

UNIVERSITY OF ALABAMA

FI 443
Property and Liability Insurance

Spring 2015
Professor Schlesinger

Office: 235 Alston Hall

Phone: 348-7858

Email: hschlesi@cba.ua.edu

webpage: <http://hschlesinger.people.ua.edu/fi-443-property--liability-insurance.html>

Office Hours: 8:00 to 9:30 Wednesdays

COURSE INFORMATION

General Remarks: This course provides a comprehensive study of the property and liability (P&L) insurance industry. Much of the focus will be on insurer operations. We also will examine several types of P&L insurance coverage, beyond those examined extensively in FI 341. Several issues of current concern to P&L insurers and to their customers will also be a part of our focus.

Course Objectives: By completing this course, you will:

- (1) have a good overview of the P&L insurance industry.
- (2) understand how to better manage your own personal P&L risks.
- (3) learn about several types of P&L exposures faced by businesses.
- (4) gain knowledge about the various facets of insurance company operations.
- (5) be able to analyze basic insurer financial results.
- (6) see various perspectives on insurance issues facing our state and our nation.

Prerequisites: C&BA students must meet all requirements for taking 300-level C&BA courses. Please see the professor if you are uncertain about your own background in meeting these requirements. Also let me know if you have not taken FI 341.

Homework Projects: In spite of its “stodgy” image, insurance quite an alive topic. Many topics in recent newspapers articles will eventually be found in future textbooks. Also, much consumer information is found on line. Several times during the semester, I will ask you either to look up some current topic in the press, or to research a particular type of insurance purchase, and to write a short 2-3 page informative summary. These assignments will be actively discussed in class.

Grades: There will be three in-class exams, each worth at most 30% of your total grade. Homework projects will be worth at most another 30% of the total grade. Since these weights add to 120%, I will reduce the weight of one of these three grades (the one with your lowest score) to 10% of your final grade.

Make-up exams and attendance: Every missed exam or assignment receives a grade of zero unless explicitly exempted by the professor. All requests for an exemption and/or make-up assignment must be requested in writing (e-mail is sufficient) at the earliest feasible time. **Important:** Exams are based on class notes. The text is a guide to your notes and not the other way around! If you miss class, get someone’s notes.

Electronics in the classroom: It is distracting to other students when you text or surf the web during class time; especially in a small class like ours. The use of smart phones and/or laptops during the lecture is not allowed. Please turn off the phones during the lecture. If for some reason you need to use a laptop computer to “take notes” during class, you must first get permission from the professor. The professor reserves the right to ask to see your “notes” at the end of class.

Textbooks:

Rejda and McNamara, *Principles of Risk Management and Insurance* (12th edition), Prentice Hall, ISBN 978-0-13-299-291-6

Mooney, Cohen and Shuster, *Basic Concepts of Accounting and Taxation of Property/Casualty Insurance Companies* (4th edition), 1995, Insurance Information Institute Press -- out of print -- Available on-line via the course website.

Special requirements: Students with special needs or with disabilities should contact the Professor at least one week prior to any exams or assignments to make arrangements.

Attendance: Regular attendance is expected. All exams are based on class notes. The texts are only supplements to the class notes. You are responsible for any materials presented during classes when you are absent as well as for any handouts.

Grading scale (based on 100 points)

98+	A+	78+	B-
92+	A	74+	C+
89+	A-	70+	C
86+	B+	65+	C-
82+	B	55+	D

Tentative Syllabus

<u>Topic</u>	<u>Text Chapter(s)</u>
1. (Review of) Insurance Basics	Rejda 1, 2, 9, 10
2. Insurance Regulation	Rejda 8
3. Insurance Marketing and Distribution	Rejda 5
4. Underwriting & Claims	Rejda 6
5. Insurance Accounting Basics	Rejda 7, Mooney 2, 3, 5, 9
6. Homeowners Availability	Rejda 20, 21
7. Ratemaking	Rejda 7
8. Loss reserves	Handout
9. Workers Compensation	Rejda 18
10. Commercial Coverages	Rejda 25, 26, 27
11. Reinsurance and ART	Rejda 6
12. Additional Topics (as time allows)	

The **Code of Academic Conduct** in the University of Alabama Undergraduate Catalog defines plagiarism and other acts of academic dishonesty as follows:

- Plagiarism: representing the words, data, works, ideas, computer programs or output, or anything not generated in an authorized fashion, as one's own
- Cheating: using or attempting to use unauthorized materials, information, study aids, or computer-related information
- Fabrication: presenting as genuine any invented or falsified citation or material
- Misrepresentation: falsifying, altering, or misstating the contents of documents or other materials related to academic matters, including schedules, prerequisites, and transcripts.

Although authors occasionally indulge in plagiarism intentionally, most often writers plagiarize unintentionally. Many do not realize that indirect quotations, which result from paraphrasing and summarizing material, also require acknowledgement of the author and the source of the idea.

A direct quotation of an author's exact words is the only footnoted material that requires the use of quotation marks, but both direct and indirect quotations must be footnoted. Any idea or statement that is not the author's own must be documented.

Remember- the following require the use of a citation:

- Any material directly quoted from another's work
- Any information that is summarized or paraphrased
- Any idea derived from a known source
- Any fact or data that is not common knowledge and is borrowed from another's work

Material that is common or general knowledge does not have to be footnoted, unless the wording is taken directly from a particular source. A general rule is that if a fact can be found in five or more sources, it is considered to be common knowledge and does not have to be documented.