



Earning a Degree in Risk Management and Insurance at Cal State University, Northridge

Published: *American Bar Association, Tort Trial & Insurance Practice Section, Self-Insurers and Risk Managers*

By: Timothy Thornton, Jr. and Kathryn Camerlengo



According to Dr. David T. Russell, Professor of Insurance and Finance at Cal State Northridge (“CSUN”), “Insurance is a noble calling because you are helping people when they are at their lowest point.”¹

“West of the Mississippi” (a common phrase in the insurance industry), very few schools offer undergraduate courses in the risk and management and insurance fields. As the current generation of those working in the insurance industry retire without qualified replacements, a gap has arisen. More jobs need to be filled. Misconceptions about what careers in the insurance industry entail and lack of advanced courses offered are additional factors widening this gap.

CSUN’s Risk Management and Insurance Program – CSUN offers a Bachelors of Science in Business Administration with three options:

1. Financial Analysis, which provides a general education in financial theory and practice;
2. Financial Planning, which prepares students for careers as personal financial planners; and
3. Risk Management and Insurance, which prepares students for careers in risk management and insurance.

CSUN offers various scholarships to its students who demonstrate an interest in the Insurance/Risk Management Industry. They also provide resources for non- CSUN scholarships for college students as they explore the higher education risk management profession.

When asked about the risk management techniques taught in the RMI program at CSUN, Dr. Russell described the program as a multi-dimensional process. Students learn how insurance is sold, how the process works from a macro level, and the different models of distribution, to cite a few examples.

Courses offered by CSUN emphasize that a career in the insurance industry is more than a “sales job,” a common misconception among young students. Students will learn about other career opportunities as actuaries, claims adjusters, underwriters, loss control specialists, risk management analysts, risk manager, and of course sales (agency/brokerage).

CSUN has also developed excellent relationships with the representatives of the RMI industry, who provide students opportunities such as “field trips” and firm tours. Farmers Insurance is one of CSUN’s corporate partners. Farmers has hosted CSUN students on the campus of the University of Farmers, Agoura Hills, California, annually since 2008. For the past 10 years, Farmers has also sponsored an undergraduate course through CSUN’s Department of Finance. Different Farmers experts teach the course, which allows CSUN students the opportunity to gain invaluable “real world” experience. Farmers also participates in CPCU All- Industry day and RMI Education Day

Farmers benefits as well from its partnership with CSUN. Jim Taylor, CSUN alumni, and Chief Claims Compliance Officer for Farmers, describes the partnership between Farmers and CSUN as “an opportunity to engage the community, promote insurance as a career choice, and present Farmers as an employer of choice.”²

Why are Risk and Management and Insurance programs important?

With the current retirement of so many underwriters, claims adjusters, brokers and risk managers, many companies need more agents. There is a growing concern that the vacant spots in insurance agencies are going to remain vacant. There is a great demand in the insurance industry for experts, trained instructors and knowledgeable students, but very few universities west of the Mississippi offer courses, let alone majors, in the field of insurance. In California, there are three schools that offer majors in risk management and insurance, CSUN, Cal State Fullerton and Cal State Sacramento. Students in these programs learn how to think about what issues and tools matter in the insurance industry. And, in spite of recent market disparity, CSUN’s RMI program bodes well for the future by continuing to offer students a stable and sustainable career.

For over 40 years, CSUN has been offering risk management and insurance course to undergraduates. Students can now obtain a Bachelors in Science in Business Administration with an option in Risk Management and Insurance (“RMI”).

The Risk Management and Insurance program at CSUN offered to upperclassmen was established in 2011. Not only does CSUN offer multiple courses in risk management and insurance areas, students can now earn a degree in Insurance. CSUN is one of the two universities in California which offers students an opportunity to earn a degree in Risk Management and Insurance.

Currently, Dr. David Russell and Dr. Mu-Sheng Chang serve as co-directors of the Center for Risk Management and Insurance at CSUN. Dr. Jiyeon Yun is an assistant professor in CSUN’s Insurance and Finance program. Dr. Russell earned an Applied Baccalaureate Degree in Economics *cum laude* from Amherst College in Massachusetts in 1992, then obtained his doctorate

in Insurance from the Wharton School at the University of Pennsylvania in 1997. Prior to teaching at CSUN, Dr. Russell taught RMI courses at the Katie Insurance School at Illinois State University. In 2002, he began teaching Risk Management and Insurance at CSUN. Dr. Russell has written two books on insurance and published articles in several industry journals. Dr. Russell is also a member of several associations, including the Risk and Insurance Management Society, the American Risk and Insurance Association, and the Western Risk and Insurance Association.

Over the past several years, Dr. Russell has seen a steady increase in the number of students enrolling in CSUN’s RMI program, however he explains that there is still room for improvement. As a “commuter” school, CSUN’s student population is largely comprised of students who have already declared their major. Dr. Russell described CSUN’s past student recruitment for the RMI program as one based more on “hope,” than results. However, in the last several years, a more aggressive recruiting approach has been taken in terms of introducing the RMI program to the first and second year students rather than to just focus on the upperclassmen.

Dr. Russell’s perspective can be summed up thusly:

“We believe that we can support the insurance community best by preparing the future workforce with the fundamental principles underlying the insurance mechanism one student at a time. The Center supports these activities with financial and educational resources over the long haul—both before and after graduation.”

Target Audience

When asked **for** whom is the RMI program at CSUN is designed, Dr. Russell explained that the program is targeted at students who are interested in business and finance in the insurance context, and who can learn the necessary tools to reduce losses. He also observed that, “students crave the real world” and this program provides just that.

Other Universities with a RMI program

There are only a few universities in California with similar types of these programs. The University of Southern California, for example, offers a risk management program as a minor. CSUN partners with Cal State Fullerton, which offers a similar risk management major and is considered a “sister” school to CSUN. The third public university is Cal State Sacramento. Professor Russell does not view these schools as competitors, but rather as partners and complimentary of one another.

Input from employers as to what they look for in a risk management program

Employers often prefer to work with students when they are just starting in the Risk Management Program. They first observe the students as interns and then decide whether to offer them a position upon graduation. Dr. Russell has found that prospective employers often offer internships to those students who are in their first year of the RMI program. By working with interns who are just

starting out in the insurance industry, employers find that they are like “sponges who soak up” a vast amount of information presented to them in a short period of time. Also, offering early internships to students can often ward off “bad” habits or techniques before they begin.

Input from former students as to what they look for in a risk management program

Dr. Russell has found that most of his graduates go on to working for insurers, in house and brokers, where they represent the insured. He frequently hears from his former students, some on a weekly basis. Graduates come back to the University for several reasons, such as looking for students to fill positions at their brokerage or insurance company, or wanting to teach one of the courses in the Risk Management program. Russell describes it as a network, a family of students who graduate from the program and want to give back. Many students are first generation college students. A large number of such students get into this program, then enter the insurance world and never leave.

CSUN students find that the RMI program enables them to not only network, but gain a competitive advantage when applying for jobs and internships. CSUN students view Dr. Russell and the other professors as invaluable resources in their development of their future careers. Through such assistance and guidelines, CSUN students are given more and better opportunities for a future in the insurance industry.

Conclusion

At the present time, there are growing concerns about the future of the insurance industry. From the students to the professors to carriers like Farmers Insurance, there is a need for young, educated people motivated to fill the gaps in the insurance industry as the current generation of employees leave or retire. Should the gaps in this industry widen, Dr. Russell opines this may in fact lead to an increase in bad faith claims. By providing students the opportunity to major in Risk Management and Insurance, CSUN, Cal State Sacramento and Cal State Fullerton are creating more and more opportunities for the younger generations to get their foot into the door of the insurance industry.

Endnotes

1 Timothy Thornton and Kathryn Camerlengo interviewed Dr. Russell on September 21, 2023, as part of this Newsletter.

2 See Farmers Makes Students Smarter About Insurance Careers, https://www.csun.edu/sites/default/files/Univ%20of%20Farmers_2015_Farmers%20makes%20students%20smarter%20about%20insurance%20careers.pdf

Timothy M. Thornton, Jr. is a Partner with Gray•Duffy, LLP in the Encino, CA office. With more than 25 years' experience, Mr. Thornton provides legal counsel on insurance-related matters, such as mass torts, toxic torts and exposures, and environmental contamination. He may be contacted at 818-907-4023 and tthornton@grayduffylaw.com.

Kathryn Camerlengo is an Associate with Gray•Duffy, LLP in the Redwood City, CA office. Ms. Camerlengo's practice focuses on labor and employment matters, business owners' liability, professional liability, personal injury and construction defect litigation. She may be contacted at 650-517-5504 and kcamerlengo@grayduffylaw.com.

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