

**American Risk and Insurance Association
Board of Directors Meeting
Friday, January 7, 2011
Denver, CO**

I Opening

1. Call to Order

- The ARIA Board Meeting was called to order at 10:15 AM by President Gene Lai.
- Board Members Present:
 - Dave Appel, Vickie Bajtelsmit, Patty Born, Jeff Brown, Gene Lai, Bill Panning, Lauren Regan, Andreas Richter, Dave Sommer, Jennifer Wang, and George Zanjani
- Board Members Absent:
 - Bob Hartwig
- Others Present:
 - Tony Biacchi, Mark Browne, Don Rebele

2. Approval of July 25, 2010 Board Minutes

- Dave Sommer motioned to accepted the minutes with a second made by Vickie
- The motion passed.

II Corporate Finances

1. Budget and Financial Reports

- **2009 Audit**
 - Isdaner and Company, Bala Cynwyd, PA performed an audit of ARIA's financial position in the spring of 2010.
 - Because of the late timing of the audit, a final audit report was not available for the July meeting.
 - The 2009 audit was presented and accepted by the Board.
 - Unrestricted assets at the end of 2009 totaled \$360,520 compared to \$265,621 in 2008.
 - Temporarily restricted assets amounted to \$99,827 compared to \$103,327 in 2008.
 - The audit was accepted as presented.
 - Tony noted that he is looking into another accounting firm to conduct the 2010 audit.
- **2010 Budget**
 - The end of year budget showed net earnings of \$86,184.
 - Wiley-Blackwell (W-B) royalties payable in 2010 for 2009 journal subscriptions and article reprints resulted in 2010 income totaling \$71,057.

- Included in the net earnings was \$33,582 in sponsorship for the WRIEC. However, the Board pointed out that the money was not listed as an expense offset.
- Tony will address that oversight.
- With respect to the WRIEC, some uncertainty remains concerning any surplus from the meeting and what amount ARIA might receive.
- **2011 Budget**
 - Tony presented a proposed 2010 budget to the Board.
 - Of primary concern was the possibility of running a negative balance. While the budget does not project a short-fall, there are two unknowns that will impact the bottom line for 2010.
 - What affect will the reduced dues for international member have on both membership numbers and revenue?

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ARIA Membership Rate	The Americas	Europe	Rest of World
Professional members Print + Online	\$135	€ 125	£100
Student members Print + Online	\$56	€ 46	£36
Retired members Print + Online	\$56	€ 46	£36
Student members (online only)	\$29	€ 29	£19
Retired members (online only)	\$29	€ 29	£19

membership rates for 2011 are:

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- Second, meeting costs for San Diego will be higher than expenses incurred in Providence, RI. Given the economy, will sponsorship meet projections?
 - In looking at projected costs for the San Diego meeting, the Board also discussed the value and need for social activities.
 - Tony will review some of the cost estimates for social activities and share them with the executive committee.

2. Investment Policy

- **Investment Portfolio.**
 - Funds in ARIA investment portfolio are allocated among several fund families and designated restricted (intended for a specific purpose, primarily awards) or unrestricted.

- The fund balance at the beginning of the 2010 year was \$364,394.42. At the end of June 2010, the balance in the investment portfolio totaled \$395,886.08, an amount which included a \$35,000 deposit from W-B royalties.
- The value of the portfolio at the end of December 2010 amounted to \$422,550.42
 - Unrestricted funds amount to \$355,409.26.
 - Restricted funds totaled \$67,141.16.
- **Investment Policy**
 - ARIA's restricted monies are held in separate investment vehicles.
 - The January 2010 Board expressed concern about stock market volatility, particularly as it relates to the continued funding of award obligations.
 - The Board voted to pursue an investment policy that conserved principal, but still could fund awards.
 - George Zanjani accepted the charge to explore implementation of the asset allocation policy adopted at the January 2010 meeting. His objectives were:
 - Get current funds out of high fee mutual funds
 - Roughly maintain ARIA's asset allocation of 30 percent stock, 26 percent intermediate/long bonds, and 44 percent cash.
 - Keep the investment policy simple.
 - The investment policy was not acted on at the July 2010 meeting in Singapore.
 - George's investment policy, with several slight revisions in to the initial reallocation of TIAA-CREF monies, was reintroduced at this meeting.
 - All restricted money deposited in TIAA will be removed and deposited into Fidelity and Vanguard accounts.
 - Lauren motioned to pursue a revised investment strategy. Jeff offered a second.
 - The motion passed.
 - The executive office was charged with reallocating funds according to the suggestions offer by George.
 - The resulting reallocation is attached as an addendum to these minutes.

III Impact Action Items

1. 2010 World Congress

- Dave Sommer served as chair for ARIA's Scientific Committee.
- Those in attendance agreed the meeting was a success.
- As noted, ARIA still holds sponsorship money.
- The final finances have been prepared, but remain unaudited.
- At this point, the net surplus is SGD\$170,398.29 (~\$140,000)
- Some amount of the surplus will be held as seed money for the 2015 Congress.

- Presumably the remaining surplus will be distributed in a ratio of 1/6 to the three contributing organizations and 1/2 to the Singapore College of Insurance.
- One question that came up during the discussion of the finances for the Congress was the continuation of student aid, given the small amount of the stipend and the high cost to attend the Congress.

2. Annual Meeting Program

- George presented a preliminary plan for the meeting.
- Jeff Brown will moderate a plenary session on the state of municipal finances and Terri Vaughan will prepare a session on regulatory issues.
- George also is working on a session that focuses on earthquake risk.
- The Strickler presentation will combine two speakers since no session was conducted at the WRIEC.
- The discussion of the annual meeting agenda evolved into talk about “what if” ideas when planning future meetings:
 - Should the program for future meetings be based on themes and or offered in tracks?
 - Should ARIA consider greater outreach to the industry, but at what cost to the regular membership?
 - Should ARIA propose that the Griffith Foundation conduct follow-up meetings on timely topics initiated at the annual meeting?
 - What is the value of social activities?
 - Further discussion is needed before planning for the August 2012 meeting.
- Dave Sommer requested copies of the sponsorship letters in preparation for solicitations for the 2011 annual meeting.
- Discretionary budget
 - A discussion that started at the mid-year meeting but was carried to a conclusion through an e-mail vote of the Board is as follows:
 - *“A discretionary budget of up to \$6,000 shall be granted to the ARIA Annual Meeting Program chair for the purpose of covering travel expenses and honoraria for keynote speakers and/or panelists in plenary sessions. The Program chair (or his/her designee) is encouraged to seek sponsorship for keynote addresses and plenary session from external organizations (e.g., corporations, academic institutions, etc.). The authority to negotiate these sponsorships is delegated to the Program Chair, including, but not limited to the amount of sponsorship and whether the sponsor wishes to directly pay for travel expenses and honoraria or make a cash donation to ARIA in exchange for recognition as a sponsor, etc.*

The proceeds of any cash sponsorship will expand dollar-for-dollar the discretionary budget of the Program Chair. The Program Chair will have the responsibility of ensuring that keynote and plenary

program expenses do not exceed the total discretionary budget. Any excess funds will become part of ARIA's general funds."

3. Strategic Planning

- A formal planning session has not been conducted since January 2006.
- A planning meeting will be held immediately following the closing of this Board meeting.
- The facilitator of the meeting will be Michael Black, principal of the Ascent Institutes.
- In preparation for the meeting, Mike distributed a questionnaire to Board members.
- Don Rebele and Mark Browne, who are attending the ASSA meeting, are invited to join the Board during the planning session.
- Some of the topics that will be addressed in a strategic planning session are:
 - Expanding of the membership database
 - Securing faster download of journal issues to resources such as SSRN and RePEc
 - Publishing more special issues of the JRI
 - Continuing efforts to attract student and international membership
 - Securing second session at ASSA
 - Continuing efforts to attract and expand industry support
 - Publishing articles, such as catastrophe, in RMIR that would attract industry readership
 - Expanding solicitation of materials for the Teaching Resources link on ARIA's website.

IV. Administrative Report

1. Executive Director's Report

- A five year contract to continue housing the executive office was awarded to The Institutes, undoubtedly the most significant event occurring in the first half of the year.
- Discussion about a new five year publishing contract with Wiley-Blackwell has been on-going since spring.
- The executive director continues to negotiate with W-B for increased exposure of the JRI to the academic community, the major issue in finalizing the contract agreement.
- Membership numbers increased in 2010 as well as projected W-B revenues which will be forthcoming in April 2011.
- Initial discussion began with Helms-Briscoe to develop an electronic meeting registration system.

V. Governance and Operations

1. Executive Office Contract

- A verbal agreement between ARIA and The Institutes will continue the relationship between the two organizations through December 2015.
- Tony Biacchi will continue to serve as executive director.
- The management fee for 2011 will continue at \$40,000, increase in 2012 to \$42,000 and then increase by a cost of living factor in the three remaining years.
- ARIA will continue its responsibility for printing and mailing/shipping charges, and annual meeting expenses incurred by ARIA's executive office.
- The wording of the agreement has not been finalized as contract negotiations continue.
- Still, the agreement commenced on January 1, 2011.

2. Investment Policy

- The executive office will reallocate the investment portfolio as voted by the Board. See the addendum for the results of that reallocation that occurred AFTER the January meeting.
- The reallocation will be reviewed at the August meeting.

VI. Special Projects

1. ASSA Meeting

- Marty Grace will again coordinate ARIA's session at the ASSA meeting.
- In the interest of attracting more people to the meeting, five papers, as opposed to four last year, will be presented during ARIA's session

VII. Scholarship Activities

1. ARIA Journals

• JRI Editor's Report

- Georges Dionne serves as editor of the JRI.
- JRI's article submissions were higher in 2010 than in 2009 (253 vs. 235), and the acceptance rate also increased (17% vs. 13.6%).
- The actual number of unique submissions was essentially the same as last year (142 in 2009 and 140 in 2010).
- International authors submitted 81 (58%) of the 140 first-time articles, which is consistent with previous years.
- The average processing time improved to 110 days.
- Forty-one accepted papers are in back-log compared to 36 in 2009.
- The editor has requested an immediate increase in the number of print pages available to publish journal articles.
- Dave Summer motioned to increase the JRI page count to 1,100. Dave Appel seconded. The motion carried with a request for the executive office to negotiate a lowest possible price. The resulting increased production costs will be deducted from 2010 royalties.
- With the backlog of accepted papers under control, the editor's objective is to develop a strategy to attain a better citation record. The publication of special issues should help.

- The JRI is working on four special issues in order to increase the quality of submissions and ultimately improve the impact factor to 1.0 and higher.
 - The four issues that are being prepared focus on: microinsurance, insurance and governance, longevity risk and capitals markets, and the financial crisis.
 - Another matter that affects the impact factor is availability. George has concerns that W-B is not providing researchers with adequate access to JRI articles, for example via RePEc. Increased visibility must be part of the contract renewal negotiations.
 - Given the prolonged negotiations with W-B, the JRI editor suggested ARIA consider a one year extension until the visibility issue is settled.
 - Mary Weiss became a co-editor of JRI starting with the September 2010 issue.
 - A note of thanks was expressed to members of the JRI editorial board, Claire Boisvert, and the staff members at Blackwell and the Executive Office.
 - **RMIR Editor's Report**
 - Mary Weiss edits The Risk Management and Insurance Review.
 - The RMIR received 20 new submissions and 16 resubmissions in 2010.
 - The spring 2011 issue will contain 9 articles: four Feature, three Perspective, and two Educational Insight.
 - The RMIR editor's contract expires at the end of December 2011.
 - The editor's contract was shared with the Board. Gene asked Laureen to chair an editorial search committee.
- 2. Report from Blackwell (November 2010)**
- Margot Morse replaced Matt Barsamian as Wiley-Blackwell's representative to ARIA.
 - A preliminary 2010 report, current to November 2010, was presented to the Board.
 - Library subscriptions have declined as a result of limited budgets.
 - The 2010 JRI/RMIR subscription bundle had 521 full-rate subscriptions, down from 570 during the previous year.
 - On the other hand, more than 3,000 libraries have access to the current content of JRI and RMIR through the W-B licensed sales program, up from 2,600 in 2009.
 - From January through October 2010, JRI articles were downloaded 21,154 times. This represents more downloads than JRI received in all of 2009 (18,045).
 - For the same period, RMIR downloads increased from 8,567 to 8,197.
 - ARIA membership dropped from 511 in 2008 to 486 in 2009.
 - The loss of regular members is the primary contributor to the loss in membership.
- 3. W-B Contract Proposal**

- W-B's contract with ARIA runs through August 2011.
- W-B has proposed a new five year contract.
- Vickie and Tony reported on a recent W-B conference call that discussed the new proposal.
- The proposal will provide ARIA with a greater percentage of the revenue.
- Georges Dionne reviewed the proposal from the perspective of the JRI and expressed a need for more rapid posting on JRI articles on web sites such as RePEc.
- Tony will continue to negotiate with W-B.
- Dave Summer motioned that the 2012 page count for 2012 be set at 1,100. Laureen seconded the motion and the Board passed the motion.

4. ARIA Awards Reports

- **Brockett and Shapiro ARIA Actuarial Journal Award**
An outstanding original contribution to the literature of risk and insurance appearing in an actuarial journal
 - Pat Brockett heads the initiative to establish this award.
 - Pat informed the executive director that Arnie Shapiro will co-sponsor the award and make an initial contribution of \$3,500.
 - Pat, who already has contributed \$3,500, will make an additional contribution of \$3,500-\$4,500 after the new year (2011). The remainder of Pat's half of the \$25,000 should follow in September 2011.
- **CAS Award**
 - Louise Francis heads the selection committee.
- **Early Career Scholarly Achievement Award**
Distinguished achievement of a Risk Management and Insurance scholar who is within 10 years of award of the Ph.D. degree
 - Patty Born chairs the Early Career Scholarly Achievement Award committee.
- **Excellence in Teaching Award**
In recognition of excellence in teaching in the Risk Management and Insurance field
 - The award committee is chaired by Steve Pottier.
- **Hagen Family Foundation Travel Award**
Financial assistance in support of a presentation at the ARIA Annual Meeting
 - The selection committee is headed by Jacqueline Wise.
- **Hedges Undergraduate Student Award**
Financial assistance to an undergraduate in support of attendance at the ARIA Annual Meeting
 - Paul Thistle coordinates the Hedges selection committee.
- **Kulp -Wright Book Award**
An outstanding original contribution to the literature of risk and insurance

- The Kulp-Wright Book Award committee is headed J. Tyler Leverty.
- **RMIR Award for the Best Feature Article**
Best feature article published in the Risk Management and Insurance Review
 - Bill Ferguson heads this journal committee.
- **RMIR Award for the Best Perspective Article**
Best feature article published in the Risk Management and Insurance Review
 - Thomas Berry-Stoelze chairs the committee for the RMIR Best Perspectives Article Award.
- **Robert C. Witt Award**
Outstanding feature article in the Journal of Risk and Insurance
 - Richard MacMinn chairs the Robert C. Witt selection committee.
- **Robert I. Mehr Award**
A literature contribution having a ten-year impact in the field of risk and insurance
 - Georges Dionne chairs the Mehr award committee.
- **Strickler Innovation in Instruction Award**
 - Nat Pope chairs the Les B. Strickler Awards committee.

IV Membership Services

1. Nominations and Elections

- As has been the tradition in recent years, the immediate past president, Vickie Bajtelsmit, will chair the nominations committee.
- Vickie noted that identifying representatives from the industry to run for office is a tough task.
- While nothing was resolved, the term limit for the international members of the Board was mentioned.

2. Membership

- Society membership for 2010 numbered 497, a slight improvement over 486 recorded in 2009, but still down from 511 members in year 2008.
- Cassandra Cole directs Membership Committee activities.
- The goals of the committee remain:
 - To continue to analyze membership data from various insurance organizations during the last several years in order to identify trends in the number and types of members who join the organizations and/or are no longer participating in the organizations
 - To organize the First-time Attendee program
 - To monitor non-renewing members in an effort to identify any changes and as a reminder to those who neglected to renew

- To assist ARIA in instituting some of the potential value-enhancement ideas identified in surveys of non-renewing members, current members, and members of the Board
- In summarizing their accomplishments, the committee:
 - Collected information from a variety of sources (SRIA, WRIA, and RTS) in preparation for the detailed analysis of the membership to be provided in the Final Report of 2013
 - Organized the First-time attendees Program for the 2009 annual meeting and developed a follow-up survey, which provided little information due to limited responses.
- Outstanding committee items include:
 - Continue to collect information on ARIA membership and program in preparation for the 2013 analysis.
 - Conduct a survey of non-renewing members.
 - Finalize plans for the 2010 First-Time Attendees Program, including revising the participant survey.
 - Revisit means to enhance value through added resources for teaching with the objective of looking for ways to increase membership and/or retain current members.

3. Placement

- Ping Wang coordinates job placements on ARIA's web site and the job announcements in listserv e-mails.
- The goal of placement services is to provide easy access to information for those looking for academic/research positions and for those organizations looking to fill academic/research positions.
- One new resume was posted since the July 2010 report to the Board.
- 18 academic/research positions and five actuarial science positions are posted on the website.
- Eight postings were removed by the end of 2010 based on the general policy that postings be removed nine months after initial postings.
- Communication between the prospective employer and ARIA remains an issue. In many situations, the poster does not inform ARIA that a position has been filled and that the announcement should be removed from the website.
- Accepting postings whenever a position is announced adds difficulty to maintaining the nine month timeline for active position announcements.
- Following Board discussion about the lack of job-seeker interest in posting a resume and the resulting decision to no longer accept them, the executive office conveyed that policy change to Ping.

4. Strategic Web Site Committee

- Randy Dumm chairs the Strategic Web Site Committee.
- Chad Garven, webmaster, and Randy discussed the appearance of the website and possible enhancement capabilities such as member contact and biographical information and specialized searches.

- Chad will look into the cost of some enhancements.
- In the meantime, Randy will develop a member survey for spring distribution that will gauge member perception of the website.
- A question about readership of the newsletter also will be placed on the survey. The question is intended to determine if readers save copies of the newsletter, and if they would prefer receiving the newsletter in electronic format.

5. Webmaster

- ARIA's webmaster is Chad Garven.
- The webmaster regularly archives listserv messages and the newsletter.
- Maintenance issues are addressed on an ongoing basis.
- Multiple copies of files are held as backup.
- Following a discussion with Randy Dumm, Chad's January report to the Board suggested improvements in the user interface and how it is presented.
 - Option 1 focused on adjustments to the graphic design such as new fonts, colors, images, and paragraph style. The estimated cost would be \$1,500 to \$2,000.
 - The second option involves a more ambitious approach in which ARIA would move away from its current "static" Dreamweaver program to a dynamic data-driven (e.g. PHP) framework such as is offered by open source content software like Drupal and Joomla.
 - In addition, website hosting would move from Nexpoint.net to GoDaddy.com.
 - The cost of option two would range from \$5,000 to \$7,000.
- The Board agreed to delay a discussion of any changes until the results of the survey are tabulated.

6. Teaching Resources

- Kathleen McCullough chairs this ongoing committee.
- The goal of the committee is to promote teaching by sharing resources among ARIA members.
- An initial launch of the teaching resources website was made in time for the 2009 annual meeting.
- Through 2009-2010, the committee worked to increase the amount of information on the site.
- Currently, the committee continues to solicit teaching resources through multiple media.
- Beyond soliciting materials, the committee will look at restructuring the current site to ensure accuracy and user friendliness access.
- The group also will work with the webmaster to establish timely posting of resources.
- Committee members are contacting insurance-related organizations such as the CPCU Society, IRMI, LOMA, the National Alliance, and the Griffith Foundation for materials.

- As a reminder, information about teaching materials can be e-mailed to ARIATeaching@gmail.com. The message should contain the following information:
 - Course/topic
 - Type of material (Syllabus, Assignment, Lecture Notes, background information, etc.)
 - Author(s)
 - University/Organization
 - Brief description
 - The appropriate category(s) within the Teaching Resources website to identify the material

7. Newsletter

- Diana Lee is production editor of ARIA's newsletter.
- The 24-page fall 2010 edition of the newsletter was published in November and then posted on ARIA's website.
- The fall issue contained an interview with President Gene Lai and posted award winner and Board minutes from the July WRIEC.
- The issue also featured proceeding from the Congress which was held in Singapore and information about the upcoming meeting in San Diego, the first China International Conference on IRM, profiles of the RMI programs at Drake and Georgia State, and a feature about the retirement of Pete Kensicki.
- Plans for the 2011 edition are underway and will feature:
 - Minutes from the January 2011 Board meeting
 - Profile of Yehuda Kehane
 - Articles about the insurance programs at North Texas State, the Munich Risk and Insurance Center, and the Katie School at Illinois State University.
 - The results of a survey updating the Casualty Actuarial Society's Risk Premium Project also will be featured.
 - Additional information about the San Diego Annual Meeting will be published.

V Other Business

1. 2011 Annual Meeting

- The 2011 annual meeting will be held at the San Diego Marriott Hotel and Marina.
- The dates are August 7 -10, 2011.
- Tony is looking into a cruise for the Monday night social. Hover cost is a concern.

VI New Business

1. 2012 Annual Meeting

- The 2012 annual meeting will be held at The Depot Hotel in Minneapolis, MN
- The dates are August 5 – 8, 2012.

- The Depot was named the 2008 Minnesota Lodging Association (MLA) Properties of the Year.
- 3. Strategic Thinking**
- Jeff posed two questions for future consideration:
 - Should ARIA think in terms of multi-year budgets?
 - Should ARIA establish policies/procedure about its annual meetings?
- 4. Adjournment**
- With no further business, a motion to adjourn the meeting was made by Dave, seconded by Patty and unanimously approved by the Board. The meeting adjourned at 12:10 PM.

Respectfully submitted,

Tony Biacchi, ARIA Executive Director

Addendum to the Minutes of the January 2011 ARIA Board Meeting