Class Hours: 3.0
Laboratory Hours: 0.0

Credit Hours: 3.0
Date Revised: Spring 00

Catalog Course Description:

A focus on two steps of the risk making decision making process, identifying and analyzing the loss exposures and developing alternative techniques for treating each exposure.

Entry Level Standards:

None

Prerequisites:

None

Textbook(s) and Other Reference Materials Basic to the Course:

Course Guide - Insurance Institute of America

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Overview of the Risk Management Process</td>
</tr>
<tr>
<td>2</td>
<td>Establishing a Risk Management Program</td>
</tr>
<tr>
<td>3</td>
<td>Identifying and Analyzing Loss Exposures</td>
</tr>
<tr>
<td>4</td>
<td>Analyzing Property Loss Exposures</td>
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<tr>
<td>5</td>
<td>Analyzing Net Income Loss Exposures</td>
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<tr>
<td>6</td>
<td>Analyzing Common Law Liability Exposures</td>
</tr>
<tr>
<td>7</td>
<td>Midterm and Review</td>
</tr>
<tr>
<td>8</td>
<td>Analyzing Statutory Legal Liability Exposures</td>
</tr>
<tr>
<td>9</td>
<td>Analyzing Personnel Loss Exposures</td>
</tr>
</tbody>
</table>
Examining Alternative Risk Management Techniques
Forecasting--The First Basis for Risk Management Decisions
Applications of Forecasts for Risk Management
Cash Flow Analysis as a Decision Criterion
Making Risk Management Decisions Through Cash Flow Analysis
Review
Final Exam

II. Course Objectives*: 

A. Define risk management in both decision making and administrative aspects. I,II
B. Describe major classes of perils and analyze property loss exposures related to each. I,II
C. Explore guidelines for selecting most appropriate technique for handling loss exposure. 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. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgements about these statements to facilitate in decision making and problem solving strategies. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

3. Exhibit professional behavior by attending class regularly, arriving punctually with the appropriate materials, and being prepared for active class participation each day. Personal Development Outcome, Transitional Strategy

4. Use email to communicate problems, questions, and issues to the instructor. Communication Outcome, Informational Literacy Outcome, Technological Literacy Outcome

*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. Describe and illustrate each of the steps in risk management as a decision process. A

2. Describe the post-loss and pre-loss goals of a risk management program. A

3. Describe and give examples of the classes of property, net income, liability and personnel values of exposure loss. A

4. Describe the three classes of perils--natural, human, and economic--to whom property is subject and give examples of each of these classes of perils. B

5. Determine an organization's potential net income values exposed to loss through reduction in its revenues and/or increases in its expenses. B

6. Describe the types of contractual, tort and criminal liability and legal remedies to which an organization may become exposed. B

7. Describe actions an organization's risk management professional should take to assist personnel in complying with statues. C

8. Explain how to measure potential financial consequences of losses due to: death, disability, retirement, resignation or unemployment of a key person. C


10. Explain the importance of forecasts of losses and of the costs and benefits of risk management alternatives in making risk management decisions. C

11. Explain why accurate forecasts of future accidental losses are important to making proper selection of the most cost-effective risk management techniques. C

12. Explain why money has a time value and the factors that determine the size of that value. C

13. Identify the possible advantages and disadvantages of using a capital budgeting framework to select risk management techniques. C

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

**V. Evaluation:**

**A. Testing Procedures:**

   Midterm 25%
   Unannounced Quizzes 30%
   Final Exam 35%

**B. Laboratory Expectations:**

   N/A

**C. Field Work:**

   N/A

**D. Other Evaluation Methods:**

   Attendance 10%
E. Grading Scale:

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
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</thead>
<tbody>
<tr>
<td>90 - 100</td>
<td>A</td>
</tr>
<tr>
<td>80 - 89</td>
<td>B</td>
</tr>
<tr>
<td>70 - 79</td>
<td>C</td>
</tr>
<tr>
<td>60 - 69</td>
<td>D</td>
</tr>
<tr>
<td>Below 60</td>
<td>F</td>
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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.