

**Fall 2018**  
**Business 344 - Sec 1 – Insurance Operations**  
**Wednesday 16:00 – 18:30**  
**CPS Room 233**

Marcia Tepp  
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Campus Office CPS 474  
Wednesday 2:30 – 3:30  
& by appointment

Office number: 715.346.2814

**REQUIRED TEXT:**

Insurance Operations, 2nd Edition, American Institute for Chartered Property Casualty Underwriters/Insurance Institute of America.

**Bring your text book to each and every class, we will use it most classes.**

**Course objective:**

The course will provide a comprehensive examination of insurance operations encompassing insurance regulations, insurance marketing, underwriting property and liability insurance, risk control & premium audit, claims, actuarial function, reinsurance and strategic management. It will provide an understanding of the core functions of an insurance company through exposure to guest speakers from across the insurance industry. During the course, we will cover career opportunities in the insurance industry.

At the end of the course you will:

1. Understand how an insurance company operates.
2. Have knowledge of the critical insurance functions of sales, underwriting and claims
3. Be familiar with regulation of insurance companies.
4. Understand how insurance companies price insurance and services.
5. Be familiar with actions an insurance company undertakes to reduce risk.
6. Make insurance industry connections.

**Class meetings and attendance:**

Attendance will benefit you and your grade. You are encouraged to be an active participant in class. If you make the choice not to attend class, be aware that there will be no opportunity to make-up in class activities. You will be able to earn 20 points during each class session. I am not able to re-teach the material to you in the event that you are absent, but you can ask a classmate to share notes.

For the best learning experience, it is expected that you read related materials in the text prior to class and be prepared to answer questions in class. We will operate on that premise. See the detailed schedule for the chapters and the order we will be covering the material. We may deviate from the schedule depending on the guest speakers and tours that are involved with the class.

Concepts and policies will be presented by lecture, discussion and assigned activities. There will be activities assigned during the week and during class. Participation will be graded. Be prepared to ask and answer questions in class. I intend to cover the most important concepts from the textbook in class. However, you are still responsible for developing an understanding of other concepts and terms not covered. If you have questions about something not covered in class please ask.

You will be involved in individual and team activities in class. When operating in teams the team will receive one grade for a given team activity and each member in the team will receive the same grade. If you want to receive a high team activity grade be active in your team and perform.

During class we may access the Internet, so cell phones and other electronic devices that access the Internet are allowed in class, when we will be utilizing them. Research supports that having visual access to a cell phone diminishes our ability to learn. Checking social media, texts, emails, and messages is unprofessional and disrespectful to our class community. Please turn off your phone during class; I will do so as well. If I notice that you are using your phone during class I may ask you to share what you are researching or ask you to put it away. Thank you for following these guidelines as they help create a positive learning community.

We may have tours of local Stevens Point businesses as part of the class. It is your responsibility to get to the business on time on the assigned date. Missing a tour will be treated the same as missing a class and activities assigned may not be made up.

We will have a number of guest speakers during the semester. It is expected that they be treated as guests, thanked for spending time with the class. They will expect questions during their presentation, so be prepared to ask questions.

Review the UWSP policy on attendance at: <http://www.uwsp.edu/regrec/Pages/Attendance-Policy.aspx>

### Current Events

Each week up to five students will have the opportunity to present information on a current event they found that is impacting the insurance industry. Potential sources of information are the internet, TV and newspapers. Each student will have the opportunity to present three current events times during the semester, limited to one per class time. Each presentation is worth **30 points**. Prior to class you should send an email to me letting me know that you have a current event to present as the number of current events in a given class is limited to five. You should consider presenting your current events early in the semester as often students are unable to present due to the limit of five per class. A repeat of a previous current event given by another student will not be counted as a current event.

### Exams and Assignments:

There will be five exams, worth 100 points each, and six assignments, worth 50 points each, throughout the semester.

The exams will largely be objective, short answer and situational problems. During all exams you will be able to use your in-class notes and the text book. Remember that all exams will be 30 minutes long, so don't rely on the fact that you can use your book to think that you do not have to prepare for an exam. Some exams maybe take home and assigned electronically.

All material presented in class, in tours and in the text may be used in exams. Exams will be given upon completion of the material. Since you have the semester schedule it is up to you to be prepared for each exam. Make up exams will only be given under special circumstances with prior approval.

### D2L:

D2L will be utilized for the class. Assignments will be posted on D2L. It will be your responsibility to check it often for information. Links for insurance industry related websites will be posted and maybe helpful in research. PowerPoints for each chapter will be posted.

### Final:

The final exam will be comprehensive. The final exam is scheduled for December 21st 10:15 – 12:15. It will not be given early nor can the time for the exam be changed for the class or individuals.

### STUDENT EVALUATION:

The final grade will be based on the following weighting of results.

Exams (100 points each)	500 points
Assignments (50 points each)	300 points
In-Class Participation (20 point each class)	300 points
Current Events (30 points each event)	90 points
Final Exam	100 points
Total	1,290 points

It is expected that students will be prepared to discuss or explain incidents, cases and problems. This follows the education methods used in the development of business employees and we will use this approach.

Students who wish to receive a particular grade must earn the following points:

	From	To
A	1290	1238
A-	1237	1187
B+	1186	1135
B	1134	1083
B-	1082	1032
C+	1031	980
C	979	929
C-	928	877
D+	876	826
D	825	774
D-	773	722
F	721	0

Be ready to submit items in class, as requested. Items slipped under my office door or placed in my mailbox by the office door are not considered submitting them to me and will be considered late. Assignments or take home exams that are submitted after the date and time for submission will have a **four point reduction in grade for each day an assignment is late.** Once grades are posted, late items will receive a 30 point reduction in the earned grade.

### Contacting Me

Call my office at any time (715.346.2814). Leave a voicemail if I do not answer. I will respond to messages that are left. Feel free to also email me. Remember some faculty receive as many as 100 emails per day. Yours should be clear, concise, and professional so that your issues can be responded to effectively. Include the entire thread of an ongoing email conversation so that your instructor can recall the history of your issue without searching for other emails you have sent. Sign off with your first and last name. I will not open attachments without messages or messages that are illegible.

### Office Hours

My office is located in CPS 474. I am available without an appointment on Wednesdays 2:30-3:30. Individual meetings can be arranged through an email request, phone call, or conversation directly before or after class.

### Emergency Response

Be familiar with what you should do in the event of an emergency.

**Medical Emergency** – In the event of a medical emergency call 9-1-1 or use the Emergency Phone located next to room 201. Offer assistance if trained and willing to do so. Guide emergency responders to victim.

**Tornado Warning** – In the event of a tornado warning remain in C233, it is an interior room without window exposure.

**Fire Alarm** – In the event of a fire alarm evacuate the building in a calm manner. Meet across Fourth Ave, in front of the HEC building.

**Active Shooter/Code React** – Run/Escapes, Hide, Fight. If trapped, hide, lock doors, turn off lights, spread out and remain quiet. Call 9-1-1 when it is safe to do so. Follow instructions of emergency responders.

## UWSP Emergency Plan

Arrows Denote Building Evacuation Routes,  
Shaded Areas Represent Tornado/Severe Weather Shelter Areas,  
Shelter Areas Are Located On Floors 0, 1, and 2 Of This Building.

**WHAT TO DO DURING:**

**TORNADO/  
SEVERE WEATHER**  
Notification of severe weather will be relayed to the building. If a siren sounds, building occupants should take cover in the lowest safe location available, preferably in an interior room or basement. Remain in your shelter area until tornado warning is expired.

**FIRE**  
Pull a fire alarm and EVACUATE the building in the event of a fire. Before opening a door, feel it for warmth. If it is warm, leave the door closed and find an alternate path. Stay low if you encounter smoke. Stop, drop, and roll should your clothes catch fire.

**EVACUATION**  
Remain calm. Use stairs and not elevators. Pay close attention to your surroundings as you exit. Incidents such as FIRE or HAZARDOUS MATERIALS RELEASES may require that alternate paths be selected. Stay clear of the building and entry ways after exiting the building in order to facilitate responder access to the emergency.

**KEY**

- YOU! ARF HFRF EMERGENCY PHONE
- AED (Located on 1st Floor)
- SHADED AREA = SEVERE WEATHER/ TORNADO SHELTER
- EVACUATION ROUTES

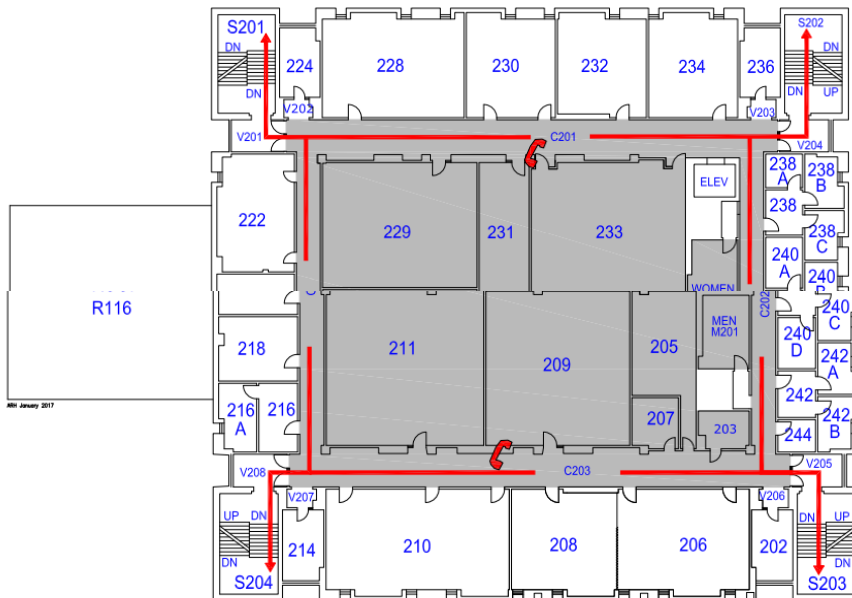
**Call 911 for all Emergencies.**  
There will seem to be a 10 second delay, but **STAY ON THE LINE!**

Meet first responder for directions.  
See UWSP Emergency Procedures at <http://www.uwsp.edu/rmgt> for details on all emergencies.



## COLLEGE OF PROFESSIONAL STUDIES SECOND FLOOR

University of Wisconsin Stevens Point  
1901 4th Avenue  
Stevens Point, WI



### **Academic Misconduct**

This course is part of the UW-Stevens Point academic community, an academic community that is bound together by the traditions and practice of scholarship. Honest intellectual work – on examinations and on written assignments is essential to the success of this community of scholars. Using classmates' responses to answer exam questions or disguising words written by others as your own undermines the trust and respect on which our course depends.

The work in this course is challenging and will demand a good deal of each of you. I have every confidence that each of you can succeed. Doing your own work will enhance your sense of accomplishment when the semester comes to a close.

Additionally, the classroom environment is a unique opportunity for students to share ideas, opinions, discuss classroom and course content. As each student is entitled to contribute in class, specific expectations are necessary to ensure a thriving classroom environment. Expectations include: arriving to class on time, being prepared for class, no electronic devices, unless authorized to do so, any loud shouting, excessive side conversations, arriving to class under the influence of any alcohol or drugs, profane language, and verbal or physical threats, intimidation of any kind, or any other behavior that may be disruptive to the professor or other students. If any of this behavior is exhibited, you may be asked to leave the class for the day. Any continued disruptive behavior may result in a referral to the Dean of Students Office.

### **Academic Honesty**

Academic Integrity is an expectation of each UW-Stevens Point student. Campus community members are responsible for fostering and upholding an environment in which student learning is fair, just, and honest. Through your studies as a student, it is essential to exhibit the highest level of personal honesty and respect for the intellectual property of others. Academic misconduct is unacceptable. It compromises and disrespects the integrity of our university and those who study here. To maintain academic integrity, a student must only claim work which is the authentic work solely of their own, providing correct citations and credit to others as needed. Cheating, fabrication, plagiarism, unauthorized collaboration, and/or helping others commit these acts are examples of academic misconduct, which can result in disciplinary action. Failure to understand what constitutes academic misconduct does not exempt responsibility from engaging in it. No plagiarism or cheating will be tolerated and can result in an F grade for the class. All written work submitted to the drop box in D2L will be evaluated by turnitin.com. Students suspected of academic misconduct will be asked to meet with the instructor to discuss the concerns. If academic misconduct is evident, procedures for determining disciplinary sanctions will be followed as outlined in the University System Administrative Code, Chapter 14.

### **Student Rights and Responsibilities/Academic Misconduct**

Please be sure to review the information on student rights at the following:  
<http://www.uwsp.edu/acadaff/Pages/gradeReview.aspx>

### **ADA Statement**

UW-Stevens Point will modify academic program requirements as necessary to ensure that they do not discriminate against qualified applicants or students with disabilities. The modifications should not affect the substance of educational programs or compromise academic standards; nor should they intrude upon academic freedom. Examinations or other procedures used for evaluating students' academic achievements may be adapted. The results of such evaluation must demonstrate the student's achievement in the academic activity, rather than describe his/her disability. If modifications are required due to a disability, please inform the instructor and contact the Disability and Assistive Technology Center to complete an Accommodations Request form. Phone: 346-3365 or Room 609 Albertson Hall. You must have a completed approved form to qualify for an accommodation. See the information on ADA at:  
<http://www.uwsp.edu/disability/>

### **HELP:**

In addition to Wednesday office hours, I will be available by special appointment. My schedule is flexible. Feel free to call me at my home phone number or contact me via e-mail and schedule time. Do not wait until the last minute to e-mail me questions before an exam. If you need to contact me on the day of class use the day contact phone number.

**Assignment & Exam Outline Subject to change based on class progress**

Exam dates and assignment dates are tentative based on expected class progress. Dates are subject to change. The best way to know when an exam will take place is to attend class

Insurance Operations Bus 344	Class Date	Date of Activity	Industry Visit
<b>Overview of Insurance Terminology</b>	Sept 5		
<b>Chapter 1: Overview of Insurance Operations</b> Classification of Insurers Constrains on Achieving Insurer Goals Measuring Insurer Performance Functional View of Insurance	September 5 & 12	Sept 12 Assignment	Sept 12 Sentry Regulation
<b>Chapter 2: Insurance Regulation</b> Reasons for Insurance Regulation Insurance Regulators Licensing Insurers and Insurance Personnel Monitoring Insurer Solvency Regulating Insurance Rates Regulating Insurance Policies Market Conduct and Consumer Protection Unofficial Regulators in Insurance	September 12 & 19	Sept 19 Exam	Sept 19
<b>Chapter 3: Insurance Marketing and Distribution</b> Property-Casualty Insurance Marketplace Insurer Marketing Activities Insurance Distribution Systems and Channels Functions of Insurance Producers Distribution System and Channel Selection for Insurance Marketing	September 19 & 26	Sept 26 Assignment	Sept 26 M3
<b>Chapter 4: Underwriting Function</b> Purpose of Underwriting Underwriting Activities Underwriting Authority Constraints in Establishing Underwriting Policy Implementing the Underwriting Policy Steps in the Underwriting Process	October 3 & 10	Oct 10 Exam	Oct 3 Spectrum  Todd Weiman  Oct 10 Church Mutual

Measuring Underwriting Results			
<b>Chapter 5: Risk Control and Premium Auditing</b> Insurer Risk Control Goals Risk Control Services Provided by Insurers Cooperation Between Risk Control and Other Insurer Functions Reasons for Premium Auditing Premium Auditing Process Importance of Accurate Premium Audits Premium Auditing Contributions	October 10 & 17	Oct 17 Exam (2), one for Risk Control and one for Premium Auditing	Oct 17
<b>Chapter 6: The Claim Function</b> Overview of the Claim Function Claims Department Structure, Personnel, Performance Measures to be Used to Ensure Regulatory Compliance Activities in Claim Handling Process Framework for Coverage Analysis Applying the Claim Handling Process and the Framework for Coverage Analysis	October 17 & 24	Oct 24 Exam	Oct 24 Sentry Claims
<b>Chapter 7: Actuarial Operations</b> The Actuarial Function Insurer Ratemaking Goals Rate Components and Ratemaking Terms Factors that affect Ratemaking Ratemaking Methods Ratemaking Process Overview Ratemaking Factor Variances for Different Types of Insurance Loss Reserves and Analysis	October 31 & November 7	Nov 7 Assignment	Oct 31
<b>Chapter 8: Reinsurance</b> Reinsurance and Its Function Reinsurance Sources Reinsurance Transactions Types of Pro Rata and Excess of Loss Reinsurance Alternatives to Traditional Reinsurance	November 7 & 14	Nov 14 Assignment	Nov 7 Travel Guard Tour  Nov 14 Steve TerMaat Reinsurance

Reinsurance Program Design Reinsurance Program Design Case			
<b>Chapter 9 : Business Needs and Information Technology Alignment</b>  Importance of Information Technology to an Insurer  Importance of Data Quality in Meeting Insurer Information Needs  Types of Business Information Systems  Security and Control in Information Systems  Aligning Insurer and IT Strategy	November 21 & 28	Nov 21 Assignment	Nov 28
<b>Chapter 10 : Insurer Strategic Management</b>  Strategic Management Process  The Five Forces and SWOT Methods of Analyzing the Environment  Determining Strategy at Different Organizational Levels  Insurers Global Expansion  Strategic Management Case Study	December 5 & 12	Dec 5 Assignment	Dec 5  Dec 12 Sentry Panel

**Final December 21, 2018 10:15-12:15**

**Final exam will include material covered over the entire semester.**

**Information and dates in this syllabus is subject to change as needed through the semester.**