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SR-10-11-19 APC

Marshall University

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**ACADEMIC PLANNING COMMITTEE
RECOMMENDATION**

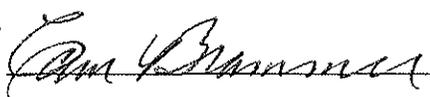
SR-10-11-19 APC

Recommends that the Marshall University Lewis College of Business's Intent to Plan for a BBA in Risk Management and Insurance be approved.

RATIONALE:

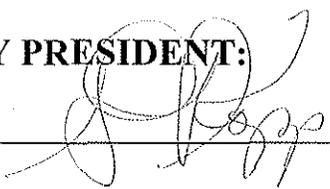
The Academic Planning Committee reviewed the Marshall University Lewis College of Business's Intent to Plan and voted to approve.

FACULTY SENATE CHAIR:

APPROVED BY THE
FACULTY SENATE:  DATE: 2/4/11

DISAPPROVED BY THE
FACULTY SENATE: _____ DATE: _____

UNIVERSITY PRESIDENT:

APPROVED:  DATE: 3/16/11

DISAPPROVED: _____ DATE: _____

COMMENTS: _____

**Bachelor of Business Administration - Risk Management and Insurance
Marshall University Lewis College of Business**

Name of Institution:	Marshall University
Date:	September 1, 2010
Category of Action Required:	Approval
Title of Degree:	BBA - Risk Management and Insurance
Location:	Huntington
Effective Date to Proposed Action:	Fall 2012

Executive Summary

Marshall University's Lewis College of Business requests approval to develop a major in Risk Management and Insurance in the Division of Finance and Economics, to be implemented in the fall semester 2012. This will be the first Risk Management and Insurance program offered by any school in West Virginia.

Insurance, like many business-related professions, is experiencing a greater demand for highly trained professionals. There is always a demand for trained insurance and risk management professionals, and in today's environment the ability to accurately assess risk and develop risk management strategies is even more important. Risk management is a key component to economic development. It is vital to the state and the community that trained professionals are available to meet the demands of the market and that a program is in place so existing practitioners are able to expand and update their education.

The major in Risk Management and Insurance will be housed in the Division of Finance and Economics and will be able to draw upon the resources of those already established programs. New courses will need to be developed and offered, but the underlying academic structure already exists. Finance majors will also have the ability to earn a minor in Risk Management and Insurance as part of their finance major, and students from other colleges who wish to incorporate risk management as part of their program also will be able to obtain a minor.

PART I: PROGRAM DESCRIPTION

The Lewis College of Business provides high quality business education and is accredited by the Association to Advance Collegiate Schools of Business (AACSB), which is the premier business education accreditation organization in the world. The college's degree programs are continuously monitored to assure that they meet the highest standards and reflect the most current information. As part of this effort for continuous improvement, the college and divisions seek opportunities to adapt and expand their offerings to meet the changing needs of students and the community.

The proposed major in Risk Management and Insurance is a natural extension of the existing major in Finance. Most of the resources needed for the major are already in place. Existing faculty have experience with this type of program, and the growth in number and success of the finance and economics majors indicates not only that the division can deliver quality educational programs but also that students are aware of these programs and seek them out. No other school in West Virginia offers

such a program, and the development of the major would permit West Virginians to study in this area without needing to leave the state and pay higher fees and tuition.

A. Program Objectives

The objectives are to prepare individuals for careers in risk management and insurance who will:

1. Understand the roles and functions of risk-bearing institutions and the basic principles necessary for managing economic risk,
2. Have the analytical skills necessary to evaluate various sources of risk and select and implement solutions to control these risks,
3. Demonstrate critical thinking skills and independent decision making based on relevant theory and empirical facts,
4. Communicate successfully at both the individual level and with large groups,
5. Possess appropriate computer and technical skills, and
6. Adhere to all established ethical and legal standards.

B. Program Identification

The following is the appropriate program identification as provided in the Classifications of Instructional Programs developed and published by the U.S. Department of Education Center for Educational Statistics:

CIP Code 52.1701

Title: Insurance.

Definition: A program that prepares individuals to manage risk in organizational settings and provide insurance and risk-aversion services to businesses, individuals, and other organizations. Includes instruction in casualty insurance and general liability, property insurance, employee benefits, social and health insurance, loss adjustment, underwriting, risk theory, and pension planning.

C. Program Features

The major in Risk Management and Insurance will be the only such program in the State of West Virginia provided by any public or private institution. The degree will consist of 121 undergraduate credit hours designed to be completed over a four year period. The catalog description of the major will read:

Insurance Major - A minimum of 24 credit hours in Finance, to include FIN 321, 327, 329, 405, and 410. A description of these courses is provided in Appendix A.

Admission and Performance Standards

All students must meet the admission requirements of Marshall University and the Lewis College of Business. All students must maintain their performance in accordance with the policies of Marshall University and the Lewis College of Business.

Program Requirements

Appendix B contains the Four Year Curriculum Plan Template for the BBA Finance – Risk Management and Insurance degree.

D. Program Outcomes

The following outcome measures have been established for students seeking a major in Risk Management and Insurance:

1. Eighty percent or more of all students admitted will successfully complete the program within five years.
2. Within six months of successful completion of the major, 90% of graduates will be employed in the field of risk management and insurance or related areas.

E. Program Delivery

All coursework will be offered on the Huntington campus. Internships will be completed at local, regional, or state businesses or organizations.

PART II: PROGRAM NEED AND JUSTIFICATION

A. Relationship to Institutional Goals/Objectives

The addition of this major in Risk Management and Insurance would be beneficial to the citizens of West Virginia and the surrounding Appalachian region by providing additional educational options in the area of finance. The Mission Statements of both Marshall University and the Lewis College of Business commit the institution to be a contributor to the region's overall economic development. Both businesses and governmental bodies require risk management services in order to function effectively. The major in Risk Management and Insurance will prepare graduates to better serve these needs.

B. Existing Programs

There are no other schools in West Virginia that offer either a major or minor in Risk Management and Insurance. Students with an interest in this field must travel out of state to seek their education at greater expense. Currently, the nearest program offering a baccalaureate in Risk Management and Insurance is located at Ohio State University in Columbus, Ohio. Attending an out-of-state school would require a student to relocate and pay higher levels of tuition and fees. The addition of the major in Risk Management and Insurance would create a cost-effective alternative for all West Virginians.

C. Program Planning and Development

The Lewis College of Business is accredited by the AACSB, and the Division of Finance and Economics currently offers majors in Finance, Economics, and International Business. The proposed major in Risk Management and Insurance complements the existing offerings and provides a new dimension to the program. The faculty of the division has the expertise to plan and develop the major in insurance so that it makes the best use of existing resources and courses.

D. Clientele and Need

The major in Risk Management and Insurance is designed to prepare students for jobs such as underwriting, risk management, and financial planning. As the population of the country ages and wealth grows, it will be ever more important for people to protect themselves from adverse events. Businesses also need to control risks and losses if they are to survive. Trained professionals are and will be needed in order to address these needs.

Several insurance firms in the state have pledged their support for the program, and some financial support has already been received. These firms have indicated that they will continue to support the program and make internships and job opportunities available. This high level of public interest in the program creates an environment that will lead to the success of this program.

E. Employment Opportunities

The US Bureau of Labor Statistics estimates that there are over 2.3 million jobs in the insurance industry and that there will be growth in the future. The changing economy and new technology will require people who have the training and skills to work in a dynamic industry that offers a wide range of services to its various clients. Appendix C lists the types of jobs and employment levels for the industry.

F. Program Impact

The major in Risk Management and Insurance will augment the existing programs in finance and economics and provide students with additional educational choices. These courses could also be appropriate for other majors, such as Safety Technology in the College of Information Technology and Engineering. Other majors may also find it appropriate to take these courses as electives. A minor in Risk Management and Insurance is offered for students who wish to study in this area while pursuing other majors. The existence of the program should attract students to Marshall University by creating a viable area of study that is not available elsewhere in the area.

G. Cooperative Agreements

There are no cooperative agreements in place at this time.

H. Alternatives to Program Development

There are no alternatives to the development of this program. There are no West Virginia colleges or universities offering a major in Risk Management and Insurance at this time. Students wishing to pursue this field of study must leave the area at considerable personal cost. The university should capitalize on this opportunity and exert a positive influence on the economic development and environment of the state.

PART III: PROGRAM IMPLEMENTATION AND PROJECTED RESOURCE REQUIREMENTS

A. Program Administration

Program administration will be provided by the Head of the Division of Finance and Economics in the Lewis College of Business. The Head will organize, administer, review, develop, and assure program effectiveness through on-going program assessment. The faculty of the division will be responsible for the development and delivery of the courses.

B. Program Projections

Initial enrollment is presently projected to grow to 20 students per class. Assuming a 10% drop rate in both the freshman and sophomore years, the total number of majors would grow to 74 students with 34 actively involved in major-specific courses at any time. This is a conservative estimate and does not include possible students from other colleges or students pursuing minors in the area. This number of students is in line with the number of new insurance jobs that will be created each year within West Virginia according to industry sources. Course offerings will also support the Finance degree offered by the Division. The five year projection of enrollment is presented in Appendix D. Details of the projections are presented in Appendix E.

C. Faculty Instructional Requirements

The major in Risk Management and Insurance consists of five courses which must be taught each term by faculty specializing in risk management and insurance. Other required courses will be taught by existing faculty. This course loading will require one full-time faculty member who will eventually achieve the rank of full professor and two part-time adjunct professors. Competitive salaries for Academically Qualified faculty in this area are approximately \$180,000 per year, including fringe benefits. The two adjunct professors would require salaries of \$5,000 each per year. The five year projection of costs is presented in Appendix F.

D. Library Resources and Instructional Materials

Library resources currently offered at MU are sufficient. No new or additional library resources will be necessary at this time.

E. Support Service Requirements

No additional support services are required.

F. Facilities Requirements

It will be necessary to provide office space, furniture, and computer support. No additional facilities are required.

G. Operating Resource Requirements

It will be necessary to furnish office space and support for the additional faculty members. Appendix F presents a summary of estimated operating expenditures.

H. Source of Operating Resources

Faculty, personnel, and facility resources are the responsibility of the university. Operational funds will be derived from tuition and fees. The Program Director will assist with refining the budget.

PART IV: OFFERING EXISTING PROGRAMS AT NEW LOCATIONS

Not applicable.

PART V: PROGRAM EVALUATION**A. Evaluation Procedures**

Evaluation is a critical component to the success of any program. Marshall University has a systematic and on-going evaluation process. All university departments must submit an annual assessment and program evaluation through the Office of Program Review and Assessment. The Lewis College of Business also conducts a continuous review process known as Assurance of Learning (AOL). The AOL process monitors the material presented in the courses and the success of students in mastering this material. Feedback is given to each discipline concerning the success of their courses, and faculty members make the changes necessary to improve the quality of instruction.

Student feedback is sought through semester student evaluations and questionnaires given to new graduates. The evaluations each semester provide information concerning the perceptions of the students as they are in the educational process while the end-of-program questionnaire allows students to give detailed comments about the entire program and its effectiveness. These inputs from students are used to adjust the course material and the way it is presented.

B. Accreditation Status

The Lewis College of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB). All programs within the college are subject to continuous and rigorous

review to assure that they meet the highest standards and provide quality educational opportunities for the students. The major in Risk Management and Insurance will dovetail with the existing degree in Finance, which has already passed AACSB review. The experience of the college, division, and faculty will ensure that the major in Risk Management and Insurance will meet and surpass AACSB accreditation standards.

PART VI: TERMINATION OF A PROGRAM

All program termination procedures will be guided by Marshall University policies on program termination located in the undergraduate student handbook and Marshall University's Greenbook. Any decision to terminate this program would require that sufficient coursework be taught to complete the degree for all accepted students, or arrangements be made with another institution offering a like degree to accept all students enrolled.

PART VII: GUIDELINES FOR COOPERATIVE DOCTORAL PROGRAMS

Not applicable.

APPENDIX A

BBA – RISK MANAGEMENT AND INSURANCE
DESCRIPTION OF COURSES**FIN321 Principles of Risk Management and Insurance (3 hrs)**

Fundamental concepts and principles of risk; techniques used to manage pure risks, and the role of insurance and the insurance mechanism in handling the risk exposure of individuals and businesses.

FIN327 Life and Health Insurance (3 hrs)

Legal facets of life, health, and annuity contracts; risk selection; programming, mathematics of life and health insurance; individual and business uses of life insurance; taxation; regulation of companies. (PR: FIN 321)

FIN329 Property and Liability Insurance (3 hrs)

Risk management and insurance tools applied to the needs of the corporate enterprise; direct/indirect property exposures; third-party claims; workers compensation; fidelity; fraud; boiler/machinery, valuation and insurance surveys. (PR: FIN 321)

FIN405 Social Insurance and Employee Benefits (3 hrs)

Coverages and limitations of social insurance; social security; workers compensation; unemployment insurance; Medicare; Medicaid; integration with private insurance and employee benefits; theory of group programs; pension plans. (PR: FIN 321)

FIN410 Corporate Risk Management (3 hrs)

Identification, analysis, and handling of the risk exposures faced by businesses and risk managers; loss prevention and control; risk retention; self-insurance and corporate insurance programs. Case Study. Capstone. (PR: FIN 321)

APPENDIX B

BBA – RISK MANAGEMENT AND INSURANCE
FOUR YEAR CURRICULUM PLAN TEMPLATE

Year One			
<u>Fall Semester</u>		<u>Spring Semester</u>	
MIS200 Business Computer Applications	3 hours	ECN250 Principles of Microeconomics	3 hours
Composition: ENG101 Composition (or equivalent)	3 hours	Communication: CMM207 Bus & Prof Communication	3 hours
FYS100: FYS100 First Year Seminar	3 hours	Composition: ENG102 (or equivalent, "C" or better)	3 hours
Social Science: PSY210 General Psychology	3 hours	CT Designated Course	3 hours
Mathematics: MTH130 (3 hrs) or MTH127 (4 hrs)	3-4 hours	Fine Arts	3 hours
Hours:	15-16 hours	Hours:	15 hours
Year Two			
<u>Fall Semester</u>		<u>Spring Semester</u>	
ACC215 Principles of Accounting	3 hours	ACC216 Principles of Accounting	3 hours
ECN253 Principles of Macroeconomics	3 hours	LE207 Legal Environment of Business	3 hours
Physical or Natural Science	4 hours	MGT218 Management Statistics	3 hours
Writing Intensive: ENG204	3 hours	CT Designated Course	3 hours
CMM Studies Elective	3 hours	Humanities:	3 hours
Hours:	16 hours	Hours:	15 hours
Year Three			
<u>Fall Semester</u>		<u>Spring Semester</u>	
FIN323 Principles of Finance	3 hours	FIN327 Life and Health Insurance	3 hours
MGT320 Principles of Management	3 hours	FIN329 Property and Liability Insurance	3 hours
MIS290 Principles Management Information Systems	3 hours	FIN, ECN, ACC electives	6 hours
MKT340 Principles of Marketing	3 hours	Free elective	3 hours
FIN321 Principle of Risk Management and Insurance	3 hours		
Hours:	15 hours	Hours:	15 hours
Year Four			
<u>Fall Semester</u>		<u>Spring Semester</u>	
FIN 405 Social Insurance and Employee Benefits	3 hours	Capstone: FIN410 Corporate Risk Management	3 hours
LCOB International elective	3 hours	Capstone: MGT460 Strategic Management (Writing Intensive)	3 hours
FIN, ECN, ACC elective (400 level)	3 hours	Free electives	9 hours

Free electives	6 hours	
Hours:	15 hours	Hours: 15 hours
Other Requirements:		
Minimum Number of Hours to Graduate: 121		
Minimum GPA to Graduate: 2.0 Marshall, College, Major		
Other: The total number of free electives depends on the number of hours the student completes in mathematics and if the student double-counts any requirements.		

APPENDIX C

US BUREAU OF LABOR STATISTICS
LIST OF INSURANCE INDUSTRY JOBS

Employment of wage and salary workers in insurance, 2008 and projected change, 2008-2018. (Employment in thousands)			
Occupation	Employment, 2008		Percent Change, 2008-18
	Number	Percent	
All Occupations	2,308.8	100.0	2.9
Management, business, and financial occupations	672.2	29.1	1.4
General and operations managers	40.4	1.8	-6.9
Financial managers	27.6	1.2	0.5
Claims adjusters, examiners, and investigators	212.8	9.2	3.6
Management analysts	34.5	1.5	-3.9
Accountants and auditors	40.0	1.7	3.0
Insurance underwriters	90.8	3.9	-4.3
Professional and related occupations	263.0	11.4	4.8
Computer systems analysts	36.1	1.6	11.1
Legal occupations	41.3	1.8	-7.9
Sales and related occupations	381.5	16.5	11.7
Supervisors, sales workers	17.5	0.8	1.4
Insurance sales agents	321.6	13.9	14.1
Office and administrative support occupations	973.7	42.2	0.2
Bookkeeping, accounting, and auditing clerks	43.1	1.9	2.2
Customer service representatives	271.3	11.8	8.4
Secretaries and administrative assistants	123.1	5.3	-1.1
Insurance claims and policy processing clerks	223.9	9.7	-1.7
Office clerks, general	95.4	4.1	3.2

NOTE: Columns may not add to totals due to omission of occupations with small employment.
SOURCE: BLS National Employment Matrix, 2008-18.

APPENDIX D

BBA – RISK MANAGEMENT AND INSURANCE
FIVE-YEAR PROJECTION OF PROGRAM SIZE

	First Year (2012)	Second Year (2013)	Third Year (2014)	Fourth Year (2015)	Fifth Year (2016)
Number of Students Served through Course Offerings of the Program:					
Headcount	<u>40</u>	<u>40</u>	<u>48</u>	<u>61</u>	<u>66</u>
FTE	<u>40</u>	<u>40</u>	<u>64</u>	<u>95</u>	<u>105</u>
Number of Student Credit Hours Generated by Courses within the Program (entire academic year):					
	<u>120</u>	<u>120</u>	<u>192</u>	<u>285</u>	<u>315</u>
Number of Majors:					
Headcount	<u>10</u>	<u>24</u>	<u>37</u>	<u>55</u>	<u>64</u>
FTE majors	<u>10</u>	<u>24</u>	<u>37</u>	<u>55</u>	<u>64</u>
Number of Student Credit Hours Generated by Majors in the Program (entire academic year):					
	<u>300</u>	<u>720</u>	<u>1110</u>	<u>1650</u>	<u>1920</u>
Number of Degrees to be Granted (annual total):					
	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>13</u>

APPENDIX E

BBA – RISK MANAGEMENT AND INSURANCE
FIVE-YEAR PROJECTION OF PROGRAM SIZE CALCULATIONS

	2012	2013	2014	2015	2016
Headcount of FIN Majors (Junior)	40	40	40	40	40
Headcount of FIN Majors (Senior)	40	40	40	40	40
FIN majors taking FIN321	40	40	40	40	40
Credit hours FIN321	3	3	3	3	3
Credit hours from FIN majors	120	120	120	120	120
Headcount of RMI Majors					
Freshman	10	15	15	20	20
Sophomore		9	14	14	18
Junior			8	13	13
Senior				8	13
RMI majors in RMI courses					
Junior			8	13	13
Senior				8	13
RMI credit hours from RMI juniors			9	9	9
RMI credit hours from RMI seniors			6	6	6
Total			72	165	195
Total RMI hours (annual)	120	120	192	285	315
FTE (3 credit hours/course)	40	40	64	95	105
Headcount in RMI courses	40	40	48	61	66
RMI majors	10	24	37	55	64
Credit hour per academic year	30	30	30	30	30
Total RMI major credit hours	300	720	1110	1650	1920
Annualized FTE	10	24	37	55	64

APPENDIX F

BBA – RISK MANAGEMENT AND INSURANCE
 FIVE-YEAR PROJECTION OF OPERATING RESOURCE REQUIREMENTS

	First Year (2012)	Second Year (2013)	Third Year (2014)	Fourth Year (2015)	Fifth Year (2016)
A. FTE POSITIONS					
1. Administrators	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2. Full-time Faculty	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
3. Adjunct Faculty	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
4. Graduate Assistants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5. Other Personnel:					
a. Clerical Workers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
b. Professionals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Note: Include percentage of time of current personnel

B. OPERATING COSTS (Appropriated Funds Only)

1. Personal Services:					
a. Administrators	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
b. Full-time Faculty	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
c. Adjunct Faculty	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
d. Graduate Assistants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
e. Non-Academic Personnel:					
Clerical Workers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Professionals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Salaries	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>

APPENDIX F (cont.)

BBA – RISK MANAGEMENT AND INSURANCE
 FIVE-YEAR PROJECTION OF TOTAL OPERATING RESOURCES
 REQUIREMENTS*

	First Year (2012)	Second Year (2013)	Third Year (2014)	Fourth Year (2015)	Fifth Year (2016)
2. Current Expenses	—	—	—	—	—
3. Repairs & Alterations	—	—	—	—	—
4. Equipment: Educational Equip.	—	—	—	—	—
Library Books	—	—	—	—	—
5. Nonrecurring Expense Office furniture and computers.	10,000	—	—	—	—
Total Costs	300,000	290,000	290,000	290,000	290,000

C. SOURCES

1. General Fund Appropriations (Appropriated Funds Only)	—	—	—	—	—
<div style="display: flex; justify-content: space-around; align-items: center;"> _____ Reallocation _____ New fund (Check One) </div>					
2. Federal Government (Non-appropriated Funds Only)	—	—	—	—	—
3. Private and Other (specify)	—	—	—	—	—
Total All Sources	—	—	—	—	—

NOTE: Total costs should be equal to total sources of funding

*Explain Your Method for Predicting the Numbers (Use additional sheet if necessary)