

M O N T A N A B O A R D O F R E G E N T S
NEW ACADEMIC PROGRAM PROPOSAL

ITEM 142-402-R0309

Institution: Miles Community College

Program Title: Associate of Applied Science in Insurance

OVERVIEW

Miles Community College seeks approval to offer an Associate of Applied Science in Insurance. This program will compliment the college's other offerings in the business field. Currently there is not a degree program in the state of Montana that prepares students for careers specifically in the insurance industry. This particular program will utilize the InVEST® curriculum endorsed by the Independent Insurance Agents and Brokers of America and national insurance companies such as Travelers, Hartford, Allstate, AIG and Safeco. The program will be delivered online to reach constituents across the state of Montana. Additions will be made to the InVEST program to ensure that students receive a valuable learning experience that includes discussions as well as projects that require students to visit insurance professionals in their area. In addition to the InVEST insurance curriculum, students will gather basic business skills that prepare them to manage a business and effectively communicate with people.

NEED

To what specific need is the institution responding in developing the proposed program?

Miles Community College was approached by the President of the Independent Insurance Agents of Montana, John Menyhart, in the fall of 2007. For years, the state group had been discussing the lack of trained individuals in the field. They were asking colleges across the state if they would be interested in adding a program that would enhance the labor pool in their industry.

Independent Agents of Montana has 71 agency members with over 150 agency locations and over 1,000 employees. Other non-independent agencies such as Allstate, State Farm, Farmers Insurance, Farmers Union and Farm Bureau also employ a large number of insurance professionals in the state. The Montana State Fund/Workers compensation is the largest employer in the insurance industry in the state of Montana with 300 plus jobs. and approximately 25 – 30 openings per year according to Laurence Hubbard, President and CEO. According to a letter received from Mr. Hubbard during the development of this program, the Montana State Fund believes it is “imperative we find new ways to develop talent in our industry. We are very interested in supporting your curriculum through in-kind as well as direct financial commitment.”

The average age of insurance professional is 54 years old. According to the Insurity/Microsoft Millennials in Insurance Survey (2008), nearly 60 percent of employees in the industry are older

than age 45. The insurance industry has recognized the need to attract young people to the business and is approaching colleges to help with this task.

The Occupational Outlook Handbook 2008-09 Edition shows an increase in insurance related jobs of 13% through the next ten years. This statistic covers nearly every insurance job in the field from brokers to agents to claims adjusters or examiners and insurance financial managers. Larry Pastelle who heads the Risk Management program at Saint Johns University reported at the InVEST Conference last July that 23,000 new jobs were created in the insurance industry in 2008. He went on to say that 50% of the 2.3 million employees in the industry will retire in the next ten years and there are less than 40 full-time programs (university or two-year) to fill this need.

How will students and any other affected constituencies be served by the proposed program?

By creating an online distance program in this field, Miles Community College will have the ability to serve students throughout the state of Montana. In addition, after the two-year degree program is active, the College hopes to add classes that give professionals in the field their required continuing education units.

What is the anticipated demand for the program? How was this determined?

The demand for this program was provided by statistics given to MCC from the Independent Insurance Agents of Montana and members of the advisory board for this program which includes:

- Jim McCormick, Market Development Leader Montana State Fund -- Helena
- Tom Clarke, CPCU, Clarke Insurance Service – Miles City
- Jim Smith, CPCU, Trainer for Montana Insurance Education Foundation CIC & CISR classes -- Bozeman
- Tom Grau, CIC, CPCU, 2005-06 National President Independent Insurance Agents & Brokers Association – Great Falls
- Julie Bennett, CIC Office Manager First West Insurance (2007-2008 Vice President Independent Insurance Agents of Montana) – Bozeman
- Scott Tuxbury, President Big Sky Underwriters and the Montana Insurance Education Foundation – Missoula
- Curt McCamish, Insurance Store, Inc. – Broadus
- Carol Williams, CPCU, AIM, DAE, CPIW Director of Education & Development Payne Financial Group, Inc. – Spokane, WA
- K.C. Keith, AFIS, Vice President Stockman Insurance, Inc. – Miles City
- David Seitz, CIC, Vice President Seitz Insurance Agency – Sidney
- Sarah Trogden, Office Manager W.A. Mitchell Agency – Miles City
- John Menyhart, CIC, President (2007-2008) Independent Insurance Agents of Montana – Miles City

In discussions with these agencies, it was calculated that the yearly need for students from this program would be a minimum of 50 students per year. In a letter received from Laurence

Hubbard, President and CEO of the Montana State Fund/Workers compensation in April of 2008, that agency has approximately 25 – 30 openings per year alone. Mr. Hubbard went on to write that the Montana State Fund believes it is “imperative we find new ways to develop talent in our industry. We are very interested in supporting your curriculum through in-kind as well as direct financial commitment.”

Realistically, Miles Community College hopes to provide a pool of 30 candidates per year. It is obvious that the need exists, however, the College cannot guarantee the number of students who will be interested in completing this program. Many of the advisory group said that they would encourage their employees or potential employees to enroll in this online program.

INSTITUTIONAL and SYSTEM FIT

What is the connection between the proposed program and existing programs at the institution?

This program will fit nicely with other business programs offered at Miles Community College that include Small Business Management. Classes that will be offered in addition to the insurance curriculum already exist in other programs on the campus. The only suggested addition to any of the classes would be the discussion of Title 33 and Montana Insurance Code during the Business Law course.

Will approval of the proposed program require changes to any existing programs at the institution?

This program will add insurance classes and utilize other existing courses currently offered in other business programs. It will not require a change to any existing programs at the institution.

Describe what differentiates this program from other, closely related programs at the institution (if appropriate).

The differentiation from other programs is the eight classes that will be added that specifically cover insurance topics.

How does the proposed program serve to advance the strategic goals of the institution?

Miles Community College strategic initiatives include:

- Initiative 1: Foster quality leadership
- Initiative 2: Provide a quality student experience
- Initiative 3: Provide quality academics
- Initiative 4: Cultivate quality community relationships
- Initiative 5: Recruit and retain students
- Initiative 6: Nurture a healthy College environment
- Initiative 7: Actively seek sustainable funding

By adding an AAS in Insurance, Miles Community College will meet the first five initiatives of the institution. This program will foster quality leadership in the field of insurance where none currently exists in the state of Montana. The College will provide a quality student experience and quality academics by adopting a nationally recognized curriculum in the industry and providing opportunities for students to interact with professionals in the field during their classes. This will in turn cultivate quality community relationships by providing students with access to professionals in the field and to give the community the opportunity to meet and groom potential employees. This additional program will also recruit students to the college that may have not sought an education here otherwise. These include non-traditional aged students who may be place bound, but want to improve their quality of life through an education that is offered online.

Describe the relationship between the proposed program and any similar programs within the Montana University System. In cases of substantial duplication, explain the need for the proposed program at an additional institution. Describe any efforts that were made to collaborate with these similar programs; and if no efforts were made, explain why.

There are no current programs in the Montana University System that focus on insurance. A track can be established for an AS with an emphasis in business which would utilize the insurance credits as electives. Then students could transfer and finish a degree in business at a four-year institution in-state, or transfer out-of-state where there are bachelor programs in risk management. The advisory committee encouraged the College to make such a track available, so that those students who wanted to become underwriters or risk managers could continue on for their four-year degree with little duplication of course work.

PROGRAM DETAILS

Provide a detailed description of the proposed curriculum. Where possible, present the information in the form intended to appear in the catalog or other publications.

**INSURANCE AAS DEGREE
Total credits 62**

Freshman Fall Semester			Freshman Spring Semester		
INS 101	Introduction to Insurance	1	INS 122	Personal Insurance	3
INS 121	Property and Liability Insurance Principles	3	INS 123	Commercial Insurance	3
ACTG 201	Financial Accounting	4	ACTG 202	Managerial Accounting	4
CA 102	Human Relations	2	WRIT 122	Introduction to Business Writing	3
IT 120	Introduction to Computers	3	BU110	Business Mathematics	3
			STAT 216	OR Intro to Statistics	(4)
WRIT 121	Introduction to Technical Writing	3			
	Total Credits	16		Total Credits	16(17)

Sophomore Fall Semester			Sophomore Spring Semester		
INS 281	Principles of Insurance Production	3	INS 282	Principles of Multiple-lines Insurance	3
BU 213	Marketing	3	INS 283	Insurance Sales Management	3
BU 207	Business Law (including Title 33 and MT Insurance Code)	3	BU 214	Management	3
ECNS 201	Principles of Microeconomics	3	BU 216	Customer Service	3
BU 215	Human Resource Management	3	INS 241	Insurance Industry Internship	3
	Total Credits	15		Total Credits	15

The required general education credits for this program include:

- Communications Technical Writing (3 credits)
- Mathematics: Business Math or Introduction to Statistics (3 or 4 credits)
- Human Relations: Human Relations (2 credits)

INSURANCE COURSE DESCRIPTIONS

INS 101 Introduction to Insurance

Students will identify and describe the basic principles of insurance as well as how insurance jobs relate to one another. Students will understand how property and liability insurance works.

INS 121 Property and Liability Insurance Principles

Students become familiar with the principles that underlie property and liability insurance. Students are introduced to insurance contracts, insurance marketing, underwriting, claims adjustment, risk management and general policy provisions. Co-requisite: INS 101 Introduction to Insurance.

INS 122 Personal Insurance

Students analyze commercial loss exposure and personal insurance coverage including homeowners and other dwelling coverage, personal liability, inland marine, auto, life, health and government programs. Pre-requisite: INS 121 Property and Liability Insurance Principles.

INS123 Commercial Insurance

Students analyze commercial loss exposures and coverage including property, business income, inland and ocean marine, crime, boiler and machinery, general liability, business auto, workers compensation, farm and business owners, as well as miscellaneous liability coverage, surety, and excess and surplus lines. Co-requisite: INS 122 Personal Insurance.

INS281 Principles of Insurance Production

Students will be introduced to an overview of the principles of insurance production and the principles of agency and sales management. Special emphasis will be placed on the insurance product and insurance markets in the context of personal lines coverage as well as limited commercial lines coverage. Pre-requisite: INS 123 Commercial Insurance.

INS 282 Principles of Multi-lines Insurance

Students learn the principles of multiple-lines insurance production. Special emphasis will be placed on the insurance product and insurance markets in the context of commercial lines coverage. Pre-requisite: INS 281 Principles of Insurance Production.

INS 283 Insurance Sales Management

Students focus on the producer's office environment and the ability to use sales management techniques as a means to identify and sell to selected markets. Students learn to apply management principles to the business of running an agency. Special emphasis is placed on how management concepts can be applied to the producers' sales efforts.

INS 241 Insurance Industry Internship

This course is a planned and supervised work-learning experience in an agency or company that is related to the Insurance industry.

Describe the planned implementation of the proposed program, including estimates of numbers of students at each stage.

If approved, this program will be offered the fall of 2009. It will be available entirely online, which will open up the opportunity for students throughout the state to access the program, while working or living in their respective community. The expectation is that this program will appeal to the non-traditional aged students who is place bound. Utilizing estimates from other new programming started at Miles Community College the enrollment pattern should follow as thus:

- FY10 5 students in the program
- FY11 15 freshmen plus 5 sophomores = 20 total students
- FY12 20 freshmen plus 15 sophomores = 35 total students
- FY13 30 freshmen plus 20 sophomores = 50 total students
- FY14 30 freshmen plus 30 sophomores = 60 total students

To ensure students have a valuable education, the program director will also be encouraged to provide coursework that will prepare the students for recognized certifications in the industry such as CIC, Certified Insurance Counselor. Adding these components will make the program more widely recognized and esteemed throughout the industry.

RESOURCES

Will additional faculty resources be required to implement this program? If yes, please describe the need and indicate the plan for meeting this need.

There will be the requirement of one additional faculty person to take on the responsibilities of teaching the insurance courses in this field. This person will have to have a minimum of five years of experience in the insurance field. They will start as an adjunct faculty, with the opportunity to teach other business courses in the program should their degree be in that area.

Are other, additional resources required to ensure the success of the proposed program? If yes, please describe the need and indicate the plan for meeting this need.

There are no additional costs to the institution for the addition of this program above and beyond the hiring of the faculty member.

ASSESSMENT

How will the success of the program be measured?

Success of this program will be assessed through the number of graduates placed in the insurance industry or transferred into an insurance program at a four-year institution. The goal is to fill the vacant job pool in the state by providing a total of 70 graduates in the program over the next five years.

The other goal will be to have 100% of our graduates earn at least one nationally recognized certification at the conclusion of the program.

PROCESS LEADING TO SUBMISSION

Describe the process of developing and approving the proposed program. Indicate, where appropriate, involvement by faculty, students, community members, potential employers, accrediting agencies, etc.

John Menyhart, President of the Independent Insurance Agents of Montana met with the MCC Dean of Academic Affairs, Shelly Weight, in September of 2007 presenting a need in the state and region for trained personnel in the insurance field. John presented the College with numerous articles pointing out the need in the industry.

Shelly investigated the InVEST curriculum that John was promoting. She found it to have many admirable components and liked the fact that it was nationally recognized. She then contacted John to help her put together an advisory committee for this venture.

In January of 2008, all potential committee members were contacted and agreed to serve. Delegates to the committee were chosen from around the state of Montana and one member from the state of Washington, as they were the closest state with a University program in Risk Management.

The committee met in February and March of 2008 to formulate a suggested curriculum that would meet the needs of the most agencies and insurance companies in the state. Plus, the committee was adamant that they also wanted a transfer AS degree with an emphasis in insurance that would coordinate with this AAS curriculum.

The suggested curriculum was taken to the business and information technology faculty in April of 2008. The faculty made additional suggestions and approved of the program.

During the months of March through July 2008, Shelly conducted local and national research to identify the needs in this field. She visited the state meeting of the Independent Insurance Agents in the spring to review the suggested curriculum and delivery method to gauge interest. She received letters of support and encouragement for the development of the curriculum and began receiving calls and e-mails from students who had "heard" there may be a program in insurance in the near future at MCC. She also attended the national InVEST conference in July to further gather national trends identifying need and to better comprehend the required curriculum. Utilizing this information, the suggested curriculum was taken through the Academic Standards committee at the College and approved.

Letters of support are provided with this document as hard copy attachments and include:

1. Linda Schmaing, President Independent Insurance Agents of Montana (electronic)
2. Bob Biskupiak CPCU, CIC, CEO/Executive Director of Independent Insurance Agents of Montana (electronic and hard copy)
3. John S. Menyhart, CIC, IIAM InVEST Chair, Past president – IIAM Independent Insurance Agents of America (hard copy)
4. Robin M. Nelson, Bishop Insurance Service (hard copy)
5. Laurance A. Hubbard, President/CEO Montana State Fund (hard copy)

1/29/2009

Montana Board of Regents
Office of Commissioner of Higher Education
Montana University System
2500 Broadway Street
PO Box 203201
Helena, MT 59620-3201

RE: INVEST (Insurance Program) through Miles City Community College

Dear board members,

It is with great enthusiasm for our insurance industry that I compose this letter thanking you for considering this new program as part of Montana's higher education system.

With this program M.C.C. benefits from an existing insurance curriculum rather than having to invest resources to build such a curriculum. We believe the market shows a definite need for this skill set in Montana and the surrounding states. It provides our industry an approach to the "millennium" generation for a successful career opportunity for which you can acquire accredited training. Insurance agencies of all sizes believe this to be a valuable asset for job applicants.

Currently 60% of the insurance industry's employees are older than the age 45. Thus as they continue to reach retirement age we face the war of attracting new talent to this viable and growing industry. Surveys also show that 55% of the "millennium" generation would consider working in our industry or already are at some level.

Thank you for your time and consideration.

Linda Schmaing
IIAM President
(Independent Insurance Agents of MT)

Linda Schmaing

ISU Insurance Services
Streeter Brothers
406-252-0551 ext. 3018
800-676-5898



Independent Insurance Agents of Montana, Inc.

Montana Insurance Education Foundation, Inc.
Public Risk Insurance Management, Inc.



January 29, 2009

Montana Board of Regents
PO Box 203201
Helena, MT 59620-3201

Re: InVest Program through Miles Community College

Ladies and Gentlemen:

I serve as the Executive Director of the Independent Insurance Agent's Association of Montana. Our association is comprised of over 150 independent insurance agency offices and employees over 1,000 people in Montana. The InVEST program was developed by our national association and is being rolled out across the country. The mission the InVEST program is to promote insurance education to attract individuals to pursue employment in the insurance industry. More specifically, InVest develops a diverse pool of insurance professionals and informed consumers by educating high school and community college students about careers in insurance, financial services and risk management.

There are several critical challenges facing the insurance industry in Montana, as well as nationwide. We are all aware of the "graying of America" issue and this will hit the insurance industry hard. Industry surveys indicate that the average age of an insurance professional is 54 years old. Over 60% of industry employees are over the age of 45. The insurance industry has recognized the need to attract young people to the business. The InVest program is focused on making people aware of all the many opportunities in the profession. Unfortunately many people believe a career in insurance is just about sales, but the fact is that there are many diverse career opportunities. These opportunities exist right here in Montana. Young people just out of high school are searching for the right career path and unfortunately many have to leave the state to find good jobs. The program with Miles Community College will benefit students, the insurance profession and the State of Montana overall.

Personally, I have been fortunate to spend my entire 28 year career in Montana. I worked for several insurance companies before becoming an independent insurance agent. When I started my career in 1981 there were many insurance companies located in Montana. That has