

RISK AND INSURANCE CURRICULA IN THE TWO-YEAR COLLEGES

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During the past year, the number of two-year colleges continued to grow at about the same rate as during the past several years, reaching a total of 837.¹ At the same time, there was an even larger increase in the number of full-time students attending such institutions.² Inasmuch as some of these institutions are now offering or plan to offer curricula in Risk and Insurance, it is entirely suitable that members of this Association become acquainted with the progress and the problems these colleges face.

The origins, natures and purposes of two-year colleges are homogeneous solely because of their heterogeneity. Without attempting any exhaustive classifications, it is possible to separate these colleges into a few broad categories. These re-

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¹ *Junior College Growth, Junior College Journal*, Vol. 37, No. 7, April 1967, page 7.

² *Ibid.* As of October 1968, there were 837 institutions with total enrollments of 1,464,099. A conservative estimate for 1970 indicates 1,000 such institutions with 2,150,000 students.

marks will confine themselves to sponsorship and purpose.

Among the privately sponsored two-year colleges there are some whose sole purpose seems to be profit for the owners, while others take on many of the characteristics of the better privately sponsored senior colleges and universities. The former may be further tabulated into religious, secular, academic, military, "finishing", and so on; while the latter adhere to the usual academic arrangements. Approximately one-third of the existing two-year colleges are privately sponsored.

The remaining two-thirds of the institutions are publicly sponsored, generally by the school districts within a county, utilizing financial arrangements to be described below. Some are formed directly by a state³ or by a large city.⁴ It is among these publicly sponsored institutions that there has occurred the bulk of the recent growth in number of colleges as well as number of students. In part, this reflects growing concern with the need for education beyond the high school level along with the apparent shortages of space at

³ For example, the Agricultural and Technical Colleges of the State University of New York.

⁴ For example, the Community College of Philadelphia.

four-year institutions. Perhaps one goal of the two-year college is to provide the first two years of a four year college education, an approach which is being utilized more today than in former years. In fact, Seibel⁵ reports ". . . more students proceeding to senior colleges *via* the junior college, rather than moving directly from high school to the senior college."

The attractiveness of a public two-year college to a high school graduate is both financial and geographic. Using the community colleges of Pennsylvania as an example, the usual tuition is approximately \$11.00 for each semester credit, plus very modest fees. This low tuition is achieved by having the sponsor bear approximately one-third of the cost and the state the remaining one-third. Being locally sponsored, the colleges give preference to local residents, hence, the commuting students realize savings in living expenses.

Curricula in the areas of applied economics (business administration) may be designed for transfer to four-year colleges, or for termination in a first-job offer. In addition, the true community college provides a virtually unlimited assortment of courses for the continuing education of adults. As with any curriculum, Risk and Insurance must comply with the requirements established by the college and by the department. Further, the curriculum designer must be ever alert to four-year curricula in order that the two-year curriculum be acceptable for transfer purposes.

At the Community College of Philadelphia, the major in Risk and Insurance falls within the Business Administration Department. The curriculum which evolved is designed to achieve the dual objectives of transfer or first-job offer. In essence, the program is divisible into

⁵ Seibel, Dean W., "The Nature and Nurture of the Entering Student," *Junior College Journal*, Vol. 37, No. 4, December 1966, page 15.

four basic areas: tool courses, general courses, functional courses, and major area courses. Although a rigid 63 semester credit requirement is specified for graduation, flexibility is achieved through the selection of electives in consultation with an academic advisor. Arrayed by area, the Risk and Insurance program would consist of:

I. Tool Courses:

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| A. Business Mathematics
(waived for qualified students) | 3 s.c. |
| B. Office Machinery | 1 s.c. |

II. General Course Requirements:

A. Liberal Arts Core:

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|-----------------------------------|--------|
| 1. English Composition | 6 s.c. |
| 2. English Electives | 6 s.c. |
| 3. Economics | 6 s.c. |
| 4. Concepts in
Natural Science | 4 s.c. |
| 5. Liberal Arts
Electives | 6 s.c. |

B. General Business Core:

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|-------------------------------|--------|
| 1. Accounting | 3 s.c. |
| 2. Introductor to
Business | 3 s.c. |
| 3. Business Statistics | 3 s.c. |
| 4. Business Law | 3 s.c. |

III. Functional Business Core:

Electives in business courses such as: Corporate Finance, Marketing, Investments, Labor, Management, Data Processing, and so forth
4 to 7 s.c.

IV. Major Area Courses:

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|---|--------|
| A. Principles of Risk
and Insurance | 3 s.c. |
| B. Life, Health and
Social Insurance | 3 s.c. |
| C. Property and
Liability Insurance | 3 s.c. |
| D. Seminar in Insurance | 3 s.c. |

Arranging the above program into four semesters of 15 weeks each, produces a suggested sequence as follows:

Semester I

English Composition I
Concepts in Natural Science
Introduction to Business
Liberal Arts Elective
Macroeconomics
(Business Mathematics)

Semester II

Accounting
English Composition II
Principles of Risk and Insurance
Business Statistics I
Microeconomics
Office Machinery

Semester III

Life, Health and Social Insurance
Property and Liability Insurance
English Elective
Business Statistics II
Business Electives

Semester IV

Seminar in Insurance
English Elective
Business Law
Liberal Arts Elective
Business Elective

Several preliminary observations will be helpful prior to any further description of the curriculum. First, approximately one-half of the course work is liberal arts in nature. This is in keeping with practices recommended by business curricula critics and adopted by many senior colleges of business administration. Second, the number of courses in the major is kept to an absolute minimum in order not to have any degree candidate "overspecialize" and so that maximum transfer of credits may be available if the candidate decides to continue his formal education.

Lastly, the rigorous nature of the curriculum is not readily apparent from a study of the list of courses. This writer can state that at the institution with which he is associated, these courses are as academic as any at senior institutions, particularly in economics and statistics. The ultimate test of the entire curriculum will be satisfactory performance by its graduates at senior institutions or in employment.

A serious question that had to be answered was whether to have the Risk and Insurance major stand alone or in conjunction with another discipline. For example, Mohawk Valley Community College has chosen to combine Banking, Insurance and Real Estate into a single major. The same election was made at State University of New York, Agricultural and Technical College at Canton. Whatever the motives for this combination may be, it is this writer's contention that Risk and Insurance merit a separate academic identity, particularly in view of the academic depth of the discipline. Perhaps an urban location produces the necessity for specialization, whereas in sparsely populated areas there may in fact be need for a "combination specialist." It might prove interesting to have additional thoughts on this matter brought to this section of *The Journal of Risk and Insurance* in the future.

The content of the Risk and Insurance courses is the most difficult problem facing the curriculum designer, somewhat intensified by the dual objectives of transfer and first-job offer. This requires the selection of course material readily recognizable and acceptable by both senior institutions and by prospective insurance employers. After some three years of experimentation, this writer has concluded that judicious use can be made of adaptations from the Insurance Institute of America Educational Program in General Insurance (hereafter referred to as the

I.I.A. Program). The benefits of using this approach become considerable when applied to the terminal candidate seeking his first job. Ordinarily, there is instant favorable recognition by the employer of the entire I.I.A. Program, most significantly if the candidate has passed one or more of the I.I.A. examinations. A further advantage of this approach is that the instructor can, if he uses I.I.A. examination material (past examinations are generally available), measure his own effectiveness against a known standard. This latter gain is frequently used in effective pedagogy for C.L.U. and C.P.C.U. classes; why not employ these professional techniques in undergraduate instruction!

The adaptation of the I.I.A. Program for college use has not proved too difficult. Specifically, the *Topical Outlines* prepared by I.I.A. are not used. Rather, the usual type of college assignment sheet is prepared, based on the *Topical Outlines*. In addition to the text assignments, use is made of outside readings to parallel the subject matter. A further departure from I.I.A. is made in emphasizing the "why" and "how" of insurance theory rather than the practices of the insurance industry.

Since the I.I.A. Program consists of three courses and the college curriculum presented here contains but two similar courses, modifications must be made in order to condense material. The college course in Principles of Risk and Insurance follows most closely the subjects covered in I.I.A. Part A, with some expansion in

the discussion of life insurance and annuities. The college course in Property and Liability Insurance is a condensation of I.I.A. Parts B and C. The only sacrifice of material occurs in order to provide a greater concentration on theoretical applications rather than existing contracts and forms.

The college course in Life, Health and Social Insurance has not presented any difficulties. Any of the many fine textbooks currently available, supplemented by suitable collateral readings, have been employed successfully. Conceivably, an attempt could be made to have this course become a somewhat abbreviated and modified version of C.L.U. Part I. This writer intends to conduct such a program on an experimental basis during the forthcoming academic year.

For the seminar course, two projects and one moderately long paper are required. These projects are in addition to assigned readings, particularly of current articles.

As with any academic program, the success of this one will be measured in the accomplishments of its completers. To date, this writer has information that the students who chose to regard the program as terminal and are now working in the insurance industry, are doing better than if they had not had the two years of college work. Of those students who elected to continue their education at senior colleges, unfortunately, no information has been received.