



**Executive Director's Report
To the ARIA Board of Directors
San Diego, CA
Saturday, January 5, 2013**

Overview

Significant events that have occurred since the August 2012 Board meeting include:

- Nexpoint Technologies, web host for the JRI editorial database, ceased operations at the time of the annual meeting. Efforts to contact Nexpoint were futile.
- To date, legal efforts to retrieve the database also have been unsuccessful.
- Keith Crocker, incoming JRI editor, is manually transitioning journal information provided by current JRI editor, Georges Dionne.
- With the loss of the database, ARIA entered a contractual relationship with Wiley-Blackwell to use the service of ScholarOne to manage the JRI editorial database.
- ARIA will realize an operating year surplus as a result of the increased royalty percentage negotiated with Wiley-Blackwell.
- Membership numbers in 2012 did not keep pace with 2011. Membership for the current year experienced a slight drop from 560 to 544.
- Attendance at the August annual meeting also was lower than previous years.
- The first Brockett-Shapiro Actuarial Award was presented at the annual meeting.
- Three restricted assets (Brockett-Shapiro, Hagen, and Long) that were still co-mingled with non-restricted funds were set up in a separate investment instrument.
- Wiley-Blackwell circulation figures, current through November, show:
 - full text downloads of both JRI and RMIR will increase in 2012
 - 2012 subscription and royalty income payable in April 2013 should be comparable to 2011 revenue
 - full subscription journal renewals could run short of 2011
- As reported in June 2012, the JRI impact figures is a journal high 1.408 and the five-year factor is 1.433.
- Work continued on the development of a new ARIA website.
- Rather than circulating Board meeting material via multiple e-mails. All reports are posted on the proto website.

Forthcoming events worth noting are:

- Keith Crocker will assume editorship of the JRI on January 1, 2013.
- Administrative charges assessed by the American Institutes will increase by a factor consistent with the CPI.
- The term of the RMIR editor will expire at the end of 2013.
- ARIA's annual meeting is scheduled for the August 4-7, 2013 at the Washington Court Hotel.
- APRIA's New York City annual meeting will be held a week before ARIA and should result in a greater number of international attendees in DC.
- W-B royalties for 2012 will be forthcoming in April 2013.

Executive Office

The JRI website and the editorial/referee database went down at the time of the August annual meeting. Initial calls to Nexpoint Technology suggested the provider was having problems with system upgrades. As the service blackout continued, no one responded to subsequent e-mails or phone calls. Ultimately Rich Phillips assisted in contacting a lawyer to proceed with legal action. Still, there is no access to the JRI editorial database. Kyneta Lee, the consultant working on the new ARIA website, did reconstruct the JRI website which is now hosted by another provider, and soon will be hosted through Penn State University.

The executive office worked with Keith Crocker to finalize the editorial contract and provided financial support to establish the JRI editorial office at Penn State. A check for \$3,421.60 was drawn to PSU to compensate an editorial assistance for the months of November and December. Keith also received a \$6,000 advancement on the additional compensation ARIA provides the JRI editor each January.

The ARIA website continues to undergo modification. The executive office maintains communication with the consultant. The chair of teaching resources committee has provided input. The new chair of the web strategy committee also was asked to provide feedback. The website will go online following Board review and approval.

The upcoming annual meeting will be held August 4-7 at Washington Court Hotel, Washington, DC. After reviewing the high cost of various venues for the Monday social, the office possibly has found a reasonable, but not inexpensive, location at the National Press Club.

The executive director negotiated arrangements to hold the 2014 annual meeting at the Renaissance Hotel in Seattle. The dates are August 3-6, 2014. The hotel will discount BEO charges by five percent since ARIA did not engage the services of a meeting coordinator.

Membership approved a vote on the By-laws that permitted at least five members to serve on the Committee on Nominations. The By-laws were reviewed, updated, and submitted to the webmaster for posting.

Finances

ARIA received \$113,626 in April 2012 as payment for royalties and subscription income earned in 2011. The entire amount was deposited in a PNC Bank money market account. Subsequently funds were withdrawn to cover operating expenses. As of December 27, the MMF holds \$40,759.04 with little need to withdraw any additional funds.

Direct and support expenses for the annual meeting totaled approximately \$100,500. A substantial reduction of \$10,000 in sponsorship support exacerbated the annual meeting experiencing a loss of approximately \$23,500. ARIA also was over budget for expenses associated with the JRI, legal fees related to Nexpoint Technologies, and additional payments for manual support services in preparation for the JRI editor transition.

Still, after paying end of the year bills, the checking account balance should approximate \$10,000, and as noted above almost \$41,000 remains in the PNC MMF. In January 2013, ARIA will receive its yearly \$42,000 advanced payment from W-B.

ARIA and ARIA-managed funds are deposited with Vanguard, Fidelity, and PNC Bank. The funds are allocated in three categories: restricted (for the purposes of awards), custodial (a MMF managed on behalf of the RTS), and non-restricted (unobligated). The value of ARIA's total investment portfolio at the end of 2012 was \$544,642.36 compared with \$465,853.60 at the end of 2011. The value of the ARIA's restricted funds increased from \$113,723.49 to \$118,307.73. Expense payments reduced the RTS MMF balance to \$6,811.88. As a result, the value of ARIA's unrestricted portfolio at the end of 2012 increased by \$72,322.67.

	2012	2011
Vanguard Investments	\$450,692.85	\$416,002.27
Fidelity Investments	53,190.47	49,851.33
PNC MMF	40,759.04	
Restricted Awards Obligations	-118,307.73	-113,723.49
RTS Custodial Obligation	-6,811.88	-7,109.21
Unrestricted Funds	\$417,343.57	\$345,020.90

An Excel spreadsheet showing specific financial figures is tabbed in the Board packet.

The 2011 royalty and subscription income from Wiley-Blackwell payable in April 2012 totaled \$113,626. These funds are considered 2011 income. W-B funds for 2012 activities will be paid in April 2013. Payment likely will equal or surpass 2011; conservative projections indicate ARIA will receive no less than \$105,000.

W-B financial data follows:

Income	2012 (to Nov 30)	2011	2010
Yearly Total Income	\$386,186	\$395,574	\$394,856
Income Source			
Subscription Revenue	\$268,040	\$270,144	\$278,727
Non Subscription Revenue	\$45,139	\$52,853	\$49,770
Membership	\$73,007	\$72,577	\$66,359
Payments			
Payments to Editors in 2012	\$50,000 (est.)	\$47,725	\$46,478
Payment to ARIA in April of the following year	\$105,000 (est. April 2013)	\$113,626	\$76,483

Membership

Membership among regular and retired members remained constant, but student membership took a hit that resulted in an overall membership decrease. Student membership was down -17 (-27 percent) compared to 2011. Recall student attendance

at the annual meeting also was down from 40 in 2011 to 22 at the 2012 meeting. Membership loses within the student population shown below deserve further review.

Membership Type	2012 Count	2011 Count	Change
Regular	472	472	0
Retired	27	26	+1
Student	45	62	-17
Total	544	560	-16

The membership committee continued to collect membership information from SRIA, WRIA, and RTS as well as listings of authors published in the *Risk Management and Insurance Review* and the *Journal of Risk and Insurance* in preparation for the detailed analysis to be provided in the Final Report of 2013.

The committee again organized the First-Time Attendees Mentor Program. Evaluation forms were provided to attendees and, again, the response rate was too low to conduct a meaningful analysis.

Membership Services

Annual Meeting Program

The call for papers deadline is February 15th. Each member of the program committee will receive 10-15 proposals to review. Committee members also are asked to provide input regarding plenary sessions and other conference program issues.

The close proximity of the APRIA meeting location and date could result in attendance of 200 or more at the ARIA annual meeting.

Nominations

Calls for nominations were announced in listserv e-mails and resulted in naming two individuals. A conference call among committee members is scheduled shortly after the mid-year Board meeting.

Job Placement

Ping noted that placement is not as fast as desired. She also suggested that each week's announcement should be posted on the website immediately after circulating in

the Thursday listserv e-mail. This matter will be discussed with Kyneta Lee, incoming webmaster, once the new website is on line.

Awards

Award committees have been formed. The executive office has worked with several groups to place their award announcements, criteria, and due dates through listserv and on the website. Reminders and announcements from previous years will be sent to any committee chair who has not announced his/her respective award. Wheels have been put in motion for the Kulp-Wright book award. A timeline was presented in their report to the Board. The following websites will be searched: Amazon.com, MIT Press, University of Chicago Press, Cambridge Press, Library of Congress, Kluwer Academic Publishers, Risk Books, Elsevier Publishers, Brookings Institute, and Springer-Verlag. Key search words are: Insurance, Risk Management, Financial Risk, Credit Risk, Value at Risk, Economics and Uncertainty, Annuity, Social Security. An award decision is expected on May 15, 2013.

Website

The webmaster continues to work on the website. Progress is documented in her report to the Board. Kyneta noted all main pages for the new website are in place. Many documents have been transferred from the current website. The Home page was updated following a conference call with the executive office. Tabs placed on the "About" page allow the user to navigate to the By-laws and membership and sponsorship information. The "Resource Center" link will serve as an information hub. Career and RMI program information, as well as award and affiliated organization information, also is accessible. A Document library will provide access to press releases and members only articles. The teaching resources site, member database, and a document library are still under construction. The presence of broken links is the major stumbling block to optimum implementation of the new website.

Teaching Resources

The committee is in the process of making suggestions to the new website concerning subheadings and facilitating access. The committee also will solicit more material for the website. Introduction of additional material will be coordinated with the webmaster to ensure she is ready for new material. The committee also suggested the development of a member database that profiles areas of expertise. The executive office provided the webmaster with data from an expertise survey that can assist in the development of the database.

JRI

The journal received 180 new submissions, a major increase over the 151 received in 2011. The appeal of publishing in a high quality journal and articles for three special issues contributed to the increase submissions. The three special issues in preparation for publication in 2013-2014 are: Longevity and the Capital Markets; Convergence Interconnectedness, and Crises: Insurance and Banking Conference; and the third special issue will be Behavior Insurance and Behavior Risk Management. W-B advertises new JRI issues on SSRN and IDEAS (RePEc). All accepted manuscripts are posted on W-B's Early View. Georges noted W-B's cooperation has been excellent.

After two very successful terms heading the JRI, the tenure of Georges Dionne as its editor comes to an end on December 31, 2012. Georges achieved a journal high impact factor of 1,408 and a five-year factor of 1.433.

Keith Crocker will assume editorship of the JRI on January 1, 2013. He and Georges have worked closely in preparation for the changeover. Keith's Editorial Assistant, Lisa Ford, has been working on the transition since November 1. The transition is not as seamless as hoped given the circumstances surrounding the loss of the editorial database hosted by Nexpoint. Manual backup of some materials was available from George's son, JF Dionne. The new JRI web pages which will be hosted on a server at Penn State.

On January 3 the journalofriskandinsurance.org link will be redirected to the new web pages. The site can be previewed at <http://journalofriskandinsurance.smeal.psu.edu/>.

Keith will not be able to provide statistics to the Board on submissions, time to decision, and so forth for manuscripts currently in the system. Georges' office has been copying Keith on emails dealing with submissions and revisions and Lisa has been organizing these into formal files.

Papers currently in the system are being handled manually, as Georges and Claire have done since August. The ScholarOne submission website will be available for manuscripts submitted after January 1. The ScholarOne portal will be accessible either through the JRI web pages or directly through <http://mc.manuscriptcentral.com/jri>.

Georges has kindly set up the March 2013 issue, which is ready to go, so the June issue will be the first issue under Keith's editorship.

The editorial board has changed. Scott Harrington, Rich Phillips, and Mary Weiss have agreed to continue as co-editors. Dick Butler (BYU), Harris Schlesinger (Alabama) and Art Snow (Georgia) have been added to the group. All have agreed to handle 12-14 papers per year.

RMIR

The fall issue contained 7 articles: three feature articles, three perspectives, and one educational insight. The spring 2013 issue will publish nine articles: two invited articles, four features, two perspectives, and one educational insight. Calendar year data show 23 new submissions and 26 resubmissions. For 2011, the numbers were 25 and 11 respectively.

The article backlog contains: five ERM case studies, one feature article, and one educational insight.

The executive office requested W-B work with the RMIR editor to provide access to the ScholarOne editorial database as soon as JRI is operational.

The third term of the RMIR editor comes to an end on December 31, 2013. At the earliest possible date the Board should approve an RMIR editor search committee.

Newsletter

The fall 2012 issue of *ARIA NEWS*, comprising 28 pages, was printed and distributed to members in mid-October; it is also posted on the website.

The spring 2013 newsletter is expected to be released by the end of April. Other than contacting several people to request articles for this upcoming issue, work on content development will probably not begin fully until January.

If ARIA Board members are aware of any news about ARIA members or colleagues, have suggestions for additional topics or improvements to the newsletter, *or would like to write an article*, please inform Diana Lee.

ASSA

In his June Board report Mary Grace suggested ARIA should look more closely at its relationship with ASSA. Among those suggestions was the development of an ASSA mission statement and better marketing of ARIA's best research.

World Congress

The executive office has shared ideas and suggestions with Andreas following the breakfast meeting in Minneapolis. The office is willing to help in any way it can.

Wiley-Blackwell

Margot Morse left W-B following her maternity leave. Brian Giblin who substituted for Margo continues to serve as W-B's liaison to ARIA. W-B does not provide a CY report until the end of the first quarter of the following year. Wiley-Blackwell's November 2012 interim report noted figures provided for ARIA's January Board meeting were not vetted by W-B's accounting department. In addition some revenue sources were not available and could not be reported to the Board. With November revenue just \$9,000 short of 2011, W-B's representative was fairly confident 2012 revenues payable to ARIA would be comparable to 2011 (\$113,626). Still, the executive office took a conservative approach by projecting a \$105,000 accrual when estimating the final 2012 budget.

Between 2009 and 2011 the JRI/RMIR bundle of full time subscribers has dwindled by approximately 75 subscriptions. The November interim report continues to show a retreat. The JRI/RMIR bundle had 472 full-rate subscriptions, down from 501 in 2011, and primarily due to the loss of print subscriptions.

Computer downloads of RMIR articles continue to increase. As of October, W-B recorded 12,043 full-text downloads compared to 11,606 at the same point in October 2011. Downloads for JRI articles also increased. A comparison between October 2011 and October 2012 showed an increase of 36,616 to 44,144 (+7,528).

JRI is now ranked 19 out of 86 journals in the Business, Finance category and 76 of 320 journals in Economics. As reported in June 2012, the JRI impact figures is a journal high 1.408 and the five-year factor is 1.433.

The Board agreed with W-B's suggested increase for 2013 journal subscriptions but saw no reason to increase membership fees.

Comparison fee for membership and journal subscriptions follow:

2012 and 2013 Wiley-Blackwell Subscription and Membership Fees

SUBSCRIPTION FEES									
2013 Prices	NA	UK	ROW	EUR	2012 Prices	NA	UK	ROW	EUR
	\$	£	\$	€		\$	£	\$	€
Print only JRI & RMIR	471.00	363.00	708.00	459.00	Print only JRI & RMIR	444.00	342.00	667.00	433.00
Online only JRI & RMIR	471.00	363.00	708.00	459.00	Online only JRI & RMIR	444.00	342.00	667.00	433.00
Print + online JRI & RMIR	541.00	418.00	815.00	529.00	Print + online JRI & RMIR	510.00	394.00	768.00	499.00
2013 Prices	NA	UK	ROW	EUR	2012 Prices	NA	UK	ROW	EUR
	\$	£	\$	€		\$	£	\$	€
Print only RMIR	199.00	155.00	303.00	197.00	Print only RMIR	187.00	146.00	285.00	185.00
Online only RMIR	199.00	155.00	303.00	197.00	Online only RMIR	187.00	146.00	285.00	185.00
Print + online RMIR	229.00	179.00	348.00	227.00	Print + online RMIR	216.00	168.00	328.00	214.00
MEMBERSHIP FEES									
2013 Prices	NA	UK	ROW	EUR	2012 Prices	NA	UK	ROW	EUR
	\$	£	\$	€		\$	£	\$	€
Student/Retired Members Online	30.00	20.00	£20.00	30.00	Student/Retired Members Online	30.00	20.00	£20.00	30.00
Student/Retired Members Print & Online	58.00	38.00	£38.00	48.00	Student/Retired Members Print & Online	58.00	38.00	£38.00	48.00
Members Print & Online	140.00	103.00	£103.00	129.00	Members Print & Online	140.00	103.00	£103.00	129.00

Respectfully submitted,

Tony Biacchi