



Katie School of Insurance and Financial Services

by Jim Jones, CPCU, AIC, ARM, AIS

History and Mission of Katie School

The Center for Insurance and Risk Management (aka the Katie School of Insurance & Financial Services) at Illinois State University was established in 1991 as a living memorial to Mary Katherine “Katie” Nicosia, who died at age 2 1/2 and was the daughter of Illinois State University alumnus and insurance industry executive Joe Nicosia. The Illinois insurance community readily embraced the idea, helped to fund the program and endowed the first chair. Charter members included companies with a significant Illinois presence such as State Farm, Allstate Insurance, CNA Insurance, Kemper Companies, Country Companies, Zurich Insurance, Pekin Insurance, Franklin Life Insurance, Harco Insurance and Indiana Insurance Company. Today 24 insurers, reinsurers and brokers form the Katie Advisory Board with nearly 80 insurance and risk management organizations providing support for the center.

The vision as stated in the original charter was a very simple one: “To create the finest insurance program in the United States.” Katie’s mission is to support Illinois State University’s nationally recognized undergraduate insurance and risk management program and actuarial science program. Its central focus is to prepare future industry leaders by supporting strong industry involvement with our students, innovative teaching by outstanding faculty, cutting-edge applied research and a student-centered learning environment. The Katie School also offers professional development programs and executive coaching as an additional way of adding value to the industry. To support this vision and mission the Katie School employs four full-time staff members, one half-time staff member who coordinates leadership programs, two student workers, two graduate assistants and the Edmondson-Miller Endowed Chair.

Relationship of Katie School to Academic Departments

The Katie School is a unique entity in its role at the university. It has a wide network of relationships throughout Illinois State University, the community and the insurance and financial services industry. Figure 1 illustrates this relationship. A critical relationship exists between the Katie School and the academic departments of Finance, Insurance and Law in the College of Business and the Math Department in the College of Arts and Science. The Katie School provides substantial services and support for faculty and students in these programs, and acts as a liaison between the academic units and the insurance industry.

Through the Katie School, the insurance industry provides scholarships, research funds, internships, career opportunities, advice regarding the academic curriculum and a variety of enrichment opportunities. In return, the industry receives talented, well-prepared interns and graduates, research on important industry issues and speakers

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for industry events. In addition, the Katie School is active in providing a variety of programs and services to various parts of the insurance industry, including seminars, on and off-campus programs and management development programs, utilizing faculty from the university — especially the College of Business.

The Katie School is a university-wide Center involving faculty from all business disciplines in the College of Business, and faculty from the College of Arts and Sciences, especially actuarial science, economics and health sciences. In 2010, the Katie School was instrumental in helping the Actuarial Department receive Certification of Excellence from the Society of Actuaries, making it the only actuarial program in the state with such certification, and only one of 12 certified centers in North America.

Figure 1
Katie Relationship Diagram



Centrality of the Katie School to Illinois State University

In January 2009, the Katie School received the Illinois State University “Educating Illinois in Action” honor. The following describes how the Katie School of Insurance & Financial Services exemplifies the core values and aligns with the goals and strategies set forth by Educating Illinois 2008–2014.

With respect to the core value of **pursuit of learning and scholarship**, the Katie School works with students in their educational development both inside and outside of the classroom. Inside the classroom the Katie School supports faculty as well as industry experts who come to campus and work with faculty in presenting interactive learning on “real life” business cases. The Katie School also takes students to industry by involving them in company research projects and industry conferences and connecting them to industry mentors. The Katie School contributes new knowledge through research, scholarship and creative activities by providing hundreds of thousands of dollars in financial support for faculty across numerous business disciplines, as well as economics and actuarial science. The Katie School acquires and maintains databases, funds graduate students to assist faculty, hosts educational symposia, writes white papers and provides access to industry experts.

The Katie School provides a supportive environment, with “high touch” **individualized attention** for students. The Katie School provides a host of programs in which students can participate based on their given interests and skills including six fully-funded international internships. The Katie School pays for personality and communication assessments for its top students and assigns them certified leadership coaches from the College of Business executive coaching program. The Katie School recently funded the development of the first online program for actuarial students and has taken a leadership role in developing online workshops based on specific identified skill gaps. The Katie School connections and resources help talented students gain national and regional recognition. With respect to student recognition, a web page was established that features students who attain awards and recognition for accomplishments from organizations outside of Illinois State University. This can be found at http://www.katieschool.org/undergraduate/students_achieving_excellence.shtml.

One of the unique and strongest aspects of the Katie School is its partnerships with business, industry, government and other educational institutions. Its **public outreach** includes programs for high school students, teachers and guidance counselors; and its sixth grade program involves pairing RMI majors with business education majors to teach sixth grade students about the insurance aspects of english, math, science and social studies. The Katie School is recognized internationally and holds on-campus programs for executives from Lloyd’s of London, from various insurance companies in Russia, as well as insurance financial regulators from around the United States, Bermuda and the Caribbean. The Katie School works with numerous industry professional associations. This year the Katie School launched an Illinois Insurance Hall of Fame and Excellence Awards program which will culminate with a gala event in Chicago in 2011.

The Katie School affirms and encourages **diversity** through its financial and instructional support of the Minority High School Scholars Academy and its Redbird Risk Management Challenge, which attracts diverse students from around the country. It also provides scholarships to talented minority students. The Katie School helps students in the International Business program to attend educational programs on global challenges.

The Katie School’s **civic engagement** includes training students to do risk consulting for local non-profits, and establishing community service projects as part of the Katie School scholarship award criteria. In 2009, the Katie School was awarded a grant from the International Labour Organization in Zurich to study microinsurance for farmers in

Ghana. A multidisciplinary team of actuarial science, agribusiness and marketing faculty as well as several graduate students conducted this research. The Katie School is now working with insurers and reinsurers to develop an index insurance product for Ghana. The Katie School developed a training program on business ethics through its Institute for Insurance Ethics. The mission of the **Institute for Insurance Ethics** is to develop programs that will educate members of the insurance and financial services industry, as well as the consuming public, about the nature of ethics, social responsibility and the application of high ethical standards related to insurance and financial services. The Institute's most recent effort is an online ethics program for people in leadership roles in the industry. Current Katie School workshops on ethics have been presented to more than 700 people in the past five years and have been licensed to other organizations; consequently, several thousand insurance industry professionals have now participated in work completed by this Institute. The Katie School also developed a student version of the program which is now used by faculty and is part of every FIL 250 (introduction to risk management and insurance) class.

The Katie School has worked with industry leaders to develop the Excellence Awards for Illinois insurance industry individuals and organizations. These awards include several components of social responsibility. The first selection of honorees is scheduled to occur in 2010–2011. For the past two years, the Katie School has sponsored a contest for honors students to study and report on how insurance companies can become more “green” and sustainable. In 2009, the Katie School sponsored a joint presentation with the Center for Renewable Energy on Risk Management for Renewable Energy. In 2010, the Katie School is working with faculty in marketing, industrial technology and management to develop a cross-listed course on sustainability.

Meeting College of Business Goals

The Katie School, which is housed in the College of Business, has helped the College in achieving the following goals:

- (1) Meeting high standards of excellence and ethical conduct by developing and facilitating ethics programs used in classrooms — Katie has contributed several activities to the college Principles in Responsible Management Education (PRiME) program, which was developed by the United Nations and has been adopted by top tier business colleges throughout the world.
- (2) Preparing students for professional certifications by paying for exams, review sessions and materials for students to take industry exams, and by helping to set up an onsite campus testing center — In 2009, the Katie School paid for 51 students who took and successfully passed CPCU exams and has supported the actuarial program students in reimbursement for exams. The actuarial students at ISU have the highest number of exams passed in the nation with an average of 2.4 exams per student.
- (3) Providing faculty development and research grants (both competitive and non-competitive) for new faculty, thereby helping to attract high quality faculty for the college: In 2009, Katie provided more than 20 grants to faculty in five different disciplines to conduct research in the insurance industry.
- (4) Making and maintaining alumni connections — One of Katie's hallmarks is its connection to industry and network of loyal alumni. The Katie School continues to send newsletters, maintains a listserv and provides networking events both in Chicago and central Illinois for alumni working in the insurance industry. This includes maintaining a tremendous database of industry practitioners and alumni

which receive information about Katie School activities and events. Currently there are more than 3,000 industry professionals with whom the Katie School regularly communicates.

- (5) Developing and maintaining business partners who hire and provide internships and scholarships for students.
- (6) Providing faculty with one of the most comprehensive sources of insurance industry data for any university including A.M. Best data, SNL data, NAIC data, industry publications, and other databases including EBIS and software related to financial planning, as well as providing graduate assistants to support faculty research.
- (7) Providing an academic experience for students with respect to extracurricular “soft skills” programs that are unique to public institutions. Examples of soft skills include project management, collaborative team building, persuasive communication and consulting.
- (8) Supporting six international internships that help give students a global perspective and provide diversity scholarships to help enhance diversity of students in the program and ultimately graduates entering the industry.

All of the Katie School programs go through a rigorous assessment by third parties who provide feedback on the quality of the programs. This quality assessment assures that it meets its goals and helps with attaining national recognition. With respect to national recognition, in 2007 the Katie School director and an RMI faculty member achieved the Strickler Award for innovation in education for its summer program, the Redbird Risk Management Challenge. That same year the Katie School also received an award for Innovation in Education from the Society of Insurance Trainers and Educators (SITE) for its innovative programs in executive education. The Katie School will present again on this topic at the 2010 SITE conference.

As mentioned earlier, the Katie School received a research grant from the Microinsurance Innovation Facility, an entity within the International Labour Organization in Zurich. This was a competitive grant awarded to the Katie School among 60 other applicants from 27 different countries. The capabilities of the Katie School in bringing together faculty from various disciplines and connecting them with industry experts is recognized even outside the United States.

Katie School Outcomes

The Katie School measures outcomes using objective criteria that are both quantitative and qualitative. Annual outcomes for students, faculty, community and industry are captured and reported each year to the dean and industry partners.

Example of an Annual Outcome

The following provides a numerical example of Katie School service outcomes for a given year. (These numbers were as of January 2010 and represent an overview of the service outcomes provided for one year):

The outcomes are in the categories of service to student, community, faculty and industry.

Service to Students

- Provided information on industry to more than 750 students.
- Provided ethics education to more than 130 students enrolled in FIL 250 insurance classes.
- Provided resources and support to job opportunities and internships information to 212 insurance majors and minors (142 graduates — for fall, spring and summer semesters).
- Provided financial assistance to 185 students to join Toastmasters, attend conferences and industry events and receive reimbursement for professional exams helping them to better understand the industry and career potential.
- Provided resources and support to more than 120 actuarial science majors.
- 50 student internships for insurance organizations.
- 6 international internships.
- 14 industry mentorships.
- 40 classroom presentations by industry members.
- 93 insurance companies/brokers/agencies recruited students.
- Conducted 100-hour student leadership program for 12 top students, preparing them through workshops, personal assessments and individual coaching. These students conducted risk management consulting services with real world clients.
- Supported 76 students attending industry events including REBEX (14), RIMS(15), TSU (2), and CPCU luncheon programs (45).
- 101 students receiving scholarships.
- \$104,200 total scholarships.

Service to Community

- Conducted week-long summer program for 20 high-achieving high school students participating in Redbird Risk Management Challenge. Several graduates have indicated that they are now pursuing majors in RMI and actuarial science.
- Provided financial and educational resources to 22 high school minority students.
- Provided financial and educational support to 12 students to teach the math, english and social aspects of insurance to junior high school students.
- Three students were given support to conduct research and collect data for analysis in helping develop crop insurance in Ghana.

Service to Faculty

- Sponsored 22 research and faculty development projects.
- Sponsored 18 faculty publications, white papers and conference proceedings.

Service to Industry Partners

The Katie School sponsors a number of continuing education industry forums, symposia, workshops, seminars and professional development programs. In addition the Katie School conducts and helps facilitate research that helps provide solutions for the industry. Industry leaders, representing national and regional insurance and financial services organizations, serve on the school's Insurance Advisory Board of Executives and provide guidance for the program.

- Had 107 representatives, including students and faculty, attending the Katie School Symposium on changing insurance regulation.
- Had 120 attendees at first annual joint presentation made with Center for Renewable Energy on Risk Management for Renewable Energy.
- Had 228 industry executives and alumni attending Executive Forum in Chicago.
- Provided training for 23 industry financial regulators.
- Provided training for 22 members of Lloyd's of London.
- Facilitated more than 150 hours of industry education.
- Made eight presentations at industry conferences.
- Provided three alumni networking events with more than 40 alumni.

It is valuable to consider faculty inputs, notwithstanding the length of time that it takes to go from input to outcome (such as publications). Faculty outcomes from 2005 through 2008 based on Katie School inputs are shown in the following table:

Year	Books/ Chapters	Published articles	Proceedings	Other publications
2005	0	6	5	0
2006	0	7	4	0
2007	1	11	4	1
2008	1	29	6	2

Collaborative Efforts

A number of collaborative efforts have taken place in the past five years. The Katie School worked with the Professional Sales Institute and the Illinois Association of Independent Agents to develop a two-week program for young insurance agents.

The Katie School worked with faculty from the Department of Health Sciences Safety Program to create modules on loss control that could be used in the risk management courses.

The Katie School paid for the development of a one credit hour course used by students in the actuarial program on the actuarial uses of Excel and Access to prepare students for actuarial internships in the insurance industry. This is also being looked at for industry use by Katie School partners.

The Microinsurance project in Ghana was a collaborative endeavor that involved faculty from agribusiness, actuarial science, marketing and risk management as well as industry partners. It also involved three actuarial grad students and two faculty in statistics and crop science in Ghana. This is expected to lead to at least two articles

which will have students as co-authors. It might also lead to the development of a crop insurance product in Ghana.

The Katie School has supported student involvement in research and this was one example. Another was a project involving faculty from MQM, math, actuarial science and risk management and six graduate students examining membership trends and issues from AICPCU and the CPCU Society. Students and faculty worked with 20 years of data provided by these organizations in determining the profile of successful members and membership trend projections. This project led to two published articles.

The Katie School also supports research by MBA students related to the insurance industry. Currently there is one project involving an MBA student from Country Financial and an MQM faculty member on managing remote workers. Other past projects with MBA students have led to research for ethics and leadership programs.

Faculty from the Communication Department at ISU provide two days of workshops for students in the Katie School Student Leadership program to help them in developing better presentation skills.

Strategic Goals and Plans for Future

Looking ahead over the next five years, the Katie School expects to continue its growth and development. One area in which the Katie School looks to expand is enhancing and marketing the Insurance Ethics Institute. One of the most promising endeavors is an industry-wide initiative led by the Katie School to establish excellence awards, an industry hall of fame for Illinois and an awards ceremony in Chicago. This industry event could potentially bring several hundred thousands of dollars to the Katie School if the success is similar to that enjoyed by other universities with Centers for Risk Management and Insurance that host such programs.

The Katie School is fortunate to be able to utilize resources from the insurance industry, which contributes generously in time and money, enabling the Katie School to meet its goals. The Katie School continues to add and diversify its resources and provides stewardship recaps to key donors. The Katie School has continued to make great strides over the past year in developing a Web site that better communicates its programs and value to key constituents. Notwithstanding all of its resources, and all of the opportunities the Katie School provides students, the Katie School continues to make improvements to attract the best talent and provide them with superior curricular and co-curricular experiences that will help them become the future leaders in the industry. This is central to Katie's mission and its reputation, and is essential to sustaining its resources in the long run.