

## **RMIN 7010 – RISK MANAGEMENT**

**SPRING 2022**

**Tue & Thur, 11:10-12:25**

**Correll 313**

(v01 - 23Dec - Updates/Changes will appear **in yellow highlight**)

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**Professor:** James Carson, Ph.D., CPCU, CLU, ARM  
**Email:** jcarson@uga.edu  
**Office:** A-424 Moore-Rooker Hall  
**Office Hours:** Tue & Thur from 9:15 – 10:00; and by appointment

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The course syllabus is a general plan for the course; any changes/deviations that are needed will be announced and posted in ELC.

### **Course Description**

RMIN 7010 is designed to introduce students to the fundamentals of risk management, including corporate governance and substantial coverage of employee benefits. We will first discuss the importance of risk and insurance, as well as the rationale for risk management, and then we will analyze the risk management process and various risk management methods. There is no shortage of current issues / events, along with many recent developments in dealing with risk. Throughout the semester, students will have the opportunity to demonstrate their understanding of current risk-related topics through class discussion, assignments, projects, presentations, and substantive quizzes.

### **Course Objectives**

- Introduce principles and terminology used in risk management and insurance
- Discuss corporate risk management
- Teach the major types of *employer-provided retirement plans*, and explain how these are designed, structured, operated, and managed
- Teach the major types of *employer-provided health insurance plans*
- Discuss both *ethical and global business issues* as they relate to employee benefits
- Describe the *economic problems* presented by employee benefits, and *how & why the government regulates* them
- Build a foundation of understanding so that some of our society's most important economic problems can be viewed intelligently
- Encourage students to present their own analysis in a confident, organized, and coherent manner

### **Course Text and Materials**

- The Essays of Warren Buffett: Lessons for Corporate America (5<sup>th</sup> or 6<sup>th</sup> ed.) by Lawrence Cunningham
- The *Wall Street Journal* (free for UGA students) at [www.wsj.com/uga](http://www.wsj.com/uga)
- Readings and documents in ELC

## **Instruction Method**

### **Face-to-Face / In-Person**

The plan is that we will meet in the classroom each day for our usual class sessions. As the need may arise, we will adapt to what makes the most sense at the time and to comply with university guidelines.

## **Diversity, Equity, and Inclusion**

The Terry College is committed to promoting diversity, equity, inclusion, and belonging among its students, faculty, and staff. This class welcomes the open exchange of ideas and values freedom of thought and expression. This class provides a professional environment that recognizes the inherent worth of every person. It aims to foster dignity, understanding, and mutual respect among all individuals in the class.

## **University Honor Code and Academic Honesty Policy**

*As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty" found at: [www.uga.edu/honesty](http://www.uga.edu/honesty). Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.*

UGA's Student Honor Code:

*"I will be academically honest in all of my academic work  
and will not tolerate academic dishonesty of others."*

## **Mental Health and Wellness Resources**

*If you or someone you know needs assistance, you are encouraged to contact Student Care and Outreach in the Division of Student Affairs at 706-542-7774 or visit <https://sco.uga.edu>. They will help you navigate any difficult circumstances you may be facing by connecting you with the appropriate resources or services.*

*UGA has several resources for a student seeking mental health services (<https://www.uhs.uga.edu/bewelluga/bewelluga>) or crisis support (<https://www.uhs.uga.edu/info/emergencies>).*

*If you need help managing stress anxiety, relationships, etc., please visit BeWellUGA (<https://www.uhs.uga.edu/bewelluga/bewelluga>) for a list of FREE workshops, classes, mentoring, and health coaching led by licensed clinicians and health educators in the University Health Center.*

*Additional resources can be accessed through the UGA App.*

Any student who feels that he or she may need an accommodation for any reason should consult with me as soon as possible so that appropriate arrangements may be made.

## **Class Preparation**

For the material that we will cover in class, you should read the assigned readings before we meet and be prepared to discuss and answer questions based on the various readings.

## **Special Needs**

Any student who feels that he or she may need an accommodation for a disability of any sort should consult with me so that appropriate arrangements may be made.

## Attendance and Guest Speakers

Class attendance. Regular attendance will help you learn the material and will significantly help your grade. I'll use a seating chart, and so please choose a seat that you would like to sit in for the semester.

I hope to have one or two Guest Speakers (in-person or on Zoom). Guest speakers will be announced prior to dates on which they are scheduled. Of course, show your highest respect to the speakers, including arriving on time, closing your laptops/phones, being attentive, and demonstrating interest by participating and asking appropriate/insightful questions.

Course Grade					Example <u>Points</u>
Bio Page	1%	(bonus percentage point)			1.0
Hot Topic Short Paper & PPT Presentation	10%	*	<u>90</u>	% =	9.0
Class Participation	15%	*	<u>90</u>	% =	13.5
Journal 1	10%	*	<u>90</u>	% =	9.0
Journal 2	10%	*	<u>90</u>	% =	9.0
Group Project	15%	*	<u>90</u>	% =	13.5
& Presentation (~PPT)	10%	*	<u>90</u>	% =	9.0
Substantive Quizzes	30%	*	<u>90</u>	% =	27.0
Optional Final Exam (replace 1/3 <sup>rd</sup> of Quizzes score)	<u>(10%)</u>	*	<u>90</u>	% =	
TOTAL	<u>100%</u>				<u>91.0%</u>

**Grade Scale:** The grading scale will be at least as generous as follows:

A = 94.0 - 100%	C+ = 78.0 - 79.9%
A- = 90.0 - 93.9%	C = 72.0 - 77.9%
B+ = 88.0 - 89.9%	C- = 70.0 - 71.9%
B = 82.0 - 87.9%	D = 60.0 - 69.9%
B- = 80.0 - 81.9%	F = Below 60%

## Hot Topic Short Paper & PPT Presentation (Small Groups of 3 Group Members)

For a current "Hot Topic" that is chosen in consultation with me, prepare a short (~2-page) paper and a brief PPT presentation on the topic. Based on your group's research, you will make a short (~4-minute) presentation to the class. Submit your PPT presentation and paper in ELC (in Assignments). If you want to choose a section of "The Essays" book for your Hot Topic, that also works well.

## Class Participation / Assignments

Participation. Your ability to clearly communicate your thoughts / ideas in a succinct and effective manner is a critical skill in everyday life, and this certainly holds true in the business world as well. We will have numerous opportunities for discussion throughout the course, as well as various assignments.

## Journals

You should keep a Journal where you write a paragraph on each article you read that relates to the course (2 articles per week). So, for the journal entries, look for and choose articles from anywhere you want (that were published that week, give or take a few days is fine, but not from the Readings packet that I put in ELC). Also, include one summary of what we covered each week.

Also include a summary of each Hot Topic (during each week).

And then include a summary of each Group Presentation at the end of the semester.

In addition to the above, include one final reflective entry at the end of the course on what you have learned about Risk Management, Corporate Governance, and Employee Benefits. This entry should critically discuss the various issues/topics we covered throughout the course (about two pages for this).

**Post your Journal to ELC (in Assignments)** by the following two dates:

- Part 1 Journal Due (Weeks 2 - 7 = 12 articles) **Thursday, Feb 24 (week 7)**
  - Part 2 Journal Due (Weeks 10 – 16 = 14 articles) **Tuesday, May 3 (week 17)**
- (No Journals during Spring Break!)

Be sure to include a Table of Contents page.

Daniel Craig

Part 1 Journal, Spring 2022

### **Table of Contents**

- **Week 2**
  - 1. Taxing Employer-Funded Health Insurance Would Be a Disaster for Companies and Workers Alike” p. 1
  - 2. “Hard Work of Saving for the Retirement Life” p. 1
  - 3. Reflections on Class Material / Discussion p. 2
- **Week 3**
  - 4. “Most Multiemployer Pension Plans in Green Zone” p. 2
  - 5. “Natural Catastrophes and Corporate Risk Management” p. 2
  - 6. Reflections on Class Material / Discussion p. 3
  - 7. Reflections on Hot Topic (presented by Marie Curie) p. 4
- **Week 4.....**

A sample journal entry heading should be in the following format:

“We Need More Babies! Seriously, this is a Problem.” Yahoo Finance, Dec 11, 20XX, by Jake Novak, at [http://finance.yahoo.com/news/more-babies-seriously-problem-120000448.html?soc\\_src=mediacontentstory&soc\\_trk=tw](http://finance.yahoo.com/news/more-babies-seriously-problem-120000448.html?soc_src=mediacontentstory&soc_trk=tw)  
This article highlights the declining birth rate for the US economy, which is interesting by itself, and then discussed the implications of a declining birth rate in terms of the US economy, taxes, and employee benefits. For example,,.....(write a full paragraph for each article, and discuss what you learned, found interesting, surprising, questionable, etc).

For the Journals, follow these directions.

Your Journal (and Table of Contents) should include, by Week (nothing due Week1):

Week2:

- a) Two entries per week about Risk Mgt / Employee Benefits (articles that you find, from anywhere)
- b) A reflective entry about what we discussed / covered in class each week,
- c) A reflective entry about any Hot Topics (NOT including your own) each week,
- d) A reflective entry about each Group Presentation, and
- e) A reflective entry about the overall course (at the end of the semester).

## **Group Project and Presentation—Your Choice Among Three Options**

You will work in a small group (3 to 4 students would be optimal, please) to complete a project. Each group member initially will receive the same grade for the project and presentation. Any adjustments to individual grades will be made, based on the Group Member Feedback Form, at my discretion. Your group's written paper should be approximately 15-20 pages (double-spaced), while your presentation should be approximately 15 minutes, plus another 10 minutes or so for questions and discussion. The three types of projects from which you may choose are:

### **A) Create / Substantially Enhance a (Financial) Product**

Related to managing risk, your group may write a report and make a presentation about creating an entirely new risk-related product (e.g., rain / weather insurance, etc.) or substantially enhancing an existing risk-related product (not necessarily an insurance product). By the second week of class, your Group Project Form is due. Here, your group should identify a risk / exposure / need and then develop a proposed product to address the risk / exposure / need. Your report should include work / strategies for marketing, sales distribution, cost / actuarial figures (approximations), pricing, estimates of demand, hurdles that would have to be overcome, etc. Previous ideas include:

- Weather derivatives on traded exchanges
- Hole-in-one insurance; Wedding insurance
- Pet HMO; Home Equity insurance, Etc. ....

### **B) Fix / Improve a (Physical) Product**

Your group may write a report and make a presentation about fixing / improving an existing product. By the second week of class, your Group Project Form is due. Here, your group should identify a product (or a practice / etc.) that causes an undue amount of harm / injury / etc. Your report should include a detailed discussion of a) the product/practice that needs addressing, the problem, how you propose that the problem should be addressed, estimates of the costs involved, hurdles that would have to be overcome, potential criticisms of your ideas along with your responses to those potential criticisms, etc.

As a related example, see the brief story (and the audio clip) at:

<http://www.npr.org/blogs/money/2011/12/05/142634542/why-burn-doctors-hate-instant-soup>

### **C) Write a Case Study or a Traditional Topic Paper**

Your group may write a case study on a firm's disaster / risk management loss or a traditional paper on a Risk Management topic. Examples of infamous disasters include:

- Union Carbide, 1984
- Hurricane Andrew, 1992
- Some aspect of the pandemic, 2020
- BP, 2010
- GM Ignition Switch Recall
- Financial Crisis / Great Recession, 2008-2009
- Wells Fargo 2016/2017/2018....!
- Vale Mining Disaster, 2019

Here, your group should describe the incident and the impact that it had on various parties (those hurt, employees, others, the firm, etc.), the firm's response (was it good / poor?), the impact of the firm's response, any broader impacts on the industry / society that resulted (e.g., J&J), etc. For a paper on a traditional topic, identify several potential issues and discuss with me.

## Substantive Quizzes

We will have Substantive Quizzes (in class and/or via ELC) during the regular semester, as well as an optional Final Exam at the end of the semester. The substantive quizzes will consist of quantitative problems, multiple-choice questions, and short-answer / essay questions. Substantive quizzes will test your knowledge as well as your ability to apply your knowledge, think critically, and apply analytical skills.

## RMIN Homepage

The RMIN homepage is <http://www.terry.uga.edu/insurance/>. Important dates, events, and announcements related to the RMI program appear on this site, as well as information regarding the Resume Book, Internships, Scholarships, Careers Day, Job Placement, RMININFO Listserv, and other important topics.

## Some Important Class Dates

RMI Careers Day	Wednesday, Jan 19 (week 2)
Syllabus Agreement / Bio Page Due	Thursday, Jan 20 (week 2)
UGA Career Fair	Wednesday, Feb 2 (week 4)
Group Project Form Due	Thursday, Feb 3 (week 4)
Atlanta RIMS conference	Thursday, February 10 (week 5) ( <b>No CLASS</b> )
Journals Part 1 Due	Thursday, Feb 24 (week 7)
SPRING BREAK	Mon-Fri, Mar 7 - Mar 11 (week 9)
Complete Hot Topic by	Thursday, Apr 7 (week 13)
RIMS (national) conference	Tuesday, April 12 (week 14) ( <b>NO CLASS</b> )
Journals Part 2 Due	Tuesday, May 3 (week 17)
Group Project Due (<= Last Day of Class)	(on the day of your Group Presentation)
Optional Final Exam	(Tuesday, May 10, noon - 3:00 p.m.)

## Class Communication

Announcements about the class typically will be posted on the course website in ELC. In addition to setting up an appointment with me, email ([jcarson@uga.edu](mailto:jcarson@uga.edu)) is an excellent way to reach me.

## Berkshire Hathaway Annual Meeting

I encourage you to think about attending this year's BRK annual shareholder's meeting (world's largest shareholder's meeting). The **2022** meeting is scheduled for **April 30<sup>th</sup>** in Omaha. More information and details will be discussed throughout the semester.

**Course Outline:** The Course Outline is shown below.

## **Course Outline\*^**

<b>Week</b>	<b>Dates</b>	<b>Topics</b>	<b>Readings(□)</b>
<b>Part I: Insurance, Ins. Industry, and Risk Management</b>			
Week 1	Jan 11, 13	Syllabus; The Ins. Industry	_____
Week 2	Jan 18, 20	Ins. Operations; BRK Letter (2008)	_____
Week 3	Jan 25, 27	Reinsurance / Catastrophes	_____
Week 4	Feb 1, 3	Risk Mgt; GE Story	_____
<b>Part II: Employee Benefits (DB/DC Plans, Soc Sec, Health)</b>			
Week 5	Feb 8 ( <del>10</del> <sup>th</sup> )	Pensions: DB Plans; (Atlanta RIMS)	_____
Week 6	Feb 15, 17	401(k) Plans and Annuities	_____
Week 7	Feb 22, 24	Social Security; Journal 1 Due (Thur)	_____
Week 8	Mar 1, 3	Health Ins, HDHP, HSAs	_____
<b>Part III: Various; Governance; ERM</b>			
Week 9	Mar 8, 10	SPRING BREAK	_____
Week 10	Mar 15, 17	Various Topics / 2021 BRK Letter	_____
Week 11	Mar 22, 24	Owner's Manual / Governance	_____
Week 12	Mar 29, 31	ERM / CROs	_____
<b>Part IV: Group Presentations; Crisis Mgt; Various</b>			
Week 13	Apr 5, 7	Various Topics; Group Presen's	_____
Week 14	Apr ( <del>12</del> <sup>th</sup> ), 14	(RIMS in SanFran); Group Presen's	_____
Week 15	Apr 19, 21	Group Presen's; Various Topics	_____
Week 16	Apr 26, 28	Group Presen's; Crisis Management	_____
Week 17	May 3 (Last Day)	Journal 2 Due / Various Topics	_____
<b>Week 18</b>	<b>Tue, May 10</b>	<b>(*Optional Final Exam*, noon - 3:00 p.m.)</b>	

(Note: Saturday, April 30, 2022 Berkshire Hathaway annual meeting, Omaha, NE)

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\* The outline is subject to change. Changes / revisions will be announced / posted.

^ Readings associated with each topic are provided in a separate "Readings" document and via other links/sources.

**Hot Topic Form**  
**RMIN 7010—SPRING 2022**  
**Prof. Carson**

For your Hot Topic / Presentation, turn in this form (in Assignments in ELC) at least 1 class period before you would like to make your presentation.

And turn in (in ELC) your Hot Topic Report (< 2-pages) by the day of your presentation).

Be sure to complete your Hot Topic Presentation during February / March (**BEFORE** April!).

THREE NAMES
1.
2.
3.

Before being "awarded" a topic, first demonstrate below that you have considered three (3) different potential topics.

POTENTIAL TOPICS FOR YOUR GROUP
1.
2.
3.

Preferred Date in Feb/March: \_\_\_\_\_



**Group Project Form**  
**RMIN 7010—SPRING 2022**  
**Prof. Carson**

\*\* Each group should turn in (in Assignments in ELC) this form by Feb 3<sup>rd</sup> \*\*

You will work in a small group (up to 4 students per group) to complete a Group Project.

NAME OF EACH GROUP MEMBER	SIGNATURE OF EACH GROUP MEMBER
1.	
2.	
3.	
4.	

Before being "awarded" a topic, your group MUST demonstrate that it has considered at least three (3) different potential topics.

POTENTIAL TOPICS FOR YOUR GROUP
1.
2.
3.
4.
5.

**Group Member Feedback Form**  
**RMIN 7010—SPRING 2022**  
**Prof. Carson**

\*\* You may turn in this form (optional) in ELC anytime until your projects are due.\*\*

Group Topic:

Group Member 1: (YOU)

Group Member 2:

Group Member 3:

Group Member 4:

Group Member:	1-You	2	3	4
ENTER GRADE FOR EACH GROUP MEMBER (A, B, C,...), for example:	A	B	A	C
Quality of contribution to group discussions				
Quality of contribution to writing the paper				
Quality of initiative to get things done				
Reliability in completing responsibilities assigned to them				
Commitment to group efforts, availability, etc.				
Leadership provided to the group:				
Positive / Professional Attitude				
This is someone that you would want to work with again				
Overall grade you would assign to each group member				

Any other comments about the group:

## RMIN 7010 – SYLLABUS AGREEMENT & BIO PAGE

- Each student should turn in (in ELC) this page by Thursday, Jan 20<sup>th</sup> (week 2)
- Type your name (or initials) below to indicate that you have read and understand the syllabus
- Signature: \_\_\_\_\_
- The information below helps me to learn your names and get to know you better
- Insert a picture of yourself below (but keep this to **ONE PAGE**, or front-to-back)

First Name / Nickname \_\_\_\_\_ Last Name \_\_\_\_\_

Email: \_\_\_\_\_

Originally from: \_\_\_\_\_

MACC Student \_\_\_\_\_

MBA Student \_\_\_\_\_

Other Major/Program \_\_\_\_\_

Graduation (e.g., May 2022): \_\_\_\_\_

Career Goals: \_\_\_\_\_

\_\_\_\_\_

Hobbies/Interests: \_\_\_\_\_

Any other information you want to include: \_\_\_\_\_

\_\_\_\_\_

Your Favorite Joke: \_\_\_\_\_

## RMIN 7010 -- SYLLABUS AGREEMENT & BIO PAGE

- Each student should turn in (in ELC) this page by the due date
- Sign below to indicate that you have read and understand the syllabus
- Signature: \_\_\_\_\_ JMC
- The information below helps me to learn your names and get to know you better
- Insert a picture of yourself below (but keep this to one page)



First Name / Nickname \_\_\_\_\_ Jim \_\_\_\_\_ Last Name \_\_\_\_\_ Carson \_\_\_\_\_

Email: \_\_\_\_\_ jcarson@uga.edu \_\_\_\_\_

Originally from: \_\_\_\_\_ Lincoln, Nebraska \_\_\_\_\_

Name of Your RMIN-4000 Teacher \_\_\_\_\_ George Rejda \_\_\_\_\_

Major: \_\_\_\_\_ Insurance/Finance \_\_\_\_\_ Minor / Second Major: \_\_\_\_\_

Career Goals: \_\_\_\_\_ Continue learning; creating knowledge, and experiencing  
different cultures/people. \_\_\_\_\_

Hobbies/Interests: Running, Tennis, Hiking, Triathlons, Traveling, Time with Family, Reading

Any other information you want to include: \_\_\_\_\_ Love the Dawgs, Huskers, and Seminoles \_\_\_\_\_

\_\_\_\_\_ I recently hiked up Mount St. Helens and across the Grand Canyon (not on the same day!) \_\_\_\_\_

Favorite Joke: What kind of money do you use to buy coffee in space? \_\_\_\_\_

## **CORONAVIRUS INFORMATION**

### **Face coverings:**

Following guidance from the University System of Georgia, face coverings are recommended for all individuals while inside campus facilities.

### **How can I obtain the COVID-19 vaccine?**

University Health Center is scheduling appointments for students through the UHC Patient Portal ([https://patientportal.uhs.uga.edu/login\\_dualauthentication.aspx](https://patientportal.uhs.uga.edu/login_dualauthentication.aspx)). Learn more here – <https://www.uhs.uga.edu/healthtopics/covid-vaccine>.

The Georgia Department of Health, pharmacy chains and local providers also offer the COVID-19 vaccine at no cost to you. To find a COVID-19 vaccination location near you, please go to: <https://georgia.gov/covid-vaccine>.

In addition, the University System of Georgia has made COVID-19 vaccines available at 15 campuses statewide and you can locate one here: <https://www.usg.edu/vaccination>

### **What do I do if I have COVID-19 symptoms?**

Students showing COVID-19 symptoms should self-isolate and schedule an appointment with the University Health Center by calling 706-542-1162 (Monday-Friday, 8 a.m.-5p.m.). Please DO NOT walk-in. For emergencies and after-hours care, see, <https://www.uhs.uga.edu/info/emergencies>.

### **What do I do if I test positive for COVID-19?**

If you test positive for COVID-19 at any time, you are required to report it through the DawgCheck Test Reporting Survey. We encourage you to stay at home if you become ill or until you have excluded COVID-19 as the cause of your symptoms. UGA adheres to current Georgia Department of Public Health (DPH) quarantine and isolation [guidance](#) and requires that it be followed. Follow the instructions provided to you when you report your positive test result in DawgCheck.

### **Guidelines for COVID-19 Quarantine Period (As of 8/1/21; follow DawgCheck or see DPH website for most up-to-date recommendations)**

Students who are fully vaccinated do not need to quarantine upon exposure unless they have symptoms of COVID-19 themselves. All others should follow the Georgia Department of Public Health (DPH) recommendations:

Students who are not fully vaccinated and have been directly exposed to COVID-19 but are not showing symptoms should self-quarantine for 10 days. Those quarantining for 10 days must have been symptom-free throughout the monitoring period and continue self-monitoring for COVID-19 symptoms for a total of 14 days. You should report the need to quarantine on DawgCheck (<https://dawgcheck.uga.edu/>), and communicate directly with your faculty to coordinate your coursework while in quarantine. If you need additional help, reach out to Student Care and Outreach ([sco@uga.edu](mailto:sco@uga.edu)) for assistance. Students, faculty and staff who have been in close contact with someone who has COVID-19 are no longer required to quarantine if they have been fully vaccinated against the disease and show no symptoms.

### **Monitoring conditions:**

Note that the guidance referenced in this syllabus is subject to change based on recommendations from the Georgia Department of Public Health, the University System of Georgia, or the Governor's Office. For the latest on UGA policy, you can visit [coronavirus.uga.edu](https://coronavirus.uga.edu).