Property Insurance
MIS 264
One Semester Credit
University of Montana
School of Business Administration

Instructor:

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Mission Statement:

The University of Montana's School of Business Administration is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

Course Description:

The Property Insurance course will acquaint an entry-level professional with the basics of both commercial and personal property insurance. After studying the basics of insurance, we will see how property insurance is used to protect business property by focusing on the Building and Personal Property form. Our study of personal property insurance will focus on the residential policies, particularly the Homeowner and the Scheduled Personal Property Endorsement. We will see that although commercial policies usually provide only property coverage, the individual policies tend to combine property and casualty coverages to better protect the unsophisticated consumer. The course will conclude with a study of the legal environment in which the industry operates, particularly the role of the state government in regulating both policy content and industry conduct.

Course Objectives:

The course objectives are to: (1) recognize the need for property insurance coverage; (2) learn the basics of property insurance as used in both commercial and consumer environments; and (3) examine the state legal environment which serves to regulate the property insurance industry to provide choice, a degree of uniformity, and consumer protection.

Course Format and Method of Evaluation:

Students are graded on the basis of the following:

- A chapter quiz will be given after each of the 15 chapters.
- A comprehensive final course exam will be given after Chapter 15.

Academic Integrity:

Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. *Any students found engaged in academic dishonesty will, at a minimum, receive an F for the course.*

Text:

Property and Casualty Insurance, by Americasprofessor.com

Course Coverage and Text Assignments:

1) **Introduction to Insurance**
   - Risk
   - Managing risk
   - Indemnification
   - Types of Insurers

2) **Property and Casualty – The Basics**
   - Insurable interest requirement
   - Limit of liability
   - Coinsurance
   - Fundamental policy provisions

3) **Contract Law and the Insurance Policy**
   - Contract elements
   - Sections of the policy
   - Federal Fair Credit Reporting Act
   - Making the underwriting decision
   - Calculating premiums
   - Premium mode

4) Property Policies – The Basics

- Additional coverages section
- Peril coverage: basic, broad, all-risk
- Valuation of losses
- Direct versus indirect loss coverage

5) Liability Policies – The Basics

- Tort law
- Difficulty in defining negligence
- Medical payments coverage
- Supplementary coverage
- Resolving claim disputes

6) Commercial Package Policy (CPP)

- History of the CPP concept
- Available coverages
- Common conditions

7) Building and Personal Property Coverage Form

- Defining coverages
- Personal property of others
- Additional coverages
- Coverage extensions
- Exclusions

8) Business Interruption Coverage

- Business Income Coverage Form
- Extra Expense Coverage Form

9) Equipment Breakdown Form

- Coverages available
- Historical development
- Exclusions

10) Flood Insurance

- Role of the federal government
- Eligibility
- Negative environmental consequences

11) Earthquake Coverage

- Coverages and exclusions

12) Marine Insurance

- Ocean Marine
- Inland Marine
- Commercial and personal “floaters”

13) Residential Coverages

- Available commercial coverages
- Dwelling forms
- Homeowner policies

14) Business Owner Policy

- Property coverages
- Liability coverages
- Eligibility and exclusions

15) State Regulation of Property and Casualty Insurance

- Role of NAIC and ISO
- State Insurance Commissioner - powers
- Regulation of insurers and producers
- State code of ethics