

**Western Technical College**

**10116162 Risk Management**

**Course Outcome Summary**

**Course Information**

<b>Description</b>	Risk is the uncertainty of loss. Students learn how to protect business organizations from loss by applying the principles of risk management and insurance. Teams conduct evaluations of local organizations and develop risk management programs tailored to meet the specific needs of the organizations.
<b>Career Cluster</b>	Business Management and Administration
<b>Instructional Level</b>	Associate Degree Courses
<b>Total Credits</b>	3
<b>Total Hours</b>	54

**Textbooks**

*Principles of Risk Management and Insurance*. 12th Edition. Copyright 2014. Rejda, George E. Publisher: Pearson. **ISBN-13**: 978-0-13-299291-6. Required.

**Success Abilities**

1. Cultivate Passion: Enhance Personal Connections
2. Cultivate Passion: Expand a Growth-Mindset
3. Cultivate Passion: Increase Self-Awareness
4. Live Responsibly: Develop Resilience
5. Live Responsibly: Embrace Sustainability
6. Live Responsibly: Foster Accountability
7. Refine Professionalism: Act Ethically
8. Refine Professionalism: Improve Critical Thinking
9. Refine Professionalism: Participate Collaboratively
10. Refine Professionalism: Practice Effective Communication

**Program Outcomes**

1. Analyze financial statements
2. Create reports.

3. Develop short and long term personal goals
4. Apply financial laws and regulations
5. Demonstrate an understanding of the role of financial institutions

## Course Competencies

### 1. Identify risks a business may encounter.

#### Criteria

*Criteria - Performance will be satisfactory when:*

- 1.1. learner must pass written examination.
- 1.2. learner must incorporate competency in written team project.
- 1.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

#### Learning Objectives

- 1.a. Define risk and the types of risk.
- 1.b. Categorize the sources of risk.
- 1.c. Distinguish between perils and hazards and the impact they have on risk identification.
- 1.d. Extrapolate from business documents and other original sources the risks for a specific business organization.
- 1.e. Analyze business documents/tools to identify risks, such as loss-exposure checklists, flowcharts, and financial statements.

### 2. Evaluate the severity and frequency of the risks.

#### Criteria

*Criteria - Performance will be satisfactory when:*

- 2.1. learner must pass written examination.
- 2.2. learner must incorporate competency in written team project.
- 2.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

#### Learning Objectives

- 2.a. Calculate the probability of loss and the degree of risk.
- 2.b. Perform risk related statistical computations.
- 2.c. Describe the concepts of probability, measures of central tendency, measures of dispersion, and the law of large numbers.
- 2.d. Prioritize risks by frequency and severity for a specific business.

### 3. Analyze risk management techniques; insurance and non-insurance .

#### Criteria

*Criteria - Performance will be satisfactory when:*

- 3.1. learner must pass written examination.
- 3.2. learner must incorporate competency in written team project.
- 3.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

#### Learning Objectives

- 3.a. Explain the various risk-management techniques.
- 3.b. Relate the risk-management techniques to the identified risks.
- 3.c. Relate the basic principles of insurance, eg. law of large numbers, subrogation of legal rights, indemnity, and insurable interest to risk management.
- 3.d. Relate the requisites of insurable risks, eg. determinable and measurable loss, loss not subject to catastrophic hazard, etc.
- 3.e. Interpret the coverage of an insurance policy.
- 3.f. Identify the requirements and characteristics of an insurance contract.
- 3.g. Describe the principles of social insurance.

- 3.h. Analyze the non-insurance responses to risk, eg. hold-harmless agreements, incorporation, loss control methods of separation and duplication.
- 3.i. Determine whether risk avoidance, loss control, risk retention, or risk transfer is most appropriate when responding to the risks of a specific business organization.

#### **4. Investigate costs of risk-management alternatives.**

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 4.1. learner must incorporate competency in written team project.
- 4.2. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

##### **Learning Objectives**

- 4.a. Determine the relative cost of various risk-management techniques.
- 4.b. Construct a cost-benefit analysis to compare the various techniques for a specific business organization.

#### **5. Select an appropriate risk-management response.**

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 5.1. learner must incorporate competency in written team project.
- 5.2. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

##### **Learning Objectives**

- 5.a. Summarize the information gathered.
- 5.b. Apply basic problem-solving/decision-making steps.
- 5.c. Recommend a risk-management response for each identified risk for a specific business organization.

#### **6. Develop a plan for implementation of selected risk-management response.**

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 6.1. learner must incorporate competency in written team project.
- 6.2. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

##### **Learning Objectives**

- 6.a. Create alternative risk-management plans for a specific business organization.
- 6.b. Recommend the most cost-effective plan for a specific business organization.
- 6.c. Defend the plan.

#### **7. Differentiate insurance responses to commercial property risks.**

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 7.1. learner must pass written examination.
- 7.2. learner must incorporate competency in written team project.
- 7.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

##### **Learning Objectives**

- 7.a. Distinguish among real property, personal property, tangible property, and intangible property.
- 7.b. Characterize the different types of property loss exposures.
- 7.c. Contrast direct and indirect property losses.
- 7.d. Summarize the protection provided by insurance for commercial property, eg. simplified commercial lines portfolio, business owners program, and event insurance.
- 7.e. Identify commercial property risks of a specific business organization.
- 7.f. Evaluate commercial property risks of a specific business organization.
- 7.g. Select appropriate risk-management techniques for a specific business organization.
- 7.h. Create an implementation plan for a specific business organization.

## **8. Identify insurance responses to business liability risks.**

### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 8.1. learner must pass written examination.
- 8.2. learner must incorporate competency in written team project.
- 8.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

### **Learning Objectives**

- 8.a. Distinguish among the types of liability damages, ie. bodily injury, property damage, personal injury, and legal expenses.
- 8.b. Compare criminal and civil liabilities.
- 8.c. Contrast the basic types of negligence.
- 8.d. Determine the most appropriate defense to given negligence claims.
- 8.e. Explain how changes in tort law have increased the liability risk exposure for negligence.
- 8.f. Summarize the protection provided by insurance for business liability, eg. commercial liability, business auto liability, and professional liability.
- 8.g. Identify liability risks of a specific business organization.
- 8.h. Evaluate the types of liability exposure based on the nature of the specific business organization.
- 8.i. Select appropriate liability risk management techniques for a specific business organization.
- 8.j. Create an implementation plan for a specific business organization.

## **9. Summarize insurance responses to the perils of work-related injuries and death.**

### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 9.1. learner must pass written examination.
- 9.2. learner must incorporate competency in written team project.
- 9.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

### **Learning Objectives**

- 9.a. Identify the types of employer-employee related liability.
- 9.b. Select among the alternatives to fund workers' compensation losses.
- 9.c. Explain the major features of workers' compensation at the state and federal levels.
- 9.d. Identify all the functions a self-insurer must perform.
- 9.e. Identify and evaluate work-related risks of a specific business organization.
- 9.f. Select appropriate work-related risk-management techniques for a specific business organization.
- 9.g. Create an implementation plan for a specific business organization.

## **10. Discover life, health, and loss-of-income exposures.**

### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 10.1. learner must pass written examination.
- 10.2. learner must incorporate competency in written team project.
- 10.3. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

### **Learning Objectives**

- 10.a. Investigate exposures due to premature death, loss of health, and other income loss.
- 10.b. Explain, identify, and evaluate life, health, and loss-of-income risks of a specific business organization.
- 10.c. Select appropriate risk-management techniques for a specific business organization.
- 10.d. Create an implementation plan for a specific business organization.

## **11. Extrapolate pertinent information to make decisions regarding employee benefit packages.**

### **Criteria**

*Criteria - Performance will be satisfactory when:*

- 11.1. learner must pass written examination.
- 11.2. learner orally presents a current-event and leads class discussion (Total of three presentations for the course).

**Learning Objectives**

- 11.a. Summarize the protection provided by insurance for life, health, and retirement benefits.
- 11.b. Explain why employers provide employee benefits.