

# **The School of Risk Management and Insurance (SRMI)**

**Former Center for Insurance Studies (CIS)**

(2018-2024)

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### **Mission, Goals, and Objectives:**

The School of Risk Management and Insurance (SRMI) aspires to be the locus of intellectual and physical resources, creating a broad-based educational environment that blends technology, communications, interpersonal skills, and sound business practices within the fabric of insurance studies. Specifically, the role of the SRMI is to provide both traditional and non-traditional students from diverse backgrounds with a high-quality business education emphasizing verbal, written, technological, and interpersonal skills, enabling them to succeed in a rapidly growing and changing insurance industry.

The goal of SRMI is to establish an organization that attracts and educates talented individuals committed to pursuing professional careers in the insurance and financial services sectors. This includes property and casualty, life and health, employee benefits, risk management, and actuarial science. Emphasis will be placed on careers in actuarial analysis, claims, financial planning, marketing, risk management, portfolio management, sales, technology, and underwriting.

### **Activities**

The school's activities are conducted based on the five objectives (for details, see the Appendix).

#### **Objective A: Enhance the Current Curriculum**

Curriculum development in the past six years has been conducted in the following four areas:

1. To cope with the challenge of the pandemic, we successfully transitioned four program courses (Fin 360, 361, 461, and 463) into online modules, allowing students to access most of the RMI courses online even after the pandemic. Students who pass Fin 361 and 461 with a grade of B or above can also claim waivers for the CPCU (Chartered Property and Casualty Underwriters) professional exams.
2. We encourage faculty to propose new courses, especially in insurtech, emerging risks, and cross-disciplinary areas. Our new course, FIN/ISDS 478 Data Analysis for Risk and Insurance, will be offered in Spring 2025.
3. Another newly developed course is Math 461 Investment and Financial Mathematics, which benefits actuary students who plan to take the third actuarial exam. The instructor is Professor Jeff Jolly.
4. With the help of the Spencer Grant, Dr. Xie developed a seminar on Catastrophic Risk, Cyber Security, Data Analytics, and ESC for business, natural science, and engineering students.
5. We prepared for years for a master's degree, MS in Financial Engineering and Risk Management, which was approved by the chancellor's office. However, the pandemic jeopardized our enrollment. Hopefully, we can revise it to an online degree in the future.

6. We are currently working on an RMI minor focusing on non-business students and an RMI digital campus program for the CSU system.

**Objective B: Assisting Industry Employees**

1. SRMI has established and maintained close collaboration with associations of insurance professionals, such as OCCPCU, OCRIMS, LARIMS, FIRMA, PARMA, EIP, and AAIN, over the past seven years. Our faculty take turns to attend their chapter meetings with students. Dr Lu often serves as a speaker for organizations and other companies to assist industry employees in getting back to school.
2. We continuously offer online courses with special permission to any industry employees. We continue to offer evening courses that are available for industry professionals.
3. We hosted Insurance Forums and Global Catastrophic Risk Management Forums and offered CEUs (continues education units) since we are licensed by the California Department of Insurance.
4. Our actuary workshops are free to industry employees. Students who pass the actuary exams or sales license exams will be reimbursed by a grant from the ESPD (Empowered Student Professional Development), a fund offered by the SRMI program.

**Objective C: Develop a Comprehensive Program**

We consider scholarships, internships, and job opportunities to be the three factors that comprise a comprehensive academic program.

1. With substantial industry support, SRMI provides a significant number of scholarships each year, ranging from approximately \$70,000 to \$80,000. Over the past 25 years, we have granted over \$1.35 million in total. Our scholarship program has benefited numerous students, enabling them to continue their studies at CSU Fullerton.
2. The highlight of the scholarship program is the gala. We continue to host the scholarship gala to maintain connections between students and donors even during the three years of the pandemic. Our largest gala was in 2019; we awarded over \$102,000 and had 254 student awardees, family members, donors, faculty, board members, and alumni in attendance.
3. The E&S Day serves as our intern bridge. Every February, we host the event, which has been endowed by SLA (Surplus Line Association of California). In addition to keynote speakers, there is an executive panel and roundtable discussions. Quite a few students found their internship through the event. Notable participants in our intern program include CDI (California Department of Insurance), Parsons, SLA, and Pacific Life interns.
4. The event that attracts employers is our iDay, which started during the 2008 financial crisis. When students lost confidence in the financial services industry, Dr. Lu invited all advisory board members to come and speak to students. Since then, it has attracted

many employers to campus to recruit students. On average, we can place about 100 students annually. However, the pandemic slowed down our student placement. iDay has now become the largest job fair in insurance in Southern California.

5. The above events not only helped students find internships and jobs but also increased our course enrollment. In the past seven years, the annual course enrollment for our 16 courses has consistently remained over 1,000.

#### **Objective D: Provide Interface Opportunities**

To foster our students' leadership development, the school aims to provide face-to-face opportunities for them to meet industry leaders.

1. One of our popular events is the Jim Gutmann speaker series, an endowed event. We invited senior executives from C-suite positions to speak to our students monthly. We have hosted many well-known industry leaders, including Chief executives from Pacific Life, Auto Club, Mercury, Disney, and others, who shared their leadership insights, industry trends, and career advice with our students.
2. To give back to the community, we hosted an Insurance Forum. For example, the theme of the 2018 Insurance Forum was "New Risks, New Solutions-Lloyd's Day at CSUF." Our board member Hank Walkins, President of Lloyd's North America, invited 13 speakers from London. The event attracted 133 industry professionals and 45 students.
3. The annual SRMI golf tournament is another event for the community. It attracts many insurance brokers, risk managers, underwriters, and wholesalers. The event not only raised funds for our school but also established endowed scholarships for our students.

#### **Objective E: Strengthen Insurance Research**

Insurance research is critical to any academic program and closely related to its academic ranking.

1. Our faculty are highly productive and research-oriented. Dr. Xie has published in very well-known insurance and finance journals. She also won several best paper and best reviewer awards. Dr. Che is another highly productive researcher, with many papers published in reputable journals. As a result, he was awarded early tenure. Their publications in top-tier journals have increased our school's visibility and ranking nationwide.
2. Our signature research project, Asia Insurance Competence (AIC), lasted for 14 years. The research results were presented at the annual Asian finance summit, increasing our visibility worldwide. However, due to the pandemic and decreased international student enrollment, our project has had to be discontinued.

3. The exciting research this year is that our RMI scholars reached the national final eight in the RIMS's Risk Management Challenge Contest. RMI Scholars is a new program designed to train undergraduate students in conducting applied research. Dr. Che guided them in independent research. This marks the first time the RMI program on the West Coast has entered the contest, and the team has undoubtedly put us on the map.

For details, please see the annual director's reports in the Appendix.

### **Organizational Structure and Governance**

The school has two boards: the Board of Directors (BOD) and the Advisory Board (AD). For the specific names of our board members, please see the Appendix.

BOD members include our university leaders. For a complete list of members, please see the Appendix. This board meets annually to receive the director's report, approve the school's budget for the following year, and discuss the fundraising campaign and strategic development. BOD leads in the school's governance.

AD meets three to four times each year to receive updates, discuss the events conducted, review the continued development of new programs, and recommend new ideas and board members.

The SRMI management team includes the Executive Director, Director, and Associate Directors.

### **Resource and Sustainability**

The school operates on a self-supporting basis. Our annual operating budget ranges from \$200,000 to \$300,000. Revenue primarily comes from donations from member companies, nonmember companies, individuals, and professional organizations. Some revenue is also generated from grant writing, event hosting, and interest from an endowment fund. Additional support includes the provision of release time for two courses from the college. Please refer to the Appendix for a full list of fundraising sources. Additionally, we have about \$4.5 million in endowment funds from the Philanthropic Foundation. Our current foundation account information is also provided in the Appendix.

The CBE assigned the physical space for the school with the reserve fund donated by George Joseph (founder of Mercury Insurance Group), the Auto Club of Southern California, Pacific Life, and Frank Robitaille.

The school will continuously work with insurance carriers, brokers, and professional associations to raise funds for operations and enhance the endowment.

### **Highlights and Accomplishments**

The center was founded with a single insurance principles course in 1998, conditionally approved to become a school in 2014 by Dr. Garcia, and formally approved in 2019 by President Virjee.

Now the program offers 16 program courses and two undergraduate concentrations: actuarial science (math) and risk management and insurance (RMI) (finance), as well as one graduate concentration, an MBA in RMI. We are now the largest and most active RMI program west of the Mississippi River.

With the growth of SRMI, we have received several recognitions, which has also improved our program ranking. Our first award was from the IIS (International Insurance Society) as a GCIE (Global Centers of Insurance Excellence) at the end of 2017. This honor is based on curriculum development, research publications, and student placement. It was awarded to only 20 centers worldwide, including 12 in the U.S. SRMI was the only recipient not affiliated with a research university and the only one in the western U.S.

The second piece of good news is that SRMI was selected by Best's Review in 2018 as one of their top 20 RMI programs in the nation, significantly boosting our reputation. In 2020, this rank moved up to 14. In 2022, it was ranked as the top 6.

The school has a name-brand research publication: Asian Insurance Competency Report, a book published by a leading Chinese Newspaper for 14 years. However, it was discontinued due to the pandemic in 2021. It was well known in China and nine other East Asian countries.

The school's highlights also include events such as E&S Day, Jim Gutmann Speaker Series, Scholarship Gala, and iDay.

### **Planning and Strategic Outlook**

The school plans to continuously enhance the curriculum by adding new courses or online programs in Insurtech and Data analytics and providing more professional certification programs.

Our latest strategic focus is developing an RMI minor and a digital campus program. Please refer to the RMI minor and Digital Campus proposals in the Appendix for details.

In the long run, we aim to re-engineer the MS FERM program and develop an online master's program. To support all these programs, we will aim at another fundraising campaign.

For details, please see the Appendix. If you have any questions, please contact us for a copy of our annual report.