

Wisconsin School of Business
RMI 610 – Property Risk Management
Fall 2011

Professor

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Office Hours: 2:30 – 3:30 T&Th and by appointment
Class Meetings: 11:00 – 12:15, T&Th in Grainger 1295

Course Description

Businesses face all sorts of risks to their property. Some of those risks are easy to identify (fire burns down the office), while others are not always obvious (old boiler explodes, damaging key machine and delaying production for 3 weeks). In this course, we will discuss strategies for identifying the risks a business faces to its property and the methods available for dealing with those risks. This course should be valuable to anyone considering a career in risk management or insurance, including as a corporate risk manager, an insurance underwriter, claims adjuster, or actuary. It will also be valuable to anyone considering owning their own business or working as a real-estate developer. Finally, because much of the focus of the class will be on insurance contracts, this course should be quite interesting for anyone interested in a career in law.

Course Materials

- *Highly Recommended:* *Commercial Property Risk Management and Insurance*, 1st edition, 2010, edited by Mary Ann Cook, American Institute for CPCU. This is the textbook for the CPCU exam in Corporate Property Risk Management and it is Available for purchase from The Institutes for \$115 at:
<http://www.aicpcu.org/comet/programs/cpcu/cpcu551.htm>
Check the box for “55102 – Text: Commercial Property Risk Management and Insurance, 1st Edition”
- *Required:* Any supplemental readings posted to the class web page
- *Optional:* CPCU 551 Course Guide, American Institute for CPCU, 1st edition, 2010

A note on the text: The textbook is designed for people taking the CPCU exam (described below) on commercial property insurance. As such, it is very detailed about insurance policies and a bit dry. The core material will be covered in lecture and you should use the text as a useful reference without feeling you necessarily have to read it cover to cover.

Class Website

You can find the class website at <http://courses.bus.wisc.edu>; you will need to log on to access the site. I will use the class website extensively to distribute course materials, including supplemental readings, lecture slides, and the like.

Attendance

Lecture attendance is **strongly advised**. The exams will be based primarily on material covered in class. If you miss a day of class for any reason, please get lecture notes from another student. Class attendance is **mandatory** if we have a guest speaker scheduled for the course. I will announce any guest speakers ahead of time. You are expected to show respect to any guest speakers, which includes arriving on time, being attentive, and participating in the discussion.

Quizzes

There will be roughly eight to ten in-class quizzes given throughout the semester. Quizzes may or may not be announced ahead of time and are to help keep you on track and to assess your progress. There will be no make-up quizzes for any missed quizzes. Instead, your lowest quiz score will be dropped. All quizzes will be closed book and closed note.

Exams

There will be two exams during the semester, one in-class midterm and one final exam. **The midterm will be held in class on Tuesday, October 25th. The final exam will be held on Saturday, December 17th from 12:25pm – 2:25pm.** The final exam will be comprehensive, but will emphasize the material covered after the midterm. I will discuss exam topics shortly before the exams. All exams will be closed book and closed notes. Please do not miss an exam. If you miss an exam, you must have a University approved excuse (e.g., written medical excuse). If you miss the midterm for an approved excuse, I will simply drop the midterm from your grade calculation and the final will count for both the final and midterm weight. You will not be allowed to keep any exam, graded or un-graded. I will, however, allow you to view any graded exam in my office.

Current Events Analysis

The final graded portion of the class will involve a group current events analysis. Please see the separate handout.

Grading Scale and Composition

Quizzes: 15% Current Events Analysis: 15% Midterm: 30% Final: 40%

Lower bounds for AB, BC, C, and D final grades will be no higher than 90, 80, 70, and 60 percent of total points, respectively. Final cutoffs for grades (including A, B, and F) will be determined at the end of the semester and may be curved.

Technology and Communication Devices

You may not use communications devices (e.g., cell phones) during lecture or exams. Any student who uses a communication device during lecture will be asked to leave. Because laptops can be distracting to students around you, I will not allow the use of laptops during lecture periods. Although I realize some students prefer to take notes on laptops, I think their effect on other students outweighs that convenience.

Academic Integrity

You are responsible for maintaining the highest standards of honesty and integrity in every phase of your academic career. The penalties for academic dishonesty are severe and **ignorance is not an acceptable defense**. All students must abide by the code of academic honesty of the University of Wisconsin, which is available on the following website: http://students.wisc.edu/saja/misconduct/academic_misconduct.html I will uphold these standards in this course.

Special Needs

If you feel you need an accommodation for a disability of any sort, please consult with me as soon as possible.

CPCU 551 Exam

The Chartered Property Casualty Underwriters (CPCU) is a prestigious professional designation in the property-casualty profession. One of the main components of achieving the CPCU designation is passing a series of exams and the CPCU 551 exam covers Commercial Property Insurance. The textbook for our course is the text for the CPCU 551 exam. While not a course requirement, you are encouraged to take the CPCU 551 exam. I will not teach the course to the test, so you will have to work on your own to pass the exam. However, the course will help start those preparations. General registration information for the exam is available at <http://www.aicpcu.org/register/ExamInfo.htm> As a small incentive to take the exam, if you take the exam during either the April or July windows this year, you may request to have your grade for this course raised by one level (e.g., AB to A, B to AB, etc...)

Course Guide

Although it is an optional resource, I encourage you to make use of the CPCU 551 Course Guide, especially if you plan to take the CPCU 551 exam. We will do many of the Application Questions in class and these questions will also be similar to some of the questions I use on the in-class quizzes. Prior students taking this course and the CPCU 551 exam found completing the Review Questions on a weekly basis was helpful to learning and retaining the material.