B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN 241 Risk Management and Insurance

Summer Session/2012 (June 3- July 28, 2013)

Number of credits: 3 credits

Lecture Time: Wednesdays and Fridays, 2 pm – 5 pm

Lecture Venue: Room 303, 3nd floor, Faculty of Economics
Thammasat University,Tha Prachan campus

Instructor: Asst. Prof. Dr. Sarayut Nathaphan
Office: -
Office hour: by appointment

Course Description:

A study of different types of risks and financial losses which may occur to individuals and organizations. Topics include types of damages, factors affecting risk management, principles of insurances, basic understanding of various kinds of insurance, customer selection, reinsurance, and insurance business management and control.

Prerequisite : Second-year students (Must have taken at least 30 credits)

Course Objective:

1. Explore Insurance Industry and its determinants, products, rule and regulations in the users perspective.
2. To enable students to understand framework, role, and function of financial department of business; goal and importance of financial risk management
3. To introduce the basic concept of financial risk management and insurance business including its roles in business world.
4. To equip students with analytical and problem-solving skills using MATLAB and its programming to solve basic risk management in finance world.
5. To provide students broad financial knowledge, corporate and investment, suffices for any business related functions.

Required Text and Materials:

1. Crouhy, Michel, Dan Galai, and Robert Mark, "The Essentials of Risk Management", Mc Graw Hill 2007 (CGM)
2. George, E. Rejda, "Principal of Risk Management and Insurance, 11th edition", Pearson, 2011 (GR)

Grading:

Final Examination	50%
Presentation	10%
Project	20%
Quiz and Assignments	20%
Total	**100%**

Approximate Grading Scale:

90-100 = A; 80-89 = B+; 75-79 = B; 70-74 = C+; 65-69 = C;
60-64 = D+; 50-59 = D; Below 50 = F

I deserve my rights to change score weights by which beneficial to the students.

Tentative Course Schedule:

Session	Topic	Reading
1	Introduction to the course: Introduction to risk management: A Helicopter View **Introduction to MATLAB 1**	CGM Chp. 1
2	Introduction to Risk management and Insurance Probability concept Risk and its treatment **Introduction to MATLAB 2**	GR Chp. 1 Chp. 2
3	Corporate Governance and Risk Management Introduction to Probability Introduction to Random Variables	CGM Chp.4 and Handout
4 - 6	A User-Friendly Guide to the Theory of Risk and Return **MATLAB workshop**	CGM Chp. 5 Lecture Note
7	The Insurance Mechanism Fundamental of Risk Management	GR Chp. 3
8	Additional Topics in Risk Management Introduction to Enterprise Risk Management (ERM)	GR Chp. 4 Lecture Note
9	Legal Principles in Insurance	GR Chp. 5
10-11	Analysis of Insurance Contracts The liability risk Life Insurance	GR Chp. 6 -10
12	Corporate Risk Management	CGM Chp. 2
13	Value at Risk	CGM Chp 7 Class Lecture
14-15	Project Presentation	

Examinations:

The final examination will be administered in class. The tests consist of discussion questions and problems covering contents in the lectures and assignments.

<u>Assignments</u>:
There will assignments as deemed appropriate to accommodate effective learning. Each assignment will be graded based on the quality of the research, clarity of exposition, and professional presentation of the analysis.

<u>Term Project</u>:
Topic of the term project is "Thai Insurance in the Next Decade: Boom or Bust?" Each group select specific type of insurance product (life or non-life), explore in depth regarding the following aspects; 1. Business environment, 2. Competitive situation, 3. Growth, 4. product varieties, and other aspects deemed appropriate, analysis and put ideas on whether the particular section of insurance business is boom or bust

<u>Presentation</u>:
Professional presentation style will be rewarded high score. It is my rights in assigning score on this section. Every member of each group must present his/her work.

<u>Other Course Policies</u>:
Lectures will stress the most important issues addressed in the readings. You are responsible for all material covered in class and assigned readings. Lectures certainly go beyond the scope of the textbook. Therefore, it is important for you to attend class. **You are responsible for all announcements and changes made in class.** You must bring a calculator/computer to class so that you may work on problems and participate in class.

Any **academic misconduct** including, but not limited to, accessing unauthorized materials and communicating with fellow students during examinations and quizzes and using the work of another student will immediately result in a failing grade for the course. Additional sanctions by the Faculty may also be imposed if it deems necessary.

<u>Make-up Test</u>:
There will be no make-up quiz and final examination without prior consent from the instructor. If a student has a legitimate, verifiable reason (e.g., doctor's note), a separate comprehensive examination will be given.

Important Dates:

Classes Begins	June 3, 2013
Adding and Dropping Courses	June 3 – 10, 2013
Midterm Exam Period	June 19 – 21, 2013
Midterm exam	–
Course Withdrawal with "W"	July 3 – 5, 2013
Class Ends	July 28, 2013
Final exam	**July 30, 2013, 1:30 PM – 4:30 PM**