



Request for Advice – Academic Senate

ACTIVITY:

Seeking Board of Trustees approval for naming of campus program in recognition of substantial donor contribution – Axis Risk Management Academy

SUBMITTED BY:

Robert J. Jones, Chancellor

COLLEGE CONTACT:

Jeffrey R. Brown, Dean of the College of Business

BRIEF DESCRIPTION:

Consistent with Article V, Section 4 of the *General Rules Concerning University Organization and Procedure*, the chancellor will submit for approval by the president and the Board of Trustees the naming of the Axis Risk Management Academy in recognition of a substantial donation by the AXIS Reinsurance Company (“AXIS RE”) corporation. Pursuant to the University’s *Policy on Naming Campus Facilities and Programs*, the chancellor seeks the advice of the Academic Senate.

SUMMARY:

The Gies College of Business seeks the Academic Senate’s advice on naming the “AXIS Risk Management Academy.” This is a term naming for five years, starting with the 2017-2018 academic year, and supported by a total commitment of \$1.5 million for the program (\$300,000 per year). The College, the Provost and the VCIA agree that \$1.5 million is the appropriate dollar level for this naming opportunity. The Chancellor and Provost have determined, as required by the Campus Administrative Manual, that the gift meets established financial standards for appropriateness of naming of a program of this nature.

The Risk Management Academy, designed by the Gies College of Business, is a student program that will equip students with new and exceptional sets of skills, fostered by a culture of multidisciplinary education and student-led problem discovery and problem solving. It is not an academic unit and will not have faculty appointments. Rather, it is a student program that will be administered by

the College. Student-led research initiatives will be conducted through multiple avenues in the college, including the Center of Risk Management and Insurance, Illinois Business Consulting, and MBA/MS graduate and undergraduate class projects. The Risk Management Academy will serve as a hub that inspires AXIS RE employees, our campus community, and the insurance industry to discuss, question, and innovate and think about risk management and insurance in new ways. The Academy is envisioned to convene people, immerse them in understanding meaningful challenges for which they design solutions, and connect them to a network of campus, insurance industry, community, and global resources.

The Risk Management Academy is housed in the Department of Finance and is modeled after several existing academy programs in the College (e.g., the finance academy, the investment banking academy, etc.). The aim of the Axis Risk Management Academy is to provide students the opportunity to apply the concepts and tools they learn from their coursework and textbooks to solve realistic, complex business problems. Specific activities may include case competitions, practicums, internships, site visits, student presentations, and student-managed portfolios. The measurement and management of risk is of crucial importance not only in finance but in other fields as well (e.g. actuarial science, civil engineering, nuclear engineering). Moreover, the complexity of the underlying problems compels a multi-disciplinary approach and the Risk Management Academy will involve faculty and students from many disciplines across campus.

The focus is on academic and professional development in preparing students for careers in modern risk management. Students meet every other week for two-hour sessions. Each session focuses on a specific topic related to insurance and risk management. Topics may draw on current events, trends in the practice of risk management, and developments in risk analysis and modeling. Prominent guest speakers from industry and regulatory authorities have been invited to share their expertise and insights. Students in the Academy analyze, write and give presentations on the topic, in addition to contributing to the discussion each week. Faculty from Actuarial Science, Business, and other disciplines attend on a regular basis and jointly evaluate student performance and learning outcomes. Wherever possible, Illinois alumni are invited to serve as mentors and guest speakers. In addition, we utilize our relationships with alumni and University corporate partners to place students in internships, as well as to develop practicum and research opportunities for students and faculty.

AXIS RE became a tenant in the University of Illinois at Urbana-Champaign Research Park in 2013 and has been engaged across the campus for multiple years in a variety of ways. Collaborations include both the Gies College of Business Office of Risk Management and Insurance Research, as well as NCSA's Private Sector Program.

The firm is a New York domiciled property and casualty insurance company, licensed in all states, the District of Columbia, Puerto Rico, and Canada and an authorized reinsurer in Brazil and Mexico. The parent company is AXIS Capital Holdings Limited, a Bermuda-based global provider of specialty lines insurance and treaty reinsurance. AXIS RE has been assigned an A.M. Best Company financial strength rating of "A" ("Excellent") and A+ (Strong) by Standard & Poors.

The funds will be utilized to support operating expenses, student-led research initiatives, and the initiation of educational seminars. The funds provided through this gift will have no additional restrictions on their use. All decisions about the use of the funds will be made by the College.

The fund agreement states that after the five-year term of support expires, the recognition of AXIS RE in association with the Risk Management Academy shall cease, unless the donor renews its pledge of support to this program by mutual agreement with the Foundation and University. Also, AXIS RE shall have first right of refusal before the University extends the naming recognition of this program to others.

AXIS RE is an excellent partner, and this naming will assist the college in reaching its academic objectives, both through increased financial support and through the recognition that a naming brings.

Background on the Risk Management Academy

The Department of Finance in the Gies College of Business hosts an undergraduate honors program, the Golder Academies. Separate components of the Academies focus on business financial management (the Finance Academy), investment banking (the Investment Banking Academy), and investment management (the Investment Management Academy). In each case, the aim is to provide students the opportunity to apply the concepts and tools they learn from their coursework and textbooks to solve realistic, complex business problems. Specific activities include case competitions, practicums, internships, site visits, student presentations, and student-managed portfolios. Since the work involves intensive, hands-on collaboration with faculty, alumni mentors and other business professionals, admission to the academies is limited to the most outstanding students with strong potential for success. Thanks to the efforts of faculty and past graduates, the Academies have been extremely popular with students and corporate recruiters.

The Risk Management Academy (RMA) is the latest addition to our suite of honors programs. The RMA replicates the success of the Golder Academies by giving high-achieving students the technical and professional skills required for leadership positions in the fields of insurance and risk management. The measurement and management of risk is of crucial importance not only in finance but in other fields as well (e.g. actuarial science, civil engineering, nuclear engineering). Moreover, the complexity of the underlying problems compels a multi-disciplinary approach. More so than the other Academies, the Risk Management Academy caters to students from many disciplines across campus. We invite students from Engineering, Actuarial Science and Atmospheric Sciences as well as Business students to consider the RMA. The cohort entering in Spring 2018 is small by design (10 to 12 students), and the students have been recommended by faculty and student advisors. Our focus is on sophomores and juniors, to identify as early as possible students who are interested in a career in risk management.

The structure and activities of the Risk Management Academy follow the same format as the Golder Academies. The focus is on academic and professional development in preparing students for careers in modern risk management. Students meet every other week for two-hour sessions. Each session focuses on a specific topic related to insurance and risk management. Topics may draw on current events, trends in the practice of risk management, and developments in risk analysis and modeling. Prominent guest speakers from industry and regulatory authorities have been invited to share their expertise and insights. Students in the Academy analyze, write and give presentations on the topic, in addition to contributing to the discussion each week. Faculty from Actuarial Science, Business, and other disciplines attend on a regular basis and jointly evaluate student performance and learning outcomes. Wherever possible, Illinois alumni are invited to serve as mentors and guest speakers. In addition, we utilize our relationships with alumni and University corporate partners to place students in internships, as well as to develop practicum and research opportunities for students and faculty.

Office of the Provost and Vice Chancellor for Academic
Affairs

Swanlund Administration Building
601 East John Street
Champaign, IL 61820



January 12, 2018

Gay Miller, Chair
Senate Committee on Educational Policy
Office of the Senate
228 English Building, MC-461

Dear Professor Miller:

Enclosed is a copy of a request from the Chancellor for the advice of the Academic Senate on seeking Board of Trustees approval for naming of the Axis Risk Management Academy.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kathryn A. Martensen'.

Kathryn A. Martensen
Assistant Provost

Enclosures

c: R. Jones
W. Bernhard
J. Wilkin
A. Cangellaris
J. Brown