



The University of Southern Queensland

Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>. Please consult the web for updates that may occur during the year.

Description: Insurance Markets and Products

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	5416	78145	2, 2008	EXT	1.00	Toowoomba

Academic group:	FOBUS
Academic org:	FOB008
Student contribution band:	3A
ASCED code:	081103

STAFFING

Examiner: Lujer Santacruz

OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

RATIONALE

With the ageing of the Australian population and the seemingly unending demands being placed on public resources, individuals are now being encouraged to become more responsible for their own financial security, particularly in retirement. Accordingly, it is important that those who advise their clients are familiar with and understand the key components of the financial planning process. An important element of which is personal risk management, as all individuals should be concerned about protecting themselves and their assets from an appropriate measure of avoidable risk. One way of doing this is by transferring risk by way of an insurance policy or contract. However, what is not immediately apparent is how much risk should be transferred. The degree to which risk is transferred will be an integral part of their personal financial plan to be determined by the individual risk profile and stage of the accumulation process.

SYNOPSIS

This course has been written from a financial planning perspective but can be taken by those with a general interest in risk management or by those specifically interested in the insurance aspects of financial planning. It does not contain any actuarial studies content. The general nature of risk and its management is explored, of which insurance is but one aspect. The economic output of insurance entities is discussed with reference to the life and general insurance industries, whose market structure is important from a pricing, conduct and performance perspective. The public face of insurance is its products, and most life, general, health and mandated policies are investigated with particular emphasis on legal and taxation aspects, as applicable to consumers and small business. The role and professional advice methodology of the insurance advisor is explored.

Finally, regulation and compliance within the financial services sector in general and the insurance industry in particular is examined in some detail.

OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

1. describe the legal framework within which the insurance sector operates (Quizzes, Assignment, Examination)
2. explain the functions and role of the relevant regulators (Quizzes, Assignment, Examination)
3. discuss the overall thrust of relevant legislation as they apply to the insurance industry (Quizzes, Assignment, Examination)
4. analyse the structure, conduct and performance of Australian Insurance markets (Quizzes, Assignment, Examination)
5. integrate the various risk concepts, classifications, rules, methods of handling risk into the overall risk management process (Quizzes, Assignment, Examination)
6. complete an appropriate fact find, prepare a needs analysis and provide resulting recommendations (Quizzes, Assignment, Examination)
7. discuss the roles of participants within, and operation of, the Australian insurance markets; understand the role of insurance brokers and agents, their remuneration and their responsibilities regarding disclosure and compliance (Quizzes, Assignment, Examination)
8. analyse the different types of life, general and other insurance products; discuss specific policy wordings, special meanings and the cost/benefit of particular products (Quizzes, Assignment, Examination)
9. discuss specific issues regarding rating, setting premiums and product development (Quizzes, Assignment, Examination)
10. explain the claims process and taxation issues which may arise (Quizzes, Assignment, Examination).

TOPICS

	Description	Weighting (%)
1.	The nature of risk and its management	10.00
2.	Insurance industry structure	10.00
3.	Insurance policy law and documentation	10.00
4.	Life insurance	25.00
5.	General insurance	15.00
6.	Mandated and health insurance	5.00
7.	Needs analysis and recommendations	10.00
8.	Taxation of insurance products	5.00
9.	Regulation and compliance	10.00

TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Australian Government, invest Australia & AXIS Australia 2006, *Insurance in Australia: executive briefing*. (this will be supplied to students in the study package)

Teale, J 2008, *Insurance and risk management*, John Wiley & Sons, Milton, Queensland.

REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

CCH Electronic Libraries (Insurance): Available at USQ Library Database Services
http://www.usq.edu.au/library/eservices/ezp_cch.htm

Hutley, P & Russell, P 2005, *An introduction to the financial services reform act 2001*, 3rd edn, LexisNexis Butterworths, Chatswood, New South Wales.

Rejda, GE 2007, *Principles of risk management and insurance*, 10th edn, Addison Wesley, Boston, Massachusetts.

Scriven, D 2008, *Guide to life risk protection and planning*, 2nd edn, CCH Australia, Sydney, New South Wales.

Vaughan, E & Vaughan, T 2003, *Fundamentals of risk and insurance*, 9th edn, John Wiley & Sons, New York.

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	25.00
Directed Study	50.00
Private Study	90.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date
QUIZZES	100.00	10.00	21 Jul 2008 (see note 1)
ASSIGNMENT	100.00	30.00	06 Oct 2008
EXAM A (MULTIPLE CHOICE)	20.00	12.00	END S2 (see note 2)
EXAM B (SHORT ANSWER & ESSAY)	80.00	48.00	END S2

NOTES

1. These quizzes are to be administered throughout the semester and are to be completed online through the Study Desk. Refer to the Introductory Book for details.
2. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date for Exam (A and B) after the timetable has been finalised. The total working time for Exam (A and B) is 2 hours.

IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:
If you are an international student in Australia, you are advised to attend all classes at your campus. For all other students, there are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:
To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:
If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded. No assignments will be accepted after model answers have been posted.
- 4 Requirements for student to be awarded a passing grade in the course:
To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:
The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- 6 Examination information:
This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their examination paper the make and model

- of any calculator(s) they use during the examination). Students are not permitted to take mobile telephones, pagers or other electronic means of communication into the examination room.
- 7 Examination period when Deferred/Supplementary examinations will be held:
Any Deferred or Supplementary examinations for this course will be held during the next examination period.
 - 8 University Regulations:
Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Policies and Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the examiner. (ii) Students may be required to provide a copy of assignments submitted for assessment purposes. Such copies should be despatched to the USQ within 24 hours of receipt of a request to do so. (iii) In accordance with university policy, the examiner may grant an extension of the due date of an assignment in extenuating circumstances. (iv) The faculty will NOT accept submission of assignments by facsimile. (v) Students who do not have regular access to postal services or who are otherwise disadvantaged by these regulations may be given special consideration. They should contact the examiner of the course to negotiate such special arrangements. (vi) In the event that a due date for an assignment falls on a local public holiday in their area, such as a show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the examiner's convenience.
- 2 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
- 3 Deferred work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded: IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).
- 4 Dishonest actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the academic regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, that is, taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted or referenced in the text;

direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.

OTHER REQUIREMENTS

- 1 E-mail and Internet access: Students will require access to e-mail and Internet access to USQConnect for this course.-
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