque, Iowa, 1983.

Risk Management and Insurance Syllabus - CUNA (for those students taking the Credit Union National Association CCUE national test).

I. Week/Unit/Topic Basis:

Week	Topic
1	Registration. Introduction to Credit Union Risk Management. Determining the distinction between the study of risk management and the study of insurance. Distinguishing between risk and uncertainty and pure and speculative risks. The three steps of the risk management process. How insurance operates as risk transfer tool within the risk management process. CUNA Syllabus, Lesson 1.
2	Defining insurance from both the insureds' and the insurers' perspectives. The importance of the characteristics of an "ideally insurable" risk. Understanding the important legal principles of insurance contracts. Identifying the risk classifications which insurance contracts typically cover. The functions of a credit union management program. CUNA Syllabus, Lesson 2.
3	What risk management is and the risk management process. The importance of establishing various types of goals and objectives for a program of risk management CUNA Syllabus, Lesson 3.

- 4 Parties which may have an insurable interest in real and personal property. The important provisions of the standard fire policy. Important direct loss property sections of credit union package policies. The importance of property insurance policies, insuring agreements, conditions, exclusions and definitions sections, and the policies' coinsurance and valuation sections. CUNA Syllabus, Lesson 4.
- 5 Direct and indirect property losses. Potential indirect property losses. Appropriate indirect loss coverages for various credit union situations. CUNA Syllabus, Lesson 5.
- 6 Negligence and some of the defenses often used in negligence/liability actions. Common elements of liability insurance policies. Common liability insurance contract provisions. Liability coverages and endorsements provided in the business liability package policies. CUNA Syllabus, Lesson 6.
- 7 Bonding and insurance. The purpose of fidelity bonds and the various types of fidelity bonds. Procedures which may be used to reduce credit union fidelity losses. Risk management tools and procedures which may be used to reduce credit union fidelity losses. CUNA Syllabus, Lesson 7. Midterm Exam.
- 8 The difference between whole life, endowment, and term insurance contracts. The important individual and group life insurance contracts used by credit unions. The important provisions of life and health insurance contracts. The differences between group and individual insurance practices. The basic principles of employee benefit programs. CUNA Syllabus, Lesson 8.
- 9 Discussing financial intermediaries and how they function. The four basic subsystems of financial intermediation and credit union applications. Determining why financial intermediation is necessary for the operation of our economy. CUNA Syllabus, Lesson 9.
- 10 Methods of risk reduction in the credit application approval and lending process. Understanding what a security interest is and how it is perfected. Discussing the risks inherent in the various classes of credit union loans and methods for managing the risks. CUNA Syllabus, Lesson 10.
- 11 The concept of liquidity and methods of managing the liquidity risk. Discussing what the earnings/insolvency risk is and how it may be managed through asset/liability management. The importance of capital management to credit unions. CUNA Syllabus, Lesson 11.
- 12 The regulatory climate in the financial markets. The changing attitudes of consumers of financial products and services. The role of technology in responding to changing economic conditions and financial markets. CUNA Syllabus, Lesson 12.
- 13 Other Risk Management and Insurance Topics. Review of the entire course.
- 14 Review
- 15 Mississippi Final Examination
- 16 CCUE National Examination

II. Course Objectives*:

- A. Understand risk management's role in society and to recognize the need for further education in the credit union industry. I, II

- B. Recognize and understand the different types of risks in a credit union. I, II
- C. Evaluate the various methods of handling risk in a credit union. I, II
- D. Understand insurance and its role in risk management. I, II

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Take part in course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop teamwork, leadership, and followership skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*
2. Perform course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or em presentation; Internet research; etc. to help develop critical thinking, problem solving, goal setting, and planning skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Problem Solving and Decision Making Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*
3. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. *Personal Development Outcome, Transitional Strategy*

*Strategies and outcomes listed after instructional processes reference Pellissippi State's goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Know the different types of risk and how they impact credit unions. B
2. Understand risk management and the different methods available in managing risk. A,C
3. Understand insurance and how it can be used in managing risk. C
4. Understand bonds and how they are used in managing risk. C
5. Know what a financial intermediary is and how it functions. C
6. Know risk reduction methods that can be used in a credit union. C
7. Understand liquidity and the methods used in managing. D
8. Awareness of the changing regulatory climate in the financial markets. D

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures: 100% of grade

Quizzes will be given each class to determine the students comprehension of the reading assignments.

Quiz scores - 20% of grade

Mid-Term - 30% of grade

Final - 50% of grade

B. Laboratory Expectations:

N/A

C. Field Work:

N/A

D. Other Evaluation Methods:

N/A

E. Grading Scale:

90 - 100 A

80 - 89 B

70 - 79 C

60 - 69 D

Below 60 F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.