

P&C Insurance Operations
FINA 446
Fall 2017

Instructor: Frank Heaps
Meeting Room: Darla Moore School of Business 141
Meeting Time: M & W (8:05 AM – 9:20 AM)
Office / Hours: By appointment
e-mail: HEAPSF@mailbox.sc.edu
Phone/Text: 803-873-2057 (include name if you text me)

Assignments:

Course work includes the following (details in the text below)

- 3 unit tests
- 2 short case studies
- 1 final research paper

You are expected to complete and turn in all assignments on time per the syllabus due date. Case studies and final research paper can be emailed to HeapsF@mailbox.sc.edu unless otherwise noted.

Textbook:

CPCU 520 – available from AI/CPCU. This class is based on the CPCU 520 materials. The text is optional and can be used to supplement the class lectures. CPCU 520 is one of the exams that are part of CPCU certification <https://www.theinstitutes.org/course/insurance-operations>

Other Course Materials:

Exams will be based on information covered during class lectures. Slideware used during the lecture is used as an outline to organize class discussion and lecture. Your notes taken during class will be your primary point of study.

Course Objectives and Framework:

FINA 446 is based on the CPCU 520 exam material. CPCU 520 provides an understanding of how property-casualty insurance functions work together to create and deliver products. Topics include:

- Overview of Insurance Operations
- Insurance Regulation
- Insurance Marketing and Distribution
- The Underwriting Function
- Risk Control and Premium Auditing
- The Claim Function
- Actuarial Operations
- Reinsurance Principles and Concepts
- Business Needs and Information Technology Alignment
- Insurer Strategic Management

CPCU exams are primarily based on the comprehension of key terms and concepts. The class lecture format will follow this form and your exam grades will illustrate your understanding of the unit terms.

Course Format:

This course is a blend of lecture, class participation, and authoring research papers related to insurance carrier operations. Each student will be asked to research and author two case studies on the various subject areas of insurance carrier operations to reinforce their CPCU 520 learning. Students will be asked to present one case study for the semester (while authoring a total of two) to the class with a brief time for questions. The grade for each case study will be a combination of the paper and the presentation; creativity is suggested. There will also be a final term paper at the end of the semester that will look broadly at the insurance industry and examine innovation in the insurance industry. You are expected to have your papers delivered on time and be prepared to present your case study on the day assigned.

The class schedule (specifically the listed topics) is subject to change based on the pace of the class and current events. Be prepared to be flexible, as the dates and corresponding topics are merely a target.

Grade Scale:

The grade scale for the class is as follows:

Points	Letter Grade
89.5% – 100%	A
87.5% – 89.4%	B+
79.5% – 87.4%	B
77.5% - 79.4%	C+
69.5% – 77.4%	C
67.9% - 69.4%	D+
59.5% – 69.5%	D
Below 59.5%	F

Grade Composition:

Your grade in this course will be determined as follows:

Unit Test 1	20%
Unit Test 2	20%
Unit Test 3	20%
Case Study 1	10%
Case Study 2	10%
Final paper	20%
Total	100%

There will be two case studies, each worth 15% of your grade. You are required to author all four. There will be five unit tests (1 every 4 units) based on information provided during lecture. You are expected to complete all class assignments.

Grading Rationale

Effort and attention to detail is essential to your future career and your grade in this class. One of the goals of this class is for you to learn by being exposed to practical insurance carrier terminology, by analyzing information, and creating thoughtful research papers. To that end, the basis for grading is outlined below. This is a framework for grading and discretion is applied based on participation, attendance, and previous class work.

Unit Tests	Unit test will cover 2-3 units on average based on the outline provided in the CPCU 520 book. You are not required to purchase the book. One unit will typically be covered each week of lecture. Unit tests will have 20 – 50 multiple choice questions.
Case Studies	<p>Case Studies are expected to be 2-3 pages of content (written word) in length with a supporting presentation. Your base grade will start as follows:</p> <ul style="list-style-type: none">• 2 pages = 70• 2.5 pages = 80• 3 pages = 90 <p>Grades increase based on the quality of your content, depth of research, analysis, etc. Ways to increase grades included the following and points will vary:</p> <ul style="list-style-type: none">• Cover page (does not count in page count)• Graphs / pictures (does not count in page count)• Inclusion of technology and its application to insurance in your topic• Quality accompanying presentation <p>Required elements:</p> <ul style="list-style-type: none">• Business problem• Technology applied• Solution / business value <p>Failure to include a required element equals significant deductions</p> <p>Grades will also decrease as follows:</p> <ul style="list-style-type: none">• Failure to proof your paper: spelling, grammar, text formatting errors from copying text = starts at 10 point deduction and increases with each additional error• Summarizing a single press release as a case study without additional sources or conclusions = 30 point deduction• Not following formatting / naming instructions <p>You are required to complete and turn in both case studies prior to 11:59 PM on the day they are due. Point deductions apply to the scale above for turning case studies in late:</p> <ul style="list-style-type: none">• 1 day = 10 points• 2 days = 20 points• 3 days = 30 points• 4 days or more = 0 for the grade

<p>Potential topics</p>	<p>Portals Drones: claims and underwriting Wearables: Google Glass, smart watches, etc. Regulations / legislations / laws Terrorism Reinsurance / reinsurance companies Automobile hacking Environmental claims: chemical / oil spills, hazardous waste Property inspections: digital tools to capture information for estimates Mobile Apps for underwriters and / or adjusters Analytics in insurance underwriting and claims Insurance marketing: character-based and strategies Digital insurer</p>	<p>Usage-based insurance (UBI) Fraud: hard and soft, automobile, workers' comp Catastrophes: hurricanes, floods, tornados, storms Cyberterrorism Underwriting tools: underwriter desktop Property restoration SaaS / Cloud system implementations Expert systems / tools Application of Big Data Customer service / consumer experience: mobile apps and portals Billing options for customer satisfaction Agency operations, challenges, and positioning in the market Internet of Things Smart Home</p>
<p>Final Paper</p>	<p>Your final paper is a reflection of how much you have learned in the class and your ability to research a macro-level issue regarding insurance and technology. The expectation is a 3-5 page paper with an accompanying presentation. The grading rationale follows the case study outline above with the following exceptions:</p> <p>Your base grade will start as follows:</p> <ul style="list-style-type: none"> • 3 pages = 50 • 3.5 pages = 60 • 4 pages = 70 • 4.5 pages = 80 • 5 pages = 90 <p>Required elements:</p> <ul style="list-style-type: none"> • Business problem • Technology applied • Solution / business value <p>Failure to include a required element equals significant deductions</p> <p>You are required to complete and turn in the final paper at the last class of the semester. Point deductions apply to the scale above for turning in the final paper late:</p> <ul style="list-style-type: none"> • 1 day = 10 points • 2 days = 20 points • 3 days = 30 points • 4 days or more = 0 for the grade 	

Standard University attendance policies will be followed, including spot-attendance checks.

If an emergency arises and you must miss a deadline, please let me know as soon as possible. Written documentation is required in the event you miss a deadline.

'0' grade on Blackboard: The burden of proof is on you to show that you turned the assignment in on time. You will need to forward the original assignment submission email to me.

'1' on Blackboard: This means you have emailed me prior to the assignment due date that you will miss class or not be able to turn in the assignment. Examples for letting me know in advance that you will not be attending class: family emergency, personal injury, job interview out of town, scholarship athlete travel (provide schedule at beginning of semester), etc.

Class Disruptiveness¹:

Normal day-to-day social relations break down quickly without common courtesy. Common courtesy is an extremely important trait in the business world, and a minimum requirement for getting and keeping most jobs. Using common courtesy in college is good practice for the "real world."

The most basic idea is to not disrupt your classmates, or your instructor, during class. So, please avoid behavior like: habitually coming to class late; incessant whispering; playing on your PC's and devices; maintaining steady conversation with neighbors during lecture or other class activities; or other annoying behaviors will not be tolerated.

Honor Code Violations

Suspected violations of the Honor Code will be reported to Office of Academic Integrity. The process for reported Honor Code violations, as well as the informal hearing procedures and potential sanctions, can be reviewed at <http://sc.edu/academicintegrity/report.html>.

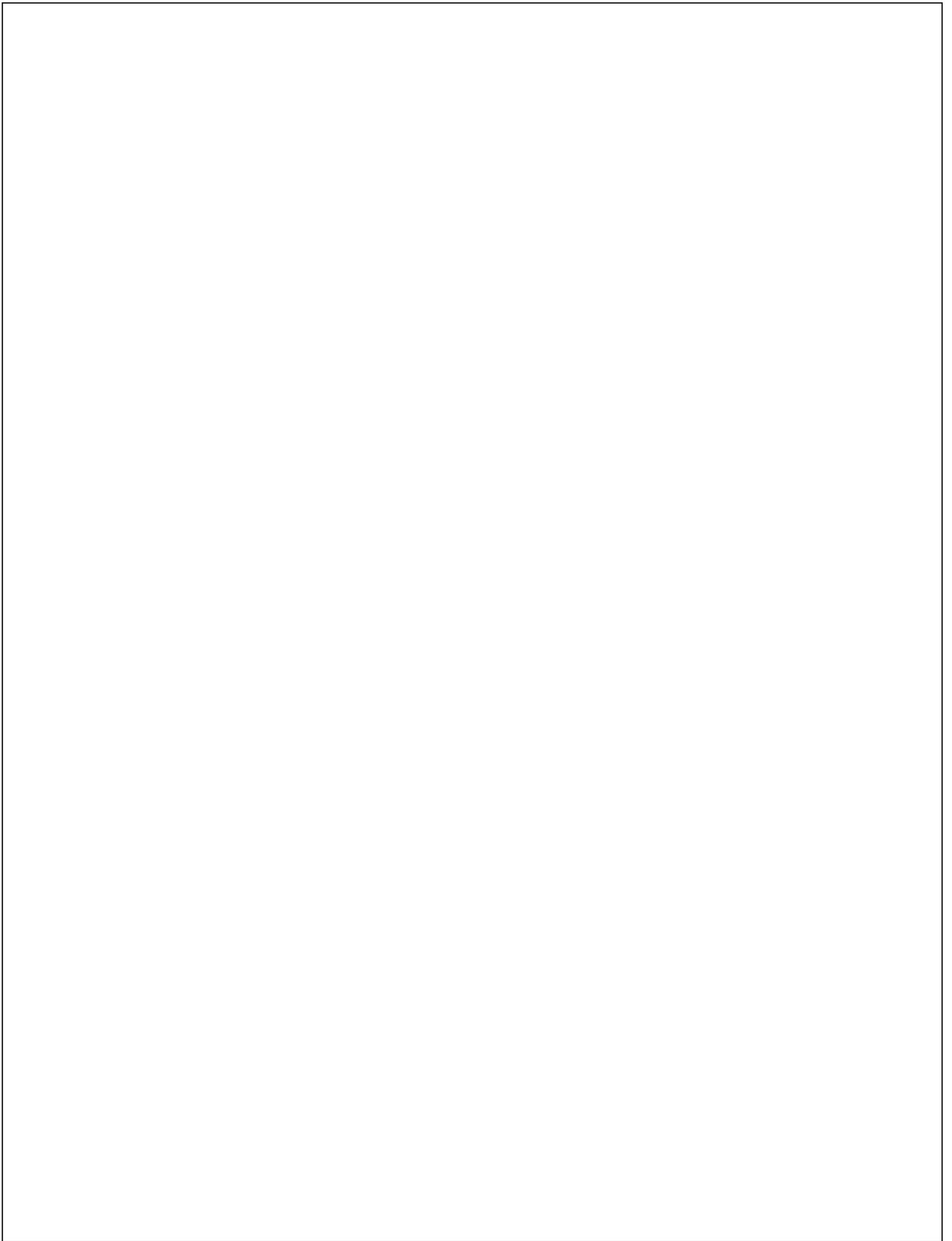
¹ Adapted from Statement by Dr. Joseph A. Brady, Department of Business and Economics: Accounting and Management Information Systems at the University of Delaware.

ASSIGNMENT SCHEDULE²

Day	Date	Assignment
Foundational Elements		
M	August 28	Introduction to Class
1. Overview of Insurance Operations		
W	August 30	Unit 1 Discussion
M	September 4	Holiday
W	September 6	Unit 1 continued
2. Insurance Regulation		
M	September 11	Unit 2 Discussion
W	September 13	Unit 2 continued
3. Insurance Marketing and Distribution		
M	September 18	Unit 3 Discussion
W	September 20	Unit 3 continued Unit test 1 class questions
Unit Test 1 and Case Study Presentation Day 1		
M	September 25	Case Study Presentation Day 1 Unit Test 1 Questions
W	September 27	Unit Test 1
4. The Underwriting Function		
M	October 2	Unit 4 Discussion
W	October 4	Unit 4 Discussion continued
5. Risk Control and Premium Auditing		
M	October 9	Unit 5 Discussion
W	October 11	Unit 5 Discussion continued
6. The Claim Function		
M	October 16	Unit 6 Discussion
W	October 18	Unit 6 continued Unit test 1 class questions
Unit Test 2 and Case Study Presentation Day 2		

² All dates and assignments are subject to change

Day	Date	Assignment
M	October 23	Case Study Presentation Day 2 Unit Test 2 Questions
W	October 25	Unit Test 2
7. Actuarial Operations		
M	October 30	Unit 7 Discussion
W	November 1	Unit 7 continued
8. Reinsurance Principles and Concepts		
M	November 6	Unit 8 Discussion
W	November 8	Holiday
Case Study Presentation Day 3 and 4		
M	November 13	Case Study Presentation Day 3
W	November 15	Case Study Presentation Day 4
9. Business Needs and Information Technology Alignment		
M	November 20	Unit 9 Discussion
W	November 22	Holiday
10. Insurer Strategic Management		
M	November 27	Unit 10 Discussion
W	November 29	Unit 10 continued
Unit Test 3 and Final Paper		
M	December 4	Unit Test 3
Final Paper		
M	December 11	Final Term Papers Due by 11:59 PM



Acknowledgement

By initialing and signing below, I acknowledge that I have reviewed and understand the syllabus for FINA 446 for the Fall 2017 semester and the requirements for the course including work, attendance, content, and grading.

Print Name: _____

I acknowledge that all assignments are due on time per the dates in the syllabus and assignments turned in after 4 calendar days will be a zero: _____ Initial

I acknowledge that the burden of proof is on me to show that an assignment was turned in on time: _____ Initial

I acknowledge that I need to turn in both a paper and a presentation (two separate documents) to receive full credit on case studies and my final paper: _____ Initial

I acknowledge that the instructor will not send email reminders about assignment due dates – they are in the syllabus: _____ Initial

I acknowledge that the instructor may change a due date and that will be conveyed in email meaning I will be responsible for updating my calendar: _____ Initial

I acknowledge that the instructor may change class days (cancel, move, etc.) and will be notified as soon as the instructor knows of the class change: _____ Initial

I acknowledge that not submitting assignments on time will impact my grade in this class: _____ Initial

I acknowledge that not completing assignments may jeopardize my ability to pass this class: _____ Initial

I acknowledge that not attending class may have a negative impact on my grade because the tests are based on the lectures: _____ Initial

Signature: _____

Date: ____ / ____ / ____