

## Syllabus - Fall 2009

### Risk Management: R M 369k. Managing Employee Risks and Benefits - upper division course

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#### Textbook & Assignments:

- Risk Management for Enterprises and Individuals (by Baranoff, Etti; Brockett, Patrick Lee; Kahane, Yehuda)  
(Use [flatworldknowledge.com](http://www.flatworldknowledge.com) web-based text, or purchase student materials at <http://www.flatworldknowledge.com>). Instructions to access the online text will be provided in class.
- **Reference Book:** National Underwriter **Employee Benefits**.
- **Readings** from outside sources are indicated on our calendar. They are presented here to provide the students with current information on associated topics. Some of these may contain testable content.

#### Goals:

1. **Basic Knowledge & Comprehension** – The materials in this course include readings from the text, articles, and guest lectures to give you the basic terms, concepts, and building blocks needed to begin to understand the subject matter. These materials will be discussed and debated in class.

- The first part of the course will consider general topics of management responses to employment challenges, with a focus on private and public health insurance and associated funding mechanisms. Products discussed include health and workers' compensation insurance, as well as legal liability risks in employment. Financials for risk financing and pricing will be explored. Evolving public policy concerns will be covered.
- The second part of the class will focus more intensively on retirement: funding systems, products and pricing, including the national system, private offerings, and current developments.
- The third part of the class will focus on risk assessment and decision making, for individuals and business entities, relating group employee benefits to corporate goals since these impact firms' profitability so greatly.

What forces are driving the current debates over a national health care system? The decline of defined benefit pension programs? Increased regulatory oversight of annuities and insurance market conduct practices? How can these drivers influence decisions made in employment, risk assessment, cost-of-risk and profitability analysis, and business continuity planning?

The prognosis for existing social programs is dim - health care access and reimbursement systems, including workers' compensation, are severely strained, and reportedly underfunded. Creative solutions are under discussion in politically-charged state and federal venues. Private solutions are appearing in the fractured traditional financial services markets.

Managing forward - making decisions today that have short and long term implications, and leading change in daily personal and business decisions - is set in an environment of anxiety and uncertainty. What will be the long-term implications of global economic and social developments, such as war, climate change? Capitalism and socialism co-exist in a different context today than during our industrial revolution, the boom of the 1950 post-war years, and the bubbles of technology, real estate and housing, and complex financial products to manage risks and opportunities.

The watch words are "governance, risk [management] and compliance" (GRC), in this first decade of the of this 21st century. Corporate "social responsibility" (CSR), taxation policies, and regulations seem to drive innovation. Threats of corporate and individual fraud, health epidemics and infrastructure deterioration must be addressed. Enterprise risk management forums, combining the efforts and experiences of business and social silos, are a recognition of this mandate for systemic evolutionary change and oversight.

How is the future manager or citizen voter to deal with this complexity and make rational decisions?

There will be a test over each of the three parts of the course.

2. **Application and Analysis Goals** – The decisions of managers and consumers are ultimately shaped to a large degree by the constraints and incentives created by the national health care and retirement systems (influences of which individuals and firms are largely unaware). Thus, a goal of this course is to also give you an analytical framework to evaluate the the available information, assumptions and philosophies underlying different legislative and reform proposals.

3. **Synthesis and Evaluation Goals** – Another goal of the course is to have a continuous conversation and dialogue between us. The desired focus is on what you are "getting" rather than on "what the teacher is lecturing."

Consequently, classroom participation is encouraged, and you will be expected to contribute your views and comments.

There will be no final exam.

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### Assigned "Reading" and preparation materials:

- Our **Course "Calendar"** provides "Reading" and preparation materials: (such as chapter readings, outlines, and slideshows, as well as dates for quizzes and exams). The readings bring a balance of theoretical concepts with practical application. The chapter assignments form the basis for an understanding of the concepts. Read and prepare before each class. Some practice quizzes and crossword puzzles are included, to enhance learning.
- **Blackboard "Course Documents"** provides additional resources. These are provided in order to broaden the student's understanding of the concepts covered in the textbook, and to highlight current dynamics in the industry and in risk management strategies. These may be included on quizzes, in homework, as discussed during class.
- **Quizzes, workshops and homework assignments** will be due during the session, based on the textbook readings, assigned websites, and in-class instructor-led discussions. Pop-quizzes or homework may be handed out in class, and will be due the following class session.
- **Extra credit** may be awarded. Only VIP sessions will be considered.

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**Term Paper Description:** The term paper will be on a topic of your choice related to life, health, annuities, or pension employee benefits issues. The paper topic is not to be merely an "overview" or "encyclopedia" paper, but rather should address some issue of current interest or controversy (e.g. genetic testing use in insurance, privatization of social security, ethical issues associated with annuity sales to elderly, nationalization of health care in the USA, the insurability of new "experimental" treatments, the role of technology on medical care costs and its impact on the competitiveness of the USA industries, and so on).

- **Milestones and Deadlines:** The topic you choose must be given to me for approval by October 2nd. Five relevant references for the paper must be given to me by email October 16th. The paper is due November 13th.
- The paper itself will be **five pages long** with a **minimum of eight references**. References must include a majority that are from either academic journals or books, or from reputable newspaper magazines (Newsweek, Time, Business Week, etc.).
- **Internet sources** are acceptable. Up to three quotes and references directly to outside sources is acceptable, with proper attribution (see examples below). Deep-linking directly to the specific content of a website is permitted, and even encouraged. It is your responsibility to check the truth of the statements found if not using a reviewed web-site. Do not use wiki's such as wikipedia, except to locate valid and reliable sources.
- **Any borrowed ideas, quotes or figures** used in the paper must be referenced by authors' last names and year of publication. For example, "RIDITs represent a very old idea and are closely related to distribution free methods" (Bross 1958, p19). If you turn in a paper without proper referencing, you will be severely marked down.
- The references in the **reference section** are to be listed alphabetically by last name of the first author.
- **SafeAssign** software will be used to check for plagiarism.
- **Format** will count. There must be sectioning, paragraphs, etc. See a style manual if you are uncertain as to style. The paper should be written as an academic research paper, with titles, section headings, appropriate paragraphing, an introduction (stating your thesis), and a conclusion section.
- **Margins** should be reasonable (1-1.25 inches), and a 10-12 point font used.

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Examples:

- **Books**

One author:

Koerner, Joseph Leo. 1993. The Moment of Self-Portraiture in German Renaissance Art. Chicago: University of Chicago Press.

More than one author:

Cowlshaw, Guy, and Robin Dunbar. 2000. Primate conservation biology. Chicago: University of Chicago Press.

Editor(s) or compiler(s):

Panjer, Harry H., eds. 1998. Financial Economics: With Applications to Investments, Insurance, and Pensions. Schaumburg, Ill: The Actuarial Foundation.

Company or organization as author:

Blue Cross and Blue Shield of Michigan (BCBSM). 1987. "Participating Hospital Agreement." Detroit: BCBSM. [Citation in text would read: (BCBSM 1987)] U.S. Prospective Payment Review Commission (ProPAC). 1991. Annual Report to Congress. Washington, DC: U.S. Government Printing Office. [Citation would read: (ProPAC 1991)]

- **Parts of books** (articles in an anthology, chapters, introduction, etc.):

Twaddell, W. Freeman. 1957. A note on Old High German umlaut. In Readings in linguistics I: RM 369K: Managing Employee Risks and Benefits, Fall 2006 The development of descriptive linguistics in America, 1925-56. 4th ed. Edited by Martin Joos. Chicago: University of Chicago Press.

- **Journals**

Brown, Robert L., Robin Damm, and Ishmael Sharara. 2001. "A Macro-economic Indicator of Age at Retirement," North American Actuarial Journal 5(2): 1-10.

- **Magazines and Newspapers**

With an author:

Cynthia Schreiber, "Overture, EarthLink Decline in New-Stock Selloff," The Wall Street Journal, 11 July 2003, Money and Investing section.

Without an author:

Euroweek. 1997. "CSFB, Winterthur Storm Swiss CB Sector with First Catastrophe-Linked Bonds," (Jan. 17):5.

- **Working Papers, Technical Reports, and Ph.D. Dissertations:**

Amundin, M. 1991. Click repetition rate patterns in communicative sounds from the harbour porpoise, Phocoena phocoena. Ph.D. diss., Stockholm University.

- **Personal Communications:**

Rich, Colonel William. Interview by author. Tape recording. Boston, Mass., 3 March 2001.

- **Online References** (use date citation was found):

Individual Life Insurance Experience Committee (ILFEC). 2001. "Report of the ILFEC: Mortality Under Standard Individually Underwritten Life Insurance between 1990 and 1991 Anniversaries," Transactions of the Society of Actuaries. Online at <http://www.soa.org/research/91ilreport.html>. Note:

When quoting material from another publication, you must include the page number(s) of the quote in the citation (Smith 2001, p. 20). You must have references in the body of the paper. Every paper in the references should appear in the text, and vice versa.

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**Grading** - Student grades will be determined as follows

**a. 60% - Exams - three exams (20% each)**

- Closed book, true/false, multiple choice, not cumulative. No make-ups.
- 50% from chapters readings and 50% from class discussions and other assigned readings.
- There is no final exam.

**b. 40% - Term paper (20%), quizzes & workshops (10%), attendance (10%), extra credit (incl. in average)**

- Quizzes, workshops, and any homework assignments will be due during the session, based on the textbook readings, assigned websites, and in-class instructor-led discussions. Pop-quizzes or homework may be handed out in class, and will be due the following class session. Example of scoring: if there are 3 quizzes and 3 workshops, for a total of 6 events, and this represents 30% of your overall score, here's how that translates: if they are each 10 points, and are evenly divided into 30 points, each is worth 5 pts each. Therefore, if you score 9 out of 10 points on the first quiz, you would be awarded 4 points out of 5.  $(9 / 10 \dots \text{or } 90\% \dots) \times 5 = 4$ .
- Participation: attendance will be taken at random at least six (6) times during the semester. You will receive full credit if you attend 90% of these full class sessions or workshops. 80% if you attend 80%. No credit will be given if you attend fewer than 60%. Prior to an event for which you wish to request excused absence/credit: make a request in writing, to the professor.
- Extra credit may be awarded, up to 3 points out of the available 40% indicated above. Only VIP sessions will be considered.

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**Calculation of Course Grades:**

<b>Grade</b>	<b>Percentage</b>
A+	98-100%
A	93-97
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D+	67-69
D	63-66
D-	60-62

## **Class Web Sites and Student Privacy**

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on FERPA related issues see <http://registrar.utexas.edu/students/records/ferpa/>

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## **Use of Blackboard in Classes**

This course uses Blackboard, a Web-based course management system in which a password-protected site is created for each course. (Student enrollments in each course are updated each evening.)

Blackboard can be used to distribute course materials, to communicate and collaborate online, to post grades, to submit assignments, and to take online quizzes and surveys.

You will be responsible for checking the Blackboard course site regularly for class work and announcements. As with all computer systems, there are occasional scheduled downtimes as well as unanticipated disruptions. Notification of these disruptions will be posted on the Blackboard login page. Scheduled downtimes are not an excuse for late work. However, if there is an unscheduled downtime for a significant period of time, I will make an adjustment if it occurs close to the due date.

Blackboard is available at <http://courses.utexas.edu>. Support is provided by the ITS Help Desk at 475-9400 Monday through Friday 8 am to 6 pm, so plan accordingly.

Syllabus additions outlining policies for students with disabilities, the new student e-mail policy, the honor code and more are available at: <http://www.utexas.edu/academic/blackboard/answers/syllabus.html>

## **Special Accommodations:**

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 471-6259, 471-4641 TTY.

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## **Drop Policy:**

If the University policies permit, a student may withdraw or drop this class with approval by the withdraw/drop deadlines set by the University. After the deadline, students who withdraw/drop the course receive a grade based on what they have earned in the course at that point in time.

## **Scholastic Dishonesty Policy:**

The University defines academic dishonesty as cheating, plagiarism, unauthorized collaboration, falsifying academic records, and any act designed to avoid participating honestly in the learning process. Scholastic dishonesty also includes, but is not limited to, providing false or misleading information to receive a postponement or an extension on an exam or other assignment, and submission of essentially the same written assignment for two different courses without permission of faculty members. The McCombs School of Business has no tolerance for acts of academic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business. By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this course, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear, it is your responsibility to ask me for clarification.

Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

## **Religious Holidays:**

Religious holy days sometimes conflict with class and examination schedules. If you miss an examination, work assignment, or other project due to the observance of a religious holy day you will be given an opportunity to complete the work missed within a reasonable time after the absence. It is the policy of The University of Texas at Austin that you must notify each of your instructors at least fourteen days prior to the classes scheduled on dates you will be absent to observe a religious holy day.

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