

Risk Management and Insurance



Illini Union

A LEADER IN
INSURANCE RISK
MANAGEMENT
EDUCATION AND
RESEARCH.



The Illinois Risk Management and Insurance Program (RMI) is one of the top risk management programs in the country. Part of the Department of Finance, RMI offers undergraduate insurance courses to more than 700 students in the College of Business and other University of Illinois at Urbana-Champaign colleges.

The RMI Program's mission is to

- *educate* students to be informed insurance consumers
- *prepare* the next generation of industry leaders and RMI educators
- conduct practical research *in risk management and insurance*
- *serve as a forum* for interaction between industry and education

Education and Learning

The integrated learning model used by the College of Business includes the traditional classroom lecture enhanced by team-based, hands-on projects that are common in RMI courses. Many students obtain internships in the insurance industry to gain first-hand experience. Students are also exposed to industry and government leaders in the field through guest lectures and informal opportunities to learn from practitioners.

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The freshman *Introduction to Insurance* course is an example of a *high-enrollment class with a personal touch*. Insurance industry guests — such as actuaries, agents, attorneys, CEOs, claims representatives, regulators and underwriters — guest lecture in the

course each Friday. After class, the guest speaker, students, and faculty instructor share lunch and informal discussions.

Hands-on assignments are the norm in RMI courses. In several courses, students use actual insurance policies to determine the amount that would be covered in realistic claim situations. For one class, students run a computer program that simulates a lifetime of insuring and investing decisions to evaluate the need for life insurance. Marriage, children, retirement, and death are all considered as students determine the costs and benefits of insurance and how to make practical personal investment decisions.

Students do not have to be on campus to learn from Illinois' RMI faculty. The Financial Risk Management for Insurance Enterprises course, part of an innovative, *online professional development certificate program* in the Department of Finance, has been taught online since 1998. Students have enrolled from Great Britain, Korea, the West Indies, and Switzerland, as well as from across the U.S.

Top undergraduates in the RMI Program have an opportunity to *work with faculty as teaching assistants* in undergraduate courses. Students participating in the campus Honors Program or the College of Business James Scholar Honors Program frequently fulfill honors agreements with RMI faculty.

The RMI Program also coordinates an *internship program* that matches undergraduate students with leading insurance and risk management companies such as Allstate, A. J. Gallagher, Northwestern Mutual, and State Farm. Many RMI internships have resulted in post-graduation employment and additional contacts within the industry for students.

Graduates of the RMI Program cite the outstanding and well-respected *curriculum* for their success in landing a challenging first job and for their advancement in the field. Over 450 CBA alumni currently work for insurance companies.

Applied Research

Program faculty are award-winning teachers and researchers who focus on applied research to help the insurance and risk management industries adapt to changes in the economy. A recent study ranked the Illinois program in the top four in the country for research productivity of its graduates in the area of risk management and insurance.

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RMI *research*, which has garnered accolades, includes public and private insurance markets, pension economics, dynamic financial analysis, financial pricing models for property-liability insurers, catastrophe insurance futures, financial risk management, pension funding, regulation, wealth management, employee benefits, and financial markets.

Research findings by RMI faculty are frequently presented at industry meetings, used at regulatory hearings, and included in expert witness testimony. Stephen D'Arcy's seminal research articles are on the required reading list for the Casualty Actuarial Society *professional certification program*.

RMI faculty member Jeffrey Brown is *servicing on an expert panel* appointed by the National Academy of Social Insurance in 2002 to study federal retirement policy. An authority on pensions, Social Security, and annuitization, Brown heads the subcommittee on retirement payout policy.

David Sinow, a former CEO of a bank holding company, has reached more than 10,000 professionals with his seminars on investing and retirement topics. He offers advice and insights on wealth management during his *monthly public radio show* that he has hosted for more than a decade.

Industry Interaction

Active engagement with the insurance industry is a key to the successful and highly respected RMI Program.

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More than 30 *industry speakers* contribute and are involved in the RMI program each semester — serving as guest lecturers and meeting with groups of undergraduate and graduate students for industry discussions. Most guests are also interested in recruiting Illinois' RMI graduates.

Prior to 2001, terrorism risk insurance was an obscure and rarely considered commodity, but it has been on Jeff Brown's research and industry agenda for several years. Brown *shares his expertise and insights* with insurance industry representatives regularly.

RMI faculty are frequent seminar presenters as part of *industry on-site training and continuing education programs*. Such participation strengthens research ties, gives exposure to the College's undergraduate curriculum, and advances recruiting relationships.

The *Office of Risk Management and Insurance Research (ORMIR)* involves risk management and insurance practitioners directly in the research process, by helping to select topics for current research, and by serving as a forum for initial presentation of research results. ▽