

FLORIDA ATLANTIC UNIVERSITY™

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Graduate Programs—COURSE CHANGE REQUEST

DEPARTMENT NAME: FINANCE	COLLEGE OF: BUSINESS
COURSE PREFIX & NUMBER: RMI 6426	CURRENT COURSE TITLE: ENTERPRISE RISK MANAGEMENT & CORPORATE GOVERNANCE: QUALITATIVE ANALYSIS

CHANGE(S) REQUESTED

<p>SHOW "X" IN FRONT OF OPTION</p> <p>CHANGE CREDITS FROM _____ TO: _____</p> <p>CHANGE GRADING FROM _____ TO: _____</p> <p>CHANGE PREREQUISITES TO: REMOVE PREREQUISITES</p> <p>CHANGE MINIMUM GRADE TO: _____</p> <p>CHANGE COREQUISITES TO: _____</p> <p>CHANGE OTHER REGISTRATION CONTROLS TO: _____</p> <p>OTHER _____</p>	<p>SHOW "X" IN FRONT OF OPTION</p> <p>CHANGE PREFIX FROM _____ TO: _____</p> <p>CHANGE COURSE NO. FROM _____ TO: _____</p> <p>CHANGE TITLE TO: _____</p> <p>CHANGE DESCRIPTION TO: _____</p> <p>THE COURSE INTRODUCES STUDENTS TO ENTERPRISE RISK MANAGEMENT AND PRINCIPLES OF CORPORATE GOVERNANCE WHICH ARE CRITICAL TO PUBLICLY TRADED ENTITIES. THE COURSE FOCUSES ON THE COMPLEXITIES FACED BY GLOBAL COMPANIES IN ADDRESSING THESE ISSUES.</p>
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CHANGES TO BE EFFECTIVE (SPRING 2010):

Attach syllabus for **ANY**
changes to current course information.

Will the requested change(s) cause this course to overlap any other FAU course(s)? If yes, please list course(s).
 YES NO XX

Any other departments and/or colleges that might be affected by the change(s) must be consulted. List entities that have been consulted and attach written comments from each.

TERMINATE COURSE, EFFECTIVE (GIVE LAST TERM COURSE IS TO BE ACTIVE):

Faculty Contact, Email, Complete Phone Number: Emilio Zarruk, Chair, Finance Dept: Zarruk@fau.edu, 561.297.3995
 Cecelia Kempler, Instructor, Finance Dept., ckempler@fau.edu, 561.297.4180

SIGNATURES

SUPPORTING MATERIALS

<p>Approved by:</p> <p>Department Chair: <u><i>E. Zarruk</i></u></p> <p>College Curriculum Chair: <u><i>Wm R. McDaniel</i></u></p> <p>College Dean: <u><i>Paul Han</i></u></p> <p>UGPC Chair: _____</p> <p>Dean of the Graduate College: _____</p>	<p>Date:</p> <p><u><i>10-9-09</i></u></p> <p><u><i>10-27-2009</i></u></p> <p><u><i>10-27-09</i></u></p> <p>_____</p> <p>_____</p>	<p>Syllabus—must include all criteria as detailed in UGPC Guidelines.</p> <p>Go to: http://graduate.fau.edu/gpc/ to access Guidelines and to download this form.</p> <p>Written Consent—required from all departments affected.</p>
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Email this form and syllabus to fulks@fau.edu and eqirjo@fau.edu one week **before** the University Graduate Programs Committee meeting so that materials may be viewed on the UGPC website by committee members prior to the meeting.

**ENTERPRISE RISK MANAGEMENT & CORPORATE GOVERNANCE:
QUALITATIVE ANALYSIS**

RMI 4423 / RMI 6426

Spring 2010

Instructor: Cecelia Kempler

**Class Time: tbd
Office Hours: tbd**

Class Location: tbd

**and by Appointment
Office Location: Kaye Hall 137A**

**Office Phone: 561-297-4180
Mobile Phone: 1-410-310-5363
E-mail: ckempler@fau.edu**

Course Description and Purpose

Effective enterprise risk management (ERM) should be embedded in the mission of every business. Global enterprise cannot prosper without it. The insurance/reinsurance industry (Industry) plays a major role in managing global risks, but there is much more to ERM. This course will cover the qualitative components of ERM.

Not all risk exposures can be quantitatively modeled, although quantitative modeling is an essential tool for developing ERM strategies. Professors Buena and Stark of Columbia Business School recently acknowledged that: "Risk modeling came in for plenty of criticism as the worldwide banking system ground to a halt, but despite the widespread failures, not every bank took a massive hit... [Buena & Stark further suggested that business could] forget elaborate equations, dealing with risk successfully was a matter of culture, organizational design and leadership..." In addition, the Senior Supervisors Group of global financial services regulators submitted a report to The Chairman of the Financial Stability Forum on those risk practices which were most and least effective during the financial crisis. The report concluded that "Firms that avoided problems [most effectively were those which] demonstrated a comprehensive approach to viewing firm-wide exposures and risk, sharing quantitative and qualitative information more effectively across the firm and engaging in more effective dialogue across the management team." Senior managers in such firms also exercised critical judgment...." See transmittal letter by William L. Rutledge, Chairman of the Federal Reserve Bank of New York, and "Observations on Risk Management Practices during the Recent Market Turbulence", a report by Senior Supervisors Group, March 6, 2008

The course will cover global and certain country specific governance and ERM structure protocols. The course will also address certain unique risk management and corporate governance challenges facing the Industry and its commercial consumers. Regulated

industries face risk management and corporate governance challenges similar to those confronting all publicly traded corporations, but regulatory compliance adds to the complexity of structuring ERM and corporate governance programs. This is especially true for global companies, which have multi-jurisdictional compliance obligations.

Nationally and internationally recognized guest lecturers will supplement instruction on specific issues and industries.

Students will also learn how basic and creative insurance, reinsurance and alternative market products are employed to manage certain risks.

Course Objectives and Summary

Undergraduate and graduate students will be expected to leave the course with a basic understanding of industry's insurance/reinsurance place in global risk management structures; as well as modern corporate governance and risk management practices. Lectures will include (1) risk management approaches, (2) development of specific insurance and reinsurance products which are employed to manage commercial enterprise risks (other than health insurance), (3) selection of risk practices based on organizational structures and cultural differences, (4) awareness of regulatory systems in developed and emerging markets, and (7) risk management issues in asset purchases and sales, mergers, acquisitions, joint ventures and restructurings.

Graduate students will be expected to complete the course with knowledge of the above, and will be given additional readings.

Throughout the semester students will also be made aware of the vast employment opportunities for finance, economics and accounting majors who have an interest in financial services, accounting and risk management. Students will have an opportunity to meet guest speakers from major financial institutions.

Course Requirements and Rules

Students must be enrolled in one of the following Classification(s): Second Bachelors; Junior; Senior.

Textbook:

Risk Management and Insurance: Perspectives in a Global Economy, Harold D. Skipper and W. Jean Kwon, Blackwell Publishing, 2007, ISBN: 978-1-4051-2541-3.

Any supplemental readings for any class will be published on "Blackboard".

There will be two Exams (mid-term and final), each accounting for 40% of the final course grade. A paper may be required in lieu of the mid-term Exam. Exams will include essay questions on issues covered in class. There may be a limited number of questions offering multiple choice or true/false responses. Class preparation and participation in discussions will account for 20% of the final course grade. Class participation will also

include quizzes. Substantive knowledge of topics covered as well as analytical and problem solving skills will be critical to receipt of a high grade.

Graduate students will be graded independent of undergraduates. Class preparation and participation in discussion will be expected at a higher level than that of undergraduates. Students agree that by taking this course all required papers may be subject to submission for textual similarity review by Safe Assign for the detection of plagiarism. Safe Assign is embedded in Blackboard. All submitted papers will be included as source documents in Blackboard's Global Reference Database solely for the purpose of detecting plagiarism of such papers.

Grading

- Final grades will be assigned according to the following scale:

92-100	A
90-91.9	A-
88-89.9	B+
82-87.9	B
80-81.9	B-
78-79.9	C+
72-77.9	C
70-71.9	C-
68-69.9	D+
62-67.9	D
60-61.9	D-
59 or lower	F

- There will be a sign in sheet to confirm attendance
- Food and beverages in class are discouraged
- Professional conduct in class will be expected. **“A fundamental principle of academic, business, and community life is honesty. Violation of this ethical concept will result in penalties ranging from a grade of F in the course to dismissal from the University. In all penalties, a letter of fact will be included in the student’s file.”**
- **Note re ADA: Students may seek accommodations in accordance with the Americans with Disabilities Act of 1990. Students with disabilities needing academic accommodations should review FAU’s ADA Policy and work with FAU Office for Students with disabilities.**
- **The last “drop date” for class will be January 9th.**