

Drake University's Actuarial Science and Risk Management and Insurance Programs

by Lisa Gardner Ph.D. and Toby White Ph.D.¹

Introduction

In this article, we profile Drake University's actuarial science and risk management and insurance programs. Drake University, a private independent university located in Des Moines, Iowa, and accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, has a long and storied commitment to preparing students for successful careers in the insurance arena. This commitment became notably evident in 1941 when Drake began an insurance program, and it was strengthened with the addition of an actuarial science program. Today, Drake enrolls approximately 3,500 undergraduate students, and about ten percent of these are either actuarial science majors (or joint majors) or students enrolled in the insurance concentration. The majority of our article focuses on these programs. Before we begin those discussions in the next section, we think it is important to mention our graduate and professional and continuing education offerings related to insurance and risk management.

At the graduate level, Drake offers more than twenty programs with more than 2,100 students enrolled in them. Some of these, like our programs in law (JD) and business (MBA, Master's in Financial Management [MFM], and MPA), offer a variety of insurance-related courses each year. Our law school offers courses addressing estate planning, products liability, social security disability, and workers compensation, while our graduate programs in business offer courses about compensation and benefits, healthcare management, the regulatory environment for financial institutions, and risk management for financial institutions.

The Kelley Insurance Center (KIC), first established in 1973 as The Insurance Studies Center, and located in the College of Business and Public Administration (CBPA), provides a host of professional and continuing education opportunities covering a broad range of needs. The Kelley Insurance Center provides significant educational support for the insurance community, such as by offering The Institutes' professional designation examination preparatory classes, including those leading to the AIC, AIM, ARM, AU, CPCU®, and AINS™ designations; by sponsoring continuing education classes for insurance producers; and by maintaining the Archie R. Boe Distinguished Lectureship Series, which enables the KIC to host distinguished speakers who lecture on a variety of current insurance-related topics. The KIC has one full-time employee, Douglas Ireland, who serves as manager of professional insurance programs at the center. The KIC extends Drake's competency in insurance to a wider audience beyond our undergraduate and graduate students, helping to raise the university's profile in the insurance and financial services sectors in Central Iowa and beyond.

Abstract

Drake University, a midsize comprehensive private university located in Des Moines, Iowa, offers thriving undergraduate studies in actuarial science and insurance, and has for many years. The purpose of this article is to profile these programs, addressing both the insurance concentration and actuarial science majors available to Drake's approximately 3,500 undergraduate students.

History and Development of Insurance and Actuarial Science at Drake

Insurance: Drake's insurance program was initiated in 1941. As is the case at many schools, the program functioned for many years as a niche major within a business school, with at least one full-time faculty member engaged in teaching insurance courses. Among the many distinguished insurance faculty members who have taught courses in Drake's insurance major at some point in time are Drs. Robert Cooper, Frederick Crane, Barry Smith, Ellen Thrower, Michael Murray, and Terri Vaughan (who also taught actuarial science courses during some of her tenure at Drake).

Cooper led the development of the current undergraduate concentration in insurance, which replaced the insurance major as part of a university-wide program review effort conducted during the 2001–2002 academic year. The major had nineteen students when it was replaced; the concentration includes approximately three-times that many students now. Cooper, the Employers Mutual Distinguished Professor of Insurance, is the primary faculty member supporting the current insurance concentration. Cooper has been a faculty member at Drake since 1988, and has published widely in academic and professional journals in the field.

Dr. Lisa Gardner, who joined the Drake faculty in 2006, occasionally teaches an insurance course, but her primary teaching responsibilities now focus on statistics courses that satisfy general education requirements, for example, critical thinking.

Actuarial Science: Although there has been an insurance program at Drake since 1941, actuarial science was not officially taught until 1950. During this year, Floyd Harper and Eli Zubay developed the initial program, but they left Drake in 1958 to start an insurance program at Georgia State University. Since then, the program has been served by Don Schuette (1958–1967), Warren Adams (1967–1987), Newton Bowers (1969–1996), Stuart Klugman (1987–2009), and Rahul Parsa (1990–present). Our Adams Bowers Center (ABC), named after Warren Adams and Newton Bowers, currently serves as a central place for students to meet, study, and participate in exam-preparation seminars.

Mission Statement of CBPA

Through their respective curricular and co-curricular activities (for example, credit internships), the insurance concentration and the actuarial science program support the Mission and Promise Statement of Drake's College of Business and Public Administration (CBPA). This statement is:

The CBPA prepares our learners to succeed as leaders and global citizens by bringing the world into the classroom and the classroom into the world. Our learners will be:

- Proficient in their Fields
- Strategic Problem Solvers
- Effective Communicators
- Inclusive Leaders
- Ethical Stewards

Integration of Programs Into CBPA Curriculum/Context

Insurance: The insurance concentration is open to any of the CBPA's more than 1,100 undergraduate students, as well as any of Drake's approximately 2400 other undergraduate students majoring in the College of Arts and Sciences, College of Pharmacy and Health

Lisa Gardner, Ph.D., is an associate professor of statistics and insurance at Drake University. Much of her research focuses on public policy and education issues related to risk management and insurance.

Toby White is an assistant professor of finance and actuarial science at Drake University. He has a Ph.D. in statistics from the University of Washington and completed his fellowship in the Society of Actuaries in the early 2000s, when he worked as an actuary for Lincoln Financial Group and as a consultant for Tillinghast-Towers Perrin.

Sciences, School of Education, and School of Journalism and Mass Communications. The concentration provides preparation to enter positions in claims, marketing, risk management, and underwriting, as well as human resources, management, investments, actuarial science and accounting. As such, the concentration blends well with many other CBPA majors, but also provides some exposure to the business concerns of insurers for students majoring in fields beyond business.

Actuarial Science: Our actuarial program covers all of the learning objectives covered on the first five actuarial exams, and is thus quite rigorous by necessity. While we stress quantitative skills like probability, data analysis, and modeling, not unlike many other leading North American actuarial programs, the real Drake advantage arises through our emphasis on preparing students for integration into a business culture immediately upon graduation from Drake.

Not only is the number and type of business classes taken by Drake students much greater than what one would find in a traditional math-centric actuarial program, but throughout a student's journey at Drake, we are constantly promoting the skills necessary to succeed in a business career. These skills include writing, public speaking (both individually and in a group setting), leadership, computing (both programming and information systems), professionalism, and ethics.

Drake's Insurance Concentration Overview

The undergraduate insurance concentration includes nine credit hours of courses in Personal Risk Management, Business Risk Management, and Insurance Company Operations. Each of these courses is offered in a regular classroom environment at least once during the regular academic year (fall and spring semesters), and all three are also available online during the summer. Thus, a student with sophomore level (or above) class standing can easily complete the concentration within a year, and a motivated student can complete it during a summer.

At present, sixty students have declared the insurance concentration. These students may have any of the more than seventy undergraduate majors available at the university, and do, in fact, represent a variety of majors.

Many of our students complete at least one internship before graduation. For example, more than three-fourths of the students receiving an insurance concentration in December 2009, May 2010, or August 2010, completed an internship. These internships occurred in a variety of businesses, including insurance companies, banks, and accounting firms.

Thirteen funded scholarships are available to those students studying insurance. EMC funds six \$5,000 scholarships for those enrolled in the insurance concentration, regardless of their major. EMC also funds an additional five scholarships of \$5,000 each for students who have taken an insurance course, but have not declared an insurance concentration. The Claire Gsell Memorial Scholarship goes to a student with a concentration in insurance, and while the amount varies depending upon endowment income, in recent years it has totaled more than \$1,500 annually. Finally, the J. Doyle DeWitt Insurance Scholarship, also an endowed award, has exceeded \$350 in recent years, and also goes to a student with a concentration in insurance. In total, nearly \$57,000 in scholarship awards are dedicated specifically to insurance students annually at Drake University. Of course, these students also compete for other scholarship monies at the university and national levels.

While the remainder of this article is devoted to discussions about our actuarial science program, we note the important synergies that exist between these two programs. Each would be significantly diminished without the presence of the other. Both help differentiate Drake University's business school from similar institutions in the Midwest, as well as nationally and internationally.

Drake's Actuarial Science Program Overview

Center for Actuarial Excellence (CAE)

In 2010, Drake became one of the nine original Centers for Actuarial Excellence among U.S. actuarial programs, as designated by the Society of Actuaries, and one of the original thirteen programs in North America (the other four were in Canada). Our credentialed faculty, the strong record of our students in passing exams and procuring actuarial employment, and the full integration of our program into the CBPA were all cited as reasons that we received this designation. Most importantly, our focus on preparing students for actuarial careers, rather than just actuarial exams, is permeated throughout our program's structure.

Our students take a four-semester business sequence that focuses on professional writing, business presentations, and leadership. These classes contain modern-day insight on resume/cover letter preparation and interview skills. Unlike at many other math-or-statistics-oriented actuarial programs, all of our four-year students take multiple courses in many of the business disciplines commonly found in an AACBS-accredited institution's core, such as economics, accounting, finance, management, marketing, and information systems.

Courses (Including New Courses Relating to P&C and ERM)

As for our actuarial-specific curriculum, there are eight courses that relate directly to the material covered on the first five preliminary mathematical exams. Specifically, we offer ACTS 131 (Probability, Exam P/1), ACTS 120/121 (Financial Mathematics, Exam FM/2), ACTS 150/151 (Life Contingencies, Exam MLC/3L), ACTS 121/145 (Mathematics of Financial Economics, Exam MFE/3F), and ACTS 132/141/160 (Construction of Models, Exam C/4). All of these courses are required for all our actuarial majors except for ACTS 160, which is strongly recommended.

We also cover all of the topics needed for VEE (Validation by Educational Experience) credit, which includes ECON1/2 (Micro/Macro economics), FIN 102 (Advanced Corporate Finance), and ACTS 170/ECON 107 (Applied Statistics/Regression). All of these courses are required for our majors.

In 2010, Tom Struppeck, Robb B. Kelley Distinguished Visiting Professor of Risk Management and Actuarial Science, FCAS, joined our faculty to develop the curriculum for a pair of courses that would be more appropriate for students wishing to enter the property-casualty track. In addition, our ACTS 160 course features credibility and simulation prominently, and tends to be taken by students wishing to become property-casualty actuaries. As our program has continued to grow, we aim to provide courses that will prepare students for both the SOA and CAS actuarial pathways.

Joint Majors/Double Majors/Insurance Concentration

It is not unusual for our students to do a joint major or double major, sometimes also in conjunction with an insurance concentration or a math minor. In fact, it is now more common for a student to have at least two majors than to major only in actuarial science. Since we are in the business school, finance or accounting are the most common companion majors.

Students who take approximately four to five extra classes in the secondary (nonactuarial) majors are considered joint majors, whereas students who satisfy the full requirements for each of two majors separately (which requires about eight to nine extra classes in the second major) are called double majors. Many of our students also pursue a math minor, which requires taking a few extra classes outside of the business school (since the math department is in the College of Arts and Sciences). Other students seek an insurance concentration, which requires three additional classes, all focusing on the more practical, qualitative aspects of the insurance industry.

Student Population (U.S. Versus Non-U.S. Breakdown)

During the fall 2011 semester, we had 332 students who had declared actuarial science as a major. We have had a steady inflow of international students from various institutions of higher learning in Malaysia over the last five to ten years. We typically enroll between twenty and fifty transfer students each semester from Malaysia. We also have multiple students from China, Kenya, and Pakistan. The majority of American students are from the Midwest region. Most notably, the metropolitan areas of Chicago, Minneapolis, Omaha, Milwaukee, Kansas City, and St. Louis contribute large shares of students to our programs.

Almost all of our actuarial majors come to Drake with the specific desire to study actuarial science, although there are some students who decide to major in actuarial science later in their academic journey. However, the level of academic rigor is quite high in our program, as dictated by the learning objectives in the preliminary exams, especially with respect to the mathematical and statistical background required. Thus, we also have several students each year who drop the actuarial major, usually after having taken ACTS 120 or ACTS 131.

Faculty Lines Allocated to Program

Currently, there are five full-time faculty lines that devote a significant amount of time to actuarial science. Of these five, two lines are completely actuarial science, and the other three are joint appointments in actuarial science and either finance, statistics, or risk management. Selected CBPA faculty members who support the program in various ways include Drs. William Boal, Lisa Gardner, and Amy Vaughan.

Among our core group of faculty are Paul Ferrara, FSA; Toby White, FSA; Tom Struppeck, FCAS; Paul Judd, ASA; and Rahul Parsa, senior member of the group and current program director. Additionally, Drs. Ferrara, Parsa, and White have PhD's in statistics, while Dr. Struppeck has a PhD in mathematics and Paul Judd has an MS in actuarial science.

Outreach (Connection Between Drake's Actuarial Program and Community)**National Advisory Council**

Our National Advisory Council (NAC) was formed in 2009, and consists of thirteen individuals, most of whom are Drake alumni and prominent members of the Des Moines business community. Included on the current NAC are Bruce Kelley, the CEO/President of EMC Insurance; Don Hamm, the former CEO/President of Assurant Health; Jim Wallace, the CEO/President of Guide One; Kim Austen, the CEO/President of Allied Insurance; Ned Burmeister, the CFO of Principal Financial Group; and Jim Noyce, the former CEO/Director of FBC Financial, who is also the NAC Chair. More biographical information can be found about all current NAC members at www.drake.edu/cbpa/acts/nationalcouncil.html.

Together with the actuarial science faculty and the Dean of Drake's CBPA, the NAC meets twice per year, usually in October and April. Meetings last for two to three hours and cover all elements of the Drake actuarial program, with specific focus on issues relating to strategic planning, program funding, and visibility.

Semi-Annual Roundtable Discussions (Co-Sponsor: PWC)

PricewaterhouseCoopers (PWC) will be opening up consulting offices in Des Moines during 2012, and has been partnering with Drake since 2010 to offer cutting-edge one-day seminars on current topics affecting the insurance industry. Larry Rubin of PWC and Rahul Parsa of Drake have been instrumental in developing these seminars, which are hosted by Drake but attended by insurance professionals from all over the Midwest region.

In the morning sessions of the seminar, various subject-level experts give presentations that outline the key talking points relating to the day's main topic. In the fall 2010 semester, the topic was International Financial Reporting Standards (IFRS). In the spring 2011 semester, the topic was Solvency-II standards and risk-based capital. In the fall 2011 semester, the topic was the new U.S. health care system, from both an insurer's and a regulator's perspective. There are roundtable discussions, conducted in a panel format, from which the audience can ask specific questions. For the spring 2012 semester, the topic will be longevity.

Actuarial Education Day (Co-Sponsor: Iowa Actuaries Club)

This year, Drake is partnering with the Iowa Actuaries Club (IAC) to provide both the longevity Roundtable Discussion (see above paragraph) and a series of talks to Iowa-area actuaries at the annual Actuarial Education Day. In the past, this was a one-day event, and although Drake alumni and faculty did attend, we were not part of the planning process. This year, the event has been extended to two days. The IAC is responsible for booking speakers for the first day, but Drake is providing the speakers on the second day. Our speakers will include Drake faculty from both the finance and actuarial departments and a distinguished speaker from the insurance/professional community.

Alumni Actuarial Newsletter (Produced by Drake Students)

The actuarial science program publishes a newsletter for Drake alumni twice a year, typically in early May and December. The intent of the newsletter is to share information about the program (new developments), students (exam results and job placements), and alumni accomplishments. The majority of articles are completed by current actuarial students, but Dr. Rahul Parsa selects the topics, recruits both student writers and editors, and implements the publishing and distribution of the newsletter.

Stuart A. Klugman Award and Alumni Evening

The National Advisory Council (NAC) of the actuarial science program, soon after its initial meeting, established the Stuart A. Klugman award to recognize Drake alumni who have distinguished themselves in the actuarial field. Klugman provided leadership in Drake's actuarial program from 1987 to 2009, when he left Drake to join the Society of Actuaries in Schaumburg, Illinois.

This award is presented in the spring at the Actuarial Science Alumni Evening, a mixer where current students and visiting alumni get together to socialize and network. Past winners of this award have included Larry Zimpleman, chairman, president, and CEO of Principal Financial Group (2010) and William Buchanan, chairman of United Life (2011). This year (2012), we will be awarding Bob Stein of Ernst & Young, New York.

Benefits/Perks for Drake's Actuarial Science Students

Career Development Center/Resume and Interview Prep

A key aspect of Drake's actuarial program that sets it apart from many other schools is the strong connectivity between students and actuarial employers throughout the year. This is made possible primarily through the efforts of the CBPA Professional and Career Development Center (CDC), which has been partially funded by Wells Fargo.

Each fall, Annette Watson, our career services manager, with assistance from the Executive Council of the Drake Actuarial Student Society (DASS), provides a series of weekly workshops to our students. One week, the art of building and compiling a resume is covered. The next week, an overview of the actuarial-specific interview process is discussed, which includes how to dress, which questions to prepare for, which questions students should ask employers, and how to write thank-you notes. In addition, the CDC provides individual counseling to students who are looking for jobs and arranges

networking events (in Chicago, Minneapolis, and Kansas City) and local job shadowing.

A few weeks before our annual actuarial career fair, which is usually scheduled in early October, student resumes must be submitted electronically for both summer internships and full-time positions. Each student must also identify companies of interest, and from among these lists, each company decides who they would like to schedule for official interviews on campus.

Actuarial Career Fair/On-Campus Recruiting

Each year, we have about thirty to thirty-five insurance companies and consulting firms from all over the U.S. (although primarily from the Midwest) travel to Drake to conduct interviews and meet our students. Interviews take place all day on a Thursday and extend into Friday morning. For Thursday lunch, all the recruiters eat lunch together with both the actuarial faculty and National Advisory Council members who are on campus for our semi-annual meeting.

Then, for about three hours in the late afternoon on Thursday, Drake hosts its annual actuarial career fair, which is open to all Drake actuarial students. Thus, any student who did not receive an official interview with a company can talk to its representatives more informally. This is especially helpful for underclassmen who, although not yet perhaps meeting the criteria needed to secure an internship, can at least make connections with employers of interest.

Finally, on Friday afternoon, the DASS runs an outdoor barbecue lunch at a nearby city park, which is open to all DASS members, and gives one final chance for the students and recruiters to interact. This event traditionally closes with a surprisingly competitive kickball game, pitting the students against their future bosses.

A second round of recruiting generally occurs early in the spring semester and consists of employers who may not have had openings during our Fall Career Fair, along with Drake's remaining students still looking for actuarial jobs. From 2005 to 2011, among 236 Drake graduates of the actuarial program who completed an employment survey, 194 (82.2 percent) were able to find actuarial employment within six months of their graduation date. For U.S. students, this percentage was considerably higher (92 percent), as compared to our international students (76.1 percent), mainly due to the large number of employers who have chosen not to sponsor non-U.S. students over the past few years. Some of the remaining forty-two students who did not accept any actuarial job offers went on to graduate school instead.

Scholarships (for New and Existing Students)

Although the majority of scholarship funds our students receive are from general Drake University funds, we do offer several actuarial-specific scholarships to our best students. For five incoming first-year students, we offer two Roger Brooks Scholarships and three Harper scholarships of varying amounts.

For ten returning students, based on both academic record and faculty recommendations, we offer the following scholarships:

- Four scholarships, sponsored by EMC
- Three scholarships, sponsored by CIGNA
- Two scholarships, sponsored by Principal
- One scholarship, sponsored by D.W. Simpson

Starting in the 2012 to 2013 academic calendar year, we will have additional

scholarships sponsored by Allianz, AVIVA, the National Advisory Council, and the actuarial faculty.

Each year, we officially recognize one or two outstanding graduating seniors, and grant them the Harper Award, named after the co-founder of Drake's actuarial program, Floyd Harper. The award includes a cash prize and official recognition at a springtime luncheon meeting of the Iowa Actuaries Club.

Adams Bowers Center (With Computers and Exam Review Classes)

The Adams Bowers Center (ABC) is named after two of our most distinguished faculty emeriti, Warren Adams and Newton Bowers. The center is home to several open tables and computers where Drake actuarial students can escape to both study for exams and do their coursework.

The ABC has the latest study materials for all five of the preliminary mathematical exams, including text books, solutions to exercises, and multiple study manuals that students have recommended over the years. It also contains numerous actuarial journals and publications. The ABC is the venue for our student-led exam-prep seminars, and is a place where struggling students can go for extra help with actuarial classes during evenings and weekends. The actuarial faculty and the DASS Executive Council will also use the ABC for meetings on a periodic basis.

The center was founded in 2001 with donations from many corporations and individuals, and is located in the lower level of Aliber Hall. Klugman was instrumental in getting this project off the ground. An endowment was established to provide funding for the continued operation of the center. The majority of the earnings from the endowment are used to support actuarial exam fee reimbursements when students successfully complete a professional actuarial exam.

Actuarial Exam Reimbursement

We provide a modest financial incentive for students to pass their actuarial exams. This is no small undertaking, given the large size of our program. To be eligible for exam reimbursement, a student must be at Drake both when they take the exam and when the pass list is officially released, and they must also have notified the actuarial faculty that they took the exam during a particular sitting. If these requirements are met, and the student passes the exam, we provide full reimbursement for exam fees (which are now at least \$200 for each exam). However, if the student fails to inform us about his or her exam progress, we only reimburse half of the exam fee. This way, we can better track our pass rates, since presumably every student who signs up for an exam will let us know in advance, so that they can be eligible for maximum reimbursement if they pass.

Camps and Competitions

Actuarial Science Summer Camp for Women and Minorities

This past summer (2011), Drake University offered a five-day camp focusing on the recruitment of women and minorities into the actuarial profession. During this initial offering of the camp, Drake chose to work with both Black Hawk College of Moline, Illinois, and Scott Community College of Bettendorf, Iowa.

Below is an outline of program activities across seven diverse categories:

- Welcome and introduction, including an overview of the week's schedule
- Career-oriented talks by actuarial professionals as well as by Drake faculty
- Student recruitment by Drake University

- Tours of two local insurance companies
- Business skills development through presentations, problem solving, computer skills, and dining etiquette skills
- A capstone experience group project, completed by four teams of three to four students, each assisted by a peer mentor
- An awards ceremony, highlighting student achievement and thanking participants, camp faculty and staff, and guests for their engagement

We note that our 2011 Actuarial Science Summer Camp for Women and Minorities was made possible through the generous financial support of the Joint CAS/SOA Committee on Actuarial Diversity, Black Hawk College Foundation, Drake University, Royal Neighbors of America, Scott Community College and Woodmen of the World, and the support of AVIVA USA and Guide One Insurance. We gratefully acknowledge their generous support.

We plan to offer the camp again this summer (2012) and in the future on an annual basis. Furthermore, we currently are expanding the number of community college partners involved with the camp. The program's focus on recruiting both women and minorities into the actuarial profession (or related business endeavors) remains the same.

Brooks Weekend Case Competition in Finance/Actuarial Science

Since January 2010, Drake, under the generous financial support of Roger Brooks, has been running a business case competition for Drake's undergraduates who are majors in either finance or actuarial science (or both). In 2010, fifteen teams participated, and in both 2011 and 2012, about ten teams participated. The teams consist of three to four individuals, and students are allowed to choose their own teams.

On Friday morning of the competition week, we all have an introductory meeting where the cases are distributed and the rules are announced. The students then have until 2 p.m. Saturday to complete some analysis in Excel, write a five-page executive summary, and prepare a fifteen-minute presentation that is delivered to a mock board of directors, which is typically a panel of three faculty judges. The faculty panel is also available during the project (before it is due) in an office hours setting to lead groups in the right direction who might have questions.

On Sunday, the faculty judges read all the reports, compare their rankings of both the reports and presentations (which were delivered late Saturday afternoon), and come to a consensus as to who the top five groups are. These groups are then recognized at an awards ceremony late Monday afternoon, presided over by the Dean of Drake's CBPA, and all groups receive feedback on their submissions. The top three groups receive cash prizes, and the fourth and fifth place groups receive honorable mentions.

Traveler's Actuarial Case Competition

Although this competition has existed since 2008, 2011 was the first year in which Drake students were invited to participate. Each October, teams of four to six students from five different schools around the Midwest are invited up to St. Paul, Minnesota, to participate in the Traveler's Actuarial Case Competition. Approximately five schools from the Northeast meet in Hartford, Connecticut, in a separate branch of the competition. Within a short timeframe, groups are asked to develop a solution to a real-world actuarial business problem and make a presentation on their findings. The group from Drake finished first place this past year and was awarded both a cash prize and an "inside track" on securing future full-time employment at Travelers.

Drake Actuarial Student Society (DASS)

Executive Council Helps Plan Program-Related Issues

Each year, elections are held among DASS members for positions on the Executive Council (EC), including the president, two different vice presidents, the secretary, the treasurer, and the web master. The EC meets at least once per month while school is in session and plans the majority of actuarial student events, both of a professional and a social nature. Occasionally, members of the actuarial faculty are invited to DASS EC meetings on an advisory capacity, although it is the students (with the president having the most authority) who make the final decisions.

Guest Speaker Series

About three times per semester, DASS will host and sponsor guest lecturers from various industry professionals. Usually, these are in the late afternoon, and drinks and snacks are provided to the attendees. Although the majority of presenters are from companies that recruit Drake actuarial students, we request that they not simply give a sales pitch about why one should work at their company. Rather, the presenters are encouraged to focus on some aspect of the insurance or consulting fields. For example, recent talks have included an overview of the rating factors incorporated into auto insurance premiums and a primer on the purposes and current markets for reinsurance.

Informational Meetings Re: Classes/Exams/Careers

At the beginning of each semester, we will often hold mandatory meetings for all actuarial majors. These meetings serve multiple purposes, such as introducing the students to the five actuarial faculty and the six DASS EC student representatives. We also review the actuarial curriculum at Drake and the general exam pathways on an annual basis, both to orient first-year students to the program and to update any changes that have recently been made. Periodically, we will also give presentations that demonstrate the difference between insurance and consulting or between life and health and property-casualty companies.

All-Night Study/Dinner With Professors

One of the longest-standing traditions at Drake is the semi-annual comingling of students and professors at the all-night study powwow. Scheduled at the end of each semester, right before the majority of actuarial exams are offered, we all meet in the basement conference room of an on-campus dorm. Although the mood is light, the students are all serious about furthering their exam progress, and the actuarial faculty is available on demand; in fact, there is one subject expert present for each of the exams. From about 9 p.m. until 1 a.m., we work through various end-of-chapter, test, and sample-exam problems, and then, we pack it up, and head for Perkins. DASS treats everyone to the dinner (or breakfast) of their choice. By 4 a.m., we're home in bed.

Annual Exchange Trip with University of Nebraska—Lincoln

Another annual tradition occurs during a weekend in early April, when Drake actuarial students (and professors) get together with those from the actuarial program at the University of Nebraska—Lincoln. In odd years, Nebraska hosts, but in even years, Drake hosts. On Friday night, scheduled activities are quite informal, but come Saturday morning (after a night in which the hosting students provide lodging for the visiting students), there are presentations on actuarial topics—usually a mix between exam/education updates and the latest trends in the industry. Breakfast and lunch (and sometimes even dinner) are provided by the host school before the visitors return to their respective campuses on Saturday night.

Conclusion Regarding the Actuarial Science Program International/Globalization Focus

The area in which the Drake actuarial program is expected to grow fastest in the near-term future is via connections with universities overseas. Right now, discussions are under way with schools in both India and China to form exchange programs, whereby some of our students and faculty would go abroad, and some of the international students and faculty might come to Des Moines. The visiting faculty (both here and abroad) would teach students in the home country skills and subject matter that they might not have received from their native country's faculty.

We already have some actuarial students who choose to do a semester abroad, although generally, this is used to fill distributional requirements (history, music, art, foreign languages, etc.). In the future, we would like our students that travel internationally to learn about the insurance industry in their country of choice, make some global contacts, and also learn about alternative, unique business customs.

Reasons for Program Success (Related to CAE Designation)

The main reason Drake's actuarial program has been a national leader since its inception in 1950 is its focus on teaching and its relatively small class sizes. The leadership of key faculty members and the support the program continues to receive from the CBPA, Drake University, and the Des Moines area insurance community have all contributed to fostering its continued growth. Our students achieve considerable success on the actuarial exams, even though our classes are not specifically taught as exam-prep classes. Rather, the students acquire core business concepts and actuarial tasks (for example, pricing, valuation, statistical modeling, financial forecasting, scenario testing, sensitivity analysis, and simulation) that they can actually apply to their future workplace endeavors.

Even after the departure of Klugman in 2009, the program has continued to grow, with five full-time actuarial faculty and over 330 students majoring in actuarial science. The great majority of these students proceed to have rewarding careers as consultants or actuarial analysts after they leave Drake. Many become leaders in their respective companies, return to Drake as recruiters or presenters, and demonstrate examples of excellence for current students.

Endnote

- 1) Toby White, Ph.D., is an assistant professor of actuarial science and finance. Lisa Gardner, Ph.D., is an associate professor of statistics. The authors appreciate the helpful comments that Robert Cooper, Ph.D., and Rahul Parsa, Ph.D., made on earlier drafts of this article. We also appreciate fact-finding support provided by selected members of the CBPA Dean's Office. The opinions expressed in this article are, of course, the authors' own.