

Principles of Risk Management, University of Wisconsin-Madison
RMI 300 Principles of Risk Management Fall 2018
11:00-12:15 TR 1100 Grainger Hall

Course Objectives

Situations involving “risk” are everywhere. In recent months we have seen the effects of trade policies across the globe; wildfires in California; floods in Kerala, India; claims of sexual misconduct at Weinstein Cos., CBS, Fox News, various universities, and other outlets; introduction of new technologies and innovations; and many other events occurred in which outcomes fluctuated and were uncertain beforehand. Volatility in future outcomes is considered “risk,” and can be associated with either positive or negative situations. Examples of situations involving risk include natural events such as storms and earthquakes, data breaches, corporate strategic initiatives such as introduction of new products, and many more. *Risk is something for us to use effectively* rather than eliminate.

Learning outcomes for RMI 300 are to develop critical thinking, risk management (RM) skills, and knowledge so that when you finish this course, you:

- recognize the general types and characteristics of situations involving risk, how to identify them, and why they are important;
- possess the skills and knowledge to measure and assess risk;
- know the basics of how RM tools work and their benefits/costs in any given situation;
- are able to apply the RM process in a simple situation involving risk;
- can explain the value that sound risk management provides individuals, organizations, society.

Course Outline

Set Objectives and Identify Risk Management Problems

Week 1	Define what is risk, why it is important, and the framework to manage	Chpt. 1 - 2
2-5	Identify exposures, perils, hazards	Chpt. 3 – 7

Exam 1: -- in class October 11, 2018

Measure and Manage Relevant Risk

Week 6-7	Conduct risk assessment & risk pooling	Chpt. 8
8	Implement non-insurance risk management tools	Chpt. 9 - 10
9-11	Consider insurance as a risk management tool	Chpt. 11 - 12

Exam 2: -- in class November 8, 2018

Make and Implement Risk Management Decisions

Week 12	Observe general decision-making tendencies	Readings posted
13-14	Place decisions within corporate risk management context	Reading posted
	Coordinate all of the risk management parts into one complete story	

Final Exam: December 19, 2018 10:05 am per university rules (Location TBA)

Important Things to Know for RMI 300

Role of TA Practice Sections and Grading

A fundamental goal of RMI 300 is for students to develop an ability to apply course material. TA sections are designed to support this goal by serving: (1) as an opportunity to practice applying the material through assignments, quizzes, and homework; and (2) as a time to ask questions about the material.

Because no new material is presented in TA section, you have a choice as to whether or not to include it as part of your course grade. You will be able to attend three sessions prior to making your selection. If you choose to include the TA section in your grade, you must submit a designated form via Canvas by **September 27, 2018**. The form is available on Canvas. The **default option (if you do not submit a form) is not to include the TA Section in your grade**; hence if you choose not to include the TA section in your grade, you do not need to submit a form.

If you choose not to include the TA section in your grade, the exams will be apportioned as follows: lower of two mid-terms 28%, higher 37%; final 35%. If you choose to include the TA section in your grade, apportionment will be as follows: TA section: 5%; Lower mid-term 26%, higher 34%; final 35%.

If you wish to change your TA section, please do so through MyUW.

Conflicts with any exam (including the final) must be communicated by submitting a designated form via Canvas by **September 27, 2018**. The form is available on Canvas. No other mechanism for making up an exam is available. If, however, you become ill or have some other conflict arise after **September 27, 2018**, we will allocate the portion of your grade associated with the exam that you miss to the final exam.

Exams will be returned only in TA section. Whether you are including the TA section in your grade or not, the only option to review the exam is to attend your TA section the week following the exam. You are always welcome to attend TA sessions whether you include the practice activities in your grade or not.

Course Web Page and Electronic Communication

<http://canvas.wisc.edu/courses>

We will use the course web page to communicate with you, which will include timing of office hours, the posting of class outlines, grades (quizzes, homework, exams, and final course), and other messages.

Reading

Principles of Risk Management is our recommended textbook. Both an e-book and print version can be purchased at <https://www.theinstitutes.org/guide/college/shop>. We also regularly post readings on the course web page. We will not test you on anything from the text or readings that we have not discussed in class, yet the text and especially the readings can be helpful.

Honor Code and Use of Technology

We expect each member of this course (professor, teaching assistants, and students) to interact with one another respectfully, fairly, and honestly, and to abide by the University rules of conduct. Use of electronic devices during class is discouraged. **No electronic devices are permitted at any time during TA sections.**

Professor

Joan Schmit: joan.schmit@wisc.edu
5295 Grainger Hall; 262-4240
Twitter: @Joan Schmit
Office hours noted on canvas

Teaching Assistants

Jenna Herr: jcherr2@wisc.edu
Chenyuan Liu: chenyuan.liu@wisc.edu
Mike Mansell: mwmansell@wisc.edu
Office hours noted on canvas: 2167 Grainger

Course Guide Description of RMI 300 Principles of Risk Management (3 credits), mode of delivery, pre-requisites, and course designations: Precedes advanced work in insurance; the nature of risk, principal techniques of risk management and the bases for decision making in management of business and personal risks.

Fulfilling 3 credits: This course meets for three hours of lecture and one hour of TA section in person each week. In addition, students are expect to spend an additional six hours per week on average studying and practicing the material outside of the classroom. The lectures are face-to-face mode of delivery.

Econ 101 or 111 (or member of Business Exchange program) is a pre-requisite. Not open to graduate students.

The course designations are

Breadth – Social Sciences

Level – Intermediate

L&S Credit – Counts as Liberal Arts and Sciences credits in L&S