

**AMERICAN RISK AND INSURANCE ASSOCIATION
MINUTES OF THE ANNUAL BOARD OF DIRECTORS MEETING
VANCOUVER, BRITISH COLUMBIA, CANADA
SUNDAY, AUGUST 8, 1999
8:30 A.M. TO 4:45**

The ARIA annual board meeting was called to order by President Stephen D'Arcy at 8:30 A.M.

Present S. D'Arcy, J. Nelson, H. Doerpinghaus, P. Brockett, T. Troxel, R. Hoyt, P. Stichter, M. Browne

Absent H. Schlesinger, R. Klein

Other K. Hamilton

Guests R. Corbett, M. Powers, R. MacMinn, J. Garven

Election Results Steve D'Arcy announced the election results: Jack Nelson (President), Helen Doerpinghaus (President-Elect), Pat Brockett (Vice-President), Steve Weisbart (Board Member, Seat 1), and Jim Carson (Board Member, Seat 2). Discussion ensued about the timing of the nominations and ballot process. According to the bylaws the ballots must go out at least 120 days before the date of the annual meeting to give the membership a chance to nominate additional parties. The final ballots must go out at least 90 days before the annual meeting and the membership must be given at least 30 days to vote. Some concern was expressed that the timing does not give the newly elected Vice-President time to get the next year's annual meeting call for papers prepared for the meeting registration packets.

Approval of Minutes Doerpinghaus made a motion to approve the minutes of the Mid-Year Board of Directors meeting held in Chicago January 30, 1999. Troxel seconded the motion. The motion passed with all present approving it.

Consensus Agenda The *JRI* Awards Committee, the Kulp/Wright Award Committee, the Les B. Strickler Instruction Award Committee, and the liaison to the CAS submitted reports. The award committee reports identified the winners and other contenders and outlined the decision processes. The liaison's report discussed the Financial Risk Management Seminar jointly sponsored by ARIA and CAS.

The Board discussed the award approval and notification policy. The awards are approved by the Board ahead of the annual meeting under the bylaws. At least half of the Board members must approve a committee's recommended award recipients for the

award to be given. If an award is not approved for a committee's recommendation, the award is not given for that year. As soon as the President is notified of who won an award, he/she contacts those award winners who are not registered for the annual meeting to try to get them to attend, preferably without telling them why. However, if an award winner is not an ARIA member, his/her registration should be complimentary and he/she can be told about the award. This should improve the chances of the award winner being present to receive the award.

The Board also discussed the seminar jointly sponsored with CAS and the desire on behalf of both organizations to continue to jointly sponsor seminars. It was announced that ARIA and CAS would co-sponsor a Dynamic Financial Analysis seminar in New York city July 17-18, 2000. If ARIA members, who are full-time professors, become CAS associate members for a \$75 fee, they can register for the seminar for free. Doerpinghaus suggested that this be highlighted at the ARIA business meeting. The Board also discussed ways to improve the breakout track at such seminars to allow business professionals and academics to network. Rich Phillips will continue to serve as the liaison with CAS for seminar preparation. The Executive Director's office will send the mailing list of ARIA members to CAS as needed and support Rich in his liaison's role as requested.

The Executive Director's office will support the placement committee chair's role of receiving, broadcasting, and posting position announcements and posting vitae.

Executive Director's Report Hamilton reported on the transition process and on the activities the Executive Director's office had performed since February 1, 1999, when the Institutes' contract to staff the office began. Copies of the new membership brochure and the May 1999 newsletter were provided to Board members. Hamilton requested that the Board members provide comment on the initial drafts of the SOPs handed out. The SOPs will help the Executive Director's office carry out its activities and assist the Board. The board members agreed to review the drafts and submit comments and suggestions to the Executive Director's office. Additional SOPs will be circulated for comment as they are developed.

The Board discussed mailing list rentals that provide incidental income to ARIA. The Board would like to continue to rent out the mailing list. Renters will be requested to sign a form that they will not use the list more than once and that they will not sell the list.

Hamilton will obtain a copy of the letter used by the IRC. Solicitations for money will not be allowed. A policy statement describing the rationale for such rentals will be sent to members in the renewal notices mailing. Members will be given an opportunity to be taken off the list if they so desire.

The Board also discussed broadcast e-mails. The broadcast e-mails are to be sent only for instant info needs. Textbooks and products can be posted to the Web site and the vendors can buy the mailing list.

Stichter suggested that SOPs be created for or include deadlines for news articles and announcements to be included in journals and the newsletter. He suggested that a list of deadlines be circulated to the Board and the committee chairs and be posted to the Web site.

The Board suggested that, given concerns over the transition from Chase Communications, Hamilton contact Pat Chesire, the Executive Director before Chase, to determine if she recalled anything of value that Hamilton should make sure was received from Chase.

Insurance Coverage Update Hamilton provided a summary and supporting materials concerning the comprehensive insurance coverage now provided for ARIA. The Board requested that Hamilton look into coverage for personal injury as it pertains to or arises from the contract between ARIA and the Institutes. The Board discussed the need for cancellation insurance and decided against purchasing it at this time.

Financial Reports

Financial Statements D'Arcy gave a history of the financials-why expenses were so low for 1998 and why they will be much higher for 1999. D'Arcy suggested that research be done to determine why subscribers have fallen off for 1998. He suggested that the subscribers that did not renew be reminded to renew and that all efforts be made to increase the number of institutional sponsors for 1999. Nelson agreed to look into ARIA's Hudson Bank account. Chase has not yet closed the account, according to the statements received from the bank. Nelson needs to make sure the account is closed and that Chase cannot deposit checks made to ARIA. Nelson must also check the signatures on the Hudson Bank accounts and make any changes necessary to ensure the accounts can be closed. Hamilton will provide copies of the bank statements

to Nelson and otherwise assist his efforts to take care of this matter.

New signature cards for ARIA's bank account in PA will be circulated by Hamilton to Nelson, Doerpinghaus, and Troxel. Hamilton will make a note to have the cards at future annual Board meetings to make the changes at the meeting that new officers move into the chairs.

Hamilton reported that Bob Finn (the accountant for ARIA) and Frank Pedicone (the financial advisor and bookkeeper for ARIA) recommend that ARIA move to an accrual basis from a cash basis accounting system. Stichter made a motion to accept this recommendation. Brockett seconded. The motion passed with the approval of all board members present.

Financial Committee D'Arcy noted that Bob Klein had served as the chair of the financial committee for three years at the request of the Board to make sure the financials were consistently maintained. D'Arcy suggested that ARIA now revert to the bylaws, which require the President-Elect to serve as the chair of the financial committee. Since, as Troxel observed, the Executive Director is the Treasurer and Secretary of ARIA under the bylaws, Hamilton will now ensure that the financial matters are appropriately managed. D'Arcy concurred and noted that a permanent Treasurer is not needed at this time. Doerpinghaus, as President-Elect, is responsible for developing the budget for 2000 and presenting it to the Board for the mid-year meeting. She will also chair the financial committee and will submit names to Nelson for him to appoint as financial committee members. The financial committee will oversee the investment subcommittee.

ARIA Investments Troxel explained the TIAA-CREF problem concerning the misclassification of ARIA. He handed out the required corporate resolution to correct the problem. Hoyt made a motion to approve the resolution and Stichter seconded it. The motion passed with the approval of all board members present. D'Arcy and Nelson signed the resolution.

Troxel then reported on the investment allocation as it was explained in his report to the Board.

Three-Year Budget Proposal D'Arcy introduced the desire for a budget that covers more than one year out. He provided a three-year budget and explained his assumptions in preparing it. Hoyt and Stichter commented that the three-year horizon was beneficial.

The Board discussed the figures for Institutional Sponsorship. Hoyt asked whether they were too optimistic. Brockett asked whether official representation was necessary for contacting sponsors. D'Arcy responded that all ARIA members are being asked to contact sponsors, so Brockett is free to visit them on his own. Brockett indicated he would speak with USAA and American General.

Hoyt suggested that expenses be matched to revenues.

Brockett warned the Board of increasing administrative expenses associated with the *JRI*. In Texas, cost of living increases must be provided. His chair is subsidizing the cost of the assistant for the *JRI* above the \$18,000 honorarium. However, he would like to see ARIA provide more money for the assistant's salary and benefits.

The Board also discussed the annual meeting registration fee. This year it was subsidized, but in future years it will not be. The amount to charge for Baltimore will be discussed at the mid-year board meeting and Nelson, Doeringhaus, and Brockett will make the final decision at that time.

The Board discussed the cost involved with managing the Web site. Jim Garven cannot administer it on his own. Professional Web mastering might be needed. Troxel indicated that before merging with the American Institute the IRC paid a firm to manage the Web site. The cost was between \$200 and \$400 per month depending on the level of service, with hourly charges for changes and updates.

Kluwer Proposal Brockett reported that Kluwer publishers had contacted him with a proposal to purchase the *JRI*. He provided a copy of the letter with the proposal. Discussion ensued. Brockett indicated that the proposal was not timely and was not a good deal. The Board agreed with Brockett's recommendation that the proposal not be accepted. Brockett will respond to Kluwer with a thank-you letter and decline the offer.

Mehr Award Scott Harrington submitted a report concerning the status of Mehr award funding. Brockett suggested that ARIA try to establish an endowment and give the award a specific name that connotes its meaning.

Jane Hedges' Proposal D'Arcy reported that he had been contacted by Jane Hedges. She proposed that an award be named after Bob Hedges, now deceased, and asked ARIA to develop an

award for that purpose. Hoyt suggested travel support for RTS. Browne suggested financial reward for runner up articles. Brockett suggested an award for the most outstanding risk management paper in the world. Troxel suggested that past presidents each make a donation to fund an award. He also noted that the Institutes were going to name a room after Bob Hedges. The Board decided that D'Arcy would submit three ideas to Jane with amounts that would secure funding for the awards and let Jane decide which was preferable: RTS travel support, best risk management article in the world (which would accept nominations put on Web site), and best risk management dissertation. As an outgrowth of the discussion concerning Jane's proposal, Doerpinghaus made a motion that a committee be formed to explore creating a lifetime achievement award for ARIA members. Browne seconded the motion. All board members present approved the motion.

Annual Meeting

Program Doerpinghaus reported that all papers were submitted and that everything was ready to go. Hamilton stated that a news release had been issued about the annual meeting. It had been sent to major trade publications and to papers in the Vancouver area. The Board suggested that a follow-up news release be sent that mentioned the highlights of the annual meeting and advertised next year's meeting in Baltimore. Periodic news releases reminding of the upcoming meeting and announcing topical papers and speakers could also be sent. In addition, it was suggested that the Program Chair request that speakers make available a biographical sketch about themselves for public release. The Board also requested that a clippings file be started. News articles and citations in independent journals concerning ARIA should be put into this file. Doerpinghaus reported that posters allow the maximum number of people to attend and the maximum number of papers to be presented. She also stated that early planning for the meeting is necessary.

The Board discussed how to attract more meeting sponsors. Concern was expressed over the Huebner Foundation not sponsoring an event this year nor having many attendees at the meeting.

Doerpinghaus requested that feedback be forwarded to Brockett so he could take it into account when planning for the 2000 meeting.

Future Site Selection Hamilton reported that contracts had been entered into for the next three annual meetings. Some board

members expressed concern over the choice of Indianapolis. The reasons for choosing Indianapolis – availability, cost, and central location - were revisited. The Board identified three cities to be explored for the 2003 annual meeting: Salt Lake City, Denver, and Chicago. Hamilton will have Nancy Panati look into those cities upon returning from the annual meeting.

Membership Committee Reports

Individual Membership D'Arcy proposed that individuals who join after the annual meeting be members for the rest of the year plus the next year. These members would not receive back issues for the year in which they join. (Members who join before the annual meeting will receive back issues and such to bring them up-to-date for the year in which they join.) Stichter made a motion to accept D'Arcy's proposal. Doerpinghaus seconded. All of the board members who were present approved the motion. Browne asked what was being done to find the members who fell through the cracks during the transition between Executive Director's offices. D'Arcy and Hamilton reported that a special mailing was to be sent asking them to rejoin. In addition, individuals from 1997 and 1998 who had not renewed will be contacted and asked to renew.

Institutional Membership The Board noted that ARIA continues to go back to the same sponsors repeatedly. It discussed how to approach Kemper again. The Kemper foundation has had a change in its executive director. But, Kemper prefers to fund special programs rather than respond to a straight request for funds. The question was asked why ARIA needs Institutional Sponsors. The response was that the funds allow ARIA to broaden its services to the membership. It was suggested that the Strategic Planning Committee (which the President-Elect-Doerpinghaus for 1999-2000 chairs) determine where funds are needed and go back to the sponsors for those funds. It was also suggested that Kemper might be solicited to establish funding for the Web site.

Best's Review Committee Report No report provided. No action taken.

Web site Committee Report Jim Garven submitted his report for the Web site committee. He indicated that the objective was to transfer the Web site from LSU. Garven stated that he would like to hire someone and budget for it by January. He would like to explore outsourcing the hosting of the ARIA Web site.

Doerpinghaus requested that the paper submission process for annual meeting planning be more automated. She noted that the auto response needs to be changed each year. She also requested that the system record the submission address and strip the names of authors off for review. Brockett stated that he could hire a grad student to do the program for the 2000 annual meeting.

Hamilton echoed the need for more automation. Garven currently has to manually update the broadcast e-mail list. Furthermore, it appears that the mailing list is inaccurate since the number of members on the list exceeds the actual number of members.

The Board approved \$7,500 for Web site management, subject to further info to be provided by Garven.

The Board discussed how to handle online credit card payments. Garven suggested that a secure line could be arranged now with a link to Yahoo's small store. Garven also noted that with Windows 2000, the site server and commerce capabilities are packaged together.

JRI Editor's Report Richard MacMinn reported on the May 1999 meeting of the editors for the *JRI* and the *RMIR* with personnel from the Institutes' Publications Department. At this meeting, formatting problems were ironed out. The Institutes will take over the formatting; editors will need only to provide the text.

The cover of the *JRI* was redesigned to reflect the global outlook.

The June issue of the *JRI* is online. MacMinn plans to e-mail ARIA members the TOC. He would like to put links from the e-mail to the *JRI* but there are security issues that prohibit this at this time. MacMinn also noted that if a browser is set not to allow cookies, the user cannot get into the *JRI* through the Web site. Furthermore, the capability to use color and animation in the online journal is available. Troxel suggested that the online version of the *JRI* be watermarked so that it cannot be duplicated without notice of copyright violation appearing.

The *JRI* is close to naming a new book review editor. Five people have expressed an interest, and one or two are of particular interest to the *JRI* editors. They plan to have the book editor work with the Amazon Associate program.

MacMinn requested a broadcast e-mail to members to let them know that ARIA is an associate member of Amazon and that if they

purchase books through ARIA's site, Amazon will pay ARIA a percentage of the sale.

MacMinn reported that authors can check their status online. Brockett and MacMinn reported on the backlog of articles outstanding. Some concern was expressed over the large number of articles outstanding over 120 days. The Board discussed ways to address the problem.

Doeringhaus made a motion to commend MacMinn and Brockett for their great work on the *JRI*. Troxel seconded. The motion passed with the approval of all board members present.

Digital Subscriptions The Board discussed digital subscriptions with MacMinn and Brockett. A form has been posted to the Web allowing individuals to subscribe, and one digital subscription had been received as of the board meeting. Concern was raised about the effect of digital subscriptions on the sale of paper subscriptions. Stichter made a motion to allow digital subscriptions to the *JRI* for \$20 only to individuals outside the United States and Canada. Digital subscribers would have their fee for submitting an article to the *JRI* waived, but would receive no other membership benefits. Troxel seconded. The motion passed with the approval of all board members present. Jim Carson will be asked to explore establishing a digital subscription for institutional subscribers.

CDs of Past Issues 1998 and 1999 *JRIs* should be available on CD by 2000. The 1999 *RMIR* could be included on the 1999 *JRI* CD. However, Mike Powers, an *RMIR* editor, indicated that the first priority of the *RMIR* is to get online. It was decided that the *JRI* would be separate from the *RMIR*. The *JRI* editors recommended that the CDs be sold to members and subscribers. A subscription rate that incorporates the CD might also be determined. The Board agreed. Brockett and MacMinn will determine the cost.

Advertising The Board discussed whether to allow advertising in the *JRI* and *RMIR*. Hamilton pointed out that any net profit will be taxable income to ARIA. She will research the financials to develop figures on the net income from the *JRI* and *RMIR* to help the Board make a decision to allow advertising. Hamilton will also develop a proposal for fees and guidelines regarding content to be published. Stichter suggested a committee appointed by Nelson study the issue. Browne made a motion to establish a committee to explore and begin selling advertising space. Hoyt seconded the motion; it was approved by all board members present. Stichter made a motion to establish pricing at 1993 rates adjusted for inflation.

Brockett seconded; the board members present approved it unanimously.

RMIR Editor's Report Mike Powers submitted his report on the *RMIR*. He indicated that he and Mary Weiss had decided on a new look and feel for the *RMIR*. He also reported that he had received professional service from the Institutes. The biggest issues facing the journal are its identity and how to increase its submissions and subscriptions.

The Board first discussed increasing submissions. Doerpinghaus suggested that a letter be sent to all authors presenting papers at the annual meeting, encouraging them to submit to the *RMIR* (and *JRI*) and including submission guidelines for both journals. Hoyt suggested that the editors invite papers to be submitted after seeing the presentation, in a manner that does not commit to publishing the paper. Browne suggested that the audience is bigger than ARIA and that RIMS, CAS, and IIS might all be contacted or presenters invited to submit papers. Stichter suggested a special letter be sent to Institutional Sponsors inviting submission.

Discussion then turned to the subscription numbers. The *RMIR* editors proposed that ARIA members be asked to check with their libraries to get them to subscribe if they do not already. Powers also suggested that if the journal is properly designed, the subscriptions will come. D'Arcy suggested a special mailing to company libraries. Hamilton will see whether a mailing list can be obtained. Nelson will check with the College of Insurance librarian for ideas about contacting company and other libraries.

The Board then addressed the change in the editorial process. The editors suggest three sections - the feature articles that would be reviewed, the perspectives articles for opinions and new ideas, and an educational insights section that would focus on pedagogical issues rather than HR/administrative ideas. The editors reviewed other journals and thought that this was in line with the second journals of other academic associations such as the FMA's second journal FPE. Nelson raised the issue of a complaint sent by an ARIA member concerning an article he submitted that had been rejected. The Board discussed the issues and decided to support the editors' decision. Browne suggested that the Board affirm that the editors set the editorial process and the Board should support that policy. The Board agreed. Nelson will talk with the ARIA member who raised the issue.

Newsletter Editor's Report The Board discussed whether to continue the newsletter. The board members agreed that it was a good use of ARIA's resources and that a May-November schedule was fine.

Griffith Foundation Liaison Committee Report Stichter reported that the Griffith Foundation is continuing to explore developing a source of funds for adjunct professorships. He hopes to identify donors of funds and begin to structure the program. He believes the funds could be used to augment both small and big insurance programs and help to bring instructors with industry experience into the classrooms. Stichter would like to build onto the program by identifying local funding to keep the adjuncts involved in the insurance programs. Stichter plans to poll individual ARIA members about how such a program might work and then go back to donors to develop a proposal.

Faculty Internship Program Stichter reported that faculty internships are a good way to develop relationships between educators and insurers and the industry. However, he has been running into difficulties because the companies are not able to locate mentors needed for the interns. D'Arcy asked whether brokerages had been identified to provide internships. At this point, no, according to Stichter. Stichter noted that Bill Rabel had been unsuccessful in getting life insurers to participate. He also noted that he had been working with RIMS but was unsure of any internships available through them. Stichter would like to have employers of all types involved. Overall, the program has been successful. All participants have provided excellent feedback. Only one company had a problem with the intern provided.

ARIA's History Corbett reported on the progress he has made concerning the project. He said it has been a challenge in some respects but has received support from several ARIA members who have been in the organization for many years. He requested that the Board review the excerpt he provided for prose style and provide him feedback. Corbett stated that he expects the history to be printed in the *RMIR* in two parts. Part 1 would cover the history of ARIA from its formation until just after the second world war started. Part 2 would report on the post-war growth of ARIA and its modern era. Corbett also requested assistance in finding the covers of *JRIs* from 1970 and earlier. The covers contain information such as advertisements. The Executive Director's office will look at its collection of *JRIs* to see whether they can supply the photocopies Corbett requested. If not, a broadcast e-mail will be sent to the

membership requesting photocopies of the inside and outside of the covers.

Strategic Planning Committee Report Nelson reported on the strategic initiatives the committee proposes and how they might be implemented. The Board discussed the proposed plenary session to attract risk and insurance professionals, and possibly deans and department chairs to the annual meeting. The Board suggested that attracting deans might be difficult since they have their own annual meeting. It might be sufficient to encourage industry professionals, regulators, and risk managers to attend.

The Board also discussed the proposal to increase the effectiveness of ARIA's journals. Nelson suggested bringing APRIA's journal under ARIA's auspices. Brockett stated that this might not be advisable since there might not be enough articles for a full issue of an ARIA journal. Brockett suggested just using APRIA members as authors and reviewers when possible. Troxel concurred and stated that ARIA should not feel threatened by APRIA having its own journal.

Stichter suggested that strategic planning focus on how to get insurance into business school programs and curriculum.

Old Business

Board of Directors Manual Hamilton reported that the Board of Directors Manual was going to be revised, per D'Arcy's request. Board members agreed to send feedback to the Executive Director's office concerning the existing manual and the SOPs provided by Hamilton.

New Business

Coordination with other Organizations Stichter reported that representatives from ARIA and SIR would be meeting August 10 during the annual meeting to explore mutual areas of interest and recommend ideas to take to their respective Boards for moving forward. Stichter also said he had discovered that an academic conference on employee benefits was occurring in Vancouver at the same time as ARIA. It appeared to be CEBS related. D'Arcy reported that Steve Weisbart was going to develop a list of organizations for ARIA to associate with based on Doerpinghaus' previous suggestion.

Electronic Publication of Directory The Board discussed making the ARIA directory available on the Web site. The Board requested that the directory be placed inside the firewall, be password-protected, not be included with the JRI, and only be searchable for now. The Board would like to explore allowing members to browse the directory by letter. Kevin Ahlgrim will be asked by the Executive Director's office to install a password-protected link to the membership database currently on the Web site from the ARIA home page.

International Insurance Markets Support D'Arcy reported that Jim Carson had agreed to explore international insurance markets and organizations with which ARIA might partner.

Research in Our Discipline Review Article Browne asked the Board to consider funding, in some way, research that pulls together all the risk and insurance research for the last ten years. He proposed that the research be conducted by two or three ARIA members selected by the Board (such as the editors of the JRI) to organize the research according to major themes and highlight how these themes have developed over time. The Board generally agreed that this was a worthwhile project but requested a more definite proposal. Browne and Brockett agreed to discuss and develop a proposal and provide samples of such research conducted by other organizations. It was also suggested that this might be a project for Kemper to provide funding for.