Principles of Risk Management  
RMI 300     Spring 2017

Course Objectives
Situations involving “risk” are everywhere. Since classes ended in December, we have seen the following: a typhoon hit the Philippines, an e-cigarette exploded on an airplane, “Rogue One” grossed almost $700 million in two weeks, Wells Fargo was charged with committing fraud, and many other events occurred in which outcomes fluctuated and were uncertain beforehand. Volatility in future outcomes is considered “risk,” and can be associated with either positive or negative situations. Examples of situations involving risk include natural events such as storms and earthquakes, data breaches, corporate strategic initiatives, and introduction of new products. Risk is something for us to use effectively rather than eliminate.

Our general objectives for RMI 300 are to develop critical thinking, knowledge, and risk management (RM) skills so that when you finish this course, you:
• recognize the general types and characteristics of situations involving risk, how to identify them, and why they are important;
• possess the skills and knowledge to measure and assess risk;
• know the basics of how RM tools work and their benefits/costs in any given situation;
• are able to apply the RM process in a simple situation involving risk;
• can explain the value that sound risk management provides individuals, organizations, society.

Course Outline
Set Objectives and Identify Risk Management Problems

Week    1    What is risk, why it is important, and the framework to manage          Chpt. 1 - 2
        2-5 Identification of exposures, perils, hazards                              Chpt. 3 – 7

Exam 1: -- in class February 23, 2017

Measure and Manage Relevant Risk

Week  6-7    Risk assessment & risk pooling                         Chpt. 8
     8    Non-insurance risk management tools                                    Chpt. 9 - 10
   9-11    Pooling and insurance as a risk management tool             Chpt. 11 - 12

Exam 2: -- in class April 6, 2017

Make and Implement Risk Management Decisions

Week  12    General Decision Making                                Readings posted
         13-14 Corporate Decision Making Heuristics                       Reading posted
         15    Summary and Conclusions

Final Exam: May 11, 2017 12:25 pm per university rules (Location TBA)
Important Things to Know for RMI 300

Role of TA Practice Sections and Grading
A fundamental goal of RMI 300 is for students to develop an ability to apply course material. TA sections are designed to support this goal by serving: (1) as an opportunity to practice applying the material through assignments, quizzes, and homework; and (2) as a time to ask questions about the material.

Because no new material is presented in TA section, you have a choice as to whether or not to include it as part of your course grade. You will be able to attend three sessions prior to making your selection, which must be designated on the attached sheet and submitted by February 9, 2017. The default option (if you do not submit a form) is not to include the TA Practice Section in your grade. If you wish to change your TA section, please do so through MyUW.

If you choose not to include the TA section in your grade, the exams will be apportioned as follows: Lower of two mid-terms 28%, higher 37%; final 35%.

If you choose to include the TA section in your grade, apportionment will be as follows: TA section: 5%; Lower mid-term 26%, higher 34%; final 35%

Conflicts with any exam (including the final) must be communicated in writing by February 9, 2017 via the attached sheet. No other mechanism for making up an exam is available. If, however, you become ill or have some other conflict arise after February 9, 2017, we will allocate the portion of your grade associated with the exam that you miss to the final exam.

Exams will be returned only in TA section. Whether you are including the TA section in your grade or not, the only option to review the exam is to attend your TA section the week following the exam. You are always welcome to attend TA sessions whether you include the practice activities in your grade or not.

Reading
We have a recommended textbook: Principles of Risk Management, The Institutes 800-644-2101: SABI15-OL for ebook; SABI15 for print version. We also regularly post readings on the course web page. We will not test you on anything from the text that we have not discussed in class, which is why the text is not required; however we consider the text a valuable reference to supplement lectures and TA sections.

Course Web Page and Electronic Communication
http://courses.bus.wisc.edu
We will use the course web page to communicate with you, which will include the posting of class outlines, grades (quizzes, homework, exams, and final course), and other messages.

Honor Code and Use of Technology
We expect each member of this course (professor, teaching assistants, and students) to interact with one another respectfully, fairly, and honestly, and to abide by the University rules of conduct. Use of electronic devices during class is discouraged; if class is disrupted by technology, users will be asked to leave. No cell phones are permitted at any time, nor any electronic devices during TA sections.

Professor
Joan Schmit: joan.schmit@wisc.edu
5295 Grainger Hall; 262-4240
Twitter: @JoanSchmit

Teaching Assistants
Tara James: cjames7@wisc.edu
David Olson: jolson34@wisc.edu
Kenny Wunder: kenny.wunder@wisc.edu