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Election Time is Here!

Election time is here again. The Nominations Committee proposed the following slate:

President: **George Zanjani** (Georgia State University)

President-Elect: **Laureen Regan** (Temple University)

Vice President and Program Chair: **Patricia Born** (Florida State University) or **William Panning** (Independent Consultant)

Board Position 1: **Kathleen McCullough** (Florida State University) or **Richard Phillips** (Georgia State University)

Board Position 2: **Louise Francis** (Francis Analytics and Actuarial Data Mining, Inc.) or **Mark Warshawsky** (Towers Watson)

Board Position 3: **Helmut Gründl** (Goethe Universität-Frankfurt am Main) or **Alex Muermann** (Vienna University of Economics and Business)

Ballots will be sent electronically to all members who paid their dues for the current year. If you prefer to receive a paper ballot, contact the ARIA Executive Office at aria@theinstitutes.org or call (610) 640-1997.

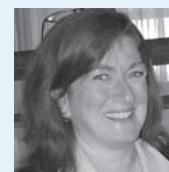
Please take the time to read each candidate's biography so you can make an informed choice. All ballots must be returned no later than 30 days after receipt of the electronic ballots. Paper ballots should be sent to ARIA, 716 Providence Road, Malvern, PA 19355-3402.

Don't forget to pay your 2012 membership dues in order to participate in this important election!

The Nominees



G. Zanjani



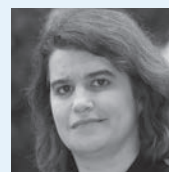
L. Regan



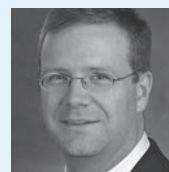
P. Born



W. Panning



K. McCullough



R. Phillips



L. Francis



M. Warshawsky



H. Gründl



A. Muermann



Minneapolis at night

80
YEARS
ARIA

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Founded in 1932

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The program for the August 5-8, 2012 Annual Meeting in Minneapolis, Minnesota—a world-class city—is shaping up very nicely. Confirmed plenary sessions will address the “Affordable Care Act: Implications for Insurers, Employers, and Regulators” and “Sustainability in the Insurance Industry.” Other session topics tentatively include “Enterprise Risk Management: Implications for Insurers and Non-financial Services Firms;” “Microinsurance;” and “The Role of Federal Insurance.” In addition, Peter Miller, president and CEO of the Institutes, will discuss his organization’s efforts with The Griffith Insurance Education Foundation to attract students into the insurance industry during the Monday President’s Luncheon. Stay tuned for a future listserv to get the full agenda, other speakers and additional information about the program.

About Our Hotel

This year’s meeting is at the beautifully restored, upscale Minneapolis Depot Renaissance Hotel, part of the historic Milwaukee Railroad terminal. Located in the Mill and Riverfront Districts, the Renaissance is an easy walk to the mighty Mississippi River where you can see the scenic 32-foot waterfalls of St. Anthony which are responsible for the city’s birth.

Visit the nearby Mill City Museum (0.4 mile away) and learn about the intertwined histories of the flour industry, the river and the city. Or head over to Nicollet Mall (0.8 mile away), a pedestrian area with a variety of shopping, dining and entertaining. Since the Minnesota Twins Baseball team aren’t at home while we’re in town, you might want to catch a play at the critically acclaimed Guthrie Theater instead.

The Light Rail Transit is a convenient and inexpensive way to get around the city. From the Terminal 1 platform at the Minneapolis St. Paul International Airport, it’s a 22-minute ride to our hotel (stop: Govt. Plaza Station, walk three blocks northeast). You can even take the Light Rail to the Mall of America in Bloomington (only 15 minutes away) which comprises 520 stores, 50 restaurants and attractions galore, including Nickelodeon Universe, the nation’s largest theme park. It’s the largest mall in the U.S. in terms of total enclosed floor area. *Shop ‘til you drop...* there’s no sales tax on clothing or shoes in Minnesota!

Other Recommended Attractions and Activities in Minneapolis (the “City of Lakes”)

Stone Arch Bridge—Less than a half-mile from our hotel, by the Mill City Museum, you can walk across the mighty Mississippi on this former granite/limestone railroad bridge with 23 arches (2,100 feet long, built in 1883). Get great views of the city’s skyline, St. Anthony Falls and the lock and dam system, and explore nearby Mill Ruins Park or Water Power Park (the first commercial hydroelectric plant in the country). For the more adventurous, take the stairs from the bridge down into Pillsbury Park on the opposite side of the river to see the massive tunnels that once powered the Pillsbury flour mills.

Nicollet Island—A mile from our hotel, this is the only inhabited island on the Mississippi River. Lovely walkways and historical Victorian-era homes and buildings can be found on this 48-acre wonderland. See the *Bell of Two Friends*, a gift to the city of Minneapolis from its sister city, Ibaraki, Japan. Nearby Hennepin Avenue

ARIA Annual Meeting, continued

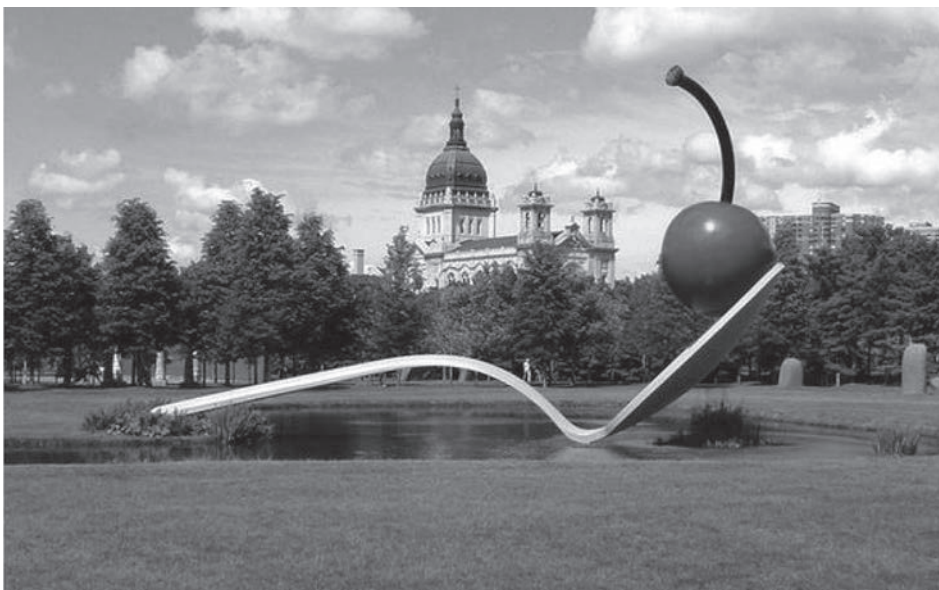
Bridge crosses Nicollet Island, marking the first point at which the Mississippi River was ever bridged in 1855.

Minneapolis Institute of Arts—Located on 8 acres of land about 2 miles south of our hotel, this fine arts museum has a broad collection of outstanding works of art featuring the world's diverse cultures (free general admission, closed Mondays) (www.artsmia.org/).

Minneapolis Sculpture Garden—Located about 2 miles southwest of our hotel, the city's "jewel in the crown" integrates greenspace with cultural life. Enjoy your afternoon in this free museum in a park with works of art by Henry Moore, Isamu Noguchi, George Segal and others. The garden's centerpiece is the iconic sculpture, *Spoonbridge and Cherry*, by husband and wife Claes Oldenburg and Coosje van Bruggen (www.garden.walker-art.org/).

On August 4-5, walk across the pedestrian bridge from the Sculpture Garden to the **Loring Park Art Festival**. This fair features works of over 140 artists in a variety of media including painting, photography, printmaking, handmade paper, wood, jewelry, sculpture, fiber, mixed media and glass (www.loringparkartfestival.com/).

Spoonbridge and Cherry by Claes Oldenburg and Coosje van Bruggen; courtesy of www.traveladventures.org, the exclusive proprietor



The Hitching Company—Take a fun and educational horse-drawn carriage ride/tour (15, 30 or 60 minutes) through downtown Minneapolis; carriages accommodate up to 4 people (www.thehitchingcompany.com/).

The Grand Rounds National Scenic Byway—The country's longest continuous system of public urban parkways, the Grand Rounds Byway has been the preeminent urban parkway system for more than a century. Walk, bike or drive around some or all of the 50.1-mile urban loop circumscribing the city and enjoy scenic views of the chain of lakes, Mississippi River, downtown, parks, gardens and more (www.minneapolisparcs.org/grandrounds/home.htm).

One notable attraction on the Byway—6 miles southeast of our hotel—is Minnehaha Park with a 53-foot waterfall, limestone bluffs and river overlooks. The 193-acre park contains the John H. Stevens House, the first wood frame dwelling built west of the Mississippi, and the Henry Wadsworth Longfellow House and Gardens.

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ARIA salutes its 2011 sponsors and expresses appreciation for their support of risk management and insurance education in universities around the world.

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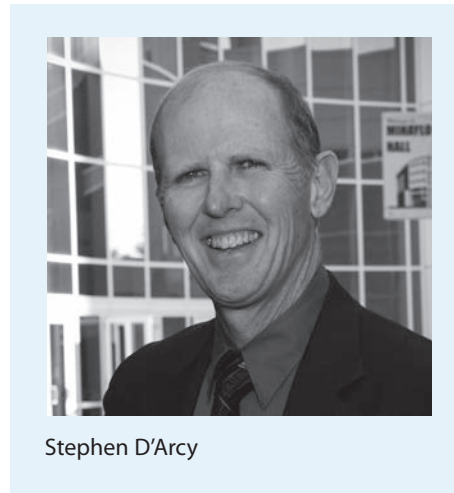
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Profile of an Insurance Scholar—Stephen P. D'Arcy

by Diana Lee, *ARIA NEWS* Editor



Stephen D'Arcy

In this issue, *ARIA NEWS* is pleased to feature *ARIA* past president (1998–1999) Stephen P. D'Arcy, who recently joined the faculty of the California State University-Fullerton (CSF). After 30 years at the University of Illinois at Urbana-Champaign (UIUC), Steve now holds the Frank Robitaille Chair in Risk and Insurance at CSF's Mihaylo College of Business and Economics and Center for Insurance Studies.

After receiving his B.A., *cum laude*, in applied mathematics at Harvard University, Steve worked as an actuary at CUMIS Insurance Society setting rates and reserves for credit unions and their members. Later, he studied finance at UIUC and earned both an M.S. and Ph.D. there. He began his academic career at UIUC in 1981, where he taught a variety of courses including principles of insurance, property/liability insurance, employee benefits, casualty actuarial mathematics, enterprise risk management, financial risk management, and advanced corporate finance.

Steve has been a Fellow of the Casualty Actuarial Society (CAS) since 1975 and a member of the American Academy of Actuaries since 1978. While at UIUC, Steve developed online CAS programs in enterprise and financial risk management, participated in the university's China Executive Leadership Program by teaching pension and insurance issues to visiting bankers from China, and led ERM workshops for banks and insurers. He also served as Research Scientist in

the school's Office of Supercomputing Applications for three years. Steve retired from UIUC in May 2008 as the John C. Brogan Faculty Scholar of Risk Management and Insurance.

During his time at UIUC and after, Steve also did actuarial consulting, working with the Automobile Insurers Bureau of Massachusetts using Data to Knowledge (D2K) data mining systems to examine suspicious claims, the North Carolina Department of Insurance, insurance companies, and others. Steve is founder and principal of D'Arcy Risk Consulting Inc., a firm specializing in education, measurement and management of risk for organizations and individuals.

Steve's research interests include ERM, financial modeling, financial pricing models applied to insurance, dynamic financial analysis, catastrophe insurance futures, public pension funding and insurance regulation. He has a long list of journal articles, conference proceedings and other published works. One notable work is his chapter on "Insurance Price Deregulation: The Illinois Experience," in the American Enterprise Institute-Brookings Institution Joint Center for Regulatory Studies' book on deregulating property liability insurance. Another important area was his work with Neil Doherty (University of Pennsylvania) on the aging phenomenon in insurance that led to articles in the *Journal of Business* and the *Proceedings of the Casualty Actuarial Society*.

Steve has received a number of honors and awards: in addition to being the UIUC's University Scholar and John Brogan Faculty Scholar, he was named the NCSA (National Center for Supercomputing Applications) Faculty Fellow in 2004–2005. Steve has won CAS Best Paper Awards (5 times), the UIUC College of Business Alumni Association Excellence in Teaching Award (2 times), Commerce Council Award for Best Professor (2 times), *The JRI* Best Paper Awards (2 times), and the U of I Campus Award for Excellence in Undergraduate Teaching. In addition to serving as the president of *ARIA* 13 years ago, Steve was president of the CAS (2004–2005) and

chair of the board of directors of the CAS (2005-2006). He also served on many CAS committees and was associate editor of *The JRI* and the *Geneva Papers on Risk and Insurance Theory*.

Steve now splits his time between Fullerton, Calif. and Urbana, Ill., living in Urbana and traveling to California regularly to teach and attend meetings. At CSF, Steve teaches a course on ERM; he has recorded (audio and video) lectures on different aspects of ERM that the students view before each class so they can work on projects on those topics during each class. He is working toward an even more flexible course so students from around the world can participate along with those on campus. Steve also conducts research and has a critical role in the continuing development of the Center for Insurance Studies at CSF.

ARIA NEWS managed to catch up with Steve recently; we are grateful he took time out of his busy schedule for a chat.

ARIA NEWS: Congratulations on becoming the first Frank Robitaille Chair in Risk and Insurance at Cal State Fullerton. After nearly 40 years at the University of Illinois, what prompted you to accept this new position?

Steve: Cal State Fullerton is a rapidly developing and innovative risk management and insurance program that is the largest RMI program on the west coast. Professor Weili Lu, one of my former Ph.D. students, is the Director of the Center for Insurance Studies and has worked energetically to establish this program. I accepted this position to help her expand and enhance this program. This position provides me with the opportunity to teach a graduate-level ERM course incorporating the latest online education technology and to interact with a wonderful group of faculty and industry supporters of this program.

ARIA NEWS: Do you have mixed feelings about leaving UIUC, after being there so long?

Steve: After 30 years at the University of Illinois, it was time to shift gears and get involved in new activities. Retirement provided more time for travel, the chance to take and teach new courses (including

Personal Finance for Retirees which my wife and I taught at the Osher Lifelong Learning Institute at UIUC), and to be available for new opportunities, such as the position at CSF.

ARIA NEWS: It's been a while since you've been at an ARIA meeting. During the past several years, are there any important activities in which you've been involved that you'd like to share with us?

Steve: Over the past few years the actuarial profession has been working to develop an internationally recognized ERM designation that will encourage actuaries to gain the expertise necessary to measure and manage the gamut of risks an organization faces. I have worked with actuaries from many other countries to establish standards for this new designation and to help actuarial organizations develop certification programs that meet these standards. I have also been researching some of the key ERM issues, including capital allocation and inflation/deflation modeling.

ARIA NEWS: Let's go back to the beginning. Tell us a little bit about your background and how you got your start in insurance and finance education and actuarial science.

Steve: I majored in applied math in college and was looking for a job where I could use my math skills to solve practical problems. My uncle, a lawyer at American Mutual, introduced me to Bill Hazam, their chief actuary. Once he described the actuarial field I realized it was a great area to start. After working as an actuary for a few years, I realized that I needed to learn some finance to do my job properly. That led me to the University of Illinois where I intended to earn a Masters, but once I had the opportunity to teach I decided to continue for my Ph.D. I was fortunate to be offered a faculty position when I graduated.

My teaching and research have always focused on risk, which initially was on insurable risks. However, when financial risk management developed during the 1980s, I began to teach and study financial risk management. Later, when enterprise risk management emerged, I worked on that area as well. Essentially, I have stayed focused on measuring and managing risk;

it's just that new areas of risk management have developed to provide additional scope for this focus.

ARIA NEWS: Are there one or two people who have been influential in your career? How did they help you?

Steve: Lots of people influenced my career. My wife, who earned her Ph.D. in plant pathology at Wisconsin while I worked at CUMIS, really enjoyed teaching when we moved to Illinois. Her love of teaching inspired me to get a Ph.D. and pursue an academic career. Bob Mehr, my advisor at Illinois, gave me the opportunity to teach during my first semester, which encouraged me to continue in the program. He also provided excellent guidance on research and writing, which influenced me over my entire career. In addition, generations of students have motivated me to continue to try new ways to teach risk and insurance.

ARIA NEWS: What do you consider to be your top professional and personal accomplishments?

Steve: Serving as a leader in ARIA and working to expand the focus of the organization to new types of risk was one important accomplishment. Also, helping the Casualty Actuarial Society strengthen its leadership development program was another. My top personal accomplishments are my family and my influence on my students. Nothing brightens a day more than an email or call from a former student indicating that something they learned in one of my classes has helped them in their careers.

ARIA NEWS: What have you learned in your career that you wish you knew when you were starting out?

Steve: I have learned that you never stop learning and I certainly didn't expect that when I started out.

ARIA NEWS: The recent ARIA meeting held a special session on the future of RMI. What thoughts do you have on the future of collegiate risk management education, given continuing changes in the discipline and in universities that have RMI programs?

Continued on page 10

IFID Centre Annuity Day at the Fields Institute (Toronto)

by Moshe A. Milevsky, Schulich School of Business, York University, Toronto



Moshe Milevsky

On November 24th (while Americans were celebrating Thanksgiving in the U.S.), **The Fields Institute for Research in Mathematical Sciences** based in Toronto, CANADA, hosted its annual IFID (Individual Finance and Insurance Decisions) Centre conference. The IFID Centre is a non-profit organization funded by contributions from government and industry, whose mandate is focused on solving research problems at the intersection of applied mathematics and personal wealth management. The IFID Centre's main area of activity is to organize scholarly presentations and conferences. For the 11th annual conference, the focus was life annuities.

The hallmark of all IFID Centre conferences at the Fields Institute is the roughly 50/50 mix between academic researchers and industry practitioners in the audience, and the ensuing fruitful discussions between these two groups. This provides an ideal opportunity for academics to learn about how the real world actually works, and for practitioners to get a glimpse of how academics think about their problems.

This year, the IFID Centre brought together experts on retirement income planning. The inaugural morning presentation was given by Professor Alessandro Previtero, who is at the Richard Ivey Business School at the University of Western Ontario. The title of his presentation was: *Stock Market Returns and Annuitization, A Case of Myopic Extrapolation*. He discussed the

results of research he conducted with Shlomo Benartzi (UCLA) and Richard Thaler (University of Chicago) on the behavioral finance aspects of annuitization. Using a novel dataset of actual annuitization decisions made by soon-to-be-retired members of a pension plan, he provided evidence that the recent performance of the stock market, whether positive or negative, has a strong impact on the decision to purchase a life annuity, versus taking a lump sum at retirement.

As one might suspect, during “good times,” individuals are more likely to believe they can do better themselves. And, during “bad times,” they would rather not take their chances and instead often choose to take the lifetime annuity. This sort of evidence is intuitive, but quite difficult to reconcile within a classic (rational) model of consumer choice. Professor Previtero offered this as evidence of myopic extrapolation, and went on to discuss the implications of this behavior for pension plan design.

The second presenter was Professor Raimond Maurer, from Goethe University Frankfurt, Germany. The title of his lecture was: *Optimal Purchase of Life and Longevity Risk Insurance Products for Retired Couples*. He presented results on joint research conducted with Andreas Hubener and Ralph Rogalla. The traditional Human Life Value (HLV) view of life insurance is that once a couple is retired there is little need for family life insurance protection, other than perhaps estate taxes and business liquidity motives.

Professor Maurer formulated and highlighted a model in which life insurance is used during retirement to protect the pension income and standard of living of a surviving spouse. This strategy is often called “pension maximization” by practitioners, and Professor Maurer's model offers theoretical justification for such strategies. The main technical contribution of the paper was to present an optimal “product allocation” which combined safe and risky assets, as well as life insurance and life annuities—for a couple.

The third presenter, after a buffet lunch, was Professor Gabriele Stabile who traveled especially from Italy for the

occasion. He is based at the University of Rome and the title of his lecture was: *Pension Planning and Investments under Transaction Costs*, which was joint work with Maria Chiarolla and Michele Longo. He discussed the challenges faced by individuals who want to allocate savings to a personal pension plan, but are concerned about the irreversibility that stems from a loss of liquidity, income taxes and transaction costs. Much to the delight of the mathematicians in the audience, he quickly formulated a Hamilton Jacobi Bellman (HJB) equation for the problem, discussed optimality conditions and characterized its viscosity solutions. Thus, in keeping with the mandate of the IFID Centre, Professor Stabile started with applied motivation in “personal finance,” and ended up with a very elegant mathematical problem.

The fourth and final afternoon presentation was by Professor Mark Kamstra, an econometrician and finance researcher from the Schulich School of Business at York University. The title of his presentation was: *How Efficient is the Individual Annuity Market?* This work, which is joint with N. Charupat and M.A. Milevsky, offered some novel evidence that real-world quoted annuity prices do not respond to changes in interest rates in the way predicted by standard economic pricing models. In particular, Professor Kamstra identified an “Annuity Duration Puzzle” whereby the sensitivity to changes in market interest rates are much lower than anticipated. The main result was that a number of other (unexplained) factors drive the changes in annuity price quotes from week to week, and changes in interest rates can only explain a small fraction of the variability. This has obvious implications for anyone attempting to model the optimal annuitization policy, dynamically replicate annuity payouts (Q measure), or predict what annuity prices (P Measure) will be in the future.

Despite the diversity of the papers presented and the audience present, the overall sentiment was quite uniform. Retirement income planning, and specifically the ‘optimal’ role of annuities within the optimal portfolio, is a topic that will continue to interest both academics and practitioners for many years to come.

Continued on page 12

A Tribute to ARIA Past Presidents

In this issue which celebrates the 80th year of our founding, *ARIA NEWS* pays tribute to the association's past presidents. In brief, ARIA was originally formed as the American Association of University Teachers of Insurance (AAUTI) in December 1932, in Cincinnati, Ohio. The idea of this organization was conceived from a "round table discussion on insurance" at the 1931 annual meeting of the American Economic Association. AAUTI evolved over the decades and changed its name to the American Risk and Insurance Association in 1961; ARIA became incorporated in March 1963 with a new constitution and by-laws.

Our organization has had 68 different presidents, excluding current leader David Sommer (St. Mary's University), in its 80 years of existence. The first was Solomon S. Huebner (University of Pennsylvania, 1933–1934)—known as "the father of insurance education"—and the last was Gene Lai (Washington State University, 2010–2011). Past presidents hail from 35 different universities.

One might call the University of Pennsylvania "The Cradle of Presidents," producing the largest number (9) of AAUTI/ARIA presidents from Solomon Huebner (1933–34) to J. David Cummins (1986–87). The association's 10th leader was Erwin Gaumnitz with the University of Wisconsin; four more individuals from this school followed in his footsteps. Georgia State University, Temple University, University of Georgia, and University of South Carolina can each claim four ARIA presidents, while Indiana University, University of Illinois and University of Texas have three apiece. Drake University, Ohio State University and University of Alabama have each produced two of our leaders, while 23 other universities produced one apiece.

Past presidents have helped pave the way for ARIA to grow into the internationally known and reputable academic group it is today. These individuals have brought their unique personalities, ideas, generosity and commitment, working with a dedicated board of officers and directors and other talented and hard-working individuals to develop new initiatives and programs, ensure the financial stability of the organization and build relations with other organizations. ARIA expresses heartfelt appreciation to our past presidents.

ARIA Past Presidents by University

University of Pennsylvania

Solomon Huebner ('33–'34)
Harry Loman ('37–'38)
David McCahan ('40–'41)
C. A. Kulp ('46–'47)
C. M. Kahler ('52–'53)
Dan McGill ('59)
Herbert Denenberg ('69–'70)
Jerry Rosenbloom ('81–'82)
J. David Cummins ('86–'87)

University of Wisconsin

Erwin Gaumnitz ('50–'51)
Charles Center ('57)
Dan Anderson ('83–'84)
Joan Schmit ('94–'95)
Mark Browne ('02–'03)

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John Adams ('65–'66)
Harold Skipper ('93–'94)
Bruce Palmer ('96–'97)

Temple University

Bob Hedges ('71–'72)
William Glendenning ('76–'77)
Charles Hall ('79–'80)
Mary Weiss ('07–'08)

University of Georgia

Mark Greene ('68–'69)
James Trieschmann ('82–'83)
Sandra Gustavson ('90–'91)
Robert Hoyt ('03–'04)

University of South Carolina

James Athearn ('78–'79)
S. Travis Pritchett ('80–'81)
Scott Harrington ('91–'92)
Helen Doeringhaus ('00–'01)

Indiana University

J. Edward Hedges ('60)
John Long ('66–'67)
Joseph Belth ('73–'74)

University of Illinois

Frank Dickinson ('44–'45)
Robert Mehr ('67–'68)
Stephen D'Arcy ('98–'99)

University of Texas

J. Anderson Fitzgerald ('48–'49)
Robert Witt ('85–'86)
Patrick Brockett ('01–'02)

Drake University

Michael Murray ('87–'88)
Terri Vaughan ('08–'09)

The Ohio State University

Edison Bowers ('42–'43)
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University of Alabama

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John Thornton ('88–'89)

Washington State

University

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Hampton Irwin ('56)

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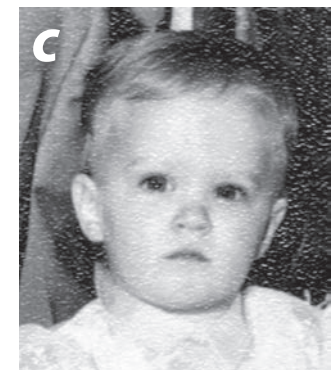
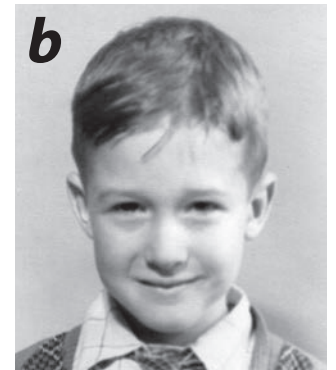
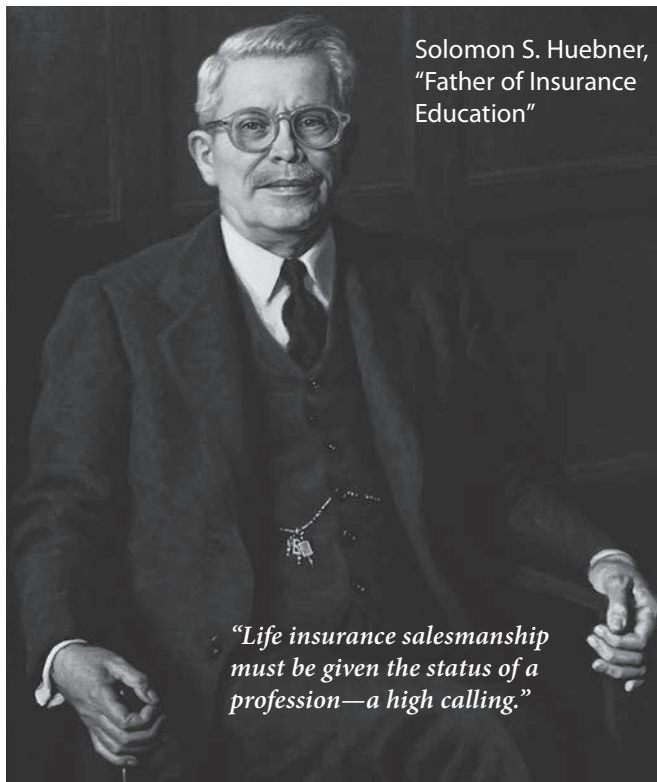
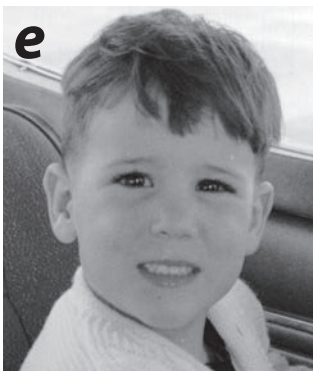
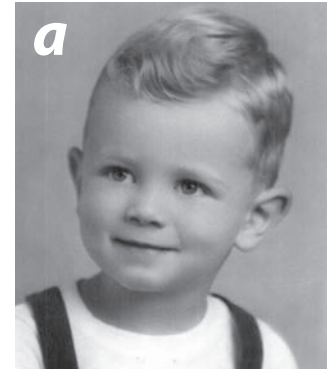
Can You Identify These Past Presidents?

ARIA NEWS is especially grateful to the following 8 individuals who were willing to provide photos of themselves when they were very young... perhaps they were already thinking about their future as leaders in the insurance academic community!

- a. "The world needs help in developing risk management strategies; more schools should incorporate sustainability, environmental and social risk issues into their courses."
- b. "Everyone is much more than just his work-life person. We should all strive to build bridges and become national standard setters."

- c. "I'm interested in how individuals attain financial security through employee benefits, long-term care insurance, and retirement plans."
- d. "I want to create a more global understanding of issues facing the insurance industry, such as the economics of uncertainty and behavioral decision making."
- e. "I want to help open the minds and hearts of students to the joys of learning and introduce them to opportunities and careers available in RMI."

- f. "It's important to work as a team to raise the profile of RMI programs in universities and to improve their effectiveness and productivity."
- g. "I hope to teach RMI in a way that helps students build problem-solving skills based upon principles of economics, finance, and statistics."
- h. "There is a need to study the characteristics of risk takers and explore the gender differences in personal finance decisions."



Courtesy of The Huebner Foundation

The answers to "Can You Identify These Past Presidents?" are on page 23.

The Risk and Uncertainty Management Initiative at the University of South Carolina

The Darla Moore School of Business at the University of South Carolina (USC, in Columbia SC) has long been recognized as having one of the nation's top risk management and insurance programs. So when, in the wake of the 2008 financial crisis, businesses began to view risk management as an increasingly complex and pressing problem, the Moore School was well-positioned to play a leading role in the development of new responses to emerging risk-management challenges.

With the establishment of its new Risk and Uncertainty Management (RUM) Initiative, the Moore School is among the first business schools in the nation to bring a broad, multidisciplinary approach to bear on the RUM-related issues that confront American businesses today. In so doing, it is building on its existing strengths in the traditional field of risk management and insurance to help develop a promising new field of study that's both responding to and shaping the ways businesses manage risk.

The Risk Management and Insurance faculty at the Moore School currently includes: Ernie Csiszar, the former Insurance Commissioner of the State of South Carolina and CEO of the Property Casualty Insurers Association of America; Helen Doerpinghaus, currently serving as Vice Provost and Dean of Undergraduate Studies; and Greg Niehaus, Professor of Finance and Insurance.

The RUM initiative is adopting a holistic approach to risk and uncertainty management, consistent with the enterprise

risk management approach that many business leaders have embraced over the past decade. This holistic approach is difficult to implement because it must bring together and coordinate expertise in so many different areas. That's where a major research university like the University of South Carolina can bring a lot to the table. One of the central goals of the Moore School's RUM Initiative is to forge strong ties across different departments within the business school and between faculty in the business school and those in other departments all across campus who are doing risk-related work.

USC's geography department, for example, houses a highly-regarded Hazards and Vulnerability Research Institute, which addresses issues related to severe weather events and other ecological crises. The Arnold School of Public Health conducts epidemiological research that helps both public- and private-sector organizations develop best-practice responses to epidemics and other health-related challenges. "Potentially," says Niehaus, "any department on campus can make valuable contributions to our understanding of how to manage risk most effectively."

With its existing strengths in risk management and insurance—its program has for years been ranked in the top 10 by *U. S. News & World Report*—the Moore School is widely recognized for its risk-related expertise by companies in the insurance industry. That's one reason why, when Moore School Dean Hildy Teegen came on board four years ago

and invited proposals from faculty for strategic development of the school's core strengths, risk and uncertainty management was selected as one of six key areas of focus. In terms of the Moore School's ability to support businesses in the region, that decision has paid off even more than the school's leadership initially expected. "When we talk to business leaders about the RUM initiative," says Niehaus, "it is really resonating. Companies are increasingly realizing that risk is part of everything they do, and many of them are struggling to deal with it."

Designed to facilitate interdisciplinary partnerships and foster robust interaction with businesses, the RUM Initiative encompasses four interrelated components: academic research, educational programs, engagement with external constituents, and applied research and consulting. Through a range of activities related to a wide variety of risk-related issues—extreme events, security, health care, insurance, global enterprise risk management, and financial risk management—the Initiative positions the Moore School as a global thought leader in addressing the educational and research needs and interests of practitioners, students, and faculty on the management of risk and uncertainty within organizations of all kinds and for society at large.

In addition to its cross-disciplinary approach, the RUM Initiative is distinguished by its emphasis on moving beyond quantitative analysis to consider

Continued on page 23



Ernie Csiszar



Helen Doerpinghaus



Greg Niehaus

Insurance Scholar: Stephen D'Arcy, continued

Steve: ARIA faces a key challenge to its future. Risk is the new currency in business and many areas are starting to incorporate risk into their specialty in order to cope with this development. If risk is incorporated into each area, then a specialty that focuses only on risk and insurance could become irrelevant. However, this is also an opportunity, as ARIA could become an organization where everyone dealing with risk in his or her own specialty comes together to advance the field.

Financial risk management developed independently of traditional risk management, and this led to many problems. People had to learn from their own mistakes, rather than learning from those who are already experts in managing risk; these mistakes have bankrupted companies and destabilized economies. If ARIA can expand its influence to other areas of risk, it will not only remain relevant, but could lead to a much more prosperous and stable future for all of us.

ARIA NEWS: You have been involved with various aspects related to the insurance industry, such as ERM and dynamic financial analysis. Do you have any advice on how ARIA or members can collaborate more with the industry?

Steve: My work experience and professional affiliations have provided valuable insights into key issues the insurance industry is dealing with. If more ARIA members would engage in collaborative efforts with practitioners through consulting, internships or business interludes during their careers, it could increase the relevance of their research and have a beneficial effect on corporate practices.

ARIA NEWS: As a past president of ARIA, do you have any advice for the current administration on moving the organization forward?

Steve: My best advice is to have a plan and try to stay focused on your goals during the always hectic period when you volunteer significant amounts of your time to the organization. Other tidbits would be to not take any criticism personally and try to enjoy your time in a leadership role.

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Virginia Commonwealth University Wins First Risk Management Collegiate Case Competition

A team from the Virginia Commonwealth University School of Business (VCU, in Richmond, Va.) won the inaugural Risk Management Collegiate Case Competition held this month.

The competition was held on March 13, 2012 as part of the VCU Risk and Insurance Studies Center Conference, an annual event that spotlights emerging trends and critical issues in the insurance field. Teams from eight universities participated in the competition, which was designed for colleges and universities that have programs in risk management and insurance. Funding from the Spencer Educational Foundation made the competition possible.

The winning team from VCU won a prize of \$4,000. Team members included Christopher Townsend, a junior majoring in finance and risk management; Geoffrey Bernardo, junior, finance/risk management; and Julian Sylvestro, senior, finance/risk management. Illinois State University, which finished second, received \$3,000, and Utica College, which finished third, received \$2,000.

Laurie Solomon, risk manager for the Coca Cola Company, created a case for

the competition that was based on the risk management changes that occurred with the merger of the Coca Cola Company and Coca Cola Enterprises in 2010. Teams of no more than four students submitted a written paper giving their solution to the case prior to the competition and then made oral presentations at the March 13 conference to judges from the risk management field including Markel Corporation, FM Global, Roche Holdings, Chartis, and ARAMARK. Teams were judged on both the written and verbal portions of the competition.

Participating teams represented the following schools: Howard University, Illinois State University, Old Dominion University, Olivet College, St. John's University, Temple University, Utica College and VCU.

In her closing remarks, Peggy Accordino—president of the Spencer Foundation—stated that the competition exceeded all expectations that the Spencer Board had when they funded the proposal, and she was confident that the competition will be continued next year.

Congratulations to all competing universities and VCU!



From left to right: VCU students Christopher Townsend, Geoffrey Bernardo and Julian Sylvestro with Peggy Accordino, President, Spencer Educational Foundation

Fun Facts and Fond Memories of Meetings Past

Have you run out of things to say about your research or classes? Tired of talking about the weather? Well, the next time you talk with your ARIA colleagues, here are little known facts about some of them to get the conversation started.

Did You Know...Fun Facts:

Stanley Adamson (Missouri State University): I have walked at least two miles a day for more than twelve years.

Dan Anderson (retired member, University of Wisconsin): I am from DeKalb, Illinois where barbed wire was invented.

Steve Avila (Ball State University): I was a member of back-to-back State Championship Basketball Teams (single class) at Muncie Central High School. Muncie Central has won the most State Championships of any school in Indiana. I also played at Hanover College and competed in two NAIA Championships in Kansas City, Missouri. We finished in the Elite Eight and Sweet Sixteen. I was a captain of my high school and college teams during my senior seasons. I looked into college coaching and was a volunteer assistant at Ball State University for one year.

Vickie Bajtelsmit (Colorado State University): I'm an avid quilter.

Patty Born (Florida State University): I play ice hockey.

Alexander Braun (Universität St. Gallen): I used to work for Lehman Brothers—but not in risk management.

Jeffrey Brown (University of Illinois): I was the 2010 Illinois State Champion in the 40-49 age division in the American Taekwondo Association in the traditional weapons competition.

James Carson (University of Georgia): A couple of my weaknesses are ice cream and Oreos and any movie with Angelina Jolie.

Pranatharthi Chandrasekar (Hindustan Unilever, LTD): I am an enthusiastic vegetarian cook who enjoys experimenting with dishes.

Richard Corbett (Florida State University): I performed for 4 years with the Atlanta Symphony Orchestra, as a percussionist, before going to graduate school.

Larry Cox (University of Mississippi): I graduated "With Distinction" from the U.S. Army typing school in Ft. Sheridan, Illinois and have a certificate to prove it!

Arianna Feoli (student member): Not everyone knows I make people laugh.

Scott Harrington (University of Pennsylvania): I have taken up motorcycling, logging 10,000 miles since May 2010.

Robert Hartwig (Insurance Information Institute): My 13-year old daughter is named Aria. Yes, it's pure coincidence, but I bet I am the only ARIA member who can claim a child as the organization's namesake. I love musical arias and my wife and I thought it was a beautiful and unique name way back in 1998 when she was born. I'm sad to say, that at least as of now, she shows no interest in insurance—but she is in the school chorus, so who knows what the future might hold!

Enya He (University of North Texas): My last name is "He," but I am actually a "She." I have been seriously thinking of changing my last name to "Her."

Michael Hubbel (Olivet College): Once in a great while, I took a small, walk-on part in our college theatrical productions. This is usually unexpected from the "old insurance guy in a suit and tie."

Anne Kleffner (University of Calgary): I played varsity basketball in high school (who would ever think of that!).

Joseph Launie (retired member, University of California-Northridge): At the age of 18, during the Korean War, I gave up my student deferment and enlisted in the all-volunteer Army Security Agency which was part of the National Security Agency. I spent more than two years working in the field in counter-intelligence. Therefore I am a retired spook. (There is no such thing as an ex-spook.)

Diana Lee (Property Casualty Insurers Association of America): I collect Southwest Native American pottery, baskets, rugs and other crafts.

Faith Neale (University of North Carolina): I have been in Girl Scouts for over 20 years. I started as a Brownie and when my daughter became a Brownie, I

began my journey as troop leader, life-guard, first aid/CPR, and small craft safety instructor. My daughter is now a junior in high school. Ten years of cookie sales down, two years to go!

Michael Powers (Temple University): I sleep in comic-book superhero T-shirts and striped boxer shorts.

William Rabel (University of Alabama): Everybody knows that RMI professors are no fun. But here is a little known fact: My family calls me Bubba—in the finest Texas tradition for younger brothers whose big brothers are too stupid to say "brother."

Harris Schlesinger (University of Alabama): I used to do rock climbing and ice climbing prior to my days as an insurance economist. I also used to be the keyboard player in several rock bands.

Samuel Sender (EDHEC): I negotiated my salary downwards...some years ago.

Michael Smith (retired member, The Ohio State University): When I was in my mid-teens, some of my friends referred to me as "doomsday" Smith because of my ability to identify and articulate downside risks in the adventures we were contemplating. My warnings, however, didn't keep us from undertaking the activities we were considering, but to plan for contingencies should they arise.

Jerry Todd (retired member, St. Mary's University): I've become a sport-car enthusiast and am an active member of the local Mazda Miata Club, making many multi-car runs through the countryside. I'm also a volunteer (docent) at Haven for Hope, a \$100 million 11-building Homeless Transformation Center in our city (San Antonio, Tex.), and have given tours to community groups for the past two years.

Terrie Troxel (Indiana State University): I have a picture of myself with the woman who is both the wife of a former President of the U.S. and the mother of a former President of the U.S.

Ping Wang (St. John's University): I hold two Ph.D. degrees, one in mathematics (from China, Nankai University) and the other in actuarial science and risk management (University of Wisconsin-Madison).

Continued on next page

Andrew Whitman (University of Minnesota): I play the guitar and dance and sing the oldies but goodies tunes, with the oldies but goodies, in nursing homes two or three times each week, empirically researching the effects of music therapy. Medronic is researching music therapy!

And Do You Remember... Fond Memories:

Dan Anderson (retired member, University of Wisconsin): After the ARIA annual meeting in Scottsdale, Arizona (why were we there in August?) in the late 1970s, I hiked from the south rim of the Grand Canyon to the north rim and back.

Steve Avila (Ball State University): I remember attending one of my first ARIA meetings trying to get hired in the job market. It was an exciting time trying to meet and interview with the schools that had openings.

Vickie Bajtelsmit (Colorado State University): All of my memories of ARIA meetings are fun and fond. I love catching up with friends I don't get to see often enough.

Patty Born (Florida State University): My fondest moments have to be the many times I've gotten a small group together around a piano for a sing-a-long...there are some very talented singers in our group!

James Carson (University of Georgia): During one of my first ARIA meetings (probably while still a graduate student), and during the big luncheon with everyone, the main meal was some kind of fish. Since I seemed to be allergic to fish at that time, I asked if perhaps there was something else I could have instead. The server stated that, no, fish was the only choice, but that I could have some rice and vegetables, which sounded OK to me. Don Hardigree, who was at the table, leaned over and asked if I liked steak. Well, "of course, but that doesn't seem to be an option!" I replied. He smiled and excused himself from the table for a few minutes. Soon after, as everyone around the table started receiving their fish, the server brought me an enormous, juicy steak! I always remember that early ARIA meeting with Don Hardigree fondly.

Larry Cox (University of Mississippi): At the first WRIEC meeting, representatives of the Asian, European, and American associations each were asked (read: forced) to sing a song. This was something very much akin to fraternity hazing. Somehow, as incoming ARIA president, I had to lead the past presidents of ARIA in an a capella rendition of "Home on the Range." I must say that we were not half bad—we were ALL bad! We received a rousing ovation, which felt great until I was told that it was because we finally quit.

Sandra Gustavson (retired member, University of Georgia): Everyone who attended the 1982 annual meeting (ARIA's 50th anniversary) received an ARIA paper weight. At the time, many of us thought it was a little hokey, but that item still sits on my desk, now 30 years later.



Courtesy of Sandra Gustavson

Diana Lee (Property Casualty Insurers Association of America): My fond memories are simply getting to know people in the academic community and seeing everyone at the meeting. It's always great fun to have dinner with the Gibbonses, Rabels, Palmers, Smiths, Weisbarts and others.

Norma Nielson (University of Calgary): I remember one of the presidential speeches talking about another former president belonging to a group known as TPFTT—"Toilet Paper from The Top." Sorry I don't remember the specifics but me-thinks Dan Anderson was in the mix somewhere!

Jerry Todd (retired member, St. Mary's University): Dan Anderson probably made the most interesting Presidential

speech; he collected pictures and stories about all the past presidents before him, showed the pictures and told the stories.

Terrie Troxel (Indiana State University): My first ARIA meeting was in Las Vegas at the International House (now the Hilton). It was too expensive to see Elvis playing in the big room, so a couple of ARIA members and I went to see the Ike and Tina Turner Revue in the lounge for a two-drink minimum cover charge of \$3.

Insurance Scholar: Stephen D'Arcy, continued

ARIA NEWS: What advice do you have for new ARIA members to help them advance in their careers?

Steve: My advice to new members is to find a niche in the wide-ranging field of risk management where you have a comparative advantage over other researchers. Then work to establish your reputation as the leader in that area. It is easier to get recognized by focusing on a specific area than to spread your research too broadly. Also, your career is a marathon, not a sprint. Pace yourself so you don't burn out and take the time for some of the things you have always wanted to do now, rather than putting them off.

ARIA NEWS: Thanks for your time, Steve, and best wishes on your new endeavors!

IFID Centre Annuity Day, continued

All papers and presentations (from this and previous year's conferences) are available for download free of charge, from The IFID Centre's website www.ifid.ca. The 2012 conference will take place on November 22, and the theme for that day will be the interaction between "retirement income" and "tax efficiency." As always, all presenters will have their travel expenses and a minor honorarium covered by the IFID Centre. For more information please contact Alexa Brand, the office and operations manager, at abrand@ifid.ca.

The Risk Management and Insurance Center at Olivet College

by Michael R. Hubbel, Professor Emeritus



Michael Hubbel

We're very proud of the risk management and insurance (RMI) students, faculty, and comprehensive insurance curriculum at Olivet College (in Olivet, Mich.), with our roots in the insurance industry. An interesting precursor or coincidence: when the cornerstone of our Burrage Library was opened, which was originally laid in 1889, it contained among other historical artifacts, the business card of a local insurance agent!

The insurance industry formed a committee that organized the Insurance Program at Olivet College in 1980, and provided the teachers in the early years. In the last 20 years, we have implemented:

- the Insurance and Risk Management Major, with many courses based on Insurance Institute programs—many of our students take the national exams while taking the corresponding course, with exam fees reimbursed by Hastings Mutual Insurance Company;
- the Financial Planning Major, with many courses based on the American College programs;
- with the Department of Mathematics and Computer Science, the Actuarial Science major;
- with our Criminal Justice program, the Insurance Claims Investigation minor; and
- the Master of Business Administration in Insurance through a blend of synchronous and asynchronous online technology.

Our program is in the process of working with the Department of Mathematics and Computer Science to implement a new program in insurance technology.

Our advisory committee is a natural continuation of the insurance committees that organized the program. The committee consists of 35 members representing a cross-section of the insurance industry—agents, brokers, companies, regulators, and trade association executives.

We also host the international award-winning Alpha Alpha Chapter of Gamma Iota Sigma (<http://web.olivetcollege.edu/gis/>). A four-time “best chapter” award winner, our chapter is consistently ranked in the top three chapters each year. One of the highlights of our programming: we organized and hosted “The Extreme Risk Takers” symposium in Chicago, on surplus lines insurance for other college and university students, sponsored by the National Association of Professional Surplus Lines Offices (NAPSLO), from 2003 to 2010 (this program was modeled after the symposia created by our good friend Dr. Carol Jordan of Troy University). I advised the Alpha Alpha Chapter of Gamma Iota Sigma at Olivet College until 2009. Professor Carol Breed was asked to become the advisor as I began to work on several new programs and partnerships for the college, and prepare for the succession of the leadership of the program.

In 1994, we incorporated and administered the Michigan Insurance Hall of Fame. Since then, 51 leaders and legends in the Michigan insurance business have been inducted into the hall (<http://web.olivetcollege.edu/mihof/>). In addition to recognizing the positive contributions of insurance and risk management professionals, the purpose of the Hall of Fame is to provide scholarships for insurance students and grants for insurance research at Olivet College.

We also initiated and implemented several “firsts” in the RMI program at Olivet, some adopted later in other departments and programs at the College:

- The first student-run portfolio/department seminar, led by our Gamma Iota Sigma chapter.

- The first internship requirement.
- The first 3.0 or higher GPA requirement to take the upper-level RMI courses, and to graduate with one of our majors.
- The first graduate degree in business.
- The first online degree program.

We developed partnership agreements with the:

- Westran Insurance Scholarship Foundation, to provide administrative services to the foundation in awarding scholarships to RMI students in the Great Lakes states;
- Fanshawe College in London, Ontario, to accept two-year transfer insurance students;
- Thomas M. Cooley Law School, to develop joint masters-level degree programs; and
- Eaton Intermediate School District, to “early admit” high school students in insurance classes at Olivet College, completing a spectrum of insurance education from high school to the graduate and professional level.

We have offered programs to help insurance professionals prepare for national exams leading to the CPCU designation and INS certificate, in Lansing, Michigan, in classroom space donated by Farm Bureau Insurance. We have offered other industry symposia and seminars, one of the more interesting programs: a two-week seminar for a group of insurance executives from Uzbekistan interested in studying U.S. insurance operations. We also partnered with the Insurance Institute of Michigan to teach a seminar on teaching insurance for high school educators.

In recent years, we received national and international recognition:

- Ranked 8th in the nation in the number of students and graduates by *Business Insurance* (December 21 and 28, 2009, and September 2010) and *Risk Management* (September 2009) magazines.

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ARIA Members and Friends in the News

Last year, [Vickie Bajtelsmit](#) (Colorado State University) was elected to serve on the Board of Directors for the Jump\$tart Coalition for Personal Financial Literacy. Jump\$tart is a non-profit organization based out of Washington, D.C. that is dedicated to improving the financial literacy of pre-kindergarten through college-age youth.

[Etti Baranoff](#) (Virginia Commonwealth University) was recently interviewed about employer health plans in a *Chicago Tribune* article, “Bridging the Insurance Gap” (February 26, 2012). In the article, Etti is called the “LeBron James of insurance...only more reliable in the clutch”—*no small compliment!*

Congratulations to [Patricia Born](#) (Florida State University), who was appointed the Payne H. and Charlotte Hodges Midyette Eminent Scholar in Risk Management and Insurance at the beginning of the year. In addition to teaching RMI, Patty is director of the university’s Center for Insurance Research. She most recently completed a summer lecture tour that included universities in South Korea and China.

Congratulations to [Larry Cox](#) who was honored last May for extraordinary service at the University of Mississippi. Chosen by students, faculty and staff, Larry received the school’s prestigious Thomas F. Frist Student Service Award which recognizes faculty and staff members who render service to students beyond the call of duty. People who nominated Larry described his “enthusiasm, vision and leadership” and dedication to mentoring students.

[Scott Harrington](#) (University of Pennsylvania) is the new Executive Director of the S.S. Huebner Foundation for Insurance Education.

The Geneva Association announced in February that [Patrick Liedtke](#) will be resigning from his position as Secretary General and Managing Director of the organization. *ARIA NEWS* wishes Patrick well when he leaves in July 2012 to pursue other interests.

[John Liu](#) (formerly with Georgia State University) is now an associate professor at Indiana State University; his courses include Personal Finance and Introduction to Insurance and Risk. Terre Haute, Ind. welcomes John and his family!

[Michael Powers](#) (Temple University) is pleased to announce his new book, *Acts of God and Man: Ruminations on Risk and Insurance*, which was recently released by Columbia University Press. Details can be found at <<http://cup.columbia.edu/book/978-0-231-15366-9/acts-of-god-and-man>> and <<http://www.amazon.com/Acts-God-Man-Ruminations-Publishing/dp/023115366X>>.

Best wishes to former ARIA Board member, [Don Rebele](#), who recently retired from his position as president and CEO of The Griffith Insurance Education Foundation.

Effective January 1, 2012, [Terri Vaughan](#) (NAIC) was appointed to a two-year term as the chair of the International Joint Forum, a Basel-based group of banking, insurance, and securities supervisors created to address cross-border and financial services regulatory issues. The Joint Forum’s parent organizations are the Basel Committee on Banking Supervision, the International Organization of Securities Commissions, and the International Association of Insurance Supervisors.

Seventh Edition of *Social Insurance and Economic Security* just published

M.E. Sharpe has just published the new Seventh Edition of *Social Insurance and Economic Security* by George E. Rejda (ARIA past president, 1977–78). Updated to cover a decade of policy developments and the impact of the recent economic crisis, this classic social insurance text contains in-depth discussion on all major programs to reduce economic insecurity in the U.S., including Social Security, Medicare, workers compensation, unemployment compensation, and temporary disability insurance. In light of several unprecedented events affecting the economy over the last several years, this timely edition includes a considerable amount of rewriting in the areas of Social Security, unemployment insurance, and health care, with expanded text on economic insecurity from poor health. This 400+ page book (17 chapters) is designed for a one-semester course in social insurance and income maintenance programs at either the undergraduate or graduate level.



To preview the first few chapters, please visit: <http://wdn.ipublishcentral.net/sharpe/viewinside/27861304846490>.

This book may be purchased in hardcopy (\$129.95) and paperback (\$79.95) from www.mesharpe.com. **ARIA members can SAVE 20% by using discount code CAT11 in the shopping cart.**

To request a 60-day print examination copy for course use, fax your request on university stationery to (914) 273-2106 or visit www.mesharpe.com. The e-textbook is also available at www.sharpe-etext.com, Barnesandnoble.com, and Google eBooks.

Why Did You Go into RMI Education or the Insurance Business?

There are so many different paths we all could have taken. It's always interesting to learn how people got their start in their careers and who their influences were. *ARIA NEWS* thanks the following individuals who were good enough to share their stories.

Stanley Adamson (Missouri State University): I taught my first college course at age 22. Dr. Ed Manton, head of the General Business Department at East Texas State University (now Texas A&M—Commerce), told me about the Huebner Foundation Fellowships and encouraged me to consider getting a Ph.D. I was a teaching assistant for his department at that time. The rest is history.

Dan Anderson (retired member, University of Wisconsin): I always liked the basic idea of RMI that we try to prevent losses from happening to people and, when they do happen, we chip in and help to pay for their losses.

Steve Avila (Ball State University): My dad (in mathematics) and brother (in marketing/sales) were professors at Ball State University and their lifestyle looked great to me. They had a few weeks off over the holidays, a spring break, and summer breaks, etc. I had worked for General American Life Insurance Company in St. Louis, Missouri and being an insurance professor seemed to be a great fit. I was told to take the GMAT and start applying to schools and was accepted at Florida State University under the guidance of Professor Richard Corbett.

Vickie Bajtelsmit (Colorado State University): The graduate office at Wharton told me about the Huebner fellowship. I didn't know what major to pick, so that seemed as good a reason as any.

Patty Born (Florida State University): I was studying economics, focusing mostly on industrial organization and regulation, when I saw the call for proposals from the NAIC (National Association of Insurance Commissioners) to analyze insurance company statutory data. (I'm not sure, but I think it was their first electronic data release, 1984-1991.) Soon after, I attended my first ARIA meeting, where I learned more about the research and teaching opportunities in insurance.

Alexander Braun (Universität St. Gallen): Coming from a banking and finance background, I was looking to do a Ph.D. in finance. My attention was drawn to a job opening by the Institute of Insurance Economics of the University of St. Gallen. Here I was able to enroll in the university's Ph.D. program in finance while doing research and teaching in the field of risk management and insurance. Soon after, I realized that I very much enjoyed being a risk management academic and thus decided to stay at the institute after I finished my Ph.D.

Jeffrey Brown (University of Illinois): I study the financial behavior of individuals, firms, governments and other entities, and risk is ubiquitous in each of those settings. Thus, it was inevitable that insurance would be part of my research agenda.

James Carson (University of Georgia): For me, as I imagine with most folks, it was a combination of various people over several years who sparked and then fueled my interest in RMI. Too many people to name names, but of course it started with my parents' emphasis on education, and then friends whose families were tied to the industry, and then wonderful professors who made the area fascinating to study and work in.

Pranatharthi Chandrasekar (Hindustan Unilever, LTD): I followed the lady who had enamored me in joining the industry! Senior industry professionals (prior to the advent of the Internet) not being ready to share their perspectives/insights made me determined to help out and when the opportunities presented themselves, it was an unexpected pleasure to find that I had the "gift of gab" resulting in more youngsters interacting. This was helped in no small measure by the advent of the Internet.

Richard Corbett (Florida State University): I went to work for a small life insurance company in Atlanta in my senior year of college and fell in love with insurance. My inspirations to become a professor were my spouse, Lynne Corbett, who was teaching high school history, and John Hall, Professor and Insurance Department Chair at Georgia State University.

Larry Cox (University of Mississippi): As a former stockbroker returning to school, I fully expected to specialize in investments, but Professors Travis Pritchett and Gary Griepentrog got me reading RMI research, including articles in *The JRI*. The RMI research impressed me as more applied and practically useful.

Arianna Feoli (student member): Right now, I am a student and work for an insurance company in the business development area, and for that reason I joined.

Sandra Gustavson (retired member, University of Georgia): I was an actuarial science undergraduate at the University of Illinois, taking all of the insurance courses that were offered. I was recruited into the RMI academic world by Robert I. Mehr (another ARIA past president, 1967-68), who taught the life insurance and employee benefits courses at Illinois.

Scott Harrington (University of Pennsylvania): I was recruited and mentored by the late Professor Robert I. Mehr.

Robert Hartwig (Insurance Information Institute): I became interested in insurance because it offered me an interesting way to apply and further my interest and knowledge in the areas of financial economics and statistics. The controversial elements appealed to me as well, as someone who enjoys a healthy debate. Later in my career, insurance has afforded me the opportunity to travel around the world, participate in public policy debates at the highest levels and interact continuously with the industry's top leaders.

Enya He (University of North Texas): I stepped into RMI by accident almost 20 years ago, but fell in love and got hooked since.

Michael Hubbel (Olivet College): I've said many times, there is no greater calling than to serve others in their time of need, unless it is to lead others to careers of serving others in their time of need. I've thoroughly enjoyed working in the insurance field over 40 years, 23 of those years teaching young people about insurance and risk management. It's the ultimate way that we can meet our individual and social responsibility to take care of others in their time of need. I now enjoy helping

Continued on next page

other schools start programs in insurance and risk management education. My only regret is not becoming active in ARIA. Time passed too quickly!

Anne Kleffner (University of Calgary): During my last semester in undergrad, I took an insurance class with Barry Schweig. When I told him that in the future I would like to get a Ph.D. in finance, he told me about the Huebner Fellowship at Wharton to study insurance and risk management. Six months later I was in Philadelphia starting the program in RMI.

Joseph Launie (retired member, University of California-Northridge): I became an insurance educator largely because my master's thesis at the University of Nevada was on workers compensation. I had been working in water economics. I had planned to do a study on the water rights of the Paiute Indians on the Truckee River at Pyramid Lake. The Dean called me in and said while they had academic freedom, I needed another topic.

Diana Lee (Property Casualty Insurers Association of America): When I got out of graduate school, I had job offers in either actuarial science or computer science. Since I didn't like computers at the time, I chose the former career path starting at Allstate Ins. Co.

Xinli Liu (Peking University): Everyone faces risks, and insurance is a very good method to transfer risks. I wanted to relate the essence of insurance to others, which is the main reason that prompted me to become an insurance educator.

Henri Loubergé (Université de Genève): I would like to express my gratitude to Orio Giarini, first secretary-general of The Geneva Association for having lured me into insurance economics, and to the late Karl Borch for having convinced me that the economics of risk was the necessary foundation of insurance economics.

John Major (Guy Carpenter): My next door neighbor was an actuary at the Travelers and helped me get a summer job while I was in college.

Faith Neale (University of North Carolina): My first job out of college was in claims at Nationwide Insurance.

I heard about the position from a friend in the University of Florida Judo Club. He was an underwriter at Nationwide. I knew nothing about, and had little interest in, insurance prior to becoming a claims adjuster.

Michael Powers (Temple University): As an applied mathematician, I gravitated toward insurance because I was interested in modeling risk, and was attracted more by the "real" physical risks of insurance than by the (often unnecessary) market risks of finance and banking.

William Rabel (University of Alabama): I became a teacher because of a teacher. My insurance professor at Texas A&M, Henry Lyles, recommended that I apply for a Huebner Fellowship. On my first application Dan McGill turned me down because I mentioned that a Huebner Fellowship was an unequalled opportunity to prepare for the insurance industry. My view was that teachers were really part of the industry in that they should work closely with the industry in a symbiotic way. After being rejected I again wrote to Dan explaining my meaning and was lucky enough to get an interview with him. I was admitted to the Ph.D. program as a scholar (only \$200 per month, since I did not have a Masters degree) until I proved myself in the first year. I was also admitted to the programs at Harvard and Wisconsin but Penn really was my first choice—and besides the financial deal was much better. In those days Huebner Fellowships were the most generous available in any discipline and you were a full-time student with no other duties.

Harris Schlesinger (University of Alabama): I "backed into" the insurance arena. My dissertation was in microeconomic theory, on a topic now considered "insurance economics." I also had a few grants my first years out to do research on topics including social security and medical malpractice insurance. All of a sudden, people started pointing in my direction (at me?) and saying, "There's that new insurance guy."

Samuel Sender (EDHEC): How I became connected with the insurance industry: household investments now are mainly intermediated by insurance companies and

pension funds, so I believe that finance professionals and researchers should understand thoroughly these actors.

Michael Smith (retired member, The Ohio State University): Art Williams (C. Arthur Williams, Jr.). He is one of the two most inspiring, thoughtful and considerate persons I have ever known, in addition to being a prominent scholar. At the time we met, he was chair of the Finance & Insurance Department at the University of Minnesota, and soon to become the Dean of the College of Business. During the time I worked under his direction and served as his graduate assistant as well as for years afterward. His actions, both academic and administrative, drew my respect and admiration.

David Sommer (St. Mary's University): As is the case with so many in our profession, I went into RMI education because of the inspiration and encouragement I received from someone already in it. For me, it was Jerry Todd. Without his persistence (some might call it badgering) in encouraging me to look into RMI doctoral programs, I would never have found the career that I love.

Jerry Todd (retired member, St. Mary's University): I was a successful door-to-door salesman back in high school, loved sales; I first majored in Engineering, planning on being a Sales Engineer. When I changed my mind about that and entered business school, I thought of our successful "Insurance Man" who came to our house regularly when I was growing up (he was a Debit Agent who put four daughters through college) and decided I could do that. Then David Bickelhaupt and J.D. Hammond, along with Edison Bowers (all famous professors at Ohio State in the insurance world) helped me to transition from insurance sales into a Ph.D. program at the University of Wisconsin (Bowers was good friends with Charles Center at UW) and, as they say, the rest is history. I was a real rarity as an undergraduate.....a student who chose the Insurance major to become an insurance salesman.

Terrie Troxel (Indiana State University): William Beadles, a past president of ARIA (1958), nominated me for a Huebner fellowship and the rest is history!

Ping Wang (St. John's University): I earned my first Ph.D. in the early 1990s when China's insurance industry was resuming its growth after more than 30 years of stagnancy. With my mathematics background, I thought that actuarial science might be a good idea for my career.

Andrew Whitman (University of Minnesota): The path to achieve my goal, to teach at the university level, was facilitated by an insurance major, scholarships (from the State Farm Foundation) and teaching assistantships. Now I'm the longest tenured faculty member in

the Carlson School and Management, University of Minnesota—45 years! Former students, now professors of risk and insurance (e.g., James Kallman) and insurance executives return to lecture my risk management and insurance classes of 50 to 70 students.

From the Office to the Classroom

by Jared Wade, Senior Editor of *Risk Management Magazine*



Zachary Finn

This article featuring ARIA member Zachary Finn (Butler University; Indianapolis, Ind.) appeared in the September 2011 issue of Risk Management Magazine. It is reprinted with permission from Risk Management Magazine. Copyright 2011, Risk and Insurance Management Society, Inc. All rights reserved.

Imagine quitting your dream job. Zachary Finn did. He recently left his position as risk manager at J.M. Smucker Company, the jam-maker and unofficial leading provider of peanut butter and jelly sandwiches to millions of American kids for the past half-century, to launch a risk management and insurance undergraduate program at Butler University in Indianapolis.

Finn adored working for the food giant, where he managed a \$15 million budget and conducted due diligence for its \$3.3 billion acquisition of Folgers Coffee. But a drive to help train the next generation of risk managers was too much to overcome.

Much of this goes back to his time learning the discipline. Finn thought the education he received at Indiana State University was

great. It became the backbone of all his future success. But it lacked something. Despite the fact that the school had offered a degree in risk management for about 15 years at the time he enrolled, there was no internship program.

"For me, that just wasn't acceptable," said Finn. "I wanted to work in risk management...My goal in college was to be the risk manager of a Fortune 500 company. That's what I set out to do." But without the stepping stone of an internship, he worried he would have to start in insurance. As he got closer to the end of the program, he was continually asked what he wanted to do next: work for a claims administrator, an underwriter or a broker? "The frustrating thing for me was that there really weren't any entry-level opportunities in risk management," said Finn.

As a student, Finn valued both the textbook and the experience that can only be gained by managing risk for a company. So in 1999, while still in college, he contacted NCR Corporation and got its risk manager to allow him to intern at the company's Dayton, Ohio, office. One year later, he graduated and was hired as an entry-level risk analyst for NCR, a provider of self-service technology including ATMs.

He made his way up the ladder by relocating to two other companies before fulfilling his goal of becoming the risk manager at Smuckers—all by the age of 30. Then, after five years, he gave it all up out of an obligation to show students there was a way into risk management that did not require slogging through your early twenties in insurance. "It doesn't have to be that way," said Finn. "I know from experience...There is absolutely no reason

why a kid coming out of a strong insurance and risk management program cannot take an entry-level risk job."

Now comes the hard part: building Butler's Davey Risk Management & Insurance Program from scratch. Developing the core curriculum is job one. He spent the summer doing that. Job two is recruiting kids to major in risk management. He hopes to have some declared by the fall semester in 2013. But the true goal, and what he hopes will differentiate Butler's program, is finding ways to ensure that students who want to manage risk can get jobs doing just that as soon as they graduate.

He does not yet have all his plans to do so cemented. But he has spent the past decade working—and networking—with other risk managers and plans to leverage his many connections. And he has help. He is formulating his strategy with former CNA Insurance actuarial director Jill Kirby, who, unlike Finn, has her Ph.D. and is someone he considers "vastly smarter than I am." They hope to provide students with a heavy dose of internships, guest lecturers and industry mentors who can show the students that there is a way to become a risk manager that doesn't include "falling into it," which Finn noted as the traditional path.

And, of course, this is also something he will echo throughout the classes he teaches. "I navigated the path from student to risk analyst to senior risk analyst to risk manager, and I wanted to share those learnings," said Finn. "I think you have an obligation to pay those things forward to the next generation."

Introducing the IASA Collegiate Scholarship Program

by Sonia Cliffler, Vice President,
IASA Industry Relations



Education is the cornerstone of the Insurance Accounting and Systems Association's mission (IASA). Established in 1928 as a qualified 501 C-3 non-profit, education association, IASA has provided an environment for insurance professionals in the accounting, finance and technology fields to share information, increase their knowledge of the insurance industry, and network with peers and service providers. In 2009, IASA expanded its core mission of education by establishing a Collegiate Scholarship Program.

The purpose of the IASA Collegiate Scholarship Program is to provide aid to students at the sophomore level or above, who are enrolled in an insurance program, and who are pursuing a degree in Actuarial Science, Accounting, Risk Management or Information Technology as it relates to insurance. Target students are enrolled at colleges and universities nationwide with insurance programs as part of their curricula.

Since its inception, \$15,000 in scholarships has been awarded. Courtney Luongo of Saint Joseph's University (a 2011 scholarship recipient) captures the true essence of IASA's goal in offering scholarships, "Receiving the IASA scholarship has not just provided me with extra financial help, but has also given me a boost of encouragement as I graduate from college. The insurance industry

In Memoriam: Edwin Scott Overman, CPCU

ARIA NEWS remembers Dr. Edwin S. Overman who passed away on January 26, 2012, at the age of 89. Although he was not an ARIA member, many of us knew the former president of the American Institute for CPCU and Insurance Institute of America. After serving in the U.S. Army in France during World War II, Ed received an M.S. in economics from Oklahoma State University and his Ph.D. from The Ohio State University.



He devoted his career as an academician to the field of insurance education. Ed joined the Institutes in 1953 and became president from 1966 until he retired in 1987. After that, he served as a Lifetime Member of the Institutes' Board of Trustees, observing 50 years of service to the Institutes in 2003. He also served on the Boards of Directors of Harleysville Insurance Company and RLI Corporation.

Envisioning a global insurance industry, Ed helped to establish the International Insurance Society in 1965 and was inducted into the IIS's Insurance Hall of Fame in 1989. He also received an Honorary Doctor of Letters from Olivet College in 1985 and was the first recipient of the prestigious Franklin Award from the Philadelphia CPCU Chapter in 1983.

William Rabel (University of Alabama) made the following observation about Ed: "The 20th century saw the rise of several organizations that conferred credentials on insurance and financial services professionals in the U.S. and throughout the world. Under Ed Overman's leadership the Institutes achieved standards of quality equal to those of any organization anywhere. Furthermore, Ed inculcated a culture of commitment to the profession that has been maintained more effectively at the Institutes than in most other institutions. He truly was a giant in his field."

Ed is survived by his wife of 52 years, Mary Kathryn Overman, a daughter, son, five grandchildren and 21 great grandchildren. Memorial contributions may be made to Habitat for Humanity, 1829 N. 19th Street, Philadelphia, PA 19121 or www.habitat.org, or to Trinity Episcopal Church, 966 Trinity Lane, King of Prussia, PA 19406.

is so supportive of the educational process which makes me truly believe that I picked the right career path and am excited to start this new chapter as an Actuary. Education is important in every step of life and the IASA scholarship has really emphasized that."

IASA's commitment to fostering students with aspirations of joining the insurance industry upon graduation is not only critical, but timely. The current insurance professional population is not only aging, but has seen noticeable declines over the past decade. This decline has resulted in many opportunities for college graduates to fill these vacancies and begin their careers in the insurance industry. IASA, in collaboration with colleges and universities offering insurance programs, will do its part to continue encouraging

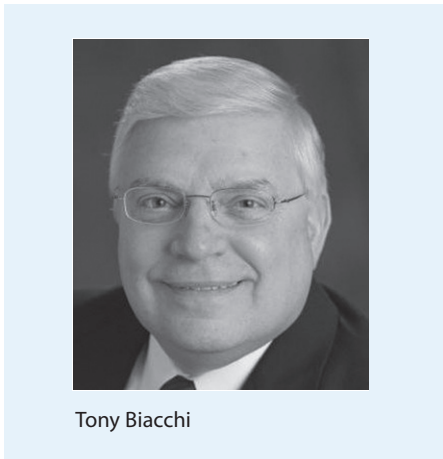
young talent to pursue a career opportunity in the insurance industry.

Through the work of the IASA Scholarship Committee, IASA's goal is to further expand the scholarship program by accepting tax-deductible contributions from organizations and individuals to increase the monetary amount, quantity of scholarships awarded, as well as offer sponsorships to scholarship recipients to attend IASA's Annual Conference, which takes place annually in June.

For more information on the program, please go to www.iasa.org. You can also contact Sonia Cliffler, AVP—Insurance Business Division at First American Equipment Finance, at sonia.cliffler@faef.com or (585) 643-3324, or Kathy Huber at khuber@iasa.org.

Highlights from ARIA's Mid-Year Board Meeting

by Tony Biacchi, ARIA Executive Director



Tony Biacchi

Following are highlights from ARIA's mid-year Board of Directors meeting on January 8, 2012, in Chicago.

Financials

At the end of 2011, ARIA's portfolio held \$459,000 with approximately \$105,000 restricted to various award obligations, and it managed an additional \$7,100 for the Risk Theory Society. All ARIA funds now reside in portfolios managed by either Fidelity or Vanguard.

The 2011 annual meeting was a programmatic success; the \$44,000 in sponsorship money was an all-time high. Expenses of slightly more than \$119,000 exceeded the \$96,000 received from registrations and sponsorship and resulted in a loss of approximately \$23,000.

ARIA will close the year with a checking account balance of approximately \$13,000. In the later part of January, Wiley-Blackwell will send ARIA \$42,000 representing advanced payment for 2012 membership.

The Board will continue discussions about funding its award obligations awards and the need to consider an overall investment policy that addresses multi-year funding for various projects and initiatives.

Membership

ARIA membership for 2011 numbered 560. The count represents a 12.7 percent increase over the 497 registered members at the end of December 2010. Both regular and student memberships increased in 2011.

International membership showed a substantial increase in 2011. Year over, the international count grew from 194 to 238, a 23 percent increase. Most likely, the reduced international membership fee contributed to the increased participation. More than 4 out of 10 (42.5 percent) of ARIA's members reside outside the United States.

Membership Type	2011 Count	2010 Count
Regular Members	471	430
Retired Members	27	26
Student Members	62	41
Total	560	497

ARIA members live in 37 countries. The largest contingent lives in the USA (238); counts for the next five countries are Germany (60); Canada (32); Australia (17); Taiwan (17) and Switzerland (15).

Date	Total Membership	International Members	Percentage of International Members
December 2011	560	238	42.5%
December 2010	497	194	39.0%

Wiley-Blackwell Relations

Journal Activities

Margot Morse continues as ARIA's service representative. A new production manager has worked with ARIA's two journals for the last six months. The production manager is located in Singapore, but the distance has been transparent to both ARIA's editors.

The number of *JRI/RMIR* subscription bundles (multi-year contracts) continues to decrease; it is now 497, down from 531 in 2010. The 94 percent renewal rate still represents a higher percentage than the industry average. On the other hand, online subscription licenses continue to increase, going from 296 in 2010 to 312 in 2011. Print subscriptions decreased from 158 to 122. Full text downloads of *JRI* and *RMIR* articles continue their upward trajectory.

	2009	2010	2011 YTD
<i>The JRI</i>	18,045	28,012	41,563
<i>RMIR</i>	8,197	10,836	13,241

JRI article submissions (without resubmissions) numbered 146, slightly higher than the 141 submissions in 2010. The 97 international submissions represented 66 percent of the 2011 total. Fifty-nine (59) accepted papers are in backlog compared to 41 in 2010. Five special issues of *The JRI* are in the planning stages. The journal will expand to 1,200 pages in 2012 in order to decrease the backlog of accepted articles.

Continued on next page

Mid-Year Board Meeting Highlights, continued

Twenty-five (25) new submissions plus 11 resubmissions for *RMIR* were received in 2011 compared to 20 new submissions and 16 resubmissions in 2010. The journal editor signed a new contract through December 2013. The *RMIR* assistant editor will receive a monthly stipend of \$500.

Through November 2011, Wiley-Blackwell generated \$326,904 of ARIA-related income compared to income of \$345,086 for all of 2010. Several income sources have yet to be reported. ARIA's service representative indicated royalties of no less than \$77,000 should be forthcoming in April 2012.

Subscription Rates and Membership Fees

Domestic and international dues will increase slightly in 2012. The Board approved Wiley-Blackwell's suggested increases in the spring 2011. A comparison of 2011 and 2012 subscription rates and membership fees is shown below.

JRI Editor Search

Rob Hoyt is heading the search for a new Editor of *The JRI*.

Website Services

The Executive Office is continuing contract talks with The Institutes' website consultant to update ARIA's website. The initial cost estimate for the web design project was reduced to \$2,900. The 16-week project will begin on January 10, 2012. The website redesign will employ a content management approach. Kathleen McCullough, Teaching Resources chairperson, and Randy Dumm, Strategic Web chairperson, will be asked to assist in monitoring the project. Password protection of a personal information database remains an issue.

2013 ARIA Annual Meeting

ARIA's 2013 Annual Meeting will take place in Washington, D.C. at the Washington Court Hotel. The hotel has

agreed to reduce the room rate to \$155 and will provide free in-room internet service. Stay tuned for more information about the hotel in the next *ARIA NEWS* and future listservs.

ARIA Board Structure and Executive Office Status

As a result of the change in Board membership adopted at the Monday, August 8, 2011 general membership meeting, the spring 2012 election will include nominees for three director positions rather than the traditional two. The Board will need to re-evaluate the terms of office for elected directors.

The ARIA executive office continues to be staffed by an executive director, a part-time administrative assistant, and an additional Institutes staff member who assists in planning activities associated with the annual meeting. The 2012 rental fee for the executive office facilities will increase to \$42,000.

2011 and 2012 Wiley-Blackwell Subscription and Membership Fees

SUBSCRIPTION FEES									
JRI 2011	NA \$	UK £	ROW \$	EUR €	JRI 2012	NA \$	UK £	ROW \$	EUR €
Print only OR Online only	418	322	629	408	Print only OR Online only	444	342	667	433
Print & Online	481	371	724	470	Print & Online	510	394	768	499
RMIR 2011	NA \$	UK £	ROW \$	EUR €	RMIR 2012	NA \$	UK £	ROW \$	EUR €
Print only OR Online only	176	137	268	174	Print only OR Online only	187	146	285	185
Print & Online	216	168	328	214	Print & Online	216	168	328	214
MEMBERSHIP FEES									
2011	NA \$	UK £	ROW \$	EUR €	2012	NA \$	UK £	ROW \$	EUR €
Student/Retired Members Online	29	19	19	29	Student/Retired Members Online	30	20	20	30
Student/Retired Members Print & Online	56	36	36	46	Student/Retired Members Print & Online	58	38	38	48
Members Print & Online	135	100	100	125	Members Print & Online	140	103	103	129

Mid-Year Board Meeting Highlights, continued

ARIA renewed its insurance coverages for 2012, at a annual premium of \$11,118. In addition to pursuing ARIA's exposure to host liquor liability at its annual meetings, the Board accepted the insurance agent's suggestion to increase directors & officers liability coverage to \$2 million. Furthermore, since ARIA does not possess valuable papers (most records are electronic and backed up by the journal publisher or The Institutes' IT Department), valuable paper coverage will be removed from the insurance policy. Finally, if ARIA's website becomes more interactive, cyber security and privacy could become a concern.

For additional information regarding ARIA or Board activities, contact Tony Biacchi at biacchi@TheInstitutes.org.

Risk Management and Insurance Positions

Below is a list of organizations offering academic, government, and industry jobs that ARIA has received since October 2011, presented in chronological order of final posting on ARIA's website. Positions whose application deadlines are past are not included below. Please visit the ARIA website (www.aria.org) or contact these organizations for additional information.

October

University of St. Gallen (Switzerland)
Institute of Insurance Economics
Research assistants (Ph.D.-student and post-doc levels)

November

Northern Illinois University (DeKalb)
Assistant professor in actuarial science

University of Wisconsin-Madison
School of Business Actuarial Science, Risk Management and Insurance Department
Scholar in actuarial science

December

Northern Michigan University (Marquette)
Cisler College of Business
Faculty position in RMI

Continued on next page

Remembering 1932....

This year marks the 80th anniversary of the formation of the American Association of University Teachers of Insurance, which changed its name to ARIA in 1961. What was the world like back in 1932? The average cost of a new house was \$6,510 (U.S.) and the average annual wage was \$1,650 (U.S.). A gallon of gasoline cost 10 cents (U.S.), while the average car price was \$610 (U.S.).

Here are some noteworthy events and other interesting factoids from 80 years ago:

- Hebrew University in Jerusalem had its first commencement exercises (Jan. 25).
- Canada's Governor General, the Earl of Bessborough spoke to the Lieutenant Governor of each Canadian province to inaugurate the Trans-Canada telephone system (Jan. 25).
- The first U.S. state unemployment insurance act was enacted in Wisconsin (Jan. 28).
- *Brave New World* by Aldous Huxley was published (Jan. 30).
- The first U.S. Purple Heart was awarded (Feb. 22).
- Full women's suffrage was granted in Brazil (Feb. 24).
- Charles Lindbergh Jr. (20 months) was kidnapped in New Jersey (March 1) and was found dead 10 weeks later.
- Éamon De Valera became President of Ireland (March 9).
- Former Chinese emperor Henry Pu-Yi was installed as head of Manchuria (March 9).
- The Sydney Harbour Bridge was officially opened by New South Wales Premier (March 19).
- A series of deadly tornadoes killed more than 270 persons in Alabama, Georgia Tennessee, Kentucky and South Carolina (March 21–22).
- Ford Motor Co. publicly unveiled its V-8 engine (March 31).
- Vitamin C was first isolated at the University of Pittsburgh (April 4).
- The Shakespeare Memorial Theatre opened at Stratford-on-Avon, England (April 23).
- A yellow fever vaccine for humans was announced (April 28).
- The Pulitzer Prize was awarded to Pearl S. Buck (*The Good Earth*) (May 2).
- The first air charter from London to Basel, Switzerland began (May 3).
- Al Capone, who was convicted of income tax evasion, entered the Atlanta Penitentiary (May 4).
- Japan and China signed a peace treaty (May 5).
- Piccadilly Circus in London was first lit by electricity (May 9).
- Amelia Earhart became the first woman to fly non-stop solo from the U.S. to Derry, Northern Ireland in 14 hours, 54 minutes (May 20–21).
- Admiral Makoto Saito formed the parliament in Tokyo (May 26).
- The Canadian Radio Broadcasting Act passed, providing for the establishment of the CRB Commission (May 26).
- World War I veterans began to assemble in Washington, DC in the Bonus Army to request cash bonuses promised to them to be paid in 1945 (May 29). The Bonus Army was disbanded by General Douglas MacArthur's troops on July 28.
- The Revenue Act of 1932 passed, creating the first gas tax in the U.S. at 1 cent per gallon sold (June 6).
- Artificial lightning was first demonstrated in Pittsfield, Massachusetts (June 10).
- Hailstones killed 200 people in Hunan Province, China (June 19).
- Manoel II, last king of Portugal (1908-10), died at 43 (July 2).

Continued on next page

RMI Positions, continued

Southwestern University of Finance and Economics (Chengdu, China) School of Insurance

Faculty for insurance, risk management, actuarial science, and insurance accounting

The Journal of Risk and Insurance

Editor

January

Eastern Kentucky University (Richmond) Department of Accounting, Finance, and Information Systems

Visiting assistant professor in risk management and insurance

Nanyang Technological University (Singapore) Nanyang Business School

Research fellow in actuarial science

University of Lausanne (Switzerland) Department of Actuarial Science

Assistant professor in actuarial science

University of North Texas (Denton) College of Business

Glen L. Taylor Professorship in Insurance

University of Pennsylvania (Philadelphia) Wharton School Center for Risk Management and Decision Processes

Postdoctoral research fellowship position

February

Utica College (Utica, N.Y.) School of Business and Justice Studies

Director of risk management and insurance

March

University of Lausanne (Switzerland) Assistant professor in actuarial science

April

Kent State University (Salem, Ohio) Faculty (non-tenured track) in insurance program

Remembering 1932, continued

- In the first Sunday game at Fenway Park (Boston, Mass.), the New York Yankees beat the Boston Red Sox 13-2 (July 3).
- 1st class postage (U.S.) went from 2 cents to 3 cents (July 6).
- The Dow Jones Industrial Average reached its lowest level of the Great Depression at 41.22 (July 8).
- The U.S. and Canada signed a treaty to develop the St. Lawrence Seaway (July 18).
- The first Mars Bars were made, using chocolate made by Cadbury's, and sold in Slough, UK (Aug. 1).
- Rin Tin Tin, U.S. Hollywood dog star, died (Aug. 14).
- BBS began experimental regular TV broadcasts (Aug. 22).
- The Chicago Cubs clinched the National League (baseball) pennant (Sept. 18), only to lose to the New York Yankees the following month (it was during this series that Babe Ruth made his famous called home run).
- The Indian Air Force was established (Oct. 8).
- The first political event (Democratic National Committee) was telecast at CBS in New York City (Oct. 11).
- The British government signed a trade treaty with USSR (Oct. 24).
- Franklin Delano Roosevelt (D) was elected U.S. President for the first time, defeating Republican President Herbert Hoover in a landslide victory (Nov. 8).
- A hurricane storm wave swept over Santa Cruz del Sur Cuba, killing 2,500; this was the worst natural disaster in Cuban history (Nov. 9).
- The U.S. Federal Bureau of Investigation Scientific Crime Detection Laboratory (better known as the FBI Crime Lab) officially opened (Nov. 24).
- German physicist Albert Einstein was granted a visa (Dec. 5).
- The first Ford Model C automobile was introduced (Dec. 5).
- The first gyro-stabilized vessel to cross the Atlantic arrived in New York (Dec. 7).
- The British Broadcasting Corp. began broadcasting as the BBC Empire Service, transmitting overseas (Dec. 19).
- A heavy 7.6-magnitude earthquake ravaged Gansu Province, China, killing 70,000 people (Dec. 25).
- Radio City Music Hall opened in New York City (Dec. 27).

NFI Insurance Regulatory Reform Summit

Networks Financial Institute, Indiana State University (**Terrie Troxel**, Executive Director) held its 8th Annual Insurance Reform Summit in Washington, D.C. in March 2012. It focused on insurance regulatory modernization in the wake of the Dodd-Frank Act (2010) and the Federal Insurance Office and its widely anticipated first report to Congress.

Speakers included **Robert Klein** (Georgia State University); **W. Jean Kwon** (St. John's University); U.S. Rep. Ed Royce; Roy Woodall (voting independent insurance member, Financial Stability Oversight Council); Susan Voss (Iowa Insurance Commissioner); Ernst & Young; and others. Royce supports the FIO's creation as a central voice on insurance issues in international forums. Voss outlined the insurance industry's state regulatory effectiveness, especially after recent natural catastrophes and the 2008 financial crisis. She stressed

the importance of international participation by FIO and the National Association of Insurance Commissioners.

E&Y discussed international regulatory convergence and countries' adoption of Solvency II as the capital adequacy regime. The EU's review of the U.S. Solvency Modernization Initiative for equivalence with Solvency II will likely impact U.S. and foreign insurers significantly. Klein and Kwon shared their views on regulatory modernization, comparing Solvency II with the NAIC's SMI.

The Risk and Uncertainty Management Initiative at the University of South Carolina, continued

issues like organizational design, communications, and leadership, and its focus on the opportunities that can accompany risk. “Often risk management focuses only on the downside,” notes Niehaus. “But we seek to highlight the ways good management can help organizations to seize new opportunities and thereby increase value.”

As part of the initiative, the school has been working with the Security Executive Council (www.securityexecutivecouncil.com), a leading problem-solving research and services organization focused on helping businesses build value by improving their ability to manage and mitigate risk effectively. The Moore School and the SEC are collaborating on the design and delivery of a professional educational program called the Next Generation Leadership Program. Future plans include joint research projects, case studies and conferences, as well as an executive-in-residence program, whereby leaders from the security field can spend time at the Moore School furthering the two organizations’ mutual goals.

The RUM Initiative also creates new opportunities for students and faculty in the Moore School’s Risk Management and Insurance (RMI) program. With 180 students majoring in RMI and another 40 actuarial students minoring in it, Moore graduates have a significant impact on the RMI industry. The program’s rigorous curriculum requires an introductory risk management course, and allows students to study property and liability insurance, life and health insurance, employee benefits, and corporate risk management. A new course on insurance technology is in the works, and the school is also investigating the feasibility of a global enterprise risk management track at the undergraduate level, integrating material from a variety of disciplines and leveraging Moore’s significant international business expertise.

Students in the RMI program also have an opportunity to work on the Moore School’s Innovation in Insurance (i3) program, which fosters innovation in the way insurance is practiced by providing a portal to all online resources helpful to insurance technology, services and outsourcing. News and announcements from the insurance technology industry are published on the i3 website (www.InnovationInInsurance.com), and the leading stories of the week are published in the i3 newsletter which goes out to over 1,260 subscribers worldwide. “We’ve been really excited to see how subscriptions to the i3 newsletter have grown over the past few years,” says Niehaus. “It’s proof of the value we can bring to the insurance industry, and working on i3 is a great hands-on experience for our students.”

Students in the program also have a number of professional development opportunities through participation in a very active RMI club, which brings speakers to campus and provides scholarship opportunities. Students in the club have recently developed a website with information about internship and employment opportunities, as well as scholarship opportunities.

That high level of engagement on the part of students and faculty in the RMI program, coupled with the Moore School’s outstanding reputation in critical fields like international business and supply chain management, has created a strong launchpad for the RUM Initiative. “We’re very excited about what the initiative can do to broaden the way we think about risk management in academia and beyond,” says Niehaus. “And, to date, our partners in other departments across campus have been excited about it, too.”

Editor’s Note: ARIA NEWS is grateful to Leslie Haynsworth, a writer employed by the University, and Greg Niehaus, who prepared this article.

The Risk Management and Insurance Center at Olivet College, continued

- Listed as one of 20 notable RMI programs in the world by *Risk Management Magazine* (September 2008).
- The first *U.S. News* article listing Olivet College as a popular liberal arts college noted that the insurance program produced the most graduates at Olivet College (2009).

With the RMI program enrollment at about 120 students, we constitute over 10 percent of the total Olivet College enrollment of about 1,150!

After 40 years of experience in the insurance and risk management field, over 20 years of that at Olivet College, I have retired from Olivet and have been awarded the title, “professor emeritus.” I will continue to design and conduct live and online insurance and risk management seminars for business professionals here and in other countries, and write a blog on risk management and insurance education (<http://rmieducation.blogspot.com/>).

Professor Carol Breed became the new director of the RMI Center (RMIC) at Olivet College this past fall. She completed her undergraduate degree at Olivet in 1998, and as soon as she earned her Juris Doctorate, I recruited her to return to the RMIC in 2001. Given her experience in the insurance business and at the RMIC, and the other dedicated RMI faculty members—Clair Stevens, Lynda Neff, and Lorin Granger—I’m confident that I left the program at Olivet College in good hands, and it will continue to produce excellent graduates in the years to come!

Additional details on the early history of Olivet College may be found at its RMIC website, <http://web.olivetcollege.edu/insurance>.

- a. Dan Anderson ('83-'84; Fall 2009, p. 6)
b. Jerry Todd ('89-'90; Fall 2009, p. 21)
c. Sandra Gustavson ('90-'91; Fall 2009, p. 18)
d. Harris Schlessinger ('97-'98; Spring 2010, p. 7)
e. James Carson ('04-'05; Fall 2004, p. 1)
f. Larry Cox ('05-'06; Fall 2005, p. 1)
g. James Garven ('06-'07; Fall 2006, p. 1)
h. Vickie Bajtelmit ('09-'10; Fall 2009, p. 1)

New Texas Insurance Commissioner Addresses UNT-DFW RIMS Joint Meeting at the University of North Texas

Eleanor Kitzman, the recently appointed Commissioner of Texas Department of Insurance, addressed a standing room only crowd at the joint meeting of the University of North Texas (UNT) Risk Management and Insurance Program and the Dallas/FortWorth Chapter of the Risk and Insurance Management Society (DFW RIMS) on Wednesday, March 28 on the UNT campus in Denton. This event was made possible by the generous financial support from the Farmers Insurance Group.

Commissioner Kitzman's remarks included a wide range of current topics related to the Texas insurance market. More than 120 risk management and insurance industry representatives and UNT students and faculty attended the afternoon's events.

The event began with a tour of the new Business Leadership Building, an 183,000 square foot state-of-the-art facility that opened in September 2011. UNT Regents Professor Emeritus of Insurance John H. Thornton was on hand to welcome attendees.

Commissioner Kitzman's appointment as the Texas Insurance Commissioner became effective August 15, 2011. She served previously as the executive director of the South Carolina Budget and Control Board and as director of the South Carolina Department of Insurance. She also previously held management positions with several insurers and reinsurers, and practiced law with the Austin office of Akin, Gump, Strauss, Hauer & Feld. Commissioner Kitzman is a member of the State Bar of Texas and South Carolina Bar Association and is a former clerk for the Texas Supreme Court.

The DFW Chapter of RIMS is one of the largest chapters of the Risk and Insurance Management Society (RIMS) in the U.S. Currently, the chapter has a membership count of

478, comprised of 324 deputy members, 107 associate members, 42 students, 3 educators and 2 retired. For many years, DFW RIMS has been a strong supporter of the Risk Management and Insurance program at UNT, which is one of the premier programs in the Southwest and the largest program in the state of Texas. The BBA program with a professional field in Risk Management and Insurance offers a comprehensive insurance curriculum, preparing its students for a variety of career possibilities. The program now enrolls over 500 students in various RMI classes each academic year.

"We were so fortunate to have Commissioner Kitzman address both students and industry representatives," said Enya He, assistant professor of RMI at UNT. "Her expertise and, to quote the Commissioner, her 'love' for insurance made her the perfect keynote speaker for this joint event. I'd also like to acknowledge Terri Vaughan, NAIC president, for helping to make her appearance possible."

"I echo Dr. He's comments regarding Commissioner Kitzman, and on behalf of the DFW RIMS Chapter, we greatly appreciate her taking time from her busy schedule to come to UNT to speak. Kudos to Dr. He, her students, and the faculty of the UNT College of Business Department of Finance, Insurance, Real Estate and Law. Their hospitality, hard work and dedication were instrumental in making this program a tremendous success. I also want to thank Farmers Insurance for sponsoring this premier event," said Ronna Schmoker, president of DFW RIMS. "I have heard nothing but rave reviews, and hope we can make this an annual event."



Texas Commissioner of Insurance Eleanor Kitzman visits with UNT's RMI students and faculty

Activities of Related Associations and Affiliates

Risk Theory Society

2012 Seminar (50th annual)
March 30–April 1
Florida State University
Tallahassee, Florida
<http://aria.org/rts>

Risk and Insurance Management Society, Inc. (RIMS)

2012 Conference & Exhibition (50th annual)
April 15–18
Philadelphia Convention Center
Philadelphia, Pennsylvania
<http://www.rims.org/annualconference/rims2012>

International Insurance Society

2012 Seminar (48th annual)
June 17–20
Sofitel Rio Copacabana Hotel
Rio de Janeiro, Brazil
<http://www.iisonline.org>

China International Conference on Insurance and Risk Management

2012 Conference (3rd annual)
co-sponsored by Tsinghua University's China Center for IRM & Cass Business School of City University, London
July 18–21
Cophorne Hotel Qingdao
Shandong Province, China
<http://www.ccirm.org/conference/2012>

Asia Pacific Risk and Insurance Association

2012 Conference (16th annual)
July 22–25
hosted by Sungkyunkwan University
Seoul, South Korea
<http://www.apria.org>

European Group of Risk and Insurance Economists

2012 Seminar (39th annual), sponsored by The Geneva Association
September 17–19
Centre de Cultura "SA NOSTRA"
Palma de Mallorca, Spain
<http://www.egrie.org/Meetings.htm>

Southern Risk and Insurance Association

2012 Meeting (44th annual)
November 18–20
Hilton Savannah DeSoto
Savannah, Georgia
<http://www.southernrisk.org>

Western Risk and Insurance Association

2013 Meeting (47th annual)
January 2–5, 2013
Caesar's Palace
Las Vegas, Nevada
<http://www.wria.org>