

Will colleges fill the ranks?

Degree programs seek to interest young people in careers in insurance and risk management

Insurers came through for the businesses and individuals victimized at the World Trade Center.

Financiers and accountants did not come through for the shareholders, employees, and retirees of Enron, WorldCom, and other failed corporations.

So, will the events of the past year make insurance a more attractive career choice for young people?

Among university students, "insurance is a Rodney Dangerfield word," says Mary Ann Boose, director of the department of insurance and risk management at Indiana State University, Terra Haute. To paraphrase the famous comedian, "it don't get no respect."

Although insurance is the largest white collar industry in Indiana, she says, paying higher than average compensation, her department feels compelled to emphasize "risk management" to students attracted to fields they perceive as more exciting and glamorous.

"I'm not too sure that people going to college look at insurance as a career," says Kenneth Swymer, a training specialist for Liberty Mutual. "As an industry we've always done a poor job of promoting the opportunities we offer."

Still, Indiana State is one of a small but growing number of colleges offering degree programs in insurance-related fields.

According to Boose, the number of full-time insurance and risk management professors nationwide is "significantly higher" than it was five years ago, and there are approximately 2,000 students nationwide who have declared a major or minor in an insurance-related field. At least 41 U.S. colleges and universities now offer undergraduate degree programs in risk management and insurance, according to a directory of such programs published in the Oct. 14 issue of Business Insurance magazine (see www.businessinsurance.com).

While the enrollments are small, college degree programs "are having a very positive impact" on the labor market for underwriters and other positions, says Gregory Jacobson, president of Jacobson Associates, a Chicago-based search firm that specializes in insurance.

RLI Insurance, Peoria, Ill., plans to increase its college recruiting, says Randy Sebastian, manager of human resources. Although students fresh out of college are not skilled like industry veterans, he finds that they are generally more proficient with computers.

"University degrees provide very little in the way of [specific] underwriting education," says Boose at Indiana State. "It's safe to say that the insurance curriculum across universities is aimed more at an understanding of the insurance mechanism."

"You have to understand adverse select before you can prevent it."

Recent events may inspire students to appreciate the value of the insurance industry and make their careers in it, says Barbara Reardon, owner of Educating Underwriters, Batavia, Ill.

"Now it's not the insurance guys who have the black eye," she says. "It's the financial guys who have the black eye."