NEW PROGRAM PROPOSAL FOR
CERTIFICATE IN RISK MANAGEMENT AND INSURANCE

University of Hawai‘i – West O‘ahu
Business Administration Division

Date of Proposal: June 2011
Proposed Date of Program Implementation: Fall 2011
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I. OBJECTIVES

The insurance industry is facing a talent crisis of monumental proportions. Many in the workforce are nearing retirement age caused by a shrinking talent pool with baby boomers now reaching retirement age. The growing requirement for specialized education is an unmet need, especially in Hawai‘i, with most insurance and risk management programs available predominantly in the contiguous United States. The insurance industry continues to be impacted by a poor image, decreasing its ability to attract qualified candidates. The need has never been greater nor the timing more appropriate to begin an undergraduate insurance and risk management program in Hawai‘i to train qualified candidates for successful careers in this industry. UHWO is poised to develop a program to meet the training needs for those who are interested in careers in the insurance/risk management industry.

The proposed Certificate in Risk Management and Insurance is designed to prepare students to become working professionals in the property and casualty insurance industry and to provide students with the information needed to pass licensure examinations such as the Chartered Property Casualty Underwriters series.

Course work for the certificate will also supplement elective offerings in the BA in Business Administration program. This will give students more options and opportunities to see the industry as a possible career choice.

The Insurance and Risk Management Industry

The field of insurance and risk management has been a stable area of employment for individuals straight out of high school to those with undergraduate and graduate degrees in various fields. It has also been one that has financially supported thousands of individuals and their families in Hawai‘i, a state known for its high cost of living and lower annual average incomes relative to other states in the U.S. Firms include insurance companies, agencies and brokers, as well as government and organizations employing captive managers and risk managers. Jobs range from accountants, customer service personnel, claims adjusters, account executives/ producers, risk managers, underwriters, legal and computer specialists, technical insurance experts, captive managers, and more.

Nationally, about 42% of these positions are office and administrative support positions, many requiring technical insurance knowledge. Workers in management and operations make up 29%. Sales accounts for about 17% and about 11% are professional in nature, such as computer and mathematical science. Jobs in this field offer good work-life balance, intellectual challenge, and higher than average salaries ($857 per week in 2008 compared to the average for all private industry of $608) and comprehensive benefits.

According to the Insurance Fact Book 2009 the insurance industry in the U.S. employs 2.3 million people nationally and over 9,500 in Hawai‘i. Of the 2.3 million, 61% are employed with insurance carriers and 39% with agencies or brokerage firms.
The State of Hawai’i DBEDT Data Book 2008 indicates the insurance industry supports 515 businesses with an annual payroll of $418,020,000. The average annual payroll per employee is $59,026. A good portion of the individuals in this industry are independent, commission based producers, whose annual average income is significantly higher than this employee average. A sampling of local insurance agency managers indicates a typical commission income per independent agent of $125,000 before expenses.

**Shrinking Talent Pool**

The job market has remained stable even in the worst recession since WWII. In a survey conducted by staffing and executive search firm Jacobson Group, information was collected from 150 US insurance companies and found that 44% expected to increase staff in 2010 and only 13% expected to decrease staff. The Hawai’i DBEDT Emerging Industries report of 2008 claims this sector increased the number of jobs by 8% that year.

However, the insurance industry faces the same challenges many other industries do, a shrinking work force during the period when many baby-boomers will be retiring. In 2008 boomers started turning 62 and the number of people between 55 and 64 was expected to increase 25% in the next six years. The McKinsey & Co report on the challenge to obtain talent in the Property and Casualty industry notes that the number of insurance industry employees 55 or older increased by 74% in the last 10 years (P-C Trends). Local firms surveyed indicated a staffing need of 2 to 30 insurance and risk management employees each over the next five to ten years.

**Need for Specialized Education**

A few jobs in the industry, especially in office and administrative support positions, require a high school diploma. Employers prefer to hire employees with a college education for managerial and professional positions. Licensing by State Insurance Departments is required of anyone selling or servicing insurance policies. Given the technical nature of the insurance and risk management field and the high risk involved in insuring sometimes very complex risks, the need for specialized training has grown substantially. This need is primarily met by industry training through the Insurance Institute of America (Chartered Property Casualty Underwriter), The National Alliance (Certified Insurance Counselor, Certified Risk Manager), and The American College (The Chartered Life Underwriter), amongst others. However this industry training does not take place until the employee is already in the industry. Local firms surveyed indicated a preference for hiring workers who not only had communication and computer skills, but who also had a basic understanding of insurance. UHWO can help meet this need by implementing this Certificate program.

**The Answer**

Much progress has been made both nationally, as well as locally, to provide insurance and risk management training in undergraduate and graduate programs.
Two programs were implemented at the University of Hawai‘i-Mānoa and Hawai‘i Pacific University at the graduate level; however, it is our understanding that the HPU program has already terminated. UH West O‘ahu, by developing and implementing this Certificate, will be in a unique position to provide this type of curriculum at the undergraduate level, preparing its students to be more competitive upon entry into the insurance industry profession. This would also help to alleviate the industry’s talent crisis.

The certificate meets the mission of the University of Hawai‘i-West O‘ahu by developing students and providing professional, career-related and applied education and opportunities to fill a State and regional need in the insurance industry.

STUDENT LEARNING OUTCOMES:

Institutional Learning Objectives
- Demonstrate clear and effective writing for an intended audience.
- Demonstrate clear and effective speaking skills when communicating with an intended audience.
- Apply mathematical reasoning to obtain accurate results in solving problems.
- Analyze issues from multiple cultural perspectives to articulate an understanding of the interconnectedness of local and global issues.
- Demonstrate critical thinking skills by applying knowledge, technology, and information to solve problems and make decisions in socially responsible and ethical ways.

Division Learning Outcomes
- Demonstrate oral communication skills
- Identify international/global and local issues affecting the business environment
- Demonstrate general management knowledge

Concentration Learning Objectives
- Demonstrate proficiency in understanding the central concepts of enterprise risk management and distinguish between major sources of risk.
- Demonstrate proficiency in using critical thinking skills necessary to analyze and provide solutions for individuals and organizations in the management of risk.

Specific learning objectives for individual courses may be found with course descriptions.
II. Relationship to Campus and University

There will be a high demand for insurance professionals in the next decade due to the anticipated retirement of a significant number of workers in the property and casualty insurance industry in Hawai‘i. In addition, if Hawai‘i’s economy grows as forecasted by UHERO there will be opportunities for more property and casualty companies to domicile or have branch operations in Hawai‘i. The demand for the RMI worker will continue to grow. To fulfill this need the RMI certificate program at UHWO is being proposed as a solution. The graduates of this certificate program will have the required knowledge of risk management and insurance to be suitable candidates for employment.

The RMI certificate may also attract foreign insurance workers and management, especially from Asia who have already expressed their interest in advancing their education in the US. Hawai‘i industry executives have mentioned on several occasions that the Asian insurance industry are looking for programs to obtain additional training.

In addition to supporting the program needs of the certificate, the coursework developed will also supplement the offerings available to the Business Administration and Public Administration degree programs.

The RMI certificate program meets the University’s mission of offering “a four year baccalaureate education founded in the liberal arts, serving professional, career–related, and applied fields, based on State and regional needs.” Additionally, it is aligned to the State of Hawai‘i Workforce plan to help support the growing workforce needs of the State, especially in the West and Leeward coast areas of O‘ahu.
III. PROGRAM ORGANIZATION

ADMISSIONS:

Students will need to meet the UHWO admission requirements as a freshman (if no previous college level work has been completed); or as a transfer student (those presently or previously enrolled at a college or university other than the University of Hawai‘i-West O‘ahu, and have at least 24 transferable credits). The certificate is a stand alone program, so students may choose to work only towards completing the certificate.

CURRICULUM:

Courses in the Proposed Certificate of Risk Management and Insurance

The certificate will require a total of 18 credits.

6 credits from the Business Administration curriculum:

BUSA 324  Business Law
BUSA 301  Personal Finance

And another 12 credits in Risk Management and Insurance.

BUSA 308  Principles of Risk Management and Insurance
BUSA 328  Personal Lines Insurance (prerequisite: BUSA 308)
BUSA 338  Commercial Insurance (prerequisite: BUSA 308)
BUSA 428  Enterprise Risk Management (prerequisite: BUSA 428)
COURSE DESCRIPTIONS:

BUSA 301 Personal Finance (3)
This course focuses on the management of personal finance. Broad coverage of personal financial decisions, including basic financial planning, use of credit, purchasing an automobile and home, insurance, tax issues, investing, retirement, and estate planning. (Cross-list FIN301)

BUSA 324 Business Law (3)
Introduction to the legal environment in which business operates with particular attention to principles of law relating to contracts, agencies, partnerships, corporations, and government regulations. (Not recommended for those who have completed LAW 200 or equivalent.)

BUSA 308 Principles of Risk Management and Insurance (3)
The primary focus will be on risk management and insurance techniques for dealing with potential losses to individuals and organizations. We will examine the principles of insurance and insurance contracts as well as discussing insurance industry operations and the various professions within the industry.
- Explain the meaning and major sources of risk.
- Describe the steps in the risk management process and demonstrate use of the major risk management techniques.
- Demonstrate clear and effective communication skills in the area of risk management and insurance.

BUSA 328 Personal Lines Insurance (3)
Pre: BUSA 308 Principles of Risk Management and Insurance
This course provides an in-depth study of personal risk management and insurance. Each individual faces risk and must treat risk to continue to live and prosper. This course will examine personal property and liability insurance, life and health insurance, and retirement planning. It will emphasize the provisions of the insurance coverage and how the insurance is used to address personal risk management and financial planning needs.
- Demonstrate proficiency in understanding the appropriate use of insurance contracts designed for individuals.
- Given a case for personal insurance claim, explain whether insurance coverage is applicable.
- Demonstrate clear and effective communication skills in the area of personal insurance.

BUSA 338 Commercial Insurance (3)
Pre: BUSA 308 Principles of Risk Management and Insurance
The objective of this course is to examine the principles and basic concepts of commercial lines property and casualty insurance. The primary emphasis will be on the property and liability loss exposures faced by most organizations and the
corresponding types of insurance for covering those loss exposures. We will also overview other risk financing plans.

- Demonstrate proficiency in understanding the appropriate use of insurance contracts designed for corporate risks.
- Given a case for a commercial insurance claim, explain whether insurance coverage is applicable.
- Demonstrate clear and effective communication skills in the area of commercial insurance.

BUSA 428 Enterprise Risk Management (3)
Pre: BUSA 308 Principles of Risk Management and Insurance and BUSA 338 Commercial Insurance
This course examines how corporations approach the problem of dealing with risks in today's complex marketplace. Emphasis is given to the economic impact of losses on the firm, and alternative methods of dealing with managing and financing risk. Methods include loss prevention, risk retention, self-insurance, insurance purchasing, and risk financing techniques available through the capital markets. We also discuss today's global marketplace and the risks faced by multinational firms.

- Demonstrate proficiency in understanding the central concepts of enterprise risk management and distinguish between major sources of risk.
- Analyze and provide solutions for individuals and organizations in the management of risk.
- Demonstrate proficiency in understanding the appropriate use of risk management techniques for public entities and corporate risks.
- Demonstrate clear and effective communication skills in risk management.

ACADEMIC ADVISING:

The University of Hawai‘i - West O‘ahu believes that students function best in an intimate learning environment in which they are active contributors to their own educational planning. Such planning includes identifying individual educational goals and objectives, as well as future career and educational plans.

On admission, incoming students are assigned to a Faculty Advisor, based on their intended program of study. Students are encouraged to continue to meet or contact their faculty advisor at least once each semester, prior to pre-registration or registration. Faculty advisors are an excellent source of information on academic planning, career/professional development, and admissions to graduate programs.

Student Services Academic Advisors are also available for general academic advising, including graduation requirement checks.
IV. ENROLLMENT

The certificate was designed as a stand alone program, however, the courses may also be used as electives for the BA in Business Administration program. These courses may also be of interest to students in Public Administration, especially in the Disaster Preparedness and Emergency Management and the Health Care Administration programs.

A number of donations have been received in support of the program from insurance agencies: Farmers Insurance ($10,000); Island Insurance ($10,000); Atlas Insurance Agency ($5000); First Insurance ($5000); Dongbu Insurance Company ($5000); and an anonymous donor ($30,000).

Some of this will be used to provide scholarship incentives for students to enroll in the courses, then for the program. Additional marketing of the program will be done through the Business and Public Administration Divisions and will be included in the recruiting information.

Anticipated enrollment is the courses for Year 1 is 10; Year 2, 15; Year 3, 20.
V. Resources for Program Implementation and Operations

a. Faculty
   Current faculty from the Business/Finance area will be utilized. At least two instructors will be recruited from the insurance industry to teach the industry specific coursework.

b. Library resources (including an evaluation of current resources and an estimate of the cost of additional resources required)
   None. Books needed for the coursework may be purchased by students from the Insurance Institute of America. Most other material or information necessary is available online and/or can be donated by insurance industry employers. They will also have access to collections contained in the UH libraries.

c. Physical resources (space, equipment, etc.)
   UHWO classroom facilities with standard presentation equipment, such as projectors and screens, etc. will be used.

d. Additional resources required (staff, graduate assistantships, etc.)
   None. Program should be small and contained enough to have minimal impact.

e. Estimate of additional position counts and budget implementation for the first three years of the program.

   The plan would be to add a full-time faculty position in Year 2 to develop the program to include extracurricular activities such as starting a student club, networking with insurance agencies for internships, and getting involved with a Career Day where students can meet with industry professionals; a part-time coordinator would be added in Year 3 (for administration of practicum, events, recruitment)

   The Academic Program Costs and Revenues may be found in Appendix A.
VI. Measures of Program Efficiency

Program efficiency will be measured by:

- Number of majors
- Enrollment in courses
- Number of courses taught each year
- Number of students completing the certificate program

The program will be funded by tuition revenues and possible insurance industry support.

Letters of support from a number of insurance industry leaders may be found in Appendix C.

A number of donations have already been received in support of the program from insurance agencies: Farmers Insurance ($10,000); Island Insurance ($10,000); Atlas Insurance Agency ($5000); First Insurance ($5000); Dongbu Insurance Company ($5000); and an anonymous donor ($30,000). Some of this will be used to provide an incentive for students to enroll in the program/courses.

In the case of a “flat budget” situation, the program will be funded with tuition revenues and support from the insurance industry. As previously mentioned, the coursework has been developed so that it may supplement the Business Administration program offerings, so other Business students may be interested as well.

In addition, with the increase in interest in Disaster Preparedness and Emergency Management, these courses may also be of increased interest in the risk management and insurance area.
VII. Measures of Program Effectiveness
(Describe the plan for assessing the quality of student learning. In addition, information should be gathered on projected number of graduates yearly; placement of graduates; special accreditation; student satisfaction; career and employer satisfaction, etc.)

Program effectiveness will be measured by:

- Placement of graduates into related industry positions
- Performance of graduates in related industry positions.
- Program Assessment
## Academic Cost and Revenue Template - New Program (adjust template for appropriate number of years)

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<td>Provisional Years (2 yrs for Certificate, 3 yrs for Associate Degree, 6 yrs for Bachelor’s Degree, 3 yrs for Masters Degree, 5 yrs for Doctoral)</td>
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### ENTER ACADEMIC YEAR (i.e., 2004-05)

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#### Students & SSH

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#### Direct and Incremental Program Costs Without Fringe

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#### Revenue

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#### Program Cost per SSH With Fringe

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#### Instructional Cost with Fringe per SSH

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### Instructions

- **ENTER VALUES IN YELLOW CELLS ONLY**
- **ENTER ACADEMIC YEAR (i.e., 2004-05)**

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**Please indicate an explanation of this template in your narrative.**

**A. Headcount Enrollment**: Headcount enrollment of majors each Fall semester. Located at url: [http://www.hiro.hawaii.edu/maps/mltitles.asp](http://www.hiro.hawaii.edu/maps/mltitles.asp)

**B. Annual SSH**: Course Registration Report located at [http://www.hiro.hawaii.edu/maps/mltitles.asp](http://www.hiro.hawaii.edu/maps/mltitles.asp). Add the SSH for the Fall and Spring reports to obtain the annual SSH. This is all SSH taught by the program, including non-majors.

**C. Instructional Cost Without Fringe**: Direct salary cost for all faculty and lecturers teaching in the program. *Formula for column D*:

\[
D_{i} = \text{IF}(\text{OR}(D31 < "", D36 <> ""), D31 + D36, "")
\]

**K1. Number of full-time faculty and lecturers who are > 0.5 FTE**

**K2. Number of part-time lecturers who are < 0.5 FTE**

**K3. Total Salary PT Lecturers**

\[
K3 = \text{IF}(\text{OR}(D31 < "", D36 <> ""), D31 + D36, "")
\]

**K4. Fringe/SSH**

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K4 = \frac{D33 + D35}{D35}
\]

**K5. Total Program Cost/SSH**

\[
K5 = K3 + K4
\]

**K6. Comparable Cost/SSH**

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K6 = K3 \times 1.05
\]

**K7. Unique Program Costs**

\[
K7 = K3 \times 1.35
\]

**K8. Salaries**

\[
K8 = K3 \times 1.35
\]

**K9. Non-Instructional Expenses**

\[
K9 = K3 \times 1.35
\]

**K10. Total Program Cost/SSH**

\[
K10 = K3 + K4 + K5 + K6 + K7 + K8 + K9 + K10
\]

**Net Cost**: F - I  This is the net incremental cost of the program to the campus. A negative number here represents net revenue (i.e., revenue in excess of cost). If there is a net cost, please explain how this cost will be funded. *Formula for column K*

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\text{IF}(D37 <> "", D37 + D38 - D39, "")
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**Appendix A:**

- For example, from the 2005-06 UH Expenditure Report, the support expenditure/ssh per campus is:

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**Public Administration**

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\text{IF}(D34 <> "", D34 \times 1.05, "")
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UHWO NEW PROGRAM PROPOSAL

1. Division/Concentration

   University of Hawai‘i-West O‘ahu, Division of Professional Studies, Business Administration.

2. Chair/Convener of Planning Committee

   Joseph Mobley, Ph.D., Interim Vice Chancellor, Academic Affairs.

3. Program Category:  ___ New  ___ Modified  ___Interdisciplinary

4. Degree or Certificate Information:
   a. Certificate in Risk Management and Insurance
   b. List similar degrees or certificates offered in the UH System: None

5. Planning
   b. Activities to be undertaken during the planning phase: Some of the preliminary planning has already been undertaken. UHWO faculty and administration have met with insurance industry leaders to discuss the needs of the field. A review of possible models by other academic institutions has already been conducted, and an outside consultant has been identified. The remaining activities would include:
      i. Development of the certificate program and courses for the certificate;
      ii. Identify possible instructors, both faculty and lecturers, to teach the insurance related curriculum;
      iii. Identify possible sources of funding through grants or from the field;
      iv. Develop a plan for recruitment of students.
   c. Submission date of program proposal: Summer 2011; effective Fall 2011.
   d. Workload/budget implications during planning period:
      • $10,000 consultant fee;
      • Estimated $10,110 lecturer costs for experimental course offerings

6. Program Description (Objectives and Relationship to Mission)

   The proposed Certificate in Risk Management and Insurance is designed to prepare students to become working professionals in the property and casualty insurance industry and to provide students with the information needed to pass licensure examinations such as the Chartered Property Casualty Underwriters series. The curriculum includes:
   a. 12 upper division credits at UHWO for insurance related topics, including Principles of Risk Management and Insurance; Personal Insurance; Commercial Insurance; and Enterprise Risk Management.
   b. 6 upper division credits at UHWO for non-insurance related topics, including Business Law and Personal Finance.
The certificate meets the mission of the University of Hawai‘i-West O‘ahu by developing students and providing professional, career-related and applied education and opportunities to fill a State and regional need in the insurance industry. For this reason, and to extend educational opportunities to students who may already be in the field, the certificate will be a stand alone program, open to any student who meets the UHWO admission requirements.

Course work for the certificate will also supplement elective offerings in the BA in Business Administration program. This will give students more options and opportunities to see the industry as a possible career choice.

Lecturers are being recommended from the insurance industry; some of them have post-secondary teaching experience, and others have had many years in the industry and involved with training and education in the field.

7. Program Justification (Needs and Rationale)

Executive Summary
The insurance industry is facing a talent crisis of monumental proportions. Many in the workforce are nearing retirement age caused by a shrinking talent pool with baby boomers now reaching retirement age. The growing requirement for specialized education is an unmet need, especially in Hawai‘i, with most insurance and risk management programs available predominantly in the contiguous United States. The insurance industry continues to be impacted by a poor image, decreasing its ability to attract qualified candidates. The need has never been greater nor the timing more appropriate to begin an undergraduate insurance and risk management program in Hawai‘i to train qualified candidates for successful careers in this industry. UHWO is poised to developing a program to meet the training needs for those who are interested in careers in the insurance/risk management industry.

The Insurance and Risk Management Industry
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However, the insurance industry faces the same challenges many other industries do, a shrinking work force during the period when many baby-boomers will be retiring. In 2008 boomers started turning 62 and the number of people between 55 and 64 was expected to increase 25% in the next six years. The McKinsey & Co report on the challenge to obtain talent in the Property and Casualty industry notes that the number of insurance industry employees 55 or older increased by 74% in the last 10 years (P-C Trends). Local firms surveyed indicated a staffing need of 2 to 30 insurance and risk management employees each over the next five to ten years.

Need for Specialized Education
A few jobs in the industry, especially in office and administrative support positions, require a high school diploma. Employers prefer to hire employees with a college education for managerial and professional positions. Licensing by State Insurance Departments is required of anyone selling or servicing insurance policies. Given the technical nature of the insurance and risk management field and the high risk involved in insuring sometimes very complex risks, the need for specialized training has grown substantially. This need is primarily met by industry training through the Insurance Institute of America (Chartered Property Casualty Underwriter), The National Alliance (Certified Insurance Counselor, Certified Risk Manager), and The American College (The Chartered Life Underwriter), amongst others. However this industry training does not take place until the employee is already in the industry. Local firms surveyed indicated a preference for hiring workers who not only had communication and computer skills, but who also had a basic understanding of insurance. UHWO can help meet this need by implementing this Certificate program.

The Answer
Much progress has been made both nationally, as well as locally, to provide insurance and risk management training in undergraduate and graduate programs. In Hawai‘i however two recent programs implemented at the University of Hawai‘i-Mānoa and Hawai‘i Pacific University were developed at the graduate level; however, it is our understanding that the HPU program has already terminated. UH West O‘ahu, by implementing this Certificate, will be in a unique position to provide this type of challenging curriculum at the undergraduate level, thus preparing its students to be more competitive upon entry into the insurance industry profession; this would also help to alleviate the industry’s talent crisis.

8. Description of resources required

   a. Faculty
   Current faculty from the Business/Finance area will be utilized. At least two instructors will be recruited from the insurance industry to teach the industry specific coursework.

   b. Library resources (including an evaluation of current resources and an estimate of the cost of additional resources required)
   None. Books needed for the coursework may be purchased by students from the Insurance Institute of America. Most other material or information necessary is available online and/or can be donated by insurance industry employers. They will also have access to collections contained in the UH libraries.

   c. Physical resources (space, equipment, etc.)
   UHWO classroom facilities with standard presentation equipment, such as projectors and screens, etc. will be used.
d. **Additional resources required (staff, graduate assistantships, etc.)**

None. Program should be small and contained enough to have minimal impact.

e. **Estimate of additional position counts and budget implementation for the first five years of the program.**

The plan would be to add a full-time faculty position in Year 2 of the program to develop the program to include extracurricular activities such as starting a student club, networking with insurance agencies for internships, and getting involved with a Career Day where students can meet with industry professionals; a part-time coordinator would be added in Year 3 (for administration of practicums, events, recruitment).

9. **Five-Year Business Plan.** Please provide a five-year projected budget for the program that includes:

a. **Annual costs to implement the program**

See cost revenue template in f.

b. **Projected enrollment and estimated tuition revenue**

See cost revenue template in f.

c. **How will the program be funded?**

Tuition revenues and possible insurance industry support

A number of donations have been received in support of the program from insurance agencies: Farmers Insurance ($10,000); Island Insurance ($10,000); Atlas Insurance Agency ($5000); First Insurance ($5000); Dongbu Insurance Company ($5000); and an anonymous donor ($30,000).

Some of this will be used to provide an incentive for students to enroll in the program/courses. Additional marketing of the program will be done through the Business Division and will also be included in the recruiting information.

d. **Does the current or proposed budget include funds or a request for funds for the proposed program? Please provide details.**

Funding from the insurance industry has already been offered to help in securing the expertise of a consultant in the field as well as on-going support.

e. **Given a "flat budget" situation, how will the proposed program be funded?**

Tuition revenues, and possible support from the Insurance industry are expected to provide the necessary funding.
10. Impact on current courses or programs
Impact should be minimal. Half of the coursework proposed are insurance related classes to be taught by industry professionals which could also be used as electives in the Business Administration program. The other half are current coursework that is being offered regularly.

11. If this program is multidisciplinary, provide evidence of commitment for support from the colleges, departments, programs, and/or individuals expected to participate.
   a. Dr. Franklin Kudo, UHWO Assistant Professor of Accounting, has pledged his support.
   b. Dr. Eun Ahn, UHWO Associate Professor of Economics and Finance, has pledged his support.

(Please see attached letters of support.)
Appendix A
Courses in the Proposed
Certificate of Risk Management and Insurance

The certificate will require a total of 18 credits.

6 credits from the Business Administration curriculum:

BUSA 324  Business Law
BUSA 301  Personal Finance

And another 12 credits in Risk Management and Insurance.

BUSA 308  Principles of Risk Management and Insurance
BUSA 328  Personal Lines Insurance (prerequisite: BUSA 308)
BUSA 338  Commercial Insurance (prerequisite: BUSA 308)
BUSA 428  Enterprise Risk Management (prerequisite: BUSA 428)
Appendix B
Information Sources

5. P-C Trends, Report Confirms Gravity of Talent Crisis in Property-Casualty Industry, Veronica Devore
6. The American Institute for Chartered Property Casualty Underwriters (AICPCU) and Insurance Institute of America, http://www.aicpcu.org
Appendix C
Letters of Support

From Sonia Leong, Executive Director, Hawaii Independent Insurance Agents Association

From Colbert Matsumoto, Chairman and CEO, Island Insurance Companies

From Carl T. Sato, Vice Chairman, Business Insurance Services

From Jeffrey P. Schmidt, Insurance Commissioner, State of Hawaii

From Dr. Franklin Kudo, Assistant Professor, Accounting

From Dr. Eun Ahn, Associate Professor, Economics and Finance

From Dr. Ross Prizzia, Professor/Professional Studies Division Chair
April 16, 2010

Dr. Linda M. Randall
Vice Chancellor for Academic Affairs
University of Hawai‘i – West O‘ahu
96-129 Ala‘ike
Pearl City, HI 96782

Dear Dr. Randall:

As the Executive Director of the Hawaii Independent Insurance Agents Association, I deal with the agents, staff and insurance company personnel on a continuing basis. I hear many of their concerns and one of their greatest concerns is finding replacements to fill the shoes of those retiring within the next 10 years. Recent indications are that within the next 10 years, there will be a need to find replacements for as many as 50% of the vacant positions.

Our trade Association wishes to be proactive and plan for this need. We feel that the mission of the University of Hawai‘i West O‘ahu is a very good fit to fulfill our wish to provide the necessary insurance knowledge for our young people to start right into an insurance career. We also think the prospect of online classes to the neighbor island and also availability of classes for the existing insurance workforce to continue their education will raise the level of professionalism in the industry.

The Insurance Industry provides very good revenue to the State of Hawaii and we wish to keep the industry healthy and thriving. We support the proposed Certificate in Insurance and Risk Management.

We appreciate the energy and enthusiasm of your staff and professors who helped us with the process.

Yours truly,

Sonia M. Leong
Executive Director

Phone: (808) 331-3125 • Fax: (808) 331-9995 • Email: hilia@hawaii.rr.com
84 North King Street, Honolulu, Hawaii 96817
April 22, 2010

Dr. Linda M. Randall  
Vice Chancellor for Academic Affairs  
University of Hawaii – West Oahu  
96-128 Ala ‘ike Street  
Pearl City, Hawaii 96782

Re: Certificate in Insurance and Risk Management

Aloha Dr. Randall;

I am writing in support of the proposed undergraduate program for a Certificate in Insurance and Risk Management that has been designed by UH-West Oahu and the HIIA.

The proposed program will provide the educational platform to produce qualified employees who will be ready to start their professional careers in various capacities needed by the insurance industry. This program will also help generate awareness among college students of the desirable professional opportunities that our industry offers.

According to the State of Hawaii Data Book 2008, the insurance industry in Hawaii supports 515 businesses with an annual payroll of $418,020,000. The industry is estimated as employing almost 10,000 people throughout our State with an average annual pay per employee of $59,026. Independent insurance agents or producers typically enjoy commission based income of over $125,000 annually before expenses.

Should UH-West Oahu undertake this program, it will be the only insurance undergraduate certificate program in Hawaii. When it evolves into a four year bachelor degree program, it will be one of a handful in the western region of the U.S. Based upon the demographic profile of current employees in our industry, it is anticipated that the need and demand for graduates of this program will be considerable as the baby boomer generation retires. Very importantly, this program will enable talented young people of our State to acquire the career skills that will allow them to remain in Hawaii or find satisfying job opportunities elsewhere.

The proposed program represents an opportunity for UH-West Oahu to be at the forefront in serving an important economic and employment sector of our community. I wholeheartedly encourage you to take the leadership mantle and move forward with establishing this forward looking program.

Please don’t hesitate to contact me should you have any questions.

Sincerely,

[Signature]

Colbert M. Matsumoto  
Chairman & CEO
Date: April 19, 2010

Dr. Linda M. Randall
Vice Chancellor for Academic Affairs
University of Hawaii – West Oahu
96-129 Ala I'ike
Pearl City, HI 96782

Re: Certificate of Insurance and Risk Management

Dear Dr. Randall:

I am writing in support of the proposed undergraduate program for a Certificate in Insurance and Risk Management. We are in need of young men and women graduating college with some background courses in Insurance and Risk Management.

Our company is a local Insurance Agency on Oahu with branch offices on the islands of Hawaii, Maui, and Kauai. We employ approximately 40 independent insurance agents and have a total of 50 staff employees. We are a typical insurance agency providing positions in sales, underwriting / risk management, and accounting. One of our problems is an aging work force that will have to be replaced. We estimate that 50% of our work force will have to be replaced over the next 5 to 10 years. Our agency is not the only one with this problem. We estimate that many other insurance agencies and companies will be faced with the same problem. Having young men and women taking insurance courses in college will be very helpful to businesses such as ours. Having students graduate with a Certificate in Insurance and Risk Management would really help insurance agencies expedite the amount of training time these graduates will need before they become productive in our insurance industry.

As insurance professionals, I must admit that we have not done a good job in the community in communicating the wide variety of jobs and opportunities that are
available in the insurance industry. The Certificate in Insurance and Risk Management Program will be a very helpful and beneficial program for the students, the insurance industry, and the State of Hawaii.

Sincerely,

[Signature]

Carl T. Sato
Vice Chairman
April 8, 2010

Dr. Linda M. Randall
Vice Chancellor for Academic Affairs
University of Hawaii – West Oahu
96-129 Ala ‘Ike
Pearl City, HI 96782

Re: Certificate in Insurance and Risk Management

Aloha Dr. Randall;

I am writing in support of the proposed undergraduate program for a Certificate in Insurance and Risk Management. The insurance and risk management industry in Hawaii is a significant part of our economy, provides challenges, good pay and an excellent career track for the young men and women of Hawaii.

The Insurance Industry in Hawaii produces around $9 billion in direct written premium and employs approximately 30,000 people. Hawaii is the second largest domicile in the nation for Captive insurance companies (a formalized type of self insurance for large corporations) and the tenth largest in the world. Because we have many Fortune 500 companies such as Nike, Intel, Clorox, Samsung Mitsui Trading setting up Captives in Hawaii, we are the fifth largest domicile in the world based on combined assets of over $7 billion.

Insurance and risk management companies are regularly considered among the best places to work in Hawaii. In Hawaii Business Magazine, annual Best Places to Work survey for 2010, Island Insurance was ranked second in the Large Company category, and University Health Alliance (UHA), Atlas Insurance Agency, and DTRIC are all in the top eighteen Best Places for medium companies.

Insurance used to be ignored and taken for granted by almost everyone. When high school youth and undergraduates thought of a job in financial services they thought of jobs with banks, security brokers and mortgage lenders, not in insurance. They had a narrow view of the
insurance industry, not understanding the wide variety of skills, positions and interesting challenges offered by the industry.

Now, you hear the term “risk management” over and over since the financial collapse because the big banks, investment houses, regulators and investors did not fully understand and grasp the concepts and importance of risk management. Risk management is fundamental to insurance. Large companies are now creating a new position in the C-suite asking the CRO (Chief Risk Officer) to join the CEO, CFO and COO. The insurance industry in Hawaii is in need of risk managers, business managers, actuaries, accountants, business analysts, claims analysts, investigators, marketing agents, sales agents and brokers.

The Certificate in Insurance program will be a very practical and beneficial program for the students the insurance industry and the State of Hawaii.

If you have any questions, please don’t hesitate to call me. I’d be happy to help in any way I can.

Sincerely,

J.P. Schmidt
Insurance Commissioner
State of Hawaii
March 31, 2010

Dr. Linda Randall
Vice Chancellor of Academic Affairs
University of Hawaii – West O’ahu
96-129 Ala Ike
Pearl City, Hawaii 96782

RE: Certificate in Insurance and Risk Management

I fully support the Authorization to Plan for an Academic Program in Insurance and Risk Management at the University of Hawaii – West O’ahu. The proposed plan to create a Certificate program in Insurance and Risk Management will address the needs of the University of Hawaii system towards, “Expanding Workforce Development and Economic Diversification Initiatives to meet the needs of the State in areas of occupational growth.” Projections from the Hawaii Independent Insurance Agents Association (HIIIA) show a growing shortage of trained workers in the property and casualty insurance field in the next decade. This problem has arisen due to the retirement of the current aged workforce in this industry. The University of Hawaii – West O’ahu can play an instrumental role in helping train current insurance workers as well as recruiting new candidates for the insurance field, and thereby, stop the net outflow of workers.

The property and casualty field of insurance offers job positions in sales, underwriting, claims administration, safety consultants, health and personal financial planning specialists, accounting, legal, and management et cetera. The insurance field can many provide many opportunities for a great career for graduating students or transitioning adults.

In sum I would like to support this Certificate program as it will further heighten UHWO’s place in the State as a premier institution of higher learning and workforce development. Additionally, it will provide the training necessary to support our insurance industry in Hawaii.

Sincerely,

Franklin T. Kudo, EDM, CPA/CFF
Assistant Professor of Accounting
Division of Professional Studies
University of Hawaii – West O’ahu
96-129 Ala Ike
Pearl City, Hawaii 96782
To: Linda Randall, VCAA

As Division Chair of the Division of Professional Studies, I am in complete support of the ATP for a Certificate in Insurance and Risk Management. I should note that the members of the Division of Professional Studies also enthusiastically support the ATP for a Certificate in Insurance and Risk Management. Dr. Frank Kudo, UHWO Assistant Professor of Accounting made presentations of draft proposals of the Certificate in Insurance and Risk Management at our monthly division meetings on February 5 and March 5, 2010. There was unanimous support for the Certificate in Insurance and Risk Management by the members of the division at both meetings, and even a round of applause at the March meeting.

The Certificate in Insurance and Risk Management furthers the system-wide goals of the University of Hawaii of "work force development" and "meeting the demands of enrollment" in the growing fields of Insurance and Risk Management and related occupations. Moreover, the Certificate in Insurance and Risk Management is a fitting addition and compliments our existing programs in the Professional Studies Division, such as Accounting, Management, Health Care Administration and Disaster Preparedness and Emergency Management.

Sincerely,

Dr. Ross Prizzia, Chair, Division of Professional Studies
Professor, Public Administration
University of Hawaii-West Oahu
96-129 Ala Ike Street
Pearl City, HI 96782
Ph: (808) 454-4712
E-mail: rprizzia@hawaii.edu
### Academic Cost and Revenue Template

**New Program (adjust template for appropriate number of years)**

**Academic Cost and Revenue Template - New Program**

**ENTER VALUES IN YELLOW CELLS ONLY**

#### CAMPUS/Program

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<td>M. Total Program Cost per SSH</td>
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**ENTER ACADEMIC YEAR (i.e., 2004-05)**

<table>
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<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
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<tr>
<td>2012-13</td>
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#### Direct and Incremental Program Costs Without Fringe

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<th>Year 3</th>
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<tr>
<td>Support Costs</td>
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### Instructions

**Instruction Cost with Fringe per SSH**

| Instructional Cost | $127 | $797 |
| Support Cost | $ | |
| Total Instruction Cost per SSH | $ | |

**Comparable Program/Division Instructional Cost/SSH**

- Taken from UH Expenditure Report (http://www.hawaii.edu/budget/expend.html) or campus data, as available. Please note in the space provided, the program used for the comparison.

**Other Personnel Cost**

- Add the SSH for the Fall and Spring reports to obtain the annual SSH. This is all SSH taught by the program and includes, non-majors.

**Total Program Cost**

- Add the SSH for the Fall and Spring reports to obtain the annual SSH. This is all SSH taught by the program and includes, non-majors.

**Net Cost (Revenue)**

- The net enrollment is the number of full time faculty and lecturers who are >.5 FTE.

**Comparable Cost/SSH**

- The net enrollment is the number of part time faculties and lecturers who are <.5 FTE.

**Total Campus Expenditure/SSH**

- The net enrollment is the number of part time faculties and lecturers who are <.5 FTE.

**Review by campus VC for Administrative Affairs**

**(date)**

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### Academic Cost and Revenue Report Template - New Program

**ENTER VALUES IN YELLOW CELLS ONLY**

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## Appendix D

### Academic Cost and Revenue Template

**Certificate in Risk Management**

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| Total Instruction Cost per SSH | $ | |

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