

**American Risk and Insurance Association  
Minutes of Mid-year Board of Directors Meeting  
Saturday, January 22, 2005  
Atlanta, GA.**

**I Call to Order**

The mid-year meeting of ARIA's Board of Directors was called to order by its President, James Carson at 8:24 AM.

**Board Members Present**

Jim Carson, Larry Cox, James Garven, Rob Hoyt, Richard MacMinn, Mary Weiss, Vickie Bajetelsmit

**Members Absent**

Simon Ashby, Joan Lamm-Tennant, Terri Vaughan

**Others Present**

Don Rebele, Bill Rabel, Tony Biacchi

**Approval of the Minutes**

- Larry motioned with Rob offering a second to approve the Board minutes from the Sunday, August 8, 2004 Annual Board Meeting
- On the question an edit was noted on the minutes.
- The motion carried with no one opposed.

**II Corporate Finance**

**Annual Meeting Financials**

- Tony presented financials for the annual meeting in Chicago.
- ARIA lost \$14,784.54
- Attrition for room nights (\$9,061.24) and charges for meeting rooms (\$9,328.00) resulting from failure to satisfy the room block resulted in an assessment of \$18,389.24.
- Had the room block sleeping nights been met, the annual meeting would have netted a profit of \$3,604.70.
- 186 individuals attended the annual meeting.

**2004 Balance Sheet**

- Total liabilities and net assets on December 31, 2004 totaled \$163,105. A year earlier, on December 31, 2003, the amount was \$171,751.
- Net assets from January 1, 2004 to December 31, 2004 decreased by \$3,697.

## Investments

- TIAA-CREF investments at the end of 2004 totaled \$92,224.14,
- The funds by amount and percent of total portfolio at the end of 2004 were presented to the Board. As a comparison, and for the purpose of discussing an asset allocation policy, the percentage of each fund at the end of 2002 also was presented to the Board.

Fund	Value	Asset Allocation	
		Current %	2002 %
○ Growth Equity	\$15,841.05	16.81%	8.61
○ Managed Allocation	\$59,066.32	62.69	34.79
○ Bond Plus	\$15,192.85	16.12	48.49
○ Money Market	\$ 4,123.92	4.38	8.11

- Following a discussion about ARIA's investments, the group suggested that ARIA evaluate an asset allocation that would be appropriate for the organization.
- Tony will ask Terrie Troxel for financial guidance.
- Larry motioned and Jim Carson seconded a recommendation that the Finance Committee explore a policy for the allocation of ARIA's funds.

## Projected Budgets

- The proposed budget for 2005 was presented to the Board. Several changes were suggested. A revised budget will be shared with the Executive Committee for their review.
- Jim Garven's motion to accept a revision to the budget as suggested by Rob Hoyt was seconded by Larry.
- Tony will revise the budget, as suggested, and then share it with the Executive Committee for approval.

## WRIEC Budget

- Tony presented a proposed WRIEC budget that was based on an estimate of both income and expenses.
- When discussing registration for the meeting, the group agreed that the form should identify an attendee's area of specialization.
- Several Board members have access to lists of jobs and areas of specializations that they would share with Jim Garven.

## Institutional Sponsorship

- Larry Cox set the stage for a renewed institutional sponsorship campaign that will be headed by Bill Rabel.
- Not only is the sponsorship initiative intended to solicit funds from corporate donors, but the Board hopes the campaign also can establish stronger bonds with the industry.

- In making his point that ARIA deserves industry support, Bill posed the question if ARIA does not speak for the professionals then who does?
- Mary suggested that the package of benefits to the sponsors should include a ¼ page ad in RMIR.
- The logo of a sponsoring company will be placed on ARIA's website
- Individuals are needed to make contacts with the industry. People who have an "in" at a company must be identified and encouraged to offer assistance. Directors must get involved in solicitation.
- Bill would welcome anyone who wishes to join the committee.
- Don Rebele offered to assist in the campaign. Several other ARIA members were mentioned as having the potential to assist in the campaign.
- Don also suggested that increased contact with the Griffith Foundation could produce financial benefits.
- A new brochure will be developed in cooperation with the Executive Office.
- Bill projected that production cost would total \$3,500.
- Richard motioned and Mary seconded Bill's request to budget \$3,500 for production and dissemination of a new institutional sponsorship brochure.

### **III Scholarship Activities**

#### **WRIEC/Annual Meeting**

- Jim Garven explained the submission process and the decision-making timeline for accepting papers for presentation at the World Congress.
- Submissions will be reviewed by one of five teams that will rate a submission on a five-point scale.
- Jim reported that the Scientific Committee anticipates receiving as many as 270 submissions but no more than 180 presentations will be accepted.
- Wednesday's plenary session could be dropped in favor of a concurrent session in order to accommodate more presenters.
- Mary suggested that we consider formulating a list of conditionally accepted papers that could replace presenters who cancel at the last minute.
- Neither journal editor anticipates having an editor's breakfast at the annual meeting.
- Breakfast likely will be "pay as you go" rather than an item included in the registration fee.

#### **JRI**

- Just during the first seven months of 2004 online usage of the journal via HTML and PDF formats almost doubled from the previous year
- In 2002 JSTOR began to archive JRI from its inception in 1933 to the present, minus three years backward.
- Blackwell provides access to the remaining three years.

- Except for the three year rolling window during which JRI is provided electronically by Blackwell, access to JRI archives now are available to all ARIA members.
- The number of articles submitted for publication in JRI has increased over the years. Richard is particularly encouraged by the number of international submissions.
- Processing submissions in an expeditious manner always is a concern. Currently, the average review time is 74 days.
- The journal's website and database have experienced substantial improvements in 2004.
- Special thanks were offered to Kumi Smedley, assistant editor, and Joe Hootman, who helped to improve operation of the editorial database.
- However, work to improve the editorial database is not completed. Allocation from ARIA in the amount of \$3,000 will be needed this year.
- Richard suggested that the membership database should be moved to the ARIA website once improvements to that site are complete.
- To accommodate the backlog in submissions and to increase the viability of RMIR, both the court cases and the book reviews sections will be moved from JRI to RMIR.
- Still Richard requested that the page budget of JRI be increased from 704 pages to 804 pages in 2006.
- At \$34.00 per page, the increase will cost \$3,400. To compensate for the increased cost, Blackwell recommends an increase in the JRI subscription fee.
- Richard motioned and Larry seconded the recommendation to approve the increased page budget.
- An item requiring Board consideration is the status of old manuscript submissions that still reside at the University of Texas.
- Richard is preparing a conference on longevity risk and survivor bonds in April 2006. With the intention of providing visibility for ARIA, Richard suggested the organization provide sponsorship funds for the conference and support a special (fifth) issue of the JRI to be published in late 2006 or early 2007.
- Cost of the special edition will approximate \$13,550. Alternatively, one issue of JRI could be designated as the "special issue" but at the cost of an expanded backlog of accepted articles.
- An e-mail in year 2000 from Pat Brockett and Richard MacMinn that requested an increase in the journal submission fee was included in the board packet.
- In a discussion of submission fees, Jim made a motion seconded by Rob that one author must be a member of ARIA or SIR in order to be excused from the submission fee.
- The increased submission fee likely will be implemented in the second half of the year. Mary and Richard will coordinate with Blackwell.

### **JRI Editor's Reappointment Report**

- David Cummins wrote a commentary on the "Report on the Performance of Editors of the *Journal of Risk and Insurance*" originally submitted by Norma Neilson in January 2003. While David agreed with the final recommendation of the report, he questioned the author's methodology to arrive at a conclusion.
- His concerns focused primarily on two areas entitled, "Journal Standing" and "Turnaround Time."
- "Journal Standing" was questioned because of the unknown accuracy of the source document, *Cabell's Dictionary of Publishing Opportunities in Management*.
- Citation frequency and journal impact factors also were questioned.
- With respect to turnaround time, David questioned the use of a source other than actual data for articles submitted to JRI.
- In conclusion, David suggested ARIA's Board "establish a database management system for JRI that would report on acceptance rates, turnaround time, and other relevant statistics."
- Properties the database should possess also were provided in the Cummins report.

### **RMIR**

- Mary reported that RMIR's major challenge is to increase the number of submissions while at the same time maintaining the quality of the publication.
- The rejection rate continues to be high. Using a "revise and resubmit" approach, the rejection rate for 2004 was 88 percent.
- Using a number of articles accepted in a given year divided by the number of submission in the same year, the average rejection rate between 1998 and 2004 was 54 percent.
- A call for papers was distributed through ARIA listsrv and provided to Blackwell for notice in other journals.
- A "Hot Topics" call for papers on social issues was suggested at the 2004 editor's breakfast. Such an approach could increase journal submissions. More importantly, RMIR could receive more visibility as a go-to resource.
- Mary would very much like an article submitted by a member of SIR or from an international source.
- RMIR will continue to report on ARIA's Annual Meeting.
- RMIR's assistant editor, DeDe Khovidhunkit, received her PhD and returned to her home country.

### **Report from Blackwell**

- Blackwell noted that membership continues to decline but they are optimistic that the newly established relationship with JSTOR could become a "key benefit of belonging to ARIA."
- At the end of November, ARIA members totaled 488.

- The “progression of student members to full-rate membership” program is underway.
- Online usage of both JRI and RMIR increased over year 2003.
- JRI’S 2003 Impact Factor increased from 0.370 to 0.449. However, as noted earlier, Richard questions the reliability of that number. He opines that the usage figure should be even greater.
- JRI used 822 editorial pages in Volume 71. This count was 118 pages over the allotted 704 pages.
- However, Blackwell and RMIR agreed that JRI could borrow 115 pages from the RMIR allowance
- RMIR published 205 pages in Volume 7. This amounts to 115 pages under the allocated page budget of 320.
- Given that JRI exceeded its page budget for 2004, consideration was given to increasing the allocation by 100 pages. The executive office received notice that the increase would cost \$3,400, \$34/page.
- Issues of RMIR were mailed to 258 Society of Insurance Research (SIR) members in 2004.
- Marketing activities initiated on behalf of ARIA were listed in the Blackwell report.

### **Hedges Award**

- Lisa Posey heads the Hedges Award Committee.
- The Hedges Scholarship was announced through listsrv and personal e-mails to academics.
- The deadline for nominations is March 1, 2005, with the committee targeting March 11 as the selection date

### **New Awards Committee**

- Etti Baranoff is heading the new awards committee.
- Etti is assisted by:
  - Andre P. Liebenberg – ARIA Teaching Award
  - Steve Pottier – ARIA Award for Early Career Scholarly Achievement
  - Lauren Regan – ARIA Significant Impact Award
- The new awards are:
  - ARIA Teaching Award – this award (as an additional award to the existing Strickler Award) recognizes excellence in teaching in the RMI field.
  - ARIA Award for Early Career Scholarly Achievement – This award honors the distinguished achievement of scholars who are within 10 years of receiving their PhD.
  - ARIA Professional Significant Impact Award – This award recognizes a nonacademic (one who may or may not have a PhD but who does not work primarily as a professor) who regularly attends ARIA annual meetings and has made a significant positive impact on individuals, groups, or ARIA as a whole.

- No monetary amount is associated with the awards.

### **Strickler Award**

- Ryan Lee's report noted that he is finalizing the selection committee.
- An announcement calling for proposals was circulated on December 15, 2004.
- At the time of Ryan's mid-year meeting report, no submissions had been received.
- The criteria used to select the Strickler Award, creativity, content, transferability, and ability to improve the program, all receive equal weighting in the selection process. The chair of last year's selection committee suggested that creativity should be weighted 40 percent and the other criteria given equal consideration. While equal weighting again will be used this year, Ryan noted that a weighted score also will be calculated and a comparison of the equal scoring and weighted scoring will be used to make recommendations to the selection process in 2006
- Ryan, who was one of the winners in 2004, recommended that the Strickler Award presentation not share its session with another presentation.

### **Witt Award**

- Arnold Shapiro heads the committee to select the one or two best feature articles and one or two shorter articles published in the JRI during the calendar year. Members of the committee were identified in Arnold's report.
- Initial rankings of the top five feature articles and the top five shorter articles in the JRI are due February 12, 2005.

## **IV Membership Services**

### **Membership Committee**

- Jim Jones reported that the committee is in the process of developing a list of potential ways to attract new members.
- As a first step, the committee contacted RIMS, CAS, and financial services organizations about marketing ARIA to their members as a value-added proposition.
- One of the committee's goals was to contact individuals listed in the Business Insurance directory of risk management and insurance programs who are not currently ARIA members.
- Membership has dropped from 613 in year 2000 to 488 at the end of December 2004.

### **Nominations**

- Rob chairs the Nomination Committee.
- The committee was instructed to submit their nominations to Rob by Wednesday, January 19, 2005.

- Nominations are in the process of being reviewed.
- From these nominations, the Committee will develop a slate for the Board review and approval.
- Richard suggested that the nominee for vice-president should commit to print his vision for the organization.

### **Placement Committee**

- Anne Kleffner serves as chair of the Placement Committee.
- The goals of the committee are two-fold: to provide easy access to information about academic and research positions to those who are looking for a position, and to furnish academic credentials to those institutions looking to fill vacancies.
- Anne reported that 15 academic and research positions have been posted on the website.
- Six requests for non-research/academic job postings were rejected because they did not meet requirements.

### **Newsletter**

- Diana Lee reported that the 12-page fall issue of ARIA news was completed and distributed to the members in November, and posted on the ARIA website shortly thereafter.
- Preparation for another 12-page issue of the newsletter is underway for spring distribution.
- Information from the mid-year Board meeting will be included in the spring newsletter as well as a profile of Bill Rabel, who retired at the end of 2004, and a tribute to Emmett Vaughan, who passed away in October. The CEBS program will be highlighted in the newsletter.
- The Board is very thankful to have a newsletter editor with the commitment shown by Diana.

### **Website Committee**

- Randy Dumm's report reiterated that the committee's main purpose is to provide guidance and policy to the ARIA webmaster.
- This year, the committee's primary charge was to oversee the development of a redesigned website, with the intention of an operational site by March 2005.
- Two proposals to redesign the appearance and functionality of the website were received. After consideration of the two submissions, a cost effective proposal for \$2,000 was accepted.

## **V. Administrative Reports**

### **Board Packet**

- Vickie will review the packet for omissions and updates.

- The Executive Offices should keep track of dates that are important to the efficient operation of the organization.

### **Editor Review Criteria Committee**

- The committee is headed by Helen Doerpinghaus.
- All members of the committee identified in the report have editing and publishing experience.
- The committee is charged with developing guidelines for incoming ARIA editors regarding goals and standards for the journals and establishing measurement outcomes.
- Their intention is to make recommendations that are embraced by the membership and keep the journals strong.
- The need for the committee to interview authors who could relay their experiences was reinforced during the Board's discussion of this topic.

### **Executive Director Report**

- The executive director's two primary concerns are lackluster institutional sponsorship and dwindling membership. Sponsorship is stagnant and membership has decreased for several years.
- Royalties associated with subscriptions and access to our journals are two financial bright spots.
- The number of annual meeting sponsors exceeded twenty but attrition again hurt the bottom line. The annual meeting lost \$18,000 instead of turning a \$3,600 profit.
- The organization made back payments of a franchise tax to the California Franchise Board in order to clear its record in that state. A certificate of revivor was received from the Franchise Board. This matter dates back to the early 1990's when ARIA was required to register as a charitable institution by the state of California. When ARIA left California the organization presumed it no longer was liable for the tax. However, since the Franchise Board was not informed of ARIA's departure, a retroactive tax was imposed on the organization.
- The organization took the initiative to invest \$20,000 in a financial instrument that will fund the Strickler Award.
- Currently, the Strickler Fund has a value that exceeds \$21,000.
- ARIA funded \$5,000 to open a WRIEC checking account.
- The separate checking account was intended to guard against co-mingling of ARIA and WRIEC monies.
- TIAA-CREF was drawn down by \$15,000 in December to pay the premium for ARIA's insurance policies.
- At the end of 2004, the value of the TIAA-CREF portfolio was approximately \$94,000 compared to \$101,000 in 2003.
- The value of the Hedges Fund exceeds \$22,000.

- The forthcoming royalty check from Blackwell should show very strong circulation and usage of ARIA's journals. Royalty projections at the end of November amounted to greater than \$12,000.
- Conservatively, ARIA should expect a royalty check that exceeds \$20,000.
- The registration fee for the World Congress will be increased to \$300. In addition, a \$50 cancellation fee will be imposed on any cancellation after a certain date.
- Negotiations to reduce the room block for the 2006 meeting in Washington, DC were unsuccessful. As a result, ARIA will be responsible for 597 sleeping nights and will incur attrition charges if hotel usage does not achieve 80 percent occupancy, 478 sleeping nights.
- The 2005 management fee to the American Institutes will increase equal to the CPI.

### **Strategic Planning Committee**

- Larry reported that the primary initiative from last year's Strategic Planning and Finance Committees was the establishment of a permanent position or mechanism that would increase institutional membership and support for the organization.
- Bill Rabel was asked to lead this new initiative based on his previous fund raising experience.
- An organization/planning meeting was attended by Bill, Larry, Travis Prichett, and Jim Carson.
- Other prospective members of the ad hoc Institutional Membership Committee are Vickie Bajtelsmit, Joan Lamm-Tennant, and Steve Weisbart.
- The purpose of the committee would be to develop a framework for improving institutional membership and support, identify key marketing attributes, and formulate a sequence of activities that can be implemented by the Executive Director's office.
- Bill agreed to present a progress report at the January's mid-year meeting.

## **VII Special Projects/Relationships**

### **Griffith Foundation**

- Don Rebele attended the Board meeting to learn more about the organization as he steps in to replace Bill Stickter as the Griffith Foundation liaison to ARIA.
- Don talked about scholarships that are available to students.
- Some of the Board members thought the process was lengthy.
- Mary indicated that grants are more likely to make colleges take notice because financial cuts continue to be made.

## **VIII Other Business**

### **California Franchise Tax**

- This matter was covered in the Executive Directors Report and no further comment was necessary.
- Receipts showing payment of the tax was contained in the Board's packet.

### **Executive Session**

- The Board reaffirmed its satisfaction with the relationship between the organization and the American Institute for CPCU.

## **IX New Business**

### **ARIA Logo**

- The ARIA logo was included in the agenda because of discussion at a previous meeting.
- The Board is satisfied with the current logo and there was no further discussion.

### **Officer's Duties**

- Vickie will review the Board Manual to determine if changes are required.

The Board's secretary was on the phone determining if his flight to Philadelphia was cancelled due to snow and missed the motion to adjourn the meeting at approximately 2:30 PM.