

Risk Management

Prepared by Dr. Majid Ghaleb Abdullah

MGM510

Introduction
lecture



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Introduction

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AGENDA

❑ Academic Agenda

❑ Course Objectives

❑ Course Description

❑ Learning

Outcomes

❑ Topics

01 Academic Agenda

الأسبوع 1	أسبوع توجيهي
الأسبوع 2	محاضرة 1 + اختبار قصير + حلقة نقاش
الأسبوع 3	محاضرة 2 + اختبار قصير + حلقة نقاش
الأسبوع 4	محاضرة 3 + اختبار قصير + حلقة نقاش
الأسبوع 5	محاضرة 4 + اختبار قصير + حلقة نقاش
الأسبوع 6	محاضرة 5 + اختبار قصير + حلقة نقاش
الأسبوع 7	محاضرة 6 + اختبار قصير + حلقة نقاش
الأسبوع 8	محاضرة 7 + اختبار قصير + حلقة نقاش
الأسبوع 9	محاضرة 8 + اختبار قصير + حلقة نقاش
الأسبوع 10	محاضرة 9 + اختبار قصير + حلقة نقاش
الأسبوع 11	محاضرة 10 + اختبار قصير + حلقة نقاش
الأسبوع 12	حلقة نقاش
الأسبوع 13	الاختبارات النهائية

Quizzes & Exams

-- أسئلة الاختبار القصير MCQ / Matching / true & false / أسئلة صوتية

-- تعد الإجابة علي الاختبار القصير بمثابة الحضور للطالب.

-- الإختبار القصير من ٨ درجة / ٨ اسئلة. (بمجموع ٨٠ درجة)

-- فترة عقد الإختبار القصير ٢٤ دقيقة.

Final Exam

-- الإختبار النهائي سيكون من خلال المودل.

-- أسئلة الإختبار النهائي / MCQ / Matching / true & false / أسئلة صوتية

-- الإختبار النهائي من ٢٠ درجة.

الأعمال وتوزيع الدرجات

توزيع الدرجات - 100%	الأعمال
حضور المحاضرة - حل الأسئلة المصاحبة	محاضرة مسجلة أسبوعيًا - السبت من كل أسبوع
8 درجات لكل اختبار قصير - بمجموع 80 %	اختبار قصير مصاحب للمحاضرة بشكل أسبوعي
الحضور اختياري	حلقة نقاش افتراضية أسبوعية لمناقشة محتوى المحاضرة المسجلة.
20%	الاختبار النهائي

أعمال الفصل الدراسي

يتم احتساب الغياب من خلال حل الطالب للاختبار القصير المصاحب للمحاضرة المسجلة الأسبوعية، وإذا تغيب الطالب 4 اختبارات قصيرة يعتبر الطالب في هذه الحالة حرمان. آخر موعد للاعتذار عن أي اختبار قصير يكون قبل إغلاق موعد الاختبار مع إرفاق دلائل ثبوتية لأي أعذار قهرية أو مرضية عبر نموذج الأعذار عن اختبار قصير عبر منصة (SIS). آخر موعد للاعتذار عن الاختبار النهائي يكون قبل موعد عقد الاختبار مع إرفاق الدلائل الثبوتية لأي عذر قهري أو طبي، عبر نموذج الأعذار عن اختبار نهائي عبر منصة (SIS). ولن يتم احتساب أي أعذار بعد نهاية الموعد.

● يحق لإدارة الجامعة مراعاة بعض الظروف القهرية.

Introduction

An analysis of the risk management problems in the business enterprise, the course emphasizes methodology for risk analysis, insurance principles and practices, techniques for risk and loss control, insurance underwriting, and rating. It also includes product liability, property damage, and bodily injury in business situations

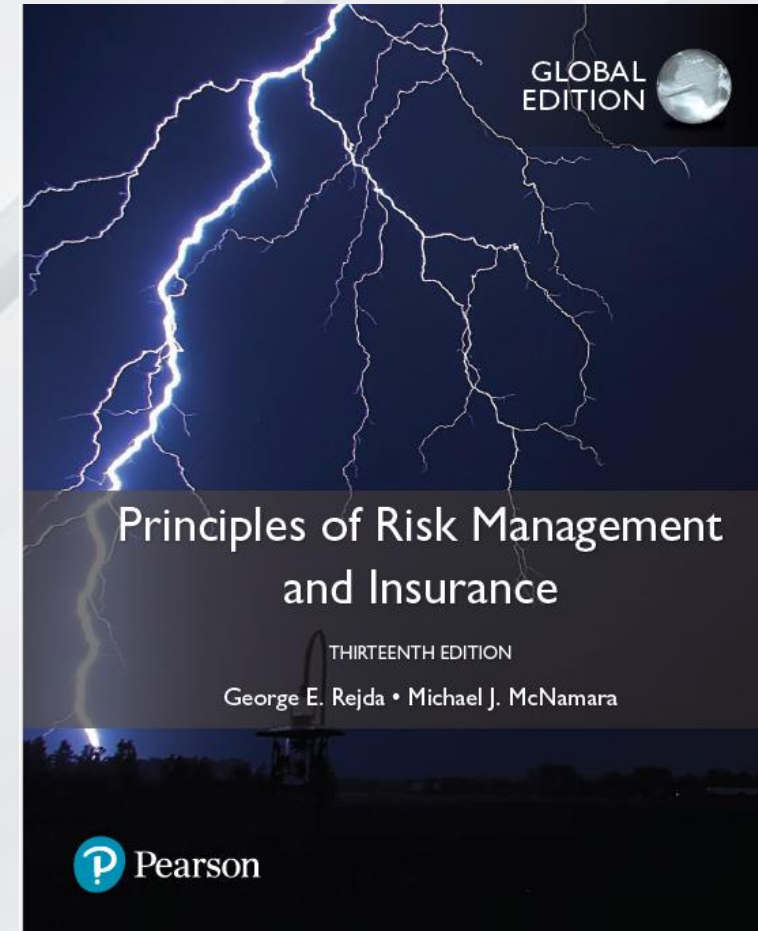
Course objectives

- ❖ This course will examine the way in which business and society make an assessment of control and transfer risk. It is designed for the student with no previous knowledge of risk management.
- ❖ to engage students in active discovery of risk management principles, developing an awareness of the challenges, the tools, and the process of designing and implementing a risk management program.
- ❖ To focus on the ways in which businesses and society assess, control, and transfer risk. This process, known as the risk management process, is becoming an increasingly important tool in the management of business and personal financial health

Course Description

- ❑ Credit Hours: 3 credit hours
- ❑ The materials and reference for this course will be:
 - The textbook.
 - Lecture notes and slides.

Required Textbook: **Principles of Risk Management and Insurance, Thirteenth Edition global edition, by George E. Rejda Michael J. McNamara**



Learning Outcomes

- ❖ Conduct a comprehensive assessment of associated physical, reputation, emotional, financial, and facilities risks.
- ❖ Provide a realistic assessment of those risks along the risk management matrix (probability and severity).
- ❖ Conduct a comprehensive exploration and



Learning Outcomes

- ❖ Select the most appropriate mitigating actions for each risk.
- ❖ Develop contingency and crisis response plans.
- ❖ Consult with “campus experts” in planning.
- ❖ Communicate risk management plan to other constituents of event.
- ❖ Implement event according to pre-established risk



Learning Outcomes

- ❖ Document and evaluate outcomes of risk management plans.
- ❖ Internalize the value of risk management.
- ❖ Articulate the value of risk management.



Topics

01

Risk in Our Society

- ❖ Introduction.
- ❖ Risk definitions
- ❖ Risk in our society .

“When we take a risk, we are betting on an outcome that will result from a decision we have made, though we do not know for certain what the outcome will be.”

Peter L. Bernstein
Against the Gods: The Remarkable Story of Risk

Topics

02

Insurance and Risk

- ❖ The basic characteristics of insurance.
- ❖ The characteristics of an ideally insurable risk from the viewpoint of a private insurer.
- ❖ The major insurable and uninsurable risks in our society.
- ❖ The types of insurance.
- ❖ The social benefits and social costs of insurance

Topics

03

Introduction to Risk Management

- ❖ Risk management definition
- ❖ The objectives of risk management objectives
- ❖ Risk management process steps .
- ❖ Explain the major risk-control techniques
- ❖ Explain the major risk-financing techniques.
- ❖ Apply the principles of risk management to a personal risk management program.

Topics

04

Advanced Topics in Risk Management

- ❖ The risks of terrorism, climate change, and cyber-liability impact risk management.
- ❖ The underwriting cycle impact Capital market risk-financing alternatives..
- ❖ Financial analysis and risk management decision making.
- ❖ Other tools for risk managers.

Topics

05

Types of Insurers & Marketing Systems

- ❖ The major types of private insurers, (Stock insurers , Mutual insurers , Reciprocal exchanges, Lloyd's of London ,Blue Cross and Blue Shield plans , Health maintenance organizations).
- ❖ The major distribution systems for selling life insurance,(Personal selling systems ,Financial institution distribution systems , Direct response system ,Other distribution systems)
- ❖ The major distribution systems in property and casualty insurance : (Independent agency system, Exclusive agency system , Direct writer , Direct response system , Mixed systems

Topics

06

Insurance Company Operations

- ❖ The underwriting process steps.
- ❖ The sales and marketing activities of insurers.
- ❖ Process of settling a claim steps .
- ❖ The reasons for reinsurance and the various types of reinsurance treaties.
- ❖ Importance of insurance company investments
- ❖ The various types of investments of insurers.

Topics

07

Financial Operations of Insurers

- ❖ The three major sections of the balance sheet for a property and casualty insurance company:
- ❖ (assets, liabilities, and policyholders' surplus).
- ❖ The sources of revenues and types of expenses incurred by a property and casualty insurance company.
- ❖ The profitability measurement
- ❖ how profitability is measured in the life insurance industry.
- ❖ Objectives of rate making in the property and casualty insurance industry (judgment rating, class rating, and merit rating).

Topics

08

Government Regulation of Insurance

- ❖ The major reasons why insurers are regulated.
- ❖ key legal cases and legislative acts that impact on insurance regulation.
- ❖ The major areas of insurance that are regulated.
- ❖ The rate regulation objectives and the rating laws types.
- ❖ Approaches for modernizing the regulation of insurance.

Topics

09

Fundamental Legal Principles

- ❖ The fundamental legal principles that are reflected in insurance (indemnity , insurable interest ,subrogation ,utmost good faith)
- ❖ The legal concepts of representations, concealment, and warranty support the principle of utmost good faith.
- ❖ The basic requirements for the formation of a valid insurance contract.
- ❖ How the nature of insurance contracts differs from that of other contracts.
- ❖ The law of agency

Topics

10

Analysis of Insurance Contracts

- ❖ The basic parts of any insurance contract.
- ❖ The common types of deductibles that appear in insurance contracts, including:
:Straight deductible , Calendar-year deductible
- ❖ How coinsurance works in a property insurance contract.
- ❖ How coinsurance works in a health insurance contract.
- ❖ How losses are paid when more than one insurance contract covers the same loss.

Topics

11

The Liability Risk

- ❖ Negligence definition and its elements.
- ❖ The legal defenses that can be used in a lawsuit: (Contributory negligence ,Comparative negligence ,Assumption of risk ,Last clear chance rule)
- ❖ The law of negligence to specific liability situations application .
- ❖ The defects in the current tort liability system and the proposals for tort reform.
- ❖ The tort liability problems: (Defective tort liability system ,Medical sector liability , Liability arising from technological and societal change)



Thank You