

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: The Institute of Risk and Insurance, SUI
Date: June 10, 2002

Recommended Action:

Approve the University of Iowa's request to establish The Institute of Risk and Insurance.

Executive Summary:

Unique Partnership The University of Iowa requests approval to establish The Institute of Risk and Insurance. The insurance industry is an important segment of the Iowa economy with total assets exceeding \$150 billion. In 1998, Iowa's insurance industry output as a percent of Gross State Product was 3.9%, ranking second highest in the United States. This offers a unique opportunity for a partnership among the Iowa insurance industry, the State of Iowa, and the University of Iowa to establish a program to augment the skills of insurance company employees. The Institute will provide innovative education and leadership in the field of risk and insurance, providing qualified employees through the graduates of its program, and by offering programs that help existing industry employees improve their professional skills.

Goal - Promote Innovative Insurance Education

The goal of the Institute will be to promote innovative insurance education and research regionally, nationally, and globally. The Institute would provide a concentration in modern risk and insurance as part of the undergraduate and MBA programs in finance.

The concentration in risk and insurance will appeal to three distinct groups of students:

- ◆ traditional undergraduate and MBA students who complete their studies on-campus;
- ◆ individuals employed full-time in the insurance field who pursue the Evening MBA program off-campus; and
- ◆ workers in the major insurance centers who currently lack college degrees.

Further, the Institute intends to provide innovative continuing education.

Housed in Department of Finance The Institute of Risk and Insurance will be housed in the Department of Finance in the Henry B. Tippie College of Business. The director will report to the departmental executive officer and the dean.

Multiple Sources of Funding Funding will come from:

- ◆ private sources;
- ◆ the University of Iowa; and
- ◆ tuition from non-credit continuing education courses.

This would include \$185,000 from the University – from private sources and tuition.

Non-duplicative There are no similar institutes in the State of Iowa.

Board of Regents Review Questions Attached are responses to the Board of Regents review questions on proposed centers and institutes (pages 3-4).



Robert J. Barak

Approved: 

Gregory S. Nichols

Answers to Review Questions for the proposed Institute of Risk and Insurance

Q#1: What is the title of the proposed center or institute?

The Institute of Risk and Insurance (hereafter called The Institute)

Q#2: What is the administrative relationship of the proposed unit to other entities on campus, such as departments or colleges?

The Institute is part of the Department of Finance in the Henry B. Tippie College of Business. The Institute will also collaborate with the Actuarial Science Program, which is in the College of Liberal Arts and Sciences.

Q#3: To whom will the administrative director of the unit report?

The Director of the Institute will report to the dean of the Henry B. Tippie College of Business and the DEO of finance department.

Q#4: Describe the basic purposes and objectives of the unit

The purpose of the Institute will be to promote innovative education and research in risk management and insurance. Consistent with the strategic importance of the insurance industry in the Iowa economy, the Institute will offer courses of study in the areas of risk management and insurance as part of the undergraduate and MBA programs of the Tippie College of Business. The Institute will also offer an array of non-degree continuing education programs. The key objective of these programs will be to provide insurance companies with a pool of potential employees trained in modern risk and insurance, as well as to augment the skills of existing insurance company employees. Through these programs, the Institute will help enhance the appeal of the state of Iowa as an attractive location for insurance business.

Q#5: How will the activities of the unit relate to the general mission and teaching programs of the university?

The department of finance in the Tippie College of Business currently offers one course each at the undergraduate and graduate levels. The proposed concentration will permit students to further extend and diversify their knowledge base in risk management and insurance consistent with recent changes and developments in the economic environment. Additionally, the proposed course offerings will be attractive to actuarial science students at the University of Iowa.

Q#6: Do similar units exist at other public or private colleges or universities in Iowa? If so, how does the proposed unit relate to them?

To the best of our knowledge, there are no similar institutes at other public or private colleges or universities in Iowa.

Q#7: What are the proposed sources and annual amounts of funding for the unit?

PROPOSED BUDGET

Budgetary Item	Sources of Funds	Annual Amount (FY 2003 Dollars)
Institute Director	Private sources	\$210,000
1 Assistant Professor	University of Iowa	\$185,000
2 Adjunct Professors	Private sources	\$30,000
Graduate Assistants	Private sources	\$19,000
Scholarships	Private sources	\$10,000
Secretary II	Private sources and revenue from continuing education programs	\$32,000
Other operating costs (supplies, equipments, travel, etc)	Private sources and revenue from continuing education programs	\$14,000
Grand Total		\$500,000