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金融学精选教材·英文影印版

RISK MANAGEMENT AND INSURANCE [第12版]

# 风险管理和保险

James S. Trieschmann

Robert E. Hoyt 著

David W. Sommer



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## 出版者序言

在当前经济、金融全球化的背景下,中国经济的发展需要大量具备扎实理论功底、了解国际前沿理论、能够适应国际竞争需要的优秀金融人才。而培养优秀的国际金融人才,不仅离不开一流的师资、一流的学术成果,更离不开一流的教材。因此,大力开展双语教学,适当引进和借鉴国外优秀的原版教材,是加快中国金融教育步伐,使之与国际接轨的一条捷径。为此,北京大学出版社与国外著名出版公司培生教育出版集团、汤姆森教育出版集团和麦格劳—希尔教育出版公司合作推出了《金融学精选教材》系列丛书。本丛书中的大部分均同时包含英文版和翻译版,主要针对金融学专业及相关专业的本科生、研究生。丛书的筛选完全是本着“出新、出好、出精”的原则,目前所入选的图书均经过各个著名高校的相关学者的精心挑选,不仅包括国外金融领域的经典教材、最畅销教材,还包括金融领域中最新推出的教材,可称得上是优中选精。

鉴于外版教材大多篇幅较长,且其中某些内容不适合我国的教学实际需要,因而我们对部分所选图书进行了必要的删节,成为英文改编版。在选书和删节的过程中,我们得到了北京大学光华管理学院周春生老师、唐国正老师,北京大学经济学院苏剑老师,厦门大学经济学院郑振龙老师,辽宁大学曲昭光老师等多位教师学者的大力支持和帮助,在此,我们向他们表示衷心的感谢!

本丛书是对国外原版教材的直接或删节后影印,由于各个国家政治、经济、文化背景的不同,对于书中所持观点,还请广大读者在阅读过程中注意加以分析和鉴别。另外,我们在对原版图书进行删节、重新编排页码的同时,为了便于读者核对使用索引,仍保留了原书的页码,因此读者在阅读过程中可能会发现有跳页现象,而且由于删节,某些文中提到的页码有可能无法找到,对于由此给读者带来的诸多不便,我们深表歉意,恳请您的谅解。

《金融学精选教材》是一个开放的系列,以后将根据教材的供需状况和读者需要陆续增加其他品种,使之更加系统完善。我们欢迎所有关心中国经济学教育和发展的专家、学者及广大读者,为我们提出宝贵的意见和建议,并诚挚地希望您能向我们推荐您接触到的国外优秀的金融学图书。

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# preface

Risk management continues to evolve as an important field of study within the realm of finance. An important development is that many organizations now consider all of the risks that they face in a more integrated manner than in the past. Thus, the concept of *enterprise risk management* is continuing to gain acceptance among organizations.

*Risk Management and Insurance*, 12th edition, recognizes this developing viewpoint. The text is intended to assist the student in identifying and analyzing all types of risk and in managing it through insurance and alternative tools. The 12th edition blends the concept of enterprise risk management into several different chapters, while still maintaining the features of the book that are important for introductory classes in both insurance and risk management. As in the previous two editions, risk management is the transcending concept within which insurance finds its place.

The overall assumption throughout this edition is that risks can be managed if they are identified prior to a loss, and insurance is an important—but not the only—tool available for that purpose. Thus, the word *insurance* appears only infrequently until Chapter 6. Before insurance is considered at length, the text provides substantial discussion of the myriad of potential losses facing businesses and individuals, together with the general risk management process and the many alternative risk management tools, including loss control, risk retention, and risk transfer. Still, insurance is often an extremely valuable part of the overall risk management plans of individuals and small firms.

With the publication of this 12th edition we are pleased to welcome Dr. David W. Sommer as a new coauthor. Dr. Sommer is a professor in the Terry College of Business at the University of Georgia and is also an officer of the Southern Risk and Insurance Association. He is recognized as an expert in many areas of the risk management and insurance field, including liability risk management and insurance, enterprise risk management, and employee benefits.

## TEXT ORGANIZATION

**Part 1** begins with an exploration of the nature of risk in **Chapter 1**, leading naturally into a detailed treatment of the risk management process in the remaining seven chapters included in Part 1. **Chapters 2 through 4** present a comprehensive overview of the various exposures to risk that may exist, including some financial risks not previously mentioned in earlier editions. The material on statistical analysis and capital budgeting remains in Part 1 because this placement puts these topics in context with overall risk management decision making. Of course, the important elements of insurance theory still remain. The principles and policy provisions common to many forms of insurance are included in Part 1 as part of the discussion of insurance as a risk management technique. More detailed treatments of specific types of insurance are provided later in the text. The *enterprise-wide approach* to risk management is particularly emphasized in **Chapters 5 and 8**.

**Part 2** of the text continues the risk management orientation, with an emphasis on topics important for business entities. The various forms of insurance are presented as major risk treatment possibilities, but topics such as captive insurers, disaster management, and alternative risk financing also have been developed more completely than in prior editions. The terrorist attacks of September 11, 2001, have had far-reaching effects on the risk management and insurance world. Various references to the widespread implications of these attacks are incorporated throughout this edition.

**Part 3, Personal Risk Management Applications: Property—Liability**, is devoted to risk exposures involving personal automobiles and homeownership. The common insurance policy forms for dealing with these forms of risk are thoroughly discussed, and appropriate updates have been added. The subject of automobile safety, loss control, and trends in automobile safety comprise the subject matter of Chapter 14, illustrating a range of risk management topics in connection with automobile losses.

**Part 4**, the focus of the discussion in Part 4 shifts from property and liability risks to those dealing with the potential loss of life, health, and/or income. In keeping with the text's risk management orientation, relevant material on Social Security and other government insurance programs is integrated into appropriate chapters, rather than being segregated into a "social insurance" chapter as is often done in textbooks devoted primarily to insurance. The important role of managed health care and efforts to regulate it are discussed. Updated information on qualified retirement plans and newly introduced health savings accounts are included in this part of the text.

**Part 5, The Risk Management Environment**, includes three chapters on institutional aspects of risk management and insurance. The focus is on the nature of the risk management and insurance industry, as well as on the government regulations that impact it. Increased coverage of international insurance issues is especially evident in Chapter 22, which contains discussion of the effects of globalization on risk management and on the insurance business.

## PEDAGOGICAL FEATURES

From a pedagogical perspective, the 12th edition retains the features that were well regarded in the 11th, with increased usage of the popular Netlink first introduced in the 10th edition. Each chapter contains at least one Netlink suggesting a specific site on the World Wide Web (with appropriate address information provided) for students to investigate. These sites were chosen to help make the material in each chapter come alive in a timely, interactive manner. Each chapter also includes two Internet-related questions based on specific Web sites related to the material in that chapter. In most cases, the questions require the student to do some activity at the site rather than merely read additional text. For example, in one question the student obtains an online insurance quote.

The other pedagogical features retained from the 11th edition include learning objectives and an opening vignette at the beginning of each chapter, chapter summaries, and a compilation of Questions for Review and Discussion. Each chapter also contains boxed material taken from current literature to further illustrate concepts discussed within the main body of the chapter. There are three series of boxes, each identified by distinctive icons. The International Perspectives boxes illustrate the application of risk management considerations on a global basis. Ethical Perspectives boxes present ethical dilemmas common in the field of risk management. The Professional Perspectives boxes illustrate practical applications of text material, many of which are based on recent interviews with practicing risk management professionals. Further assistance for the student in identifying risk management concepts throughout the text is provided through the use of a distinctive risk management icon.

The material in the appendices supplements and complements the text material. Present value and annuity tables are included, as are sample policy forms for automobile, homeowners', life insurance, and disability income insurance. The glossary that was expanded and improved in the last edition has been revised and updated in this edition.

## SUPPLEMENTS

- *An Instructor's Manual with Test Bank and Transparency Masters* is available to supplement the pedagogical items included within the text itself. The manual contains addi-

tional discussion questions and objective questions to provide instructors with more choices in composing tests.

- *ExamView Pro® Computerized Testing Program* contains all of the questions in the printed test bank. This program is an easy-to-use test creation software compatible with Microsoft Windows. Instructors can add or edit questions, instructions, and answers, and select questions by previewing them on the screen, selecting them randomly, or selecting them by number. Instructor's can also easily convert tests into a WebCT or Blackboard uploadable format.
- A Web site at <http://trieschmann.swlearning.com> contains links to all Internet sites within the text as well as Instructor Resources and Student Resources. Within the instructor resources button, registered instructors can access Word files of the instructor's manual and test bank, and PowerPoint slides are accessible from this site for both students and instructors. The site also includes a sample risk management checklist that can assist in the risk identification phase of the risk management process, with the specific example used being commercial real and personal property.
- PowerPoint slides are available for use by students as an aid to note-taking, and by instructors for enhancing their lectures. Slides include charts and tables from the text as well as lecture outlines.
- TextChoice is the home of Thomson Learning's online digital content. TextChoice provides the fastest, easiest way for you to create your own learning materials. You may select content from hundreds of our best-selling titles, choose material from one of our databases, and add your own material. Contact your South-Western/Thomson Learning sales representative for more information.
- *Effective Use of a Financial Calculator* by Pamela L. Hall is a handbook designed to teach students effective use of a financial calculator and is suitable for use in corporate finance (introductory, intermediate, and advanced), investments, and personal finance courses. Covering key financial concepts, *Effective Use of a Financial Calculator* provides step-by-step, problem-solving examples using three of today's most popular financial calculators: TI BAII PLUS, HP 10B, and HP 17BII.

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James S. Trieschmann  
Robert E. Hoyt  
David W. Sommer



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# Risk and the Risk Management Process

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# chapter I

**E**astman Enterprises specializes in home renovation, landscape design, and the historic preservation of buildings. It began operations in Pennsylvania and expanded rapidly, and now has branches throughout the midwestern and southeastern regions of the United States.

Because of the firm's phenomenal rate of growth, Eastman's managers have had virtually no time to think about anything other than trying to meet customers' demands. No thought has been given to the potential consequences of events such as employee injuries or actions that might damage customers' property. Even the very basic potential problem of loss due to fire has received only cursory attention from management. The attitude is best characterized by owner Carol Eastman's statement: "Maybe we'll have time to think about those things tomorrow. Nothing really terrible has happened yet, and we've got a business to run!"

As Eastman may soon discover, the time for a business to think about terrible things is before they happen—afterward may be too late. For example, the likelihood that a tornado will hit Eastman's headquarters building may seem remote, but if it does happen, the potential consequences could be disastrous. Eastman could lose not only its main building but also the equipment and inventory stored inside. Vital computer records might be destroyed, key personnel could be injured, and operations could be curtailed for weeks or months. Such damage could also impact business at Eastman's other locations, resulting in a much greater total loss than management ever imagined.

The many uncertainties that may cause losses for businesses and individuals, as well as ways to manage those uncertainties, form the basis of this book. This first chapter explores the nature of uncertainty, also known as risk.

## Introduction to Risk

### CHAPTER OBJECTIVES

After studying this chapter, you should be able to

1. Explain three ways to categorize risk.
2. List the components of an entity's cost of risk.
3. Give several examples of risks involving property, liability, life, health, loss of income, and financial losses.
4. Distinguish between chance of loss and degree of risk.
5. Give examples of three types of hazards.
6. Identify the difference between hazards and perils.
7. Explain the evolving concept of integrated risk management.
8. Explain the four steps in the risk management process.