

**ACST300 Insurance and Superannuation Practice
FIRST SEMESTER 2008**

UNIT OUTLINE

Unit Description

This unit examines the fields of life insurance, general insurance, health financing and superannuation. For each industry, it examines the products available, the industry structure, the historical development of the industry, and government supervision.

Unit Details

Unit Name: Insurance and Superannuation Practice

Credit Points: 4

Prerequisites: 36 Credit Points including ACST101 (P); GPA of at least 2.00

Corequisites: none

Please consult with the unit coordinator if you have queries about the prerequisite requirements for the unit.

Lectures

Lectures are held at the following times:

Day	Time	Location
Tuesday	4:00 – 6:00	W5A Price Theatre
Thursday	2:00 – 4:00	W5A Price Theatre

Any alterations to the lecture times or locations will be advised in lectures/on the unit webpage.

Teaching Staff Involved in the Unit

The staff involved in the teaching of this unit are

Staff Member		Topic	email
Shauna Ferris	(Unit Coordinator)	Superannuation	sferris@efs.mq.edu.au
Andrew Geue		Life Insurance	
David Finnis		General Insurance	
David Watson		Health Financing	

A teaching assistant, Garreth Sweeney, will be assisting with administration.

Questions about course content for any topic should be directed to the lecturer teaching that topic. Please post any questions on the website using the "Discussion" facility. This will enable other students to see your questions and the lecturer's answers. (See below for instructions about the website).

Questions relating to the general administration of the unit should be posted on the website, using the "Discussions" facility, under the heading "Administration". These will be answered by our teaching assistant).

Questions relating to personal matters (e.g. requests for special consideration, requests for extensions on assignments, etc) should be directed to the Unit Coordinator, Ms Ferris, via the email to sferris@efs.mq.edu.au

Visiting lecturers

Mr David Watson is a visiting lecturer, teaching the Health Financing topic. He is a graduate of the Macquarie Actuarial Studies program, and has worked in the health insurance industry for 30 years. He is currently the Public Officer of HCF, Australia's fourth largest health fund. He was an active member of the Health Practice Committee of the Institute of Actuaries of Australia. He has lectured in health insurance for ten years.

Mr David Finnis is a qualified actuary with more than 20 years of practical experience, predominantly in the general insurance area. He was previously a member of the General Insurance Working Party of Institute of Actuaries of Australia. He has published a number of research papers on topics such as setting premiums, profit measurement, capital management, and risk management in general insurance.

ACST300 Web site

This web site uses software called Blackboard. If several of your units use this software, you might find it more convenient to go to <http://online.mq.edu.au/student/> and use the "login" link on that page. This leads you to a page which lists all Macquarie University Blackboard sites to which you have access.

If you did not understand the above, you can obtain training on how to use a web browser by contacting the Information Technology Training Unit on Level 1 of the Library. If you can't access the site due to having forgotten your password, contact the Information Technology Customer Support Desk also on Level 1 of the Library.

Before logging in to this site, you should follow the link labelled “Technical Information” and read all the information there, including the Computer and Communications Security Policy and the Computer and Communications Usage Rules. This technical information mentions a number of “plugins” that may be required. Of those listed, in this unit you will only need Acrobat Reader.

If your home computer does not have internet access, you can access this web site from computers in the library.

Students are expected to read information on the Blackboard at least once a week.

Unit Timetable

The following table shows the schedule of topics which will be covered in each lecture.

Some lectures will be recorded using the i-lecture system. Although the University does aim to provide the i-lecture service for students, there are sometimes unavoidable technical problems. If you decide not to attend a lecture, then you bear the risk that the lecture recording might not be available.

The Life Insurance Lectures will NOT be recorded, since they are usually based on class discussions.

You can listen to i-lectures by going to the ACST300 Blackboard website.

Week Number	Week Beginning	Tuesday Topic / Lecturer	Thursday Topic / Lecturer
1	25 Feb	Health Finance 1 – David Watson	Life Insurance 1 – Andrew Geue
2	3 March	Health Finance 2 – David Watson	Life Insurance 2 – Andrew Geue
3	10 March	Health Finance 3 – David Watson	Life Insurance 3 – Andrew Geue
4	17 March	General Insurance 1 – David Finnis	Life Insurance 4 – Andrew Geue
5	24 March	General Insurance 2 – David Finnis	Life Insurance 5 – Andrew Geue
6	31 March	General Insurance 3 – David Finnis	Life Insurance 6 – Andrew Geue
7	7 April	TEST 1	Life Insurance 7 – Andrew Geue
8	28 April	General insurance 4 – David Finnis	Superannuation 1 – Shauna Ferris
9	5 May	General Insurance 5 – David Finnis	Superannuation 2 – Shauna Ferris
10	12 May	General Insurance 6 – David Finnis	Superannuation 3 – Shauna Ferris
11	19 May	General Insurance 7 – David Finnis	Superannuation 4 – Shauna Ferris
12	26 May	TEST 2	Superannuation 5 – Shauna Ferris
13	2 June	Superannuation 6 – Shauna Ferris	Superannuation 7 – Shauna Ferris

Please note that changes to the timetable may occur and that any alterations will be advised in lectures/on the unit webpage.

Textbooks

Course notes and other useful information (such as past exam papers) will be posted on the ACST300 Blackboard website.

The textbook for the life insurance topic will be available on the website.

A set of readings will be provided for the general insurance topic. This will be available from ERIC later in the term. An announcement will be made on the Blackboard when this is available.

The lecturers will sometimes post additional readings on the ACST300 website, (and/or provide references to material available on other websites); so you should check the website each week.

Assessment

Your performance in this unit will be assessed based on:

• Two Class Tests at 15% each	= 30%
• On-line Quizzes	= 12%
• Final Examination	= 58%
• Total	= 100%

Class Tests

The dates of the class tests are shown above in the Unit Timetable.

Test 1 will cover all the material on Health Financing, and Life Insurance topics up to the end of Life Insurance Lecture 5. It will not cover any General Insurance topics.

Test 2 will cover all the material on General Insurance, and Superannuation Topics up to the end of Superannuation lecture 3.

Please note that the class test dates, times and coverage may be subject to change, and that any alterations will be advised in lectures/on the unit webpage.

Information about the format of the tests will be posted on the website, and announced in class.

Normal examination rules apply to the conduct of class tests. These rules are set out under the heading “Conduct of Examinations” in the Student Information – Assessment section of the current Macquarie University Handbook of Undergraduate Studies. Students are responsible for familiarising themselves with these rules prior to the class test.

Online Quizzes

We will be using the Blackboard system to conduct on-line quizzes. These will encourage you to keep up with your reading (instead of leaving it all until the day before the test !) and to let you test your own understanding of the notes.

The website has instructions for doing the online quizzes. There is a practice quiz, which does not count for any marks. You should complete the practice quiz just to make sure that you understand how the quiz system works.

Each quiz will be available for a limited time (usually one week). You must complete the quiz during this week. After the deadline passes, you will not be able to do the quiz (scoring 0). If you are unable to do a quiz for some good reason (such as illness) you must complete an Advice of Absence form (see below under the heading Special Consideration).

The quizzes will consist of True/False and Multiple Choice questions based on the course material. The dates and times for the online quizzes will be shown on the website.

The quizzes are graded by computer, and you will be able to check your results on the website **after the deadline passes**.

Final Examination

The final examination will be three hours plus 10 minutes reading time.

The exam will include some True/False and Multiple Choice questions. You should ensure that you bring 2B pencils and an eraser to the examination.

The tests and the examination will be closed book. You may not bring any notes or dictionaries into the examination room.

The University's examination rules apply to the conduct of the class tests and the final exam. These rules are given in the 2008 Handbook of Undergraduate Studies (available online at the University website <http://www.handbook.mq.edu.au/>). You are responsible for familiarising yourself with these rules.

Assessment Weights

Macquarie University uses the grades HD, D, Cr, P, PC and F for grading the achievements of students in units of study. The grades of achievement are defined as follows:

High Distinction (HD) denotes performance which meets all unit objectives in such an exceptional way and with such marked excellence that it deserves the highest level of recognition.

Distinction (D) denotes performance which clearly deserves a very high level of recognition as an excellent achievement in the unit.

Credit (C) denotes performance which is substantially better than would normally be expected of competent students in the unit.

Pass (P) denotes performance which satisfies unit objectives.

Conceded Pass (PC) denotes performance which meets unit objectives only marginally.

Fail (F) denotes performance which does not meet unit objectives.

The numerical marks resulting from assessment of your work in this unit will be used as an initial indicator of the quality of your learning and understanding. The use of these numerical marks is, however, only a starting point in determining the appropriate grade. In particular, note that the mark ranges mentioned in the Handbook of Undergraduate Studies are not the raw marks. To obtain a grade you must satisfy the qualitative definition of that grade.

Once your grade has been determined, you are allocated a standardised mark indicating your approximate position amongst students assigned that grade. The standardised mark is called a Single Numerical Grade (SNG).

To gain a clear pass in this unit you will need to demonstrate a clear understanding of the relevant factual information when confronted with straightforward questions. To gain a grade of credit or better you must demonstrate the ability to select relevant points from this body of information and arrange them in a logical manner to solve more complex problems.

These complex problems could, for example, require you to:

- apply factual knowledge to scenarios or problems which you have not previously encountered;
- determine which pieces of factual knowledge present in the unit are relevant to some practical scenario;
- explain, in clear simple non-technical language, the rationale behind legislation and industry practice (rather than just stating what the industry practice is).

When you work as an actuary or in any other profession, if you misunderstand a concept you may provide incorrect advice to a client possibly with severe financial consequences for your client and yourself. However, if you realise that you have no understanding of a concept you may refrain from giving advice on it until you have filled the gaps in your knowledge. That is, misunderstandings are more dangerous than a lack of knowledge. The grading philosophy and marking scales adopted in this unit reflect the above situation. While correct and relevant statements earn marks, statements that are incorrect will result in the deduction of marks. If your answers reveal that your misunderstandings are very severe or numerous, you might earn a negative mark for a question.

As an example, suppose that we set an exam question which says "List three types of restrictions which apply to superannuation fund investments". One student might give no answer and earn 0 marks. Another student might attempt to guess, giving one correct answer and one incorrect answer, e.g. "Superannuation funds cannot invest money overseas" (incorrect) and "Superannuation funds cannot lend money to members" (correct). The correct answer would earn +1, the incorrect answer would earn -1, giving a score of 0.

As an example, suppose we set true/false questions. We usually give +1/2 mark for a correct answer, -1/2 mark for an incorrect answer, and 0 for no answer. If a student is just guessing on each question, so that he/she has a 50-50 chance of getting the correct answer, the expected value of his/her score will be 0.

The negative marking scale will be shown on the front of any test and/or exam paper.

Legibility of Handwriting

You should ensure that your handwriting in the class assessment tasks and in the final examination is legible. Sections of work that are not legible will not be marked.

ERIC

The Economic Reference and Information Centre is now located in E4B room 106. Refer to the website at <http://www.efs.mq.edu.au/services/eric.htm> for information about the services available at ERIC.

The Institute of Actuaries of Australia

Actuarial students might like to consider joining the Institute of Actuaries of Australia. Please refer to the IAAust website at <http://www.actuaries.asn.au> for information on membership. Note that the fees may be lower if you join while you are still a full time University student.

Special Consideration

Applications for special consideration in respect of a class test or other class assessment task must be made on the “Advice of Absence or other Circumstances” form. These are available from and should be submitted to the Student Enquiry Service on Level 1 of the Lincoln Building.

PLEASE ENSURE THAT ANY APPLICATIONS FOR SPECIAL CONSIDERATION ARE SUBMITTED BEFORE THE DEADLINE.

Applications in respect of the final exam must be made on the “Request for Special Consideration” form. These forms are available from and should be submitted to the Academic Program Section on Level 4 of the Lincoln Building. Instructions for requesting Special Consideration are given on the Division website at http://www.efs.mq.edu.au/services/policies_consider.htm.

PLEASE READ THE INSTRUCTIONS ABOUT SPECIAL CONSIDERATION.

Applications based on medical grounds (whether for a class test or other class assessment task, or for the final examination) **must** be accompanied by the Professional Authority Form. Applications omitting this form (such as those which only supply a doctor’s certificate) will be ignored.

The application forms are also online at <http://www.registrar.mq.edu.au/academic-index.html>

Mobile Phones

Please be considerate to your fellow students: turn off your mobile phones during classes.

Academic Senate has resolved that no mobile phones should be used in classrooms. Communication devices, including but not restricted to mobile phones, text message receivers, pagers and wireless-equipped calculators, may not be brought into the class tests or exam. If a student is found to have brought such a device into the examination room, the argument that the device was turned off will NOT be regarded as an acceptable excuse.

Calculators

Calculators will be allowed in the class tests and the final examination but a clear indication of the steps involved in every calculation must be shown. Any machines that have a text-retrieval capacity, whether or not they have a full alphabet on the keyboard, are not allowed.

Calculators may be checked at the commencement of the class tests and final exam, and the make/model may be recorded.

Use of Computers for Coursework

Please take careful note of the policy of the Department of Actuarial Studies regarding the use of computers, which follows.

DEPARTMENT OF ACTUARIAL STUDIES

NOTICE TO STUDENTS RE USE OF COMPUTERS FOR COURSEWORK

1. Computers do occasionally break down. This is a normal part of working life. When completing assignments, you should not leave computer work until the last moment, assuming the system will be available when you need it.
2. You are the person responsible for keeping backup copies of any data or files you create on a computer. If you fail to keep backup copies, loss of data or files, for whatever reason, is not an acceptable excuse for failing to complete an assignment on time.
3. You should have at least two backups. If you have only one backup disk, then a computer malfunction while you are updating your backups may simultaneously corrupt both the original version (on the hard disk or network) and your backup disk. Do not store your two backups together. Spread your risks.
4. If you are planning to write a document on one computer (eg. your home computer) and print it from a different computer, you should test well ahead of the due date that the second computer can print your document. This particularly applies if your documents incorporate graphs, tables, unusual fonts or special formatting.

Cheating and Plagiarism

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of another person's ideas and manner of expressing them.

You are responsible for familiarising yourself with the policy on cheating and plagiarism, available at http://www.efs.mq.edu.au/services/policies_cheat.htm

For actuarial students : note that the IAAust regards unethical behaviour with great concern. Any incidents of cheating or plagiarism may affect your eligibility to be a member of the profession.