

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 sixth 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 mission statement of the Katie School as of 2024 is: *The mission of the Katie School is to attract and develop diverse risk management and insurance talent, and support life-long learning. The Katie School engages a multidisciplinary community of scholars to advance innovative, impactful research related to risk that aims to improve outcomes and benefit society.* The Vision Statement now reads: *“The Katie School seeks to expand its global recognition as a premier source for developing talent in risk management and insurance, and a repository of intellectual capital to guide the insurance industry.”*

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 program in Globally Risk Management. The Katie School has two full-time staff members, a part-time research coordinator 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 Advisory Board of Insurance 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. In service to students, comprehensive support was provided for 17 students participating in international externships across London, Bermuda, and Zurich. Information on industry careers was

disseminated to over 1,000 students annually through classes and clubs. Ethics education reached more than 300 students each year in FIL 250 and FIL 355 insurance classes, impacting 1,935 students over five years. The Katie School listserv and website were utilized to inform students of hundreds of job opportunities and internships in the insurance sector. Efforts included identifying and coordinating 47 internships, with 17 fully funded international internships, and facilitating over 48 summer jobs. Financial assistance was extended to students attending national conferences, competitions, and industry events, along with support for local industry events in Illinois. Additionally, over 55 industry mentorships were facilitated. More than 100 industry professional presentations were arranged annually on campus, featuring young alumni in various formats such as classrooms, lunch-and-learns, workshops, and forums. A 100-hour student leadership program was conducted for 51 top students, incorporating workshops, personal assessments, and individual coaching. Financial support also covered professional exams, including 37 CPCU and 268 actuarial science exams, with individual exam costs ranging from \$250 to \$1,050. In 2023, expenditures for these student programs included \$17,357 for international internships/externships, \$11,007 for conference travel/lodging plus \$7,958 for meals, \$7,450 for conference registrations, \$5,437 for on-campus programs, and \$7,616 for industry events.

Service to the community. The Katie School has provided financial or educational resources to more than 100 high school students on campus or in Chicago and has conducted a week-long summer actuarial science program for 45 high school students from traditionally underrepresented groups.

Service to faculty and other units at the University. The Katie School provides substantial support for faculty engaged in risk management and insurance scholarship, including research and development grants, travel to academic and industry conferences, and membership dues for professional organizations. Annually, the center allocates approximately \$40,000 for research grants and \$22,500 for faculty development grants. Faculty editors of the Journal of Insurance Issues and the Journal of Insurance Regulation receive additional support through graduate student assistance, part-time research coordinator funding, promotional costs, travel for board meetings, and special edition expenses. Recent expenditures include \$7,727 for the Associate Director's international travel, \$51,381 for conference travel for six faculty members attending 16 conferences, and \$2,949 for memberships and dues. The Executive Director coordinates internships for 8-10 students annually, teaches during faculty sabbaticals, and develops new curricula. From 2018 to 2023, the Executive Director taught Commercial Liability and Insurance Operations, created Risk in Society, and developed Assessing Business Risks with industry input. The Executive Director also reviews research proposals and aids in data acquisition, with an annual data budget of about \$15,000

The Katie School has provided significant support to the actuarial program, providing 91 scholarships, covering 268 actuarial exam fees, and offering 5 scholarships to high school students in the summer program. The Illinois State University Actuarial Program, recognized as a Center of Actuarial Excellence, received Society of Actuaries recognition in 2022 and 2023 for University Earned Credit for four exams. In 2023, the program earned the Gold Level award from the Casualty Actuarial Society for its education and research in property/casualty insurance, largely due to the efforts of the Katie School.

Service to industry partners. The Katie School has been instrumental in promoting lifelong learning for professionals in the insurance industry. This support extends to alumni, employees of donor organizations, recent graduates entering the insurance field, and members of insurance industry associations. While most programs are offered for a fee, some are available to the public, and others are exclusively contracted with specific organizations for their members and employees. Faculty and students can participate in most of these programs at no cost. Between 2019 and 2023, these initiatives provided over 560 hours of education to more than 2,200 individuals. The Katie School offers professional development programs and training for industry practitioners. The two major ongoing programs are for the Connecting Business in the U.S. program (20 participants per year) and the Insurance Financial Regulators program (25~ participants per year). These programs generate funds for the Katie School.

Assessment

The Katie School assesses two programs, the Insurance Regulators Education program and the Redbird Risk Management High School program. Both programs are highly rated in terms of satisfaction and learning, and work to enhance the reputation of our institution.

Resources

The Katie School is funded exclusively through contributions from external entities and revenue generated through center-sponsored events. For example, the Katie School receives funding from several sources: \$310,000 annually from the Advisory Board of Executives' pledges, \$280,000 bi-annually from the Hall of Fame event, and \$45,000 from the Golf Classic. These funds, replenished each year by the Executive and Associate Directors, support staff and program activities through foundation accounts. 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. For example, current programs include Connecting Business in the U.S. (\$15,000-\$20,000), the Insurance Financial Regulators program (\$15,000), and the Katie School Symposium/Executive Forum (\$2,000). Net fees from these programs also fund staff.

In addition to foundation accounts, the Katie School has developed scholarship funding, including annual discretionary and perpetual scholarships. Of the \$188,094 in total scholarships, about \$82,000 was discretionary funding raised by the Executive and Associate Directors. Discretionary funding has ranged from \$65,000 to \$82,000 annually, while total scholarship donations have ranged from \$155,000 to \$188,000 over the past five years. Donations grow yearly with new organizations and scholarships, including those named after Hall of Fame Laureates, which have perpetual funding based on principal earnings.

Changes undertaken since the last program review

The Katie School added 1.5 faculty and became the coordinator for the Global Risk Management Program. This emphasizes increasing international engagement for students and faculty scholarship. A previous risk was the departure of most faculty, leaving courses uncovered and risking the institution's reputation and donor interest. This issue is now resolved - the program has full staffing, courses are available, and donor engagement has strengthened.

PROGRAM REVIEW OUTCOME AND RECOMMENDATIONS FROM THE ACADEMIC PLANNING COMMITTEE

The Academic Planning Committee thanks the center and its staff for their work in completing their sixth program review and appraisal of the current state of the center. Established in 1991 and authorized by the Illinois Board of Higher Education in 1993, the Center for Insurance and Risk Management (Katie School) at Illinois State University operates within the College of Business and Department of Finance, Insurance, and Law. The center is supported by two full-time staff, a part-time research coordinator, two part-time student workers, and graduate assistants. The center has a mission focused on attracting and developing diverse risk management and insurance talent and supporting life-long learning.

The committee commends the center for its engagement of multiple stakeholder groups to support its various planning activities. The committee also notes the sound administrative structure, strong connections to the University's Strategic Plan, *Educate-Connect-Elevate*, badge programming with over 100 students participating each year, co-founding the Innovation Consulting Community and the Institute for Insurance Ethics program (both on campus), and curricular work with academic departments. The center's annual Equity, Diversity, and Inclusivity EDI event that engages 150+ people, 12 insurance agencies, 9 student organizations, and 6 industry speakers. The center's forward-looking approach with its strategic initiatives and alignment with the University's next strategic plan were also recognized by the committee.

While acknowledging the numerous strengths offered by the center, the committee has several concerns about the current state of the center as they are presented in the self-study report. The questions raised by the committee span several areas of the center's operations including state and national comparators, the center's assessment activities, budget and resource allocation decisions, plans based on previous self-study findings, and the major findings and corresponding initiatives derived from the current self-study. Therefore, the Academic Planning Committee flags the Center for Insurance and Risk Management (Katie School) for further review. The committee recommends the Center for Insurance and Risk Management (Katie School) take the following actions and submit the following reports based on those actions.

Report Due September 1, 2025

Submit to the Academic Planning Committee via the Office of the Provost

Revise the Introduction and Overview. Although the committee commends the center for its work in articulating its administrative structure, history, mission, and vision statements, the other aspects of this section were underdeveloped. The committee recommends the center revise this section with attention given to reviewing and reflecting upon state and national comparisons and additional examination of Equity, Diversity, and Inclusivity work that has been done within the center. The current self-study examination of EDI is more externally focused. The committee suggests the center build upon this information and spend time reviewing the EDI work that is internal to the institution.

Articulate and implement a more comprehensive assessment plan for the center. The committee recommends the center explore ways to assess all of the center's activities. The self-study summarizes the assessment work of the Insurance Regulators Education and the Redbird Risk Management High School programs. The committee encourages the center to work with University Assessment Services on campus and assessment contacts within the College of Business to expand their current assessment activities to the other areas. A possible approach could be to divide the center's assessment based on service area such as "service to students" and "service to community." The committee also recommends the center take an increased focus on the utilization of their assessment data for continuous improvement.

Revisit the resources section. The committee recognizes the center's work in replenishing their financial funds on an annual basis. However, the committee requests the center provide additional clarification on the overall annual budget and processes for resource allocation decisions. Currently, the general operating budget and processes for making budgetary decisions are unclear to the committee. The provision of an abbreviated budget and corresponding budget decision-making processes are recommended by the committee.

Revise the responses to previous recommendations section. The committee notes the self-study is missing responses to a majority of the recommendations from the previous program review. The four recommendations from the previous program review include the exploration of further endowments to support the center's initiatives, continued work in establishing interdisciplinary collaborations, continued efforts to increase diversity in the profession, and refinement of the center's assessment plan. The committee requests the center revise this section and provide additional insight to their work and corresponding actions taken in response to these recommendations.

Develop the major findings section. The committee was unable to find the center's discussion of the major findings gleaned from the self-study. The committee recommends the center work to identify the major findings and possible action plans based on these findings after completing the revisions referenced in the above sections.