



1. General Information

Course Subject	FINA
Course Number	2342
Course Title	Insurance: Theory and Practice
Academic Years	2024-2025
Grading Method	Letter

2. Instructors

Dr TSE, Maurice Kwok Sang
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Subclasses: 2B,2C,2D

4. Course Description

Course Description	Insurance is the study of risk financing through risk pooling. The use of insurance to reduce the adverse financial impact in case of a loss has become an important element of financial and risk management in our society. This course will cover the theories underlying each major type of insurance products; the characteristics of the contractual agreements pertaining to insurance products; the structure of the insurance industry and its impact on the pricing of insurance products; the operation of insurance companies and the need for government regulations of the industry. The theories and principles discussed in this course apply globally.
Prerequisites	ECON1210: Introductory Microeconomics
Free Elective	Yes

5. Course Objectives

1. Introduce you to the concepts of risk and risk management that are essential for the identification of risk and the effective assessment of the exposures to loss of properties, human lives, and business operations.
2. Introduce you to various risk handling alternatives and tools available for formulating an effective risk management program compatible with the objectives of risk management function.
3. Introduce you to the techniques of analyzing the costs and benefits of different insurance coverage with respect to the specific need for insurance.
4. Introduce you to the current structure of the insurance industry and the functions and operations of insurance institutions.

6. Faculty Learning Goals
Goal 1: Acquisition and internalization of knowledge of the programme discipline
Goal 2: Application and integration of knowledge
Goal 3: Inculcating professionalism
Goal 4: Developing global outlook
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Assess the loss exposures of properties, human lives, business operations, and the financial consequences as a result of the occurrence of a loss.	✓				✓	
CLO2. Formulate an effective risk management program to reduce the potential loss.	✓	✓	✓		✓	✓
CLO3. Incorporate the use of life and health insurance, property-liability insurance, and employee benefits in the management of a business firm and financial planning process	✓	✓				
CLO4. Analyze the unique features of the insurance industry and regulations.	✓			✓		

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures	36	27.3
T&L2. Projects/assignments	36	27.3
T&L3. Tutorials	12	9.1
T&L4. Self-study	48	36.3
	Total: 132	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Tutorial Participation & Discussion		10%	1,2,3,4
A2. Three Individual Assignments		30%	1,2,3
A3. Individual Case Analysis		10%	1,2,3,4

9. Assessment Methods

Report			
A4. Final Exam		50%	1,2,3,4

10. Course Grade Descriptors

A+,A,A-	<ul style="list-style-type: none"> • All aspects were addressed and researched in great depth. • Demonstrates a clear understanding of and the ability to apply theories, concepts and issues relating to the topic. • Able to clearly identify the most critical aspects of the task and adopt a critical perspective. • Excellent development of argument and offers a logically consistent and well-articulated analysis and insight into the subject. • Draws widely from the academic literature and elsewhere whilst maintaining relevance. • All aspects conform to a high academic / professional standard.
B+,B,B-	<ul style="list-style-type: none"> • Most aspects were addressed and researched in depth. • Demonstrates a good understanding and some application of the theories and issues relating to the topic. • Able to identify critical aspects of the task and adopt a critical perspective. • Some evidence of analysis, supported by logical argument and insight into the subject. • Draws on relevant academic and other material. • Most aspects conform to a high academic / professional standard.
C+,C,C-	<ul style="list-style-type: none"> • Most aspects were addressed and researched adequately. • Demonstrates a good understanding of the theories, concepts and issues relating to the topic but limited application relating to the topic. • Some argument presented showing some insight but not always consistent and logical. • Draws upon an adequate range of academic and other material • Most aspects conform to an acceptable academic / professional standard.
D+,D	<ul style="list-style-type: none"> • Basic aspects were addressed and researched adequately. • Demonstrates mainly description, showing basic understanding of the topic but no application. • Little evidence of analysis but no clear and logical argument relating to the subject. • Draws primarily upon course materials. • Limited aspects conform to academic/professional standards.
F	<ul style="list-style-type: none"> • Basic aspects were superficial, inadequate or absent. • Demonstrates limited understanding of the topic and draws conclusions unrelated to the topic. • The written work is not of an academic/professional standard.

11. Course Content and Tentative Teaching Schedule

Topic/ Session	Content
	Conceptual Framework of Risk
	Framework of Insurance and Risk Management
	Insurance Pricing
	Functions of Insurers & Regulations
	Legal Framework of Insurance
	Life Insurance
	Selected Cases on Insurance and Risk Management

12. Required/Recommended Readings & Online Materials

Textbook	The text book assigned for this course is "Principles of Risk Management and Insurance," George E. Rejda and Michael McNamara
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13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in addition to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

Academic Honesty and Integrity

The University Regulations on academic dishonesty will be strictly enforced. Please check the University Statement on plagiarism on <http://www.hku.hk/plagiarism/>.

Cheating or plagiarism of any kind would result in an automatic F grade for the course plus strict enforcement of all Faculty and/or University regulations regarding such behavior. Incident(s) of academic dishonesty will NOT be tolerated.

Academic dishonesty is a behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

- a. Plagiarism - The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged.
- b. Unauthorized Collaboration on Out-of-Class Projects - The representation of work as solely one's own when in fact it is the result of a joint effort.
- c. Cheating on In-Class Exams - The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.

Unauthorized Advance Access to an Exam - The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

15. Additional Course Information

Lecture notes will be posted in Moodle.

Required Tool

A standard financial calculator SUCH AS Texas Instruments, Casio, and HP 12C.