

**King Saud University**  
**College of Business Administration**  
**Department of Finance**  
**Fundamentals of Risk & Insurance (FIN 240),**  
**Section: 53346 fom 1:00-1:50 pm, Room 135**  
**& Section 37556 from 2:00-2:50 pm, Room 48**  
**COURSE SYLLABUS: Jan 16, 2016**

***Instructor:*** Prof. Mamdouh Hamza Ahmed

***Phone:*** 4694028

***Office:*** S 38

***Office Hours:*** Days: 1, 3, 5 from: 12:00-1:00 pm

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***Required Text:*** Principles of Risk Management & Insurance, 12<sup>th</sup> ed., George E. Rejda, Pearson Education Inc., Boston, 2014

***Essential References:*** Essentials of Risk Management & Insurance, 11<sup>th</sup> ed., Emmett J. Vaughan & Therese M. Vaughan, John Wiley & Sons, New York, 2013

**Course Objectives and Description:**

*The overall aim of this course is to introduce the students to a general knowledge about the unique nature of insurance, its main concepts and contracts.*

*The objective of this course is to introduce the students to: risk in our society, types of risks, methods of dealing with risk, steps to manage risk, the legal principles of insurance and analysis of insurance contracts. The course also covers operations of insurance companies; which include: rate making, underwriting, production, claim settlement and reinsurance, and insurance pricing.*

**Course Contents:**

1-Ch 1: Risk & its Treatment.

2-Ch 2: Insurance & Risk.

3-Ch2 Appendix: Basic Statistics and the Law of Large Numbers

4-Case Study A: Risk Measurement: The Relation between the Law of Large Numbers & Risk.

5-Ch 3: Introduction to Risk management.

6-Ch 4: Advanced Topics in Risk Management.

7-Case Study B: Selecting the Proper Tool of Risk Management.

8-Ch 6: Insurance Company Operations.

9-Ch7: Financial Operations of Insurers.

10-Ch 9: Fundamental Legal Principles.

11-Ch 10: Analysis of Insurance Contracts.

12-Case Study C: How to Calculate Pure & Gross Premium.

**Calculators:**

*Financial Calculators are allowed during lectures and tests. However, devices with word processing capabilities (laptop computers, palmtops, etc.) are not allowed during tests.*

## Grading:

Case Application 1	Week 3	2%
Case Application 2	Week 5	2%
Case Application 3	Week 7	2%
Quiz 1	Week 6	4%
Midterm	Week 9	30%
-Student's projects Delivery	Week 12	2%
-Student's projects presentation	Week 13	5%
-Student's projects presentation	Week 14	
-Student's projects presentation	Week 15	
Attendance	Week 1-15	6%
Participation	Week 1-15	7%
Final Exam	Week 16	40%
<b>Total</b>		<b>100%</b>

**Make-ups:** There will be No makeup exams under any circumstances. If a student misses the midterm exam, he will receive Zero for the midterm. Moreover, late submission of any required assignment or project means getting Zero for it.

**Course Materials:** Lecture notes, PP slides, Assignments, Projects, Etc..., will be made available for students through the website: [lms.ksu.edu.sa](http://lms.ksu.edu.sa)

**Midterm & Final Exam:** consist of the following types of questions:

Multiple choices, Fill in the blank, True & False, Problems, List, Define & Essays.

Announcements, exams' results and grades will be posted their too.

### **Intended learning outcomes of course (ILOs):**

#### **a. Knowledge & understanding:**

- 1-Understanding the meaning & types of risk.
- 2-Knowing the methods of dealing with risks.
- 3-Understanding the legal fundamentals of insurance.
- 4-Knowing the main types of insurance policies.
- 5-Understand the main functions of insurance companies.
- 6-Knowing how to select the optimal tool(s) to deal with risks.

#### **b. Intellectual & practical skills:**

- 1- Taking decisions regarding buying the appropriate insurance product to a certain risk.
- 2- Analyzing and assessing different types of risks and insurance contracts & managing risk with the appropriate tool(s).

### **النتائج التعليمية المستهدفة للمقرر:**

#### **أ- الفهم والمعرفة:**

- 1-تزويد الطلاب بالمبادئ والمفاهيم الخاصة بالخطر
- 2-التعرف على طرق وأساليب إدارة الأخطار
- 3-التعرف على الأسس الفنية والقانونية
- 4-الإلمام بالأنواع المختلفة لوثائق التأمين
- 5-التعرف على الوظائف والمهام التي تقوم بها شركة التأمين
- 6-تعلم كيفية إختيار الطريقة المناسبة لإدارة الخطر.

#### **ب-المهارات الذهنية والعملية:**

- 1-ينمي هذا المقرر المهارات العملية المتعلقة بإختيار الوثيقة المناسبة لكل خطر.
- 2-ينمي هذا المقرر مهارات القدرة علي تحليل الأنواع المختلفة للأخطار والوثائق وتحديد الأسلوب المناسب لإدارة الأخطار.