

# FLORIDA ATLANTIC UNIVERSITY™

UGPC APPROVAL \_\_\_\_\_  
 UFS APPROVAL \_\_\_\_\_  
 SCNS SUBMITTAL \_\_\_\_\_  
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 BANNER POSTED \_\_\_\_\_  
 CATALOG POSTED \_\_\_\_\_  
 WEB POSTED \_\_\_\_\_

## Graduate Programs—NEW COURSE PROPOSAL

DEPARTMENT NAME: **FINANCE & INSURANCE**

COLLEGE OF:

**Barry Kaye College of Business**

RECOMMENDED COURSE IDENTIFICATION:

PREFIX   RMI   COURSE NUMBER   6727   LAB CODE (L or C) \_\_\_\_\_

(TO OBTAIN A COURSE NUMBER, GO TO [www.fau.edu/academic/registrar/UUPCinfo/](http://www.fau.edu/academic/registrar/UUPCinfo/))

COMPLETE COURSE TITLE

**INSURANCE ACCOUNTING**

**EFFECTIVE DATE**

(first term course will be offered):

**SPRING 2009**

CREDITS: **3**

TEXTBOOK INFORMATION: COURSE MATERIAL PROVIDED BY INSTRUCTOR:

WHITE PAPERS AND GUIDELINES PUBLISHED BY ACCOUNTING FIRMS; THE NAIC, IASB, FASB AND IAIS.

\*TEXTS NOT UP TO DATE

GRADING (SELECT ONLY ONE GRADING OPTION): REGULAR   X   PASS/FAIL \_\_\_\_\_ SATISFACTORY/UNSATISFACTORY \_\_\_\_\_

COURSE DESCRIPTION, NO MORE THAN 3 LINES: COURSE FOCUS: STUDENTS WILL STUDY INSURANCE ACCOUNTING REQUIREMENTS IN THE COUNTRY OR STATE WHERE AN INSURER IS ORGANIZED. THE FOCUS WILL BE ON UNITED STATES AND EUROPEAN UNION "REGULATORY" REPORTING REQUIREMENTS.

PREREQUISITES:

**ACG 2021 & RMI 3011 OR RMI 6016**

COREQUISITES:

OTHER REGISTRATION CONTROLS (MAJOR, COLLEGE, LEVEL):

PREREQUISITES, COREQUISITES & REGISTRATION CONTROLS SHOWN ABOVE WILL BE ENFORCED FOR ALL COURSE SECTIONS

MINIMUM QUALIFICATIONS NEEDED TO TEACH THIS COURSE:

TERMINAL DEGREE

Other departments, colleges that might be affected by the new course must be consulted. List entities that have been consulted and attach written comments from each. **Dr. Somnath Bhattacharya, Director, School of Accounting**

**Cecelia Kempler, Director, School of Finance, Insurance & Economics** [ckempler@fau.edu](mailto:ckempler@fau.edu) **561-297-4180**

Faculty Contact, Email, Complete Phone Number

### SIGNATURES

### SUPPORTING MATERIALS

Approved by:

Department Chair: 

College Curriculum Chair: \_\_\_\_\_

College Dean: 

UGPC Chair: \_\_\_\_\_

Dean, Graduate Studies: \_\_\_\_\_

Date:

6-30-08

6-30-08

Syllabus—must include all details as shown in the UGPC Guidelines.

Written Consent—required from all departments affected.

Go to:

[www.fau.edu/graduate/gpc/index.php](http://www.fau.edu/graduate/gpc/index.php) to download this form and guidelines to fill out the form.

Email this form and syllabus to [sfulks@fau.edu](mailto:sfulks@fau.edu) and [eqirjo@fau.edu](mailto: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.

## MAY BE REVISED BY PROFESSOR OR INSTRUCTOR

### **Insurance Accounting (Professor to be hired)**

**RMI 6727**

#### **Course Description and Purpose**

This course introduces students to insurance accounting, which is based on regulatory requirements (Statutory Accounting Principles (“SAP”) in the country or state in which the insurer is organized, as well as certain jurisdictions in which the insurer does business. The course is available only to those students who have taken Principles of Accounting.

The purpose of the course is to identify those aspects of accounting unique to the insurance industry.

#### **Course Objectives**

Students will be expected to understand the annual statements filed with regulators in the United States and European Union by all insurance organizations, e.g., property/casualty, life and annuity, health, captive insurers and reinsurers, reciprocal exchanges and fraternal societies. Differences between GAAP, SAP and International Financial Reporting Standards will be covered. Other subjects covered will include (1) the Embedded Value approach to reporting, (2) Risk Based Capital, (3) Solvency II, and (4) the roles of the National Association of Insurance Commissioners, the International Association of Insurance Supervisors and the major accounting standards boards in the United States and Europe in establishing insurance accounting rules, and how these organizations interact to effect change. Tax laws applicable to the foregoing insurance organizations and their impact on annual statements will also be covered.

## **TOPICS:**

Overview of U.S. Statutory Accounting

Essential differences between GAAP and SAP reporting requirements

Essential differences between property/liability and life company reporting requirements and critical components of such reports

- Capital and Surplus

- Revenues

- Expenses

- Reserves

  - Principle Based Reserves for life insurers

- Reinsurance

- Investments

Risk Base Capital Reporting

- Life

- Property/liability

Overview of International Financial Reporting Standards

Overview of European Union Solvency II

Embedded Value Reporting

Insurer Taxation

## Evaluation

Exam I	25% of total grade
Exam II	25% of total grade
Case Study	30% of total grade
Articles	7% of total grade
Assignments	4% of total grade
Attendance	9 % See "Class Participation"

Your letter grade for the course will be based on your final average and on your efforts that I consider reasonable.

### Class Participation

Attendance is required. Students are expected to attend class regularly. Failure to do so will affect your course grade. Each student is permitted three absences for any reason. Students missing three classes or less will get 3 points. Any absences above the permitted three will result in a 1-point deduction for each such absence. Students shall keep track of their own number of absences.

### Exams

There will be three exams consisting of 2 midterms and one final. The final may not be comprehensive. However, your instructor reserves the right to administer a comprehensive final exam if he deems it appropriate. All three exams are mandatory. Students will be tested on materials from lectures, assigned readings from the text, and any hand-outs distributed in class or electronically. Make-up exams are not permitted and will only be offered at the discretion of the instructor if the student advised the instructor of the need to miss a scheduled exam far in advance and as soon as possible for the student. The offering of a make-up exam will only be considered where the exam was missed because of extreme and serious circumstances.

### Comments/Critiques of Articles

There will be three article comments/critiques. Your articles will be handed out in class. Your comments/critiques are to be turned in as a team. The entire team is assigned a grade for each article. Each group will turn in one copy. You select your own group, and each group can have up to 3 students.

The comments/critiques are designed for you to find and solve the problems on your own. Generally, they should include three parts as follows:

- 1) Summary
- 2) Problems/Challenges
- 3) Critiques/Comments

### Case Study

Each graduate student will agree upon an appropriate case study on which the student will draft a paper, accounting for 30% of the final course grade.

### Assignments

You are required to submit 15 multiple-choice questions which may be suitable for the exams before each of the two exams. You will earn 1 point for each of the questions. Your questions are to be turned in as a team. The entire team is assigned a grade for each set of questions. Each group will turn in one copy. You select your own group, and each group can have up to 3 students

### Blackboard

This class will make use of a web-based web site using Blackboard. Syllabi, handouts, assignments and other sources are types of information that may be available within this site. Site activities could include exchanging email, engaging in class discussions, and exchanging files. In addition, class email rosters will be a component of the site. Students who do not want their names included in this electronic class roster should consult with the university to restrict their directory information.

### Academic Dishonesty

If academic dishonesty does become a problem, I will follow standard university procedures without exceptions.

### Students with Disabilities

Any student who feels that he or she may need an accommodation for any sort of disability should consult with the university so that arrangements can be made.

## Eileen Chaya Schneider

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**Subject:** FW: IMPORTANT: RE: New Course Proposal RMI 6727 Insurance Accounting

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**From:** Somnath Bhattacharya [mailto:sbhatt@fau.edu]  
**Sent:** Friday, June 27, 2008 4:58 PM  
**To:** Eileen Chaya Schneider  
**Cc:** Cecelia Kempler; Somnath Bhattacharya  
**Subject:** RE: IMPORTANT: RE: New Course Proposal RMI 6727 Insurance Accounting

Cecilia:

Of course we plan to incorporate IFRS into our curriculum. As a SOA of national repute we would be remiss not to and the SOA Curriculum Committee is already working on this.

As re: your proposed course – the SOACC has determined that it does not conflict with any of the SOA's current offerings and as such does not object to it being offered through the Finance & Insurance department.

Thank you.

Cordially,

Som

The most beautiful thing I ever saw was too beautiful for words!



Think of the environment before printing email.

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**From:** Somnath Bhattacharya [mailto:sbhatt@fau.edu]  
**Sent:** Thursday, June 26, 2008 4:56 PM  
**To:** Karen L. Hooks; Means, Kay; Means, Kay - HOME; orbach@fau.edu;  
William S. Hopwood, Ph.D.; Skantz, Terry  
**Cc:** Somnath Bhattacharya; Eileen Chaya Schneider  
**Subject:** FW: New Course Proposal RMI 6727 Insurance Accounting  
**Importance:** High

**Curriculum Committee:**

**Please advise by July 1, 2008, if possible.**

Thank you.

Cordially,

Som

The most beautiful thing I ever saw was too beautiful for words!



Think of the environment before printing email.

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**From:** Eileen Chaya Schneider [mailto:schneide@fau.edu]  
**Sent:** Friday, May 30, 2008 1:31 PM

**To:** 'Somnath Bhattacharya'  
**Cc:** Cecelia Kempler  
**Subject:** New Course Proposal RMI 6727 Insurance Accounting  
**Importance:** High

Som:

Attached please find a "Graduate - New Course Proposal" with supporting syllabus for your review. This new course does not appear in conflict with any School of Accounting courses. After review by you and your Curriculum Committee, could you please send me an email stating that this is not in conflict as a written comment is required from all departments that may or may not be affected for consideration by the Graduate Programs Committee.

Your kind and immediate attention to this will be great appreciated.

I hope to hear from you by Tuesday.

Thank you.

Eileen

*Eileen Chaya Schneider*  
*Assistant to Director, Cecelia Kempler*  
*Coordinator, Administrative Services*  
*Barry Kaye School of Finance,*  
*Insurance and Economics*  
*Barry Kaye Hall - Room 137*  
*777 Glades Road, Boca Raton, FL 33431*  
*Telephone: 561-297-3221*  
*Fax: 561-297-2542*  
[\*Schneide@fau.edu\*](mailto:Schneide@fau.edu)

*"Look at a day when you are supremely satisfied at the end. It's not a day when you lounge around doing nothing; it's when you had everything to do, and you've done it."*  
*—Margaret Thatcher*