University of Iowa
Tippie College of Business
Department of Finance
Fall 2026
FIN 4430 – Life and Health Insurance

Instructor:	Ira Abraham, Ph.D.
Office:	S317 PBB
Email:	ilabraham@uiowa.edu
Drop-In Hours:	Tuesday/Thursday 1:00 p.m. – 2:00 p.m
Appointments:	Also available by appointment: https://calendly.com/ilabraham-uiowa/30min
Class Hours:	Tuesday/Thursday 11:00 a.m. – 12:15 p.m.
Class Location:	S207 PBB

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Contents

1 Course Site

To access the course site, log into Iowa Courses Online using your Hawk ID and password. I will use ICON and email for all out-of-class communications. I will post exam dates as well as other information in ICON or send it to you via email. Please be sure that you are enrolled in this ICON course. Review all of the information on ICON.

2 Textbook and Readings

- **Required**
  - There are no required textbooks for this course. This is because course material will come from many different sources. I have listed the primary sources below as recommended. If you find yourself particularly interested in a topic, you may go to these textbooks for reference. The only required reading will be from Articles/podcasts posted on ICON corresponding to the topics.
- **Recommended**
  - Henderson, 7$^{\text{th}}$ Ed., 2018, *Health Economics and Policy*. ISBN-13: 978-1-337-10675-7
  - Morrisey, 3$^{\text{rd}}$ Ed., 2020, *Health Insurance*. ISBN-13: 978-1640551602
  - Black et. al., 15$^{\text{th}}$ Ed., 2015, *Life Insurance*. ISBN-10: 0985876514
  - Skipper and Tonning, 2013, *The Advisor's Guide to Life Insurance*. ISBN-13: 978-1616321079

I am not going to "lecture" in the classic sense of the term. The purpose of class is not for you to blindly copy notes about things you are seeing for the first time. The purpose of class is for me to lead a discussion about material you have all already been exposed to through preliminary reading. I want to emphasize the discussion aspect. I expect all of you to contribute to the conversation. Even if you are not sure what you have to say is correct, still contribute. Often people learn more from why something is incorrect than just hearing a listing of correct responses.

Research has shown that students learn better when they take their own notes. As such, I will not be posting my notes. Any student who misses class should watch the class recordings to make up for the missed notes.

3 Prerequisites

FIN3400 – Principles of Risk Management and Insurance or permission of Instructor

4 Course Overview

This course examines the risk transfer mechanisms that serve to protect against economic loss caused by illness, old age, and death. While the use of insurance products developed by the private sector will be highlighted, emphasis will also be placed on government programs and insurer operations (e.g., ratemaking and underwriting) and their respective influences on the resolution of multi-faceted problems.

The course is designed to make the student capable of independently evaluating information and making informed choices concerning the management of economic losses caused by the perils of illness, old age, and death. This course is organized into **three modules**.

The **first module** is designed to familiarize you with the economic foundations of insurance decisions and the core economic issues at play in the healthcare market. During this module, we will discuss how to model risk and uncertainty, think about how consumers make purchasing decisions, look at the inherent problem every economy faces, and discuss an overview of healthcare systems.

The **second module** deals with the perils of illness and examines the public and private sector responses in crafting resolutions dealing with the economic losses resulting from these perils. During this module, we will dive into the history of health insurance in the US, the issues surrounding health insurance and public/private sector responses to these problems.

The **third module** discusses near end-of-life and end-of-life risk. This section will examine long-term care insurance and issues surrounding long-term care. It will also cover the life insurance industry and the development of life insurance products with their varied components.

5 Learning Objectives

After taking this class, students should be able to:

- Explain the underlying economic principles of risk and uncertainty.
- Identify the critical components of the healthcare sector and public and private responses to economic losses associated with the perils of illness and old age.
- Identify and explain the healthcare policy issues that shape and define financial responses to the payment and delivery of healthcare.
- Identify the characteristics and features of various risk financing mechanisms used by individuals to protect against economic loss caused by illness, old age, and death.
- Demonstrate a basic understanding of life insurance company operations.
- Identify and differentiate between life insurance products and their uses.

6 Course Grading and Assessment

Your final grade consists of your scores on three midterm exams (each worth 150 points).

Is there a curve? Yes. Your score on each exam will be based entirely on your performance relative to the other students in the class. Numeric grades will be assigned based on your rank order and will closely follow the below distribution:

Grade	Percentage
150	5%
142	10%
138	15%
131	20%
127	20%
123	10%
117	5%
112	5%
108	5%
100	5%

6.1 Final Grade Determination

At the end of the semester, I will add up all of the points you have accumulated during the course, divide it by 450, and then assign you a letter grade according to the scale below.

Point Range	Grade
100.00+	A+
93.00 – 99.99%	A
90.00 – 92.99%	A-
87.00 – 89.99%	B+
83.00 – 86.99%	B
80.00 – 82.99%	B-
77.00 – 79.99%	C+
73.00 – 76.99%	C
70.00 – 72.99%	C-
67.00 – 69.99%	D+
63.00 – 66.99%	D
60.00 – 62.99%	D-
Below 60.00%	F

Is there extra credit? There will be the possibility of extra credit. Generally, I will provide extra credit opportunities in class. However, if you are not in class when I give an extra credit assignment you cannot make up that assignment. You can also get extra credit for participating in selected events organized by the Vaughan Institute and/or our student organization Gamma Iota Sigma (GIS). The instructor will select relevant events and announce the extra credit opportunities and how much extra credit can be earned at least one week in advance. It is a strategic priority of the Vaughan Institute to help each student start building a professional network prior to graduation, while deepening their understanding of current industry developments and potential career paths.

Receiving Your Final Grade: I do not send or discuss final grades via email or discuss grades on the telephone. The University posts all final grades.

Questions about Your Final Grade: If you have a question about your final grade after the grades are posted, email me and we can set up an appointment to discuss your grade in the next semester. If you are a graduating senior, you may have your advisor contact me to affirm that you are a graduating senior. After I have confirmed this status, we can discuss your grade either in person or via Zoom.

7 Attendance

I will take attendance. You are allowed 3 missed classes with no punishment and, after that, you will lose 1 point ON YOUR FINAL GRADE for every class that you miss. If you have to miss a class and don't want to be punished, you can turn in a "make up" assignment (described below) within two weeks and not have the absence count. Other than excused absences (defined below), there will be zero exceptions to this policy and you do not need to email me if you are not going to be in class.

How will I take attendance? At the beginning of class, I will pass around a sign in sheet. Just sign next to your name. I will then collect it. If you come in late, be sure to come to me at the end of class and I will let you sign in for a "half" absence. Note: Signing in for someone else falls under Academic Dishonesty and will be treated as such.

7.1 Excused Absences

The only things that qualify for excused absences for attendance purposes are:

- Religious holy days
- Military service obligations
- Military service-related medical appointments
- Jury duty
- University-sponsored activities such as athletics.
- GIS events scheduled during class time.

7.2 Make Up Assignment

If you need to make up attendance or any out-of-class extra credit, you can do so by creating, and recording through zoom, a 30 minute presentation on an interesting RMI topic. You must do a different presentation for each thing that you want to make up. The list of potential topics, along with some background sources, is on ICON. You will also need to find additional sources. An additional requirement is that you must visit the Frank Center and have them look over your presentation. Please take a selfie while there for proof. A rubric for the presentations is on Canvas. In order to have the make-up presentation "count", you must score at least a 7 out of 10. This is **not** a collaborative activity and any sharing of materials (including across semesters) will be dealt with as academic dishonesty. Presentations will be run through TurnitIn.

Presentation recordings, raw slides, and the Frank Center selfie must be emailed to me within 2 weeks of the missed event. The only exception to this is if you have difficulty scheduling an appointment at the Frank Center. In that case, please screenshot the lack of availability and send me a request for an extension.

8 Exams

Format: The exams will be multiple choice. However, these multiple choice questions will contain quantitative elements. Most exam questions will come from the practice exams at the link on ICON. Material for the exams, for the most part, will come from the lecture notes and assigned readings. Midterms will be 75 questions and worth 150 points each.

Midterm Exam Dates: The first exam will cover Module 1. The second exam will cover Module 2. The third exam will cover Module 3. Specific dates for the exams can be found below. Note, this schedule is subject to change. If due dates must be changed (for whatever reason), I will always strive to give you at least two weeks notice.

Exam	Date
Exam 1	Thursday, Oct 1th
Exam 2	Tuesday, Nov 3th
Exam 3	Thursday, Dec 10th

Final Exam: No Final.

Makeup Exams: If you have to miss an exam for any reason, you need to get permission ahead of time and schedule a makeup exam at the testing center.

Returning Exams: FIN 4430 is undergoing a systematic course evaluation this semester. In order to properly assess the course, we will need to have all completed exams for review. If you have any questions about your exam, please come to drop-in hours to review your exam.

9 Class Recording

Students may be enrolled in a class where some sessions will be recorded or live-streamed. Such recordings/streaming will only be available to students registered for the class. These recordings are the intellectual property of the faculty and they may not be shared or reproduced without the explicit, written consent of the faculty member. Further, students may not share these sessions with those not in the class or upload them to any other online environment. Doing so would be a breach of the Code of Student Conduct, and, in some cases, a violation of state and federal law, including the Federal Education Rights and Privacy Act (FERPA).

The unauthorized video or audio recording of academic activities (e.g., lectures, course discussions, drop-in hours, etc.) by a student is prohibited. Students with a reasonable accommodation for recording approved by Student Disability Services should notify each instructor and provide the Letter of Accommodation prior to using the accommodation. A student may record classroom activities with prior written permission from the instructor and notice to other students in the class that audio or video recording may occur. Any and all classroom recording must be for personal academic use only. The distribution, sharing, sale, or posting of recordings on the internet (including social media), in whole or in part, is prohibited and doing so may be a violation of the Code of Student Life and/or state or federal privacy, copyright, or other laws.

10 Administrative Issues

Drop-In Hours and Preferred Method of Contact: I will always be available during drop-in hours. You never need an appointment for drop-in hours – just come to my office! If you cannot come to drop-in hours, I am also willing to schedule an appointment to meet with you at a mutually agreeable time. See below for how to arrange that.

Occasionally, I have meetings scheduled, which may prevent me from holding all of my drop-in hours. I will announce these through ICON in advance. The best way to reach me outside of class is via email. My goal is to be as accessible as possible to you throughout the semester. If you are wandering the halls outside of drop-in hours and my door is open, feel free to come in!

This course emphasizes using the Internet and ICON for all class communications. It is best to communicate with me via email rather than leaving me a phone message. I generally try to respond to all emails within 48 hours. Each student is required to have access to ICON and to use an Iowa email address. Please include the class and the time in the subject line when emailing me.

If I have not responded to your email in 48 hours, try sending it directly to my Gmail (ira.lilly@gmail.com). I use a program called Calendly to handle meeting requests. If you would like to set up a meeting with me, click here: `https://calendly.com/ilabraham-uiowa/30min` and follow the instructions. You can also set up group meetings with me this way. **If you schedule a meeting, you need to give at least 1 hour of notice to cancel it. If you give notice within 1 hour, you will lose one point on the following exam. If you do not give notice and simply miss the meeting, you will lose 5 points on the next exam.**

11 Collegiate And University Policies and Guidelines

The administrative home of this course is the Tippie College of Business, which governs academic matters relating to the course such as the add/drop deadlines, the second-grade-only option, issues concerning academic misconduct, and how credits are applied for various graduation requirements. Different colleges might have different policies.

Students at Tippie adhere to an honor code that emphasizes the importance of honesty and integrity. Student concerns about this class or your performance in it can be discussed directly with the instructor. If you do not feel that your concern has been resolved satisfactorily, you should contact the Department Executive Officer (DEO) who oversees the department offering this course (contact information provided at the top of page one of this syllabus). More details about these and other policies are available on the Tippie website.

The University of Iowa is committed to the protection of freedom of speech and the principles of academic and artistic freedom, to accommodating students with disabilities, and to accommodating absences due to religious holidays and military obligations. For more information, see the Student Course Policies page. In addition, students are expected to comply with the University's Code of Student Life. The University is also committed to non-discrimination and prohibits all forms of sexual harassment, sexual misconduct, and related retaliation. The University also provides resources for student mental health as well as for the basic needs and support of students.

Students are expected to comply with University policies regarding appropriate classroom behavior as outlined in the Code of Student Life. While students have the right to express themselves and participate freely in class, it is expected that students will behave with the same level of courtesy and respect in the virtual class setting (whether asynchronous or synchronous) as they would in an in-person classroom. Failure to follow behavior expectations as outlined in the Code of Student Life may be addressed by the instructor and may also result in discipline under the Code of Student Life policies governing E.5 Disruptive Behavior or E.6 Failure to Comply with University Directive.

11.1 Tippie Honor Code:

The Tippie College of Business has an Honor Code, and you must abide by it in completion of all assignments. Integrity is a reflection of your character and is critical for creating meaningful and lasting relationships. One part of integrity is abstaining from acts like cheating, so cheating on any assignment in this class will result in an appropriate consequence, usually a zero for the grade in question and, if that penalty does not reduce the grade, a penalty of a full letter grade reduction. In addition, all incidents of cheating will be reported to the appropriate academic offices, and the student may be placed on disciplinary probation, be suspended, or even permanently expelled, depending on the severity of the offense.

If a student has been found in violation of this policy, they will first be notified directly, then the professor will report to the appropriate program office. Faculty and students can report Academic Misconduct via this college website.

11.2 Privacy:

As part of this course, your name will be revealed to other students in the class. If you have concerns, please contact the instructor immediately.

11.3 Complaint Procedures:

If at any time you have concerns about this class or your performance in it, please contact me directly. If you do not feel that your concern has been resolved satisfactorily, you should contact the Department Executive Officer (DEO) who oversees the department offering this course (erik-lie@uiowa.edu). If that does not resolve the complaint, you may contact the Associate Dean of the Undergraduate Program, Charles Keene (charles-keene@uiowa.edu).

11.4 Accommodations for Disabilities:

The University is committed to provide an educational experience that is accessible to all students. If you have a diagnosed disability or any other condition that would impair your ability to complete the course requirements as stated above, please inform me as early in the semester as possible, but no later than two weeks prior to the scheduled activity. Students needing accommodations must register with Student Disability Services (see below for more information on how to do this).

12 Student Support Resources

As a registered student in a course through The University of Iowa, the following University policies apply to you.

12.1 Tippie Toolkit:

Tippie and the University offers a variety of resources to help you succeed in and out of the classroom. The Tippie Toolkit highlights student success resources and experiences regarding academic support, basic needs, wellness, finding community, professional development, and more. For more information, please visit the Tippie Toolkit.

12.2 Tippie Career Services:

Tippie Undergraduate Career Services provides students with personalized career support, regularly updated internship and job leads, and other useful career information. Additional information and access to services can be found at the Tippie Undergraduate Career Services website.

12.3 Student Disability Services:

Students needing accommodations must register with Student Disability Services (SDS) to obtain a Student Academic Accommodation Request (SAAR) form. The form will specify what course accommodations are reasonable for that student. The office is located at 3100 Burge Hall, 319-335-1462.

12.4 Mental Health:

Students are encouraged to be mindful of their mental health and seek help if they are feeling overwhelmed or incapable of meeting course expectations. For assistance with the class, students are encouraged to talk to the faculty member. For additional advice or support, students are encouraged to contact University Counseling Services at University Capital Centre Suite 1950 or 3223 Westlawn South (319-335-7294) for same day appointments (Mon-Fri 8 am - 4:30 pm). After hours, we encourage you to call the Johnson County Crisis Line at 319-351-0140 or 911 if you are in immediate danger.

12.5 Electronic Devices in the Classroom

Computers, Cellphones, iPads, Earphones, and All Other Types of Electronic Devices:

I do not permit audio recording, video recording, photo recording, or capture of any kind or media in the classroom or of me at any time or location. If you require a variance to this policy due to medical reasons, please see me. Please see me if you have any questions about this policy. If I notice you using your phone in class you will be heckled.

Calculators:

You will be allowed to use a non-programmable calculator during exams. No graphing calculators or cell phones will be allowed to be used. If you can type English on it without having to turn it upside down you are not allowed to use it (this includes smart watches). I will not bring extra calculators to the exams. If you forget yours, you will have to do the math by hand.

13 Course Topics

- **Module 1: Introduction and Economic Foundations**
  - Risk, uncertainty, and the economics of risk transfer; when to retain risk versus insure.
  - Theory of the Second Best; adverse selection and moral hazard in health, life, and annuity markets.
  - Household decision-making under risk: insurance demand, self-insurance, and savings trade-offs.

  - Supply of insurance and capital; high-level view of underwriting and pricing.
  - The role of the state in insurance markets; regulators, market oversight, and consumer protection.
  - Reclassification risk and incentive-compatible product design.
  - How product design aligns (or misaligns) incentives across consumers, insurers, and providers.

- **Module 2: Healthcare and Insurance Markets**
  - Health plan structures and cost sharing (individual vs. group, managed care, HDHP/HSA).
  - Consumer-insurer-provider incentives: networks, contracting, and utilization management.
  - Government programs: Medicare structure, common coverage gaps, enrollment timing, and coordination with employer/individual coverage.
  - Retiree health costs and coverage choices within a broader retirement plan.
  - Medicaid fundamentals and eligibility pathways; coordination with private coverage and long-term care financing.
  - Compliance and consumer protection in health coverage (e.g., COBRA, appeals, disclosures).
  - Historical context and the current landscape of U.S. health insurance.

- **Module 3: Long-Term Care, Life Insurance, and Annuities**
  - Long-term care: care settings; ADL/cognitive-impairment triggers; policy design (benefit period, elimination, inflation protection, shared care); family planning and financing.
  - Life insurance: major product designs (term, WL, UL/VUL) and riders; household coverage assessment; evaluating whether to retain, modify, or replace existing policies; beneficiary coordination, estate-liquidity considerations, and basic tax treatment.
  - Business-owner applications: key-person coverage and funding buy-sell agreements.
  - Annuities: immediate vs. deferred; fixed, indexed, and variable; payout structures; contract terms and taxation; comparison to alternative income strategies (including special cases where appropriate).
  - Integrating insurance within retirement income: longevity risk, sequencing, and the role of guaranteed-income tools.
  - Pricing and hedging of long-term guarantees; one-sided commitment and reclassification dynamics.
  - Interpreting policy terms and comparing carriers: coverage definitions, exclusions, service/claims processes, and financial strength.