

REVIEW OF THE CENTER FOR INSURANCE AND RISK MANAGEMENT (KATIE SCHOOL)

Classification of Instructional Program (CIP) Code: 90.5208
Research and Service Center: Finance and Financial Management Services

OVERVIEW

The Center for Insurance and Risk Management at Illinois State University was founded in 1991 as the Center for Insurance and Financial Services. The center was recognized and authorized by the Illinois Board of Higher Education in 1993. This is the fifth program review since establishment of the center.

The mission of the Center for Insurance and Risk Management at its inception was to create the finest undergraduate insurance program in the United States. Over the years the mission has been refined to articulate support for the undergraduate insurance and risk management program of the College of Business at the University and the actuarial science program of the College of Arts and Sciences. The center seeks to prepare future leaders of the insurance and risk management industry by fostering a student-centered learning environment, innovative teaching, cutting-edge applied research, and strong industry involvement with students. To reflect increasing emphasis in the programs on risk management as well as to reflect changes in terminology used in the field, the name of the center was changed from the Center for Insurance and Financial Services to the Center for Insurance and Risk Management effective December 15, 2017. The center is also known as the Katie School of Insurance and Risk Management, or the Katie School, to honor the daughter of an Illinois State alumnus. Despite its name, the Katie School does not offer credit-generating classes but instead supports academic programs administered through its cooperating units.

EXECUTIVE SUMMARY PROGRAM REVIEW SELF-STUDY REPORT

Introduction and overview

The Center for Insurance and Risk Management (hereinafter the “center” or the “Katie School”) is administratively affiliated with the College of Business, to whose dean the Katie School director reports. The director works closely with the chairperson of the Department of Finance, Insurance, and Law, the unit through which the B.S. in Insurance and Risk Management program is offered, and the actuarial science director in the Department of Mathematics within the College of Arts and Sciences. The Katie School also financially supports and works closely with the Edmondson-Miller (Endowed Faculty) Chair in Insurance. The Katie School has three full-time staff members and several graduate assistants.

The Katie School pursues its mission by promoting student-centered learning and by supporting applied research conducted by faculty, students, and industry partners. The Katie School supports lifelong learning through professional development symposia, workshops, and seminars. To offer industry-relevant programs and services that engage the professional community, the Katie School is guided by an Insurance Advisory Board of Executives. The advisory board consists of industry leaders representing regional and national insurance, risk management, and financial services organizations.

Accomplishments since the prior program review

Service to students. The Katie School first and foremost supports students. That support includes direct financial aid through scholarships, delivery of curricular content, sponsorship of co-curricular activities, and assistance with internship and job placements. From 2014 through 2017 the Katie School granted 143 scholarships to insurance and risk management students at a total cost of approximately \$625,000 and granted 335 scholarships to actuarial science students at a total cost of approximately \$97,000. The center paid examination fees on behalf of 335 students taking actuarial science industry examinations and 78 students taking Chartered Property Casualty Underwriter (CPCU) examinations. The center also provided scholarships to 17 high school students participating in a summer program designed to encourage students to enroll in postsecondary actuarial science programs. Since the 2013-2014 program review the Katie School has provided information on careers in the industry to over 700 students annually

in classes and club meetings; provided ethics education annually to over 100 students enrolled in one of two insurance classes; provided information to students regarding internship and job opportunities with insurance companies, brokers, and agents in the Midwest; coordinated 51 internships, including 22 fully-funded international internship placements; helped more than 48 students obtain summer employment in the industry; and helped 15 students conduct research on industry-related projects. The Katie School has provided financial assistance annually to an average of 26 students for dues to join the College of Business Toastmasters Club; provided financial assistance to students so they can attend national conferences, competitions, and industry events; facilitated more than 20 mentorships of students by insurance professionals; arranged more than 75 on-campus presentations annually by industry professionals; and conducted a 100 clock-hour student leadership program for 51 students.

Service to the community. Since the 2013-2014 program review the Katie School has provided financial or educational resources to more than 250 high school students on campus or in Chicago and has conducted a week-long summer actuarial science program for 160 high school students from traditionally underrepresented groups.

Service to faculty and other units at the University. From 2014 through 2017, the Katie School provided 39 research and development grants to faculty members at the University at a total cost of approximately \$517,000. The center also purchased software and acquired subscriptions to online research databases for use by students and faculty at a total cost of approximately \$58,000 from 2014 through 2016. The Katie School assisted the actuarial science program in retaining its Certification of Excellence from the Society of Actuaries and the College of Business in retaining its accreditation by the Association to Advance Collegiate Schools of Business International (AACSB). The actuarial science program at Illinois State is the only actuarial program in Illinois with such certification and one of only 12 certificated programs in North America.

Service to industry partners. From 2014 through 2017 the Katie School sponsored more than 560 clock-hours of training attended by more than 2,200 insurance professionals. Attendees included graduates of insurance programs just entering the profession, Illinois State University alumni, employees of donor organizations, and members of insurance industry associations.

Assessment

The Katie School systematically collects and analyzes information regarding its programs and services and uses findings from the analyses to inform program and service improvements. The center collects participant feedback through surveys seeking quantitative and qualitative responses to questions regarding presenter quality, topic appropriateness, facilities and technology, and staff responsiveness. The center uses software and smartphone application technology to digitally collect participant feedback regarding the summer high school program and workshops for university students.

Resources

The Katie School is funded exclusively through contributions from external entities and revenue generated through center-sponsored events. Total annual income from 2014 through 2017 averaged approximately \$1,020,000 while expenses averaged approximately \$1,187,000. Expenses in excess of revenue were paid from foundation accounts invested by the center. The largest source of income continues to be annual contributions from the 24 industry organizations comprising the Insurance Advisory Board of Executives. Two Bloomington-Normal firms, State Farm and COUNTRY Financial, contribute three-fourths of the annual pledges made to the center and one-third of the overall operating budget. Other funding sources include discretionary contributions from sponsoring organizations, revenue generated through fundraising events or through professional development programming, and interest earned on center accounts.

Response to previous program review recommendations

Work with University Assessment Services to formalize an assessment plan for the Katie School, utilize existing data and data collected through implementation of the plan to identify and implement center improvements, and document how that has been done. Although the Katie School systematically gathers information regarding its programs and services and participant satisfaction with them, the center does not yet have a formal assessment plan. Compiling such an assessment plan is a goal for the next program review cycle.

Continue efforts to outreach to and collaborate with university units and external entities to communicate the work of the Katie School and to expand its reach and impact. Since the 2013-2014 program review, the Katie School has established and filled a staff position responsible for internal and external communications. The incumbent has publicized programs and events of the center through mailers, the web presence of the center, an email listserv, and use of smartphone and online technologies. A center-produced video regarding careers in insurance and risk management is being distributed to high schools nationally.

Identify and research benchmark and aspiration centers nationally and internationally to identify new program and service opportunities as well as potential center improvements. The Katie School is unique among research and service units at postsecondary institutions in its support of undergraduate insurance, risk management, and actuarial science education and in its support of the insurance industry regionally, nationally, and internationally. Thus, the Katie School has no benchmark or aspirational centers; however, during the next program review cycle the Katie School will expand its search for benchmark and aspirational centers to include entities that more broadly support post-secondary business education and professional development. Findings from analyses of such entities will be used by the Katie School to inform its strategic planning efforts.

Major findings of this self-study

During this past program review cycle the Katie School has continued to make substantial contributions to the quality of insurance and actuarial science education at Illinois State and to support professional development in the industry. Contributions have included direct financial support of students and faculty through scholarships and research grants and sponsorship of curricular, co-curricular, and professional development initiatives. Particularly noteworthy since the prior program review are efforts by the Katie School to interest high school students from traditionally underrepresented racial and ethnic groups in working toward insurance careers. The Katie School, however, has been challenged in recent years in its efforts to help prepare students for successful insurance careers by the departure of multiple faculty members. Searches for a faculty member to serve as the Edmondson-Miller (Endowed Faculty) Chair and a faculty member to fill an open actuarial science position have thus far been unsuccessful. In addition, the financial crisis in Illinois government has left the University at risk of having other faculty members recruited by peer institutions that are able to offer substantially more compensation and reduced teaching loads. The challenge to attract and retain faculty to the institution is perhaps the most acute since establishment of the center in 1991. In the coming years the Katie School will have a vital role to play in addressing this challenge, through its long-standing programs and services and through innovative new ones.

Examination of Katie School funding sources reveals that most revenue of the center continues to come through annual discretionary contributions rather than through multiple-year funding commitments. Reliance on annual discretionary contributions has made it difficult for the center to accumulate sufficient funds for longer-term, multiple-year strategic initiatives. A longer-term funding option the Katie School might explore during the coming program review cycle is capitalization of additional endowment funds that could both ensure stable funding of the center and support longer-term initiatives. Examination of Katie School finances also reveals reliance by the center in recent years on foundation funds to pay expenditures in excess of annual revenues. Although deficits have been small and foundation funds have been available, Katie School resource commitments and expenditures need to be diligently monitored in coming years to minimize or eliminate the shortfalls. Should budget reductions be deemed necessary, the expenses most likely to be affected will be those related to faculty support. Unfortunately, that support is needed to help attract and retain faculty members.

Initiatives for the next program review cycle

- Increase the number of students from underrepresented groups supported by the center through connections with insurance industry partners, community-based organizations, and the Office of Admissions at Illinois State University.
- Expand efforts to attract students from traditionally underrepresented groups to the insurance and risk management program and the actuarial science program at the University. Strategies to explore include using data analysis to identify college-bound students more likely to attend Illinois State and sponsoring more programs and events for prospective students on campus and in the Chicago area.

- Through programs and services provided by the center, place more emphasis on skills employers will be seeking in their future hires. Doing so will likely involve collaborations with other programs and services at the University, such as the business information systems program, programs of the School of Information Technology including cybersecurity, and the Professional Sales Institute in the College of Business.
- Continue efforts to help attract and retain insurance and actuarial science faculty.
- Explore alternative models for long-term funding of the center to promote sustainability of its programs and services.

PROGRAM REVIEW OUTCOME AND RECOMMENDATIONS FROM THE ACADEMIC PLANNING COMMITTEE

Review Outcome. The Academic Planning Committee, as a result of this review process, finds the Center for Insurance and Risk Management (hereinafter “the Katie School” or “the Center”) to be in Good Standing.

The committee thanks the Katie School for a thorough, detailed, and critical self-study report that evidences meaningful involvement of multiple center stakeholders.

The committee commends the Katie School for its support of the B.S. in Risk Management and Insurance program of the College of Business and the actuarial science sequence in the B.A., B.S. in Mathematics program of the College of Arts and Sciences. Katie School support of those plans of study includes guidance with curricular content, sponsorship of co-curricular opportunities, and assistance in earning recognition from accrediting bodies. Examples of curricular initiatives include adding ethics training to the introductory risk management course and developing a computer simulation for use in the insurance company operations course. Examples of co-curricular activities include computer software workshops, presentations by insurance practitioners, interpersonal skills and leadership training, and facilitation of internships and summer employment. New since the last program review in 2013-2014 is the Certificate in Leadership and Business Acumen, which is earned by students through participation in co-curricular activities. Through its numerous initiatives, the Katie School has contributed to actuarial science education at Illinois State University earning the Centers of Actuarial Excellence designation by the Society of Actuaries. Illinois State is the only university in Illinois having achieved that designation and one of only 12 in North America. Katie School initiatives have also contributed to reaccreditation of the College of Business in 2017 by the Association to Advance Collegiate Schools of Business.

In addition to Katie School support for curricular and co-curricular activities, the committee commends the direct support provided by the Center to students enrolled in either the risk management and insurance program or the actuarial science sequence and the direct support provided to faculty members teaching in them. Each year between 2014 and 2017 the Katie School granted an average of 36 scholarships to insurance students with an average annual value of approximately \$156,250 and 84 scholarships to actuarial science students with an average annual value of approximately \$24,300. The Katie School has also supported six international graduate students each year through stipends. Since the last program review the Katie School has paid actuarial science examination fees for 355 students and professional development examination fees for 78 students. To assist faculty members with their research, the Katie School provided 37 grants to 22 different faculty members between 2014 and 2016, at a total value of approximately \$448,000. The Katie School also arranged internships for faculty members with insurance companies so the faculty members could remain current with insurance industry practices. Those internship experiences have helped inform teaching in the risk management and insurance program and the actuarial science sequence.

The committee further commends the Katie School for its support of the insurance industry regionally, nationally, and internationally. That support is especially important to the economy of Central Illinois, with its numerous insurance corporation headquarters, and, in turn, to the economy of Illinois. Professional development programs for insurance practitioners were attended by 2,200 people since the last program review. The Katie School continues to contribute to industry efforts to increase diversity among insurance workers. Those contributions include sponsorship by the Center of the Midwest High School Scholars Actuarial Academy and the Redbird Risk Management Challenge, both designed to encourage high school students identifying with traditionally underrepresented racial or ethnic groups to pursue postsecondary education in insurance or actuarial science. The Katie School has also utilized the services of College Greenlight (a web-based college search service) to recruit

students identifying with traditionally underrepresented racial or ethnic groups to the risk management and insurance program and the actuarial science sequence at Illinois State University.

The committee recognizes efforts of the Katie School to raise funds needed to support its initiatives. The 24 industry partners that comprise the Insurance Advisory Board of Executives annually contribute funds to the Center and provide input regarding insurance and actuarial science education at the University, co-curricular opportunities made available to students, and professional development opportunities offered to insurance practitioners. Funds provided by industry partners are supplemented with funds generated through Katie School sponsorship of special events and with endowment earnings.

One recommendation resulting from the 2013-2014 review of the Katie School was expanding outreach to and collaboration with other units and programs at the University. The committee recognizes Katie School efforts since that review to do so. One Katie School staff member is now responsible for all internal and external communications of the Center. Involvement in center initiatives has expanded to include faculty and students from units outside the College of Business and the Department of Mathematics in the College of Arts and Sciences, such as the Department of Economics, the School of Communication, and the Department of Technology. Between 2014 and 2016, research grants funded by the Katie School were awarded to faculty members from nine disciplines across three colleges.

There are, however, two committee recommendations from the 2013-2014 review that have not yet been fully addressed: compilation of an assessment plan and analysis of benchmark and aspirational centers. The committee asks the Katie School to submit a separate follow-up report to the Office of the Provost regarding each task. The self-study report evidences ongoing efforts by the Katie School to solicit feedback from persons participating in its initiatives and to document outputs of those initiatives (e.g., outcomes of center-sponsored research). Thus, key elements of an assessment plan are in place and need only be compiled into a document that identifies how, when, and by whom each element is implemented and assessment findings are reviewed. Such a document and findings resulting from its implementation can be especially useful in strategic planning and in guiding center operations during staffing transitions. Accordingly, the committee asks the Katie School to submit a completed assessment plan to the Office of the Provost by December 21, 2018. The committee asks centers to study benchmark and aspirational centers as a way of identifying potential center enhancements. Findings of such analyses can also be valuable inputs to strategic planning. While there may not be many other university-affiliated centers in the U.S. that focus on the insurance industry, there are many other centers that support business or business education. Accordingly, the committee asks the Katie School to complete an analysis of benchmark and aspirational centers and submit a summary of its findings, including implications for Katie School initiatives, to the Office of the Provost, also by December 21, 2018.

Recommendations. The Academic Planning Committee makes the following recommendations to be addressed within the next regularly scheduled review cycle. In the next center review self-study report, tentatively due October 1, 2022, the committee asks the Katie School to describe actions taken and results achieved for each recommendation.

Explore further development of endowments to support Katie School initiatives. The committee recognizes that the Katie School is funded primarily through annual industry partner contributions and proceeds from annual fundraising events. The committee commends the Center for its extraordinary efforts in securing these funds each year. However, the committee concurs with the Center that having additional endowments to support its initiatives would promote its long-term stability by providing additional sources of funding should annual contributions or fundraising revenues decline. Accordingly, the committee encourages the Center to explore further development of endowments during the next review cycle.

Continue communicating work of the Katie School and establishing interdisciplinary collaborations. As has been noted, the Katie School has made significant progress toward outreach and relationship building during this past review cycle. The committee encourages the Center to continue its efforts to communicate its work beyond the College of Business and to establish additional interdisciplinary collaborations with other units and programs.

Continue efforts to increase diversity in the profession. The committee supports the Katie School in its aspirations to help more students from traditionally underrepresented racial/ethnic groups enter and succeed in the insurance profession. The committee supports the Center in its continuing outreach to minority high school students through its actuarial academy, risk management challenge, and recruitment efforts.

Continue implementing and refining the assessment plan for the Katie School. Beyond the work on assessment that is the subject of a requested follow-up report, the committee encourages the Katie School to periodically assess progress made toward its goals during the next review cycle, use assessment findings to modify operations and initiatives as needed, and consider revisions to the assessment plan based on its experiences with the plan.