

## **GE Justification for OSRM B26 Risk Management**

The course includes textual, mathematical, and critical analysis. Students perform guided research and document analysis to determine appropriate options for effectively managing risk. Students apply frameworks to case studies and their own lives.

According to the Guiding Notes for General Education Course Reviewers, courses in Area E must include three kinds of inquiry:

⇒ **Sociological:** in this context, the relationships between an individual and broader society.

OSRM B26 meets this criteria by demonstrating that how a person manages risk affects not only their life, but broader society as well. Looking through a risk management lens, society is connected. Individual and corporate choices have ripple effects, whether it's how we manage the Coronavirus, PG&E bankruptcy, property rights, gun litigation, or homelessness. The course includes discussion of how insurance serves as a social good to aid society in recovery after loss, spreading and financing risk throughout society.

⇒ **Physiological:** the human body as an integrated organism with systemic functions such as movement, nutrition, growth, reproduction, and aging.

OSRM B26 marginally meets this criteria by demonstrating that taking risk is inherent in being alive and that risk is necessary for growth and development. Infants don't learn to walk unless they take a risk. Teenagers take risk in learning to drive as do the elderly in continuing to drive. Individuals must be mindful of matching the risk they assume with their capacity to effectively control or finance. Health insurance plays a role in providing a method of financing recovery after physical injury or illness.

⇒ **Psychological:** the study of the mental processes that create consciousness, behavior, emotions, and intelligence.

OSRM B26 meets this criteria by demonstrating that how a person perceives risk greatly affects behavior and choices. Risk tolerance and risk perception can vary greatly and will affect how a situation is viewed and drive different outcomes. Poor choices create adverse liability which can result in individual or corporate bankruptcy (emotional and/or financial). Proper risk management provides peace of mind that the cost of loss has been reduced to an acceptable level. This allows individuals and businesses to prosper. Fear of loss drives behavior as much as desire for gain.