Conversation with ARIA President Patricia Born

On Aug. 4, 2014, Patricia Born became ARIAs 72nd president. Patty is the Payne H. and Charlotte Hodges Midyette Eminent Scholar in Risk Management and Insurance at the College of Business at Florida State University (FSU). She also serves as the Doctoral Program Director of Risk Management/Insurance in FSUs Real Estate and Legal Studies Department, where she is responsible for teaching courses in undergraduate and graduate (MS, MBA, Ph.D.) risk management programs.

Patty’s research interests include insurance market performance, insurance regulation, products and medical professional liability and management of catastrophic risks. Her articles have been published in The Journal of Risk and Insurance, Journal of Legal Studies, Journal of Risk and Uncertainty and Risk Management and Insurance Review, among others. She has been a Visiting Lecturer at Ludwig-Maximilians-Universität in Munich, Germany and Fudan University and Shanghai Normal University in Shanghai, China. Patty received her Ph.D. in economics from Duke University in 1994. She is a Certified Long Term Care Ombudsman for the Florida Department of Elder Affairs.

ARIA NEWS recently discussed Pattys plans and vision for the direction ARIA is going in the coming year and beyond.

ARIA NEWS: First, tell us a little bit about yourself. What prompted you to study economics and go into insurance research?

Patty: I chose to study economics because I was interested in market dynamics and the factors that influence the supply of and demand for products. I became interested in insurance markets during graduate school, and chose to focus on insurance markets for a variety of reasons. The work I did as a research assistant for Kip Viscusi introduced me to product liability, insurable risks, and consumer attitudes toward risk.

In my second year at Duke, I learned that the NAIC (National Association of Insurance Commissioners) was looking for researchers to study factors contributing to insolvency, and decided to apply. I was surprised when the NAIC sent me 80 reel-to-reel tapes of data for my analysis!

ARIA NEWS: How do you enjoy spending your leisure time?

Patty: I have not had much leisure time this year, as I have been preparing to compete in the Ironman Chattanooga race on Sept. 28. While I enjoy swimming, riding, and running, I am looking forward to playing ice hockey again in November.

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

Continued on page 2
Conversation with ARIA President Patricia Born, continued

Patty: There have been many influential persons in my career success. The first, my grandmother, has been an inspiration throughout my life. She fought her parents to finish high school, and didn’t get a chance to take a college class until she was 70. She regularly asked for progress reports when I was working on my dissertation and, at 96, she still asks me how my research is going. Kip Viscusi taught me a lot about the research process, but the most important lesson was to ask myself, “now, why would someone care about what I’ve found?”

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

Patty: Professionally, I’m proud to have achieved full professor status at Florida State University, and to have been named an Eminent Scholar. I continue to find the greatest rewards have come from learning that some of my research has had real impact, and from working with students on research. Personally, I am proud of my two children, Allison and Logan, who continue to amaze me with their own accomplishments!

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

Patty: I can’t think of anything, really. There have been many surprises along the way, and I’ve enjoyed them all!

ARIA NEWS: You have served as the ARIA strategic planning committee chairperson. Would you elaborate a bit on your presidential strategies to strengthen and move ARIA forward in the upcoming year?

Patty: The Board of Directors has engaged in strategic planning for the past several years. This process is still ongoing, but we have agreed upon several important goals for the organization, and are now discussing strategies to meet these goals. As I indicated in my presidential address, ARIA can become a larger and stronger community of risk and insurance academics. This requires increased efforts in the areas of networking, outreach to related disciplines, and promotion.

ARIA NEWS: What do you believe is the single most important objective ARIA must achieve within the next five years?

Patty: Membership. It is most important for ARIA to find ways to attract the best and brightest scholars in risk and insurance to increase our visibility and reputation as the “premier” organization in our field.

ARIA NEWS: What advice would you give to a younger you, and what advice would you give to younger ARIA members?

Patty: I would tell a younger me or a younger ARIA member to stay open-minded about where your career is heading. Seek out opportunities to meet and learn from other people. It may sound like a cliché, but really, your career is a journey, not a destination!

ARIA NEWS: Thanks, Patty, good luck on your term as president!

Welcome, New ARIA Board Members

Martin Grace
Georgia State University

Kathleen McCullough
Florida State University

On behalf of the entire membership, the Executive Office offers its sincere appreciation to outgoing Board members George Zanjani and Martin Ellingsworth.

2014–2015 Officers

Patricia Born, President
Florida State University
pborn@business.fsu.edu
(850) 644-7884

Andreas Richter, President-Elect
Ludwig-Maximilians-Universität München
richter@bwl.lmu.de
+49 (0) 89 / 2180-2171

Paul Thistle, Vice-President
University of Nevada, Las Vegas
paul.thistle@unlv.edu
(702) 895-3856

Laureen Regan, Immediate Past President
Temple University
lregan@temple.edu
(215) 204-7264

2014–2015 Directors (Terms)

Alexander Muermann (2015)
Vienna University of Economics & Business
alexander.muermann@wu.ac.at
+43 (1) 31336-4948

Georgia State University
rphillips@gsu.edu
(404) 413-7011

Mark Warshawsky (2015)
Mercatus Center at George Mason University
mwarshawsky@mercatus.gmu.edu
(703) 993-4922

Martin Boyer (2016)
HEC Montréal, Université de Montréal
martin.boyer@hec.ca
(514) 340-6704

Rachel Huang (2016)
National Central University
rachel@ncu.edu.tw
+886 3 4227151 ext 66282

Stephen Mildenhall (2016)
Aon Center for Innovation, Strategy and Management
stephen.mildenhall@aon.com
+65 6231 6481

Martin Grace (2017)
Georgia State University
mgrace@gsu.edu
(404) 413-7469

Kathleen McCullough (2017)
Florida State University
kmccullough@business.fsu.edu
(850) 644-8358
Mark your calendars! The Third World Risk and Insurance Economics Congress (WRIEC) will be held in Munich, Germany on Aug. 2-6, 2015. Held every five years, the next WRIEC is being organized by the European Group of Risk and Insurance Economists and co-organized by ARIA, Asia Pacific Risk Insurance and Association and The Geneva Association. Our host will be the Munich Risk and Insurance Center at Ludwig-Maximilians-Universität Munich.

The purpose of WRIEC is to stimulate corporate awareness and interest in risk-related research and provide a forum for networking among academics and industry and government professionals worldwide. It is open to individuals who share an interest in promoting education and research in the broad areas of risk and insurance. The 2015 WRIEC will feature panel sessions on climate change, asset management, big data and RMI research. Confirmed keynote speakers include Nikolaus von Bomhard, CEO of Munich Reinsurance, and Mohamed El-Erian, Chief Economic Adviser of Allianz. The 27th Geneva Risk Economics Lecture will be delivered by Jean-Charles Rochet, Swiss Bank Institute Senior Chair at the University of Zurich.

ARIA members are encouraged to submit a proposal to present research findings. Papers on any risk or insurance-related topic are welcome. Specific subject areas include, but are not limited to, insurance economics, risk-management, insurance law or regulation, insurance company operations, corporate governance, public policy, health care, international issues, retirement or employee benefits.

Please provide an executive summary (up to three pages) highlighting the purpose, expected results and importance of the research or preferably a completed paper. Proposals from doctoral students are encouraged. Proposals must be submitted electronically on the WRIEC website at www.wriec.net in Acrobat (.pdf) or Word (.docx) format. The submission link will be available by Jan. 5, 2015. Please remove all author information from your paper (double-blind review process).

The deadline for submission is Monday, Feb. 2, 2015, and will not be extended. Papers already accepted for publication should not be submitted. Authors will be notified by email of the program committee's decision regarding their paper by mid-April 2015. In order to stay on the program, at least one author must register for the meeting no later than June 1, 2015.

Questions concerning the program can be directed to ARIA’s Program Chair, Alexander Muermann, Vienna University of Economics and Business (alexander.muermann@wu.ac.at). The WRIEC Organization Committee is composed of Sankarshan Basu (Indian Institute of Management Bangalore), Patricia Born (Florida State University), Christophe Courbage (The Geneva Association), John Fitzpatrick (The Geneva Association),Montserrat Guillén-Estany (University of Barcelona), Hunsoo Kim (Soon Chun Hyang University), Andreas Richter (LMU Munich) and Paul Thistle (University of Nevada Las Vegas).

Stay tuned for more information on next year’s WRIEC program in future listservs.

Congratulations to the ARIA Award Winners of 2014
compiled by Anthony J. Biacchi, ARIA Executive Director

Casualty Actuarial Society Award
A paper published by ARIA (in either The JRI or RMIR) in the prior year that is most valuable to casualty actuarial science: “Predicting Multivariate Insurance Loss Payments Under the Bayesian Copula Framework,” The JRI, Vol. 80, No. 4, Dec. 2013, p. 891
Yanwei Zhang (CNA Insurance Company) and Vanja Dukic (University of Colorado-Boulder)
Congratulations to the ARIA Award Winners of 2014, continued

Hagen Family Foundation Travel Award
Travel stipend in support of an annual meeting presenter: Sebastian Soika (Ludwig-Maximilians-Universität Munich)

Bob Hedges Undergraduate Student Award
A travel stipend in support of an undergraduate attending the ARIA annual meeting: Juliane Gutsiedl (Ludwig-Maximilians-Universität Munich)

Les B. Strickler Innovation in Instruction Award
In recognition of innovative ideas that have been developed and used in risk management and insurance education: “Insurance-Linked Securities” Alexander Braun (University of St. Gallen)

Early Career Scholarly Achievement Award
In recognition of distinguished achievement of a RMI scholar who earned a Ph.D. in the last 10 years: Casey Rothschild (Wellesley College)

Patrick Brockett & Arnold Shapiro Actuarial Journal Award

Vol. 16, Issue 1, 2012
Yijia Lin (University of Nebraska-Lincoln), Min-Ming Wen (California State University) and Jifeng Yu (University of Nebraska-Lincoln)

Robert C. Witt Award
Outstanding feature article published in The Journal of Risk and Insurance: “The Risk-Sharing Implications of Disaster Insurance Funds,” The JRI, Vol. 80, No. 2, March 2013 Alex Boulatov (University of Houston) and Stephan Dieckmann (University of Pennsylvania)

RMIR Award for the Best Article

Kulp-Wright Book Award
An outstanding original contribution to the literature of RMI: Insurance Economics, Springer Peter Zweifel (University of Zurich) and Roland Eisen (Goethe University Frankfurt am Main)

Robert I. Mehr Award
A literature contribution having a 10-year impact in the field of RMI: “The Impact of Regret on the Demand for Insurance,” The JRI, Vol. 71, No. 4, Dec. 2004 Michael Braun (Southern Methodist University) and Alexander Muermann (Vienna University of Economics and Business)

President’s Award
In recognition and appreciation for commitment and dedicated service to ARIA: J. David Cummins (Temple University)

Mary Weiss (Temple University) will be retiring from her post as editor of Risk Management and Insurance Review on Dec. 31, 2014. She has held this position for 9 years; prior to that, she was co-editor with Michael Powers (Temple University). Beginning in 2015, Gene Lai (Washington State University) and Patricia Born (Florida State University) will serve as the new RMIR co-editors for a three-year term. ARIA is grateful to Mary for her many years of service!
Thank You

ARIA is grateful to the following sponsors of monetary awards and to those who contributed to funding the awards:

- Patrick Brockett & Arnold Shapiro—Actuarial Journal Award
- Casualty Actuarial Society
- Hagen Family Foundation Travel Award
- Robert Hedges Undergraduate Scholarship Fund
- Les B. Strickler Education Fund
- Robert C. Witt Award Fund

The Inaugural S.S. Huebner Foundation Ph.D. Colloquium

by Richard Phillips, Georgia State University

The S.S. Huebner Foundation, with in-kind support from ARIA, hosted the inaugural S.S. Huebner Foundation Ph.D. Colloquium in Seattle, Wash. on Aug. 3, 2014.

The objectives of the colloquium were to:

- Provide outstanding Ph.D. candidates investigating risk and uncertainty and who are interested in pursuing an academic career the opportunity to discuss their dissertation research with other later-stage doctoral students and leading academics.
- Support community building by connecting beginning and advanced researchers amongst one another, with ARIA, and with the larger community of scholars interested in the economics of risk, uncertainty, and insurance.
- Provide Ph.D. candidates a certificate acknowledging their participation in this invitation-only event as a way to differentiate them in support of their upcoming job search.

We received fifteen proposals from Ph.D. students studying at City University, Fordham University, Georgia State University, Imperial College, Iowa State University, Southwest University of Finance and Economics (China), University of Georgia, University of Cape Town, University of Kansas, and Yale University. Five individuals were selected to attend the 2014 Huebner Colloquium.

Each student made a 40-minute presentation in a plenary session format, followed by 10-20 minutes of open discussion with Q and A from other participants. This facilitated close interaction between students and professors.

The panelists were:

- Keith Crocker, Penn State University
- Martin Grace, Georgia State University
- Kathleen McGarry, University of California-Los Angeles and National Bureau of Economic Research (NBER)
- James Moore, PIMCO and Huebner Board Member
- Harris Schlesinger, University of Alabama

The 2014 Huebner Scholars and their works are:

**Davide Benedetti (Imperial College)**
*Title:* “Corporate Risk Management and the Demand of Reinsurance”  
*Advisor:* Enrico Biffis, Imperial College
*Abstract:* We empirically study the relation between the cost of hedging and capital structure in the insurance industry. Our findings contribute to the literature by providing new evidence on how hedging costs, represented by reinsurance premiums, and collateral requirements in the setting of Rampini, Sufi and Viswanathan (2014) may outweigh the benefit of lower reliance on costly external capital, contrary to the predictions of Froot, Scharfstein, and Stein (1993). Our results offer a more complete understanding of how the relative credit quality of the counterparties to a hedging transaction shape the risk management policy of corporations. In a regulated environment like insurance, insurers prefer to transfer risk to higher credit quality reinsurers, to obtain substantial regulatory capital relief. Our results also demonstrate that a considerable portion of reinsurance decisions can be better understood from the need to internally manage the risk of holdings across its small entities. Further extensions of this research will include the analysis of the interconnectedness in the property and casualty insurance market, relying on network theory and matching models.

**Philippe d’Astous (Georgia State University)**
*Title:* “Liquidity Constraints, Credit Card Delinquency, and the Effect of Raising Minimum Payments”  
*Advisor:* Stephen Shore, Georgia State University
*Abstract:* We analyze the tightening of consumer liquidity constraints through an increase in minimum credit card payments using data provide by a North American financial institution. The policy studied represents a 66% increase in the minimum payment required on the account (from 3% to 5% of the monthly revolving balance) and was directed to all account holders, regardless of their financial condition. We identify the effect of the policy using an institutional feature allowing consumers to contract on the account a term loan that was not affected by the policy change. Our results show that there is heterogeneity in the impact of the policy across delinquency states, consistent with part of the consumers facing liquidity constraints.

Continued on page 6.
Without ARIA, Where Would We Be?

by Andrew Whitman, The University of Minnesota

ARIA’s leaders continue to generate energy and excitement for risk management and insurance at their respective universities and globally as they did 48 years ago when my mentor C. Arthur Williams was ARIA President (in 1965). The officers, directors, committees and program team have opened paths for many of today’s professors and industry executives, for which I am grateful.

At the 2014 annual meeting in Seattle, all of the participants continued to enhance the indispensable value of ARIA. I again visited with some of the scholars and teachers who first greeted me back in the 1960s-70s: Bill Rabel and Terrie Troxel, and others in the 1990s: Joan Schmit and Norma Nielson.

The organizational staff – Tony Biacchi, Jennifer Long, and Elizabeth Sheely – and the sponsors always do a terrific job, providing a great service to ARIA members with ripple effects throughout the global risk management and insurance industries.

The ARIA meeting typically provides a forum where we can gain access to the sharpest minds throughout the academic community and the industry and exchange ideas among our colleagues. This year’s event was enhanced by participants from about 20 countries. The program is always timely and relevant. Presenters made the conference inspiring, while discussants were well prepared summarizing and
Without ARIA, Where Would We Be?, continued

presenting helpful suggestions with PPT back up. The meeting began with the kick-off session, “What Is Risk?”, with Harris Schlesinger, Neil Doherty and Michael Hoy. They also contributed during other sessions with sage comments which were very helpful to researchers and teachers.

Through ARIA, underlying theories continue to be tested contributing to new and improved systems. This was demonstrated by Richard Derrig, whom I met decades ago when he was on the vanguard of “big data” analysis. At this meeting, Richard presented on effectively reducing fraud in Massachusetts auto medical personal injury protection coverage, which is now being applied and considered in other states.

Other timely and relevant sessions evaluated advantageous selection versus adverse selection, important to the implementation of the ACA (Affordable Care Act), and addressed cyber risk and enterprise risk management (ERM), the latter which is imperative today as corporations aim to satisfy triple bottom objectives of justice, sustainability, and economic gain. James Kallman, the winner of ARIA’s Lester B. Strickler Innovation in Instruction Award (2002), and many other ARIA members have been instrumental in providing much needed education to corporate executives in the U.S. and abroad on the significance of ERM as a holistic framework for identifying and quantifying risks and examining their interrelationships throughout an organization.

During the ARIA meeting, informal networking discussions with colleagues and sponsors contributed to a rich exchange of ideas and experiences. New ARIA members such as Mack Rogers were “energized” beyond expectations. Mack shared his experiences as a history buff, veteran, and former insurance executive in Houston, Texas. We were joined by my colleague, Dick Butler, the former C. Arthur Williams Chair and Director of the Minnesota Center for Risk and Insurance. Across from Dick were Andrew Miller of the Spencer Foundation, which funds risk managers’ visits to universities (including The University of Minnesota next spring), and Jim Garven, who years ago created the first worldwide web risk and insurance discussion forum.

Other ARIA meeting attendees included representatives from The Institutes that annually award scholarships to my students and present in my classes of 40 to 60 students. Young, excellent researchers and teachers carry forward ARIA’s mission with events such as the Strickler Innovation Award presentation, given this year by recipient Alexander Braun who blew us away with his insights, knowledge and course presentation on insurance-linked securities. I am grateful that he has granted me permission to use his PPTs in my classes.

Indeed, without ARIA, we’d have fewer risk management and insurance programs at major universities. In the tradition of other ARIA leaders, C. Arthur Williams was Chair of the Finance Department, and Dean of the now Carlson School of Management at The University of Minnesota. His ground-breaking text book, Risk Management and Insurance (1965), and his book on workers compensation programs of other nations are recognized globally.

We stand on the shoulders of ARIA leaders and scholars in the study of pure risk: e.g., Herbert Denenberg, J. Robert Ferrari, Richard Heins, and Allan Willet – their books are classics. When Denenberg was Pennsylvania Insurance Commissioner, I was Deputy Commissioner – amid objections and controversy, we published the first state authorized Insurance Shoppers’ Guides and the first requirements for insurance policies to meet the Flesch test for readability, and we conducted the first investigation of contracts between Blue Cross and hospitals that led to establishing regulations designed to control hospital costs.

Past and present ARIA members are among today’s thought leaders: to name a few, Therese Vaughan, following her dad, Emmett Vaughan, and his substantial contributions (e.g., his classic text, Fundamentals of Risk and Insurance);

Jeffrey Brown, who served on the Social Security Advisory Board; and Glenn Harrison, who has consulted for the World Bank. Other ARIA members, including Robert Hartwig, in his capacity as president of the Insurance Information Institute, J. David Cummins, Scott Harrington and Daniel Schwarcz, have been called upon to testify at the state and Congressional levels and contribute to issues of importance to the NAIC and state and federal policymakers.

In conclusion, it’s no wonder that ARIA’s annual meeting is the premier event each year for academics and researchers in RMI from so many countries. I look forward to the next ARIA meeting in Munich, Germany and a cruise on the Rhine River!

About the author:

Andrew Whitman, CPCU, CLU, CFP, has been teaching insurance at The University of Minnesota for nearly a half century. He sold life insurance policies for Provident Mutual Life Ins. Co. while earning an MBA from Penn State. He earned his Ph.D. from the University of Wisconsin-Madison and J.D. from The University of Minnesota. During his career, Andy also served as Deputy Insurance Commissioner and Acting Chief Counsel in Pennsylvania. He has testified as an insurance expert in the courts of 10 states and served briefly as a legislative lobbyist for the Minnesota Big I and The Minnesota Association of Life Underwriters.

In 1966, Andy was recruited by C. Arthur Williams to join The University of Minnesota faculty. Andy created the insurance curriculum there and with the help of the late Bob Provost, president of the Minnesota Insurance Information Center, brought together the university and the insurance industry to further expand the school’s insurance offerings. In 1992, they established a major and minor in risk management and insurance and a major in actuarial science.
Andy has had a very full and active life, but he’s not ready to retire yet. Here are a few of his experiences and activities that ARIA members might not know about:

- He attended a vocational-technical trade school to learn heating/ventilation/air-conditioning, training which he thought would be useful to the small coal and fuel oil business his family operated.
- He still sails, but not as competitively as he once did when – while in college at Penn State – he won the Jersey State sailing Snipe Championship with his brother.
- He won the Nokomis Sunfish summer series, and placed fourth in the Aquitania series.
- He is a mock trial coach, serves Meals-on-Wheels, plays music and sings with nursing homes where he literally has had some residents dancing in walkers and wheel chairs.
- He and his partner recently won two swing dancing contests, one in which the prize was awarded by Minnesota Public Radio’s Garrison Keillor on a street dance stage.
- He is on the boards of Missions, Inc. and the State of Minnesota Division of Risk Management.

Another fun fact about Andy – he was a volunteer firefighter and safety patrol coordinator. Andy says, “My best risk management experience was being a fire fighter, driving the engine at night, and taking kids on rides at parties and festivities. I was nearly late for a lecture once due to fighting a fire. That’s real risk management. I like to practice what I teach!”

ARIA was pleased to welcome 34 first-time attendees to this year’s meeting in Seattle. Here are comments made by several of them regarding the event.

**Courtney B. Bass (Florida State University):** “I was very impressed with the content of the ARIA meeting; it allowed me to become exposed to areas of research that I was not familiar with. Beyond that, I felt that the meeting provided me with an opportunity to network with some of the leading researchers in our field. Additionally, I think that the relationships I formed with other doctoral students (and faculty members) will prove to be invaluable in the future. Everyone was very welcoming, and I look forward to attending ARIA meetings in the years to come.”

**Pei-han Chen (University of Georgia):** “I really enjoyed the meeting and learned a lot from the sessions. Since I am a Ph.D. student, it’s really a good chance to attend this meeting and meet many outstanding professors from all over the world. Professors were very nice and willing to talk to me! The topics of the sessions were very interesting; I attended most of the sessions and some topics are related to my dissertation topics. It really helped me to learn how to look at my research from a different perspective. The location was great, too. This was my first time in Seattle. It’s really a beautiful city! Overall, I really appreciated the opportunity to attend and hope I may have a chance to attend future ARIA meetings.”

**Juliane Gutsmiedl (Florida State University):** “Everyone was very friendly and open-minded which made it easy to meet new people. Especially for me as an undergraduate student, the Annual Meeting was a unique opportunity to get in contact with experienced researchers. Even though I definitely did not (and still don’t) possess the knowledge to follow along in every presentation, I enjoyed listening and gaining insights into the broad field of RMI research. ARIA certainly had an impact on my career plans and I really appreciate that I had the chance to attend it through the Bob Hedges Undergraduate Student Award.”

**Corina Mommaerts (Yale University):** “My first ARIA meeting was in combination with the inaugural S.S. Huebner Doctoral Colloquium. I particularly enjoyed the discussions at the colloquium and the insights (and jokes!) at the ‘What is Risk?’ session. The otters at the reception at the Seattle Aquarium were also quite captivating!”

**Other Impressions of the ARIA Annual Meeting**

The 2014 ARIA annual meeting in Seattle was a success, according to results of the recent survey conducted by the Executive Office. More than 9 out of 10 respondents thought this year’s program content and presentations were relevant, supporting Andy Whitman’s comments about ARIA meetings (see previous article). Speakers and moderators were generally rated “very good” or “excellent.”

The plenary sessions, evening event at the Aquarium and networking were mentioned most often as meeting highlights. Comments made by some attendees were:

- “I think this meeting was very high quality.”
- “The plenary sessions were quite informative and thought-provoking.”
- “The Strickler award presentation by Alexander Braun was outstanding!”
- “A big thank you to ARIA staff and people like Liz Sheely and Jennifer Long.”
- A highlight was “the mentoring by presenters, ‘Seniors’ (such as Harris Schlesinger), even retired Professors (such as Neil Doherty), …and the informal networking at breakfasts and between sessions.”
- “I was pleased to see better comments from discussants than I usually see.”
- “The Huebner Foundation session with Ph.D. candidates was very valuable as a means to introduce scholars to ARIA who otherwise might not know us.”
Risk Management and Insurance Positions

Below is a list of organizations offering academic, government, and/or industry jobs that ARIA has received since May 2014, and whose deadlines have not passed. Note that some of these positions may have already been filled at the time of this newsletter publication. Please visit the ARIA website (http://www.aria.org) or contact these organizations for additional information.

May
St. John’s University (New York City, N.Y.) School of Risk Management, Insurance and actuarial science Assistant, associate or full professor in actuarial science

June
Kent State University (Salem, Ohio) Program coordinator for the insurance studies degree (non-tenure track)

July
Temple University (Philadelphia, Penn.) Fox School of Business Department of Risk, Insurance and Healthcare Management Assistant, associate or full professor in actuarial science

University of Alabama (Tuscaloosa) Culverhouse College of Commerce Director of the Alabama Center for Insurance Information & Research (ACIIR)

University of North Carolina at Charlotte Belk College of Business James J. Harris Chair of Risk Management and Insurance (associate or full professor level)

University of St. Thomas (Minneapolis-St. Paul, Minn.) Department of Mathematics Position in actuarial science (open rank tenure track)

August
Geneva Association (Switzerland) Director of Financial Stability Programme

September
Georgia State University (Atlanta) Robinson College of Business Department of Risk Management and Insurance One or more tenure-track appointments in actuarial science

Highlights of ARIA Executive Director’s Report – Summer Board Meeting

by Anthony Biacchi

The following highlights are excerpts from the ARIA Executive Office report, presented at the ARIA Board Meeting in Seattle, Wash. on Aug. 3, 2014. Other report highlights may be provided in other parts of this newsletter.

Finances

An audit of ARIA’s 2013 financials was completed in May. An unreviewed draft showed that net assets increased from $689,151 (end of 2012) to $729,471 (end of 2013). Year-end 2011 net assets were $617,629.

ARIA investment funds are categorized as restricted (intended for a specific purpose, usually an award honorarium) or unrestricted. At the end of June 2014, restricted funds totaled $132,616.21, an $8,000 increase from the same time last year. Unrestricted funds totaled $534,588.79 compared to $477,673.16 at year-end 2013 and $419,499.72 at year-end 2012.

Royalties for activities conducted in 2013 leveled off after two years of growth. In April 2014, Wiley Publishing royalties paid to ARIA (which represent income for subscriptions and journal access activities occurring in 2013) totaled $112,164, almost equal to the amount paid in 2013.

ARIA expenses include the contracted administrative fee paid to The Institutes, which increased in 2014 per the agreed-upon CPI for the previous year (1.7%). ARIA’s largest expenditure, the annual meeting, regularly reports a loss due in part to hosting the meeting in first-tier cities and the purchase of a software license for a product that assists in the management of papers submitted for presentation at the annual meeting; this product will likely be used with the 2015 World Risk and Insurance Economics Congress.

Annual meeting losses would be even greater without the generosity of sponsorship support. Sponsorship continues to be strong and much appreciated. This year, 27 organizations contributed $34,350 to the annual meeting; both totals are slightly lower than 2013. Despite the continued support, a break-even meeting registration fee would require an increase of more than $200 per attendee. Guest fees have always represented a loss.

Membership

Membership at mid-2014 totaled 499, compared to 513 in mid-2013 that ultimately grew to 564 at year end. From Dec. 2013 to June 2014, regular and retired members have fallen, while student members are growing. ARIA membership has been inconsistent over the years, ranging from last year’s high of 564 to lows just below 500 in 2008 and 2010.

While U.S. membership has trended downward, international membership has increased. In 2009, the distribution between U.S. and non-U.S. members was about 69%/31%; in 2013, this is now about 54%/46%. The growth in international members could be due to the increasing global presence of The JRI. Countries with the largest number of ARIA members at mid-2014 are U.S. (275); Germany (47); Canada (27); England and Switzerland (22 apiece); and Taiwan (17). New members make up 20% of ARIA’s mid-year membership (58 regular; 39 students and 4 retirees); 60 hail from the U.S., while 11 and 9 live in Germany and Switzerland, respectively.

Member Services, Executive Office

ARIA’s 2013 audit was conducted in the spring. No irregularities were identified in the undrafted audit.

Membership Committee

Cassandra Cole, Membership Committee chair, reported that the continuing goals of the committee are to:

• Analyze the membership data from ARIA and sister organizations in order to identify trends in the number and types of members who are either joining or no longer participating.
• Organize the First-Time Attendees Program.
• Assist ARIA in instituting potential value-enhancement ideas identified via the non-renewing member survey, the current member survey, and members of the Board.
Placement Committee

ARIA’s website currently posts 12 announcements that require a doctoral degree and intensive RMI research activity. Some submissions for postings are denied because they are unrelated to RMI, or they do not require a doctoral degree. The job market appears to have slowed down, compared to the placement report last year which identified 28 open positions.

Ping Wang, the sole member of the placement committee, announced that she will give up her position in September 2014.

Publications, Wiley Publishing

Traffic for ARIA’s two journals on Wiley’s Online Library (exclusive of 3rd party downloads) remains brisk and ahead of 2013. At mid-year, The JRI tallied 28,491 full-text downloads compared to 50,511 in 2013. Mid-year, RMIR received 10,034 full-text downloads compared to 14,017 for all of 2013.

Renewal rates for ARIA journals of 93% to 96% per year are on par with retention rates for other journals. Since a lower-than-100% renewal translates into a smaller income base on which to calculate ARIA’s royalties, Wiley suggested – and the Board approved – a 6.5% subscription increase for 2015.

Subscription fees for 2015 follow:

<table>
<thead>
<tr>
<th>INSTITUTIONAL SUBSCRIPTION FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Prices</td>
</tr>
<tr>
<td>North America $</td>
</tr>
<tr>
<td>Print only or Online only JRI &amp; RMIR</td>
</tr>
<tr>
<td>Print + online JRI &amp; RMIR</td>
</tr>
</tbody>
</table>

The JRI

The JRI continued to receive a large number of submissions, with 83 new submissions received during the first six months of 2014. As of Aug. 2014, the backlog of accepted papers numbered 69; 9 articles are scheduled for publication. Fifty-three accepted articles have been posted for early view.

Article submissions are processed through the ScholarOne portal. The JRI editor, Keith Crocker, reported receiving 272 submissions representing 34 countries since his term began 18 months ago. The 81 articles authored in the U.S. accounted for less than 30% of the submissions, followed by Taiwan (33 articles, 12% of submissions), Germany (27, 10%), and Canada (16, 6%).

The impact factor, produced by the Journal Citation Reports of the Institutes for Scientific Information, is the most frequently used measure of journal quality. The two-year impact factor for The JRI in 2013 was 1.000, down slightly from the two previous years: 1.237 in 2012 and 1.408 in 2011. The 2012 five-year impact factor increased from 1.390 to 1.408.

With respect to citation ranking, The JRI was ranked 38/89 among business and financial journals in 2013 compared to 24/86 in 2012 and 19/86 in 2011. Among economic journals, The JRI was 134/332 in 2013 compared to 102/232 in 2012 and 76/320 in 2011.

The Symposium on Convergence, Interconnectedness, and Crises: Insurance and Banking will go to press in September. Two other special issues are scheduled for distribution: (1) Behavioral Insurance and Behavioral Risk Management, scheduled for publication in 2015; and (2) papers from the Tenth International Longevity Risk and Capital Markets Solutions Conference to be held in Santiago, Chile. The special longevity issue will be featured as a regular issue, or as an extra (fifth) issue, during 2016 depending on the backlog of accepted papers at that time. The guest editors for the conference issue committed $5,000 to cover the approximately $8,000 production costs if a fifth issue is required.

Spencer offers scholarships for undergrads, grads & pre-dissertation Ph.D. students

The Spencer Educational Foundation’s 2015 scholarship applications for undergraduate, graduate and pre-dissertation Ph.D. students are now available and must be completed by January 31, 2015. Undergraduate scholarships are $5,000 and graduate/pre-dissertation Ph.D. scholarships are up to $10,000. In an effort to streamline the application process and save paper, the Foundation has contracted with Foundant to provide an online application solution. To access the application portal, please visit www.spencered.org. In 2014, the Foundation awarded 65 merit-based scholarships totaling $394,500.

“Students will still need to complete an essay and gather materials for the application packet,” said Programs Director Angela Sabatino. “But it is all online and students can save their work. As we continue to see an increase in the number of applications, the system also will help manage and securely store the applications we receive.”
Keith praised the work of his co-editors and noted the 381 reviewers who contributed to *The JRI* during his tenure.

**Risk Management and Insurance Review (RMIR)**

The *RMIR* annual page budget is 320 pages. The first two issues of the *RMIR* used 176 pages. The Spring 2014 issue included 8 articles (three invited, two features, one perspective and one educational insight). As of Aug. 2014, the Fall 2014 issue containing 8 articles (four features, three perspectives and one educational insight) was at the publisher.

During the first half of 2014, *RMIR* received 12 submissions and 14 resubmissions. Between July 1, 2013 and June 30, 2014, 50 articles were submitted to editorial review compared with 43 during the same period in 2012-2013. As of Aug. 2014, the results of the 2013-2014 reviews were 10 accepted, 6 rejected, 27 returned for revision and 7 currently under review.

*RMIR*’s median turnaround time for article review was 59 days.

**Webmaster**

Kyneta Lee, ARIA’s webmaster, reported that during the first half of 2014, there were 7,800 website visits by 5,162 individuals. The U.S. accounted for more than half (52.1%) of the total visits, followed by Germany (8.6%) and China (4.2%). Most visitors (3,379) accessed ARIA’s website by entering the website’s URL or clicking a bookmark. Another 3,242 entered the site through an organic search such as Google and Yahoo.

Since the current website hosting provided by Go Daddy will be phased out, ARIA will need to switch to a new C-Panel based hosting system. This change will require the entire website to be recopied.

**Teaching Resources**

The overall goal of the Teaching Resources Committee – chaired by Kathleen McCullough – is to promote teaching and sharing of resources among ARIA members. The committee continues its work to increase the amount of information on ARIAs website. Two challenges to maintaining the current website are: (1) obtaining materials that are relevant and valuable to the membership; and (2) keeping those materials up to date.

As a result, the committee has proposed two potential changes: (1) The Strickler Teaching Award materials and *RMIR* educational insight articles would continue to be stored on and/or linked to the site. (2) A database of ARIA members’ teaching interests could be created along with their contact information. Someone interested in obtaining materials for a new class could contact the source, and in turn potentially provide updated materials for the website. It is hoped that this new procedure will create more dialog about teaching than the current, more passive system.

If the Board approves, the committee is prepared to distribute a membership survey to begin populating the database as well as work with the webmaster to update the structure of the site. Or member information can merely become an additional part of the site and the committee will continue its present course.

**2016 ARIA Meeting**

ARIA’s 2016 annual meeting will be held at the Royal Sonesta Hotel in Cambridge, Mass. beginning on Sunday, Aug. 7.
Snapshots from Seattle
Snapshots from Seattle, continued
Gamma Iota Sigma Launches New Website, Career Resources Hub

Gamma Iota Sigma (GIS), the international risk management, insurance and actuarial science collegiate fraternity, has launched a new website with enhanced features, including a comprehensive Career Resources section to promote insurance careers to students.

The Career Resources hub is a widely collaborative effort, spearheaded by GIS in partnership with trade groups and professional associations to avail the industry’s collective resources to the next generation of insurance professionals. Through a combination of dedicated career path pages, career tools, roadmaps, surveys, and quizzes, the new Career Resources section introduces students to many different insurance industry careers and provides resources to help them find their fit. Not only can students access valuable career planning and professional development resources, they can also learn about the organizations offering these resources.

Executive Director Noelle Codispoti, ARM, commented, “Our goal is to ensure the viability, vibrance, and future of the industry by setting students up for success as they prepare for and embark on lucrative careers in insurance. The new Career Resources hub supports Gamma Iota Sigma’s efforts by exposing students to the many resources and opportunities available across the industry, as well as to information on the range of career paths they can pursue. We are grateful that a broad representation of industry organizations has been willing to share their knowledge, expertise, and available tools with students interested in careers in risk management, insurance and actuarial science.”

The Career Resources hub works in tandem with Gamma Iota Sigma’s Career Center, a job-posting board exclusively for entry-level and internship positions in insurance that is also touted as a benefit of GIS membership. Not only can students view and apply for open positions, they can post their resumes for recruiters to view directly. Many GIS partner organizations have begun to post their open internships and entry-level jobs, search through GIS student resumes, and promote the Career Center among their constituents.

CAS Releases New Resources for Students and Academics

The Casualty Actuarial Society (CAS) has released two new resources for university students and academics:

The CAS Curriculum Guide was developed to help students and faculty build a stronger understanding of the academic strengths, technical tools and business skills successful actuaries possess. For faculty, the guide provides an overview of the key academic topics to cover in an actuarial curriculum and identifies experiences that can be worked into a classroom to help students develop the skills needed to succeed in the business world. Students can use the guide to identify experiences to seek out while in college to help them prepare for a future career as an actuary; specifically as they embark on the path to earning actuarial credentials through the CAS.

The CAS Case Studies are a set of five classroom-ready case studies covering the topics of Probability, Catastrophe Modeling, Warranties, Liabilities, and Auto Insurance. Case study components include a Facilitator’s Guide, presentation slides, an Excel workbook, and a recorded presentation.

These materials are available to members of CAS Academic Central, a program for those involved in teaching actuarial science or related courses, and who have an interest in the activities of the Casualty Actuarial Society. There is no cost to join, and members receive the latest CAS news and resources to help you support and inform your students. Membership benefits include access to an online community of academics, attendance at up to three CAS meetings and seminars for free each year as well as an unlimited number of webinars.

In an effort to connect students to as many opportunities as possible, internships are always free to post.

About Gamma Iota Sigma

Incorporated in 1965, the purpose of Gamma Iota Sigma is to promote, encourage, and sustain student interest in insurance, risk management, and actuarial science as professions; to encourage the high moral and scholastic attainments of its members; and to facilitate interaction of educational institutions and industry through networking and by fostering research activities, scholarship, and improved public relations. Gamma Iota Sigma has an annual membership of over 2,100 students at 60 colleges and universities throughout North America and an alumni network of over 20,000 individuals. For more information, visit www.GammaIotaSigma.org or contact (484) 991-4471. Visit the GIS Career Resources hub: http://gammaiotasigma.org/gis-career-resources/ and the GIS Career Center: http://careercenter.gammaiotasigma.org.

The full list of benefits and an online registration form can be accessed at www.casact.org/AcademicCentral.

Members of CAS Student Central, a new student membership program, can access the new resources through the program’s website at www.CASstudentcentral.org. CAS Student Central is designed to provide university students with the tools and expertise to make the transition from the classroom to a career as a casualty actuary. The free program exemplifies the CAS’s dedication to university students and its commitment to guide students through the maze of curricula and rigorous exams that ultimately lead to a challenging and rewarding career.

For more information, contact the CAS University Engagement Manager, Tamar Gertner, at Tgertner@casact.org.
ARIA Members and Friends in the News

Norman Baglini, Professor of Risk Management and Insurance and Business Ethics at Temple University, retired in 2013 after 15 years of service. Upon his retirement, the Board of Trustees of the Insurance Institute for Applied Ethics established an ethics endowment in his name. Norm, who made a great impact on Temple’s Department of Risk, Insurance, and Healthcare Management, states, “Something I love about Temple is that all of the diverse members of its community strive toward the common goal of making themselves better tomorrow than they are today.”

Congratulations to Jill Bisco who completed her Ph.D. in business administration, with a major in risk management and insurance, from Florida State University in April 2014. Last November, Jill was the recipient of the Southern Risk and Insurance Association’s “Best Doctoral Student Paper Award.” She currently is at the University of Akron (Ohio).

Last fall, Carolyn Chang was appointed to a three-year term as Chair of the Department of Finance, Mihaylo College of Business and Economics, California State University, Fullerton.

Congratulations to Hua Chen, who was named Outstanding Professor of the Year (2014) in the M.S. Program in Actuarial Science, Temple University.

The National Association of Insurance Commissioners (NAIC) recently honored the article “Adverse Selection in the Credit Life Insurance Market,” co-authored by Lee Colquitt (Auburn University), Robert Hoyt (University of Georgia) and Andre Liebenberg (University of Mississippi), with the Spencer L. Kimball Writing Award. This award is bestowed annually to acknowledge and encourage outstanding contributions to the NAIC’s Journal of Insurance Regulation.

Starting on Sept. 1, 2014, Anna Maria D’Hulster began her new role as Secretary General of the Geneva Association. Prior to this, she was the Chief Financial Officer with SwissQuant Group in Zurich.

Marty Ellingsworth ended both his board tour with ARIA in Aug. 2014 and his era at Insurance Services Office (Verisk Analytics) in April. When asked “What’s next?,” Marty says he has three themes, all circling around his new home in Dana Point, Calif.: (1) data; (2) analytics; and (3) decision support. He is doing consulting, looking at a selective set of corporate roles, and has also started a new company, called Salt Creek Analytics (after a local beach in Dana Point). Marty’s first product is known as Fresh Miles™, a smart phone app to collect verified odometer readings on a frequent basis in order to fulfill modern usage-based insurance mileage rating bands. Learn more about Fresh Miles™ at www.saltcreekanalytics.com.

Karen Epermanis (Appalachian State University) was recently elected to the Gamma Iota Sigma Executive Committee to serve a two-year term as co-Faculty Representative.

Michael Finke received the President’s Academic Achievement Award in the College of Human Sciences at Texas Tech University in April 2014.

Joseph Golec (University of Connecticut) received the Best Paper award in the Branding Track at the American Marketing Association conference earlier this year for his paper, “Acquisition Value Creation: The Role of Marketing Relationships in Uncertain Environments.” His co-authors were Bill Ross (University of Connecticut) and Hang Thu Nguyen (Michigan State University).

Beginning in October 2014, Anne Kleffner will be on sabbatical in London teaching the University of Calgary’s Global Energy Executive MBA program. This unique program is a joint initiative between the university’s Haskayne School of Business and IHS, aimed to transform the global energy industry. Students from major energy organizations from across the globe bring a diverse mix of functional and operational expertise from across energy value chains in gas, coal, oil, nuclear and renewable energy sources.

Diana Lee (ARIA NEWS Editor) retired from the Property Casualty Insurers Association of America in June 2014.

Robert Lieberthal (Jefferson School of Population Health) was nominated for a Distinguished Mentor Award which recognizes Jefferson faculty members who excel in the mentoring of postdoctoral fellows. Rob says: “I believe a big factor of mentoring a postdoctoral fellow is building a strong relationship that extends beyond the classroom. I am grateful for the recognition I have received – I consider it a great honor.”

Rob and his wife are also thrilled to welcome the arrival of their daughter, Micah Jane, who was born on August 18, 2014. Elliot (4) and Jonah (2) are excited to be big brothers! Congratulations to the Lieberthals!

Congratulations to Weili Lu and the Center for Insurance Studies (CIS) Mihaylo College of Business and Economics of the University of California-Fullerton, who earlier this year received a $30,000 endowment providing $1,000 annual scholarships to students. This endowment was established by the Orange County Risk Insurance Management Society (OCRIMS). Weili states, “When I recall all of the activities OCRIMS has taken part in to support our center, I can’t express my gratitude enough. Their generous support, both financially and with time on campus, has made a significant difference to our students in the field of risk management.”
ARIA Members and Friends in the News, continued

Congratulations to Yu-Luen Ma (Illinois State University) who is a co-Principal Investigator of a research project on usage-based insurance (UBI) that was recently awarded a $300,000 grant by the Federal Highway Administration. In this two-year long project, she and her collaborators will be utilizing a smartphone-based app to collect trajectory data and build actuarial models for UBI programs.

Best wishes to Kathleen McCullough (Florida State University) who married Douglas Densmore on June 14, 2014!

Last year, Erwann Michel-Kerjan became the Executive Director, Wharton Risk Management and Decision Processes Center at the University of Pennsylvania.

Congratulations to Richard Phillips who was appointed Dean of the J. Mack Robinson College of Business at Georgia State University, effective July 1, 2014. He has served on many college-wide initiatives, including as chair of the task force that laid the foundation for the college’s Vision 2020 Strategic Plan.

Congratulations to Mark Power who was nominated for the 2014 Dean’s Advisory Council-funded College of Business Senior Faculty Teaching Award at Iowa State University.

After earning his Ph.D. in accounting in 2013 from Syracuse University, Willie Reddic joined the DePaul University (Chicago) faculty as an assistant professor of accounting.

Congratulations to Qixiang Sun (Peking University) who received the John S. Bickley Founders Award Gold Medal for Excellence at the 2014 International Insurance Society Seminar.

Terri Vaughan is now Interim Dean, College of Business and Public Administration at Drake University in Des Moines, Iowa.

Congratulations to Jacqueline Volkman-Wise, who received the Business Honors Instructor of the Year Award for 2013-2014, Fox School of Business, Temple University.

The Geneva Association/International Insurance Society (IIS) is pleased to announce two winning papers receiving the 2014 Shin Research Excellence Award endowed by Kyobo Life Insurance Company:

- Randy Dumm (Florida State University) and co-authors Mark E. Johnson (University of Central Florida) and Charles C. Watson Jr. (Watson Technical Consulting), “An Examination of the Geographic Aggregation of Catastrophic Risk”

- Christian Biener, Martin Eling and Jan H. Wirfs (all with Institute of Insurance Economics at University of St. Gallen), “Insurability of Cyber Risk: An Empirical Analysis”

Authors of both papers presented their work at the IIS 50th Annual Seminar in London, U.K in June 2014. The Journal of Insurance Issues (JII), jointly published by the Western Risk and Insurance Association and the Southern Risk and Insurance Association) and The Center for the Study of Insurance Regulation (CSIR) at St. John’s University’s School of Risk Management, Insurance and Actuarial Science are pleased to announce the top papers selected for a special issue of the JII. This issue is focused on insurance regulation and is to be published in March 2015.

Best wishes to Kathleen McCullough (Florida State University) who married Douglas Densmore on June 14, 2014!

New Industry Analytics Book

ARIA members may be interested in a new book on analytics in insurance. Applied Insurance Analytics: A Framework for Driving More Value from Data Assets, Technologies and Tools, published by Pearson/FT Press is available in both print and electronic formats on Amazon (http://www.amazon.com/Applied-Insurance-Analytics-Framework-Technologies/dp/0133760367/ref=sr_1_1). Author Pat Saporito, CPCU, FIDM, states: "Applied Insurance Analytics demonstrates how to use analytics to systematically improve insurance operations including finance and risk management, product management, marketing, sales, underwriting, and claims. The frameworks and best practices provided are intended to help organizations drive more value from their data with a focused enterprise-wide analytics strategy to overcome challenges commonly encountered.

With this book, organizations can better assess their current analytics maturity, choose the right tools and applications that offer the most value, and master best practices in the industry and beyond.
Risk and Consumer Choice in Cancer Prevention

Eric J. Belasco, Montana State University

In spite of recent advances in pharmaceutical and screening technologies, cancer remains the costliest disease in the United States (American Association for Cancer Research, 2013). AACR estimates that nearly 50% of the estimated 580,350 cancer-related deaths in the United States in 2013 are caused by preventable actions that include tobacco use, obesity, poor diet, lack of physical activity and exposure to ultraviolet radiation. These activities also place individuals at a higher risk for other health conditions including diabetes, heart disease, and stroke, among others. Advances in more effective and less invasive cancer screening technologies have led to more accurate detection and improved prevention of cancers, especially for breast and colon cancers. However, recommended cancer screening rates in the United States are relatively low for breast cancer (66.5%), cervical cancer (83.0%), and colorectal cancer (59.1%) (Centers for Disease Control and Prevention, 2013).

Given the high cost of cancer and the preventable nature of many of those afflicted, there have been many recent approaches aimed at lowering cancer incidence and mortality rates through increasing screening rates and encouraging healthier lifestyles. The issues associated with cancer prevention through screening and behaviors are pervasive in many insurance applications related to mitigating the risk associated with low probability and high cost events. While much of my research has been devoted to identifying the additional costs associated with cancer prevention in rural communities, the following is intended to outline the current and future researchable issues in cancer prevention that are related to risk and insurance markets.

Demand for Preventative Services

Arrow (1963) importantly described the ways in which the demand for health care is different from other markets. Most notably, the unknown value in receiving screening services is important when one considers the choices consumers make. Said another way, an individual might know the cost of receiving a colonoscopy but is typically unaware of the actual value received. The value is unknown because whether they will, for example, later be diagnosed with colorectal cancer is unknown and often the likelihood of them being diagnosed in the future is also unknown. Further, as pointed out in Grossman (1972), the benefits of screening are often reaped later in life. In this way, an individual’s health is often treated as a durable good where the benefits of healthy choices today increase the value of the durable asset (life) in the future. A basic tenet of economic consumer theory is that individuals discount the utility derived from activities in the future. This is often illustrated with a basic experiment where individuals are likely to forgo future consumption in order to consume more today.

If these points are applied to an individual who is deciding whether to pay for screening services today that may or may not prevent cancer at a time later in their life, then two parameters are important to understand. First, how much does an individual value their health tomorrow in terms of money and time today. This is referred to as their time preference. If an individual’s time preference is large, then they are more likely to forgo unpleasant or costly screening activities today that may lead to better health outcomes in the future. Second, how do individual risk perceptions impact their decisions today and interact with their time preferences. Recent literature has evaluated the impact of risk preferences on intertemporal choices in terms of health-related decisions for cigarettes (Fuchs, 1986),...
alcohol consumption (Vuchinich and Simpson, 1999), career choices (Moore and Viscusi, 1990), drug use (Bretteville-Jensen, 1999), food choices (Huston and Finke, 2003), and vaccinations (Chapman and Coups, 1999). The point being that when an individual possesses a higher risk tolerance and higher time preference discount, they are more inclined to participate in riskier activities (or not participate in safer activities) today. For these reasons, both risk and time preference are believed to be important aspects when an individual decides whether to participate in cancer screening or behaviors that lower risk factors related to cancer.

**Rural Barriers to Preventative Activities**

While cancer-related mortality rates are falling overall for the largest types of cancer, this is often not the case in rural areas. One major reason for this lack of effectiveness in rural settings is that the effective cost of interventions can sometimes be extraordinarily high when traditional models of health care delivery are applied to sparsely populated areas where large medical centers and necessary technologies are absent or far away.

While many fields outside of economics tend to define these differences in access to health care services as “inequalities,” I think it’s more helpful to understand the economic factors driving these differences. When accounting for the economic cost associated with health care services, it is important to identify differences in costs due to transportation and time off work. It should not be surprising that areas where the effective cost of preventive care is higher also tend to result in lower cancer screening rates. However, these areas can be thought of as low hanging fruit in the “war on cancer” (as declared by Richard Nixon in 1971) given that the benefits from effective cancer prevention programs can be large. These large benefits can be realized as many of these areas where cancers tend to be detected at a later stage also tend to be more frequently associated with a higher level of risk behaviors (e.g., smoking rates, obesity, and lack of exercise) and low cancer screening rates, as shown in Belasco et al. (2014) when evaluating the Northern High Plains.

**Results from Ponemon Institute Study: Exposing the Cybersecurity Cracks – A Global Perspective**

One of the plenary sessions at ARIA's 2014 annual meeting was on “Issues in Assessing, Mitigating and Financing Cyber Risks.” In light of the broad interest in this topic and ARIA’s international membership, this issue of **ARIA NEWS** features results from an independent survey conducted by the Ponemon Institute, sponsored by Websense, Inc. The Ponemon study, entitled “Exposing the Cybersecurity Cracks: A Global Perspective,” consists of two separate reports: “Part I: Deficient, Disconnected & in the Dark” (April 2014) and “Part II: Roadblocks, Refresh and Raising the Human Security IQ” (July 2014). Both discuss results based on a survey of 4,881 IT and IT security practitioners in 15 countries – Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Mexico, the Netherlands, Singapore, Sweden, United Kingdom and the United States – with an average of 10 years of relevant experience.

**Part I**

Part I uncovers the deficient, disconnected and “in-the-dark” conditions that challenge IT security professionals. Areas of focus include a deficit in security solution effectiveness; a disconnect regarding the perceived value of confidential data; and limited visibility into cybercriminal activity.

Highlights of this portion, including some country comparisons, are as follows:

**Deficient**

Security professionals have systems that fall short in terms of protection from cyber attacks and data leakage. Because the security threat landscape is more challenging and dynamic than ever, having the intelligence to anticipate, identify and reduce threats is critical.

- 57% of survey participants do not think their organization is protected from advanced cyber attacks and 63% doubt they can stop the exfiltration of confidential information.
- Nearly 7 out of 10 respondents (69%) agree there is a deficit in security effectiveness and visibility.
**Results from Ponemon Institute Study: Exposing the Cybersecurity Cracks – A Global Perspective, continued**

"Cybersecurity threats sometimes fall through the cracks of existing security systems."

<table>
<thead>
<tr>
<th>Country</th>
<th>France (82%)</th>
<th>Brazil (69%)</th>
<th>China (63%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>Italy (82%)</td>
<td>U.S. (69%)</td>
<td>Mexico (59%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Singapore (79%)</td>
<td>Hong Kong (67%)</td>
<td>Australia (58%)</td>
</tr>
<tr>
<td>Germany</td>
<td>Germany (78%)</td>
<td>UK (66%)</td>
<td>Sweden (57%)</td>
</tr>
<tr>
<td>India</td>
<td>India (77%)</td>
<td>The Netherlands (64%)</td>
<td>Canada (56%)</td>
</tr>
</tbody>
</table>

- In the past year, 44% of respondents experienced at least one substantial cyber attack (i.e., it infiltrated a network or enterprise system.)
- Overall, 42% of respondents believe they have sufficient intelligence to inform them about an attempted cyber attack and the consequences of such an attack; 44% do not believe this to be the case, and the remaining participants are unsure.

"We have adequate intelligence to know about an attempted attack and its impact."

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany (65%)</th>
<th>U.S. (43%)</th>
<th>Italy (32%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>The Netherlands (61%)</td>
<td>Australia (42%)</td>
<td>Hong Kong (31%)</td>
</tr>
<tr>
<td>China</td>
<td>China (57%)</td>
<td>UK (42%)</td>
<td>India (29%)</td>
</tr>
<tr>
<td>Sweden</td>
<td>Sweden (54%)</td>
<td>France (36%)</td>
<td>Mexico (28%)</td>
</tr>
<tr>
<td>Canada</td>
<td>Canada (53%)</td>
<td>Singapore (35%)</td>
<td>Brazil (25%)</td>
</tr>
</tbody>
</table>

**Disconnected**

According to survey participants, there is a gap between data breach perception and reality – specifically regarding the potential revenue loss to their business.

- 80% of respondents say their company’s leaders do not equate losing confidential data with a potential loss of revenue, despite Ponemon’s finding of an organizational data breach costing $5.4 million on average; drilling down, the average cost per lost or stolen record due to a data breach is $188.
- 48% say their board-level executives have a sub-par understanding of security issues.

**In the Dark**

Many security professionals find it hard to keep track of the threat landscape and are not sure if they have been a victim of an attack.

- Only 41% of respondents overall believe they have a good understanding about their exposure to a cyber attack.

"We have a good understanding about the threat landscape facing our company today."

<table>
<thead>
<tr>
<th>Country</th>
<th>Italy (52%)</th>
<th>Canada (43%)</th>
<th>India (39%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>The Netherlands (47%)</td>
<td>Mexico (43%)</td>
<td>Singapore (35%)</td>
</tr>
<tr>
<td>France</td>
<td>France (46%)</td>
<td>Brazil (41%)</td>
<td>UK (35%)</td>
</tr>
<tr>
<td>U.S.</td>
<td>U.S. (44%)</td>
<td>Sweden (41%)</td>
<td>Germany (34%)</td>
</tr>
<tr>
<td>Australia</td>
<td>Australia (43%)</td>
<td>China (40%)</td>
<td>Hong Kong (33%)</td>
</tr>
</tbody>
</table>

- Only 37% of respondents could say with certainty that their organization lost sensitive or confidential information as a result of a cyber attack.

- Although the biggest target of cyber attacks is customer data, followed by intellectual property, more than one-third (35%) of those who had lost sensitive or confidential information did not know exactly what data had been stolen.

**Part II**

In Part II, Ponemon research reveals how better communication and information about cybersecurity, the right investment in skilled personnel and enabling technologies and the adoption of security measures will minimize the risk of current and emerging cyber threats.

Highlights, along with some country comparisons, include:

- Communication roadblocks are barriers to reducing the risk of a cyber attack. According to the findings, 31% of cyber security teams never speak with their executive team about cyber security. Of those that did, 23% spoke just annually and 19% spoke semi-annually. Just 1% spoke weekly.
- Advanced persistent threats (APTs) are the top fear for IT security professionals, likely due to concerns that their technology will not protect them. Respondents in Hong Kong (48%) and Germany, Italy and Mexico (47% each) are the most concerned about APTs, while Singapore (32%) and China (31%) are the least concerned. Encouragingly, almost half (49%) of all respondents say they plan to make significant investments and adjustments to their cyber security defenses over the next year.
- The top three events that would compel executive teams to allocate more money to cyber security initiatives are: exfiltration of intellectual property (67% of respondents), data breach involving customer data (53%) and loss of revenues because of system downtime (49%).
- Overall, 47% of respondents expressed disappointment in their investment in security solutions.
Results from Ponemon Institute Study: Exposing the Cyber Security Cracks – A Global Perspective, continued

"Has your company ever procured an enabling security solution and then was disappointed with the protection it provided?"

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>63%</td>
</tr>
<tr>
<td>Mexico</td>
<td>54%</td>
</tr>
<tr>
<td>Australia</td>
<td>47%</td>
</tr>
<tr>
<td>Brazil</td>
<td>61%</td>
</tr>
<tr>
<td>Canada</td>
<td>51%</td>
</tr>
<tr>
<td>Germany</td>
<td>28%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>58%</td>
</tr>
<tr>
<td>UK</td>
<td>50%</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>28%</td>
</tr>
<tr>
<td>France</td>
<td>55%</td>
</tr>
<tr>
<td>Italy</td>
<td>48%</td>
</tr>
<tr>
<td>Sweden</td>
<td>28%</td>
</tr>
<tr>
<td>Singapore</td>
<td>55%</td>
</tr>
<tr>
<td>U.S.</td>
<td>48%</td>
</tr>
<tr>
<td>China</td>
<td>20%</td>
</tr>
</tbody>
</table>

- More than three-fourths (76%) of all respondents combined say they are personally aware of an insider attack.

"Do you personally know another security professional whose company had sensitive data stolen as a result of an insider threat?"

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>95%</td>
</tr>
<tr>
<td>Sweden</td>
<td>88%</td>
</tr>
<tr>
<td>Germany</td>
<td>71%</td>
</tr>
<tr>
<td>UK</td>
<td>93%</td>
</tr>
<tr>
<td>Brazil</td>
<td>78%</td>
</tr>
<tr>
<td>India</td>
<td>67%</td>
</tr>
<tr>
<td>U.S.</td>
<td>91%</td>
</tr>
<tr>
<td>France</td>
<td>76%</td>
</tr>
<tr>
<td>Singapore</td>
<td>61%</td>
</tr>
<tr>
<td>Canada</td>
<td>89%</td>
</tr>
<tr>
<td>Italy</td>
<td>75%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>57%</td>
</tr>
<tr>
<td>Australia</td>
<td>88%</td>
</tr>
<tr>
<td>Mexico</td>
<td>73%</td>
</tr>
<tr>
<td>China</td>
<td>35%</td>
</tr>
</tbody>
</table>

- Certain countries are more advanced in educating employees about cybersecurity.

"Do you provide cybersecurity education to your employees?"

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>57%</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>49%</td>
</tr>
<tr>
<td>France</td>
<td>46%</td>
</tr>
<tr>
<td>Singapore</td>
<td>55%</td>
</tr>
<tr>
<td>Germany</td>
<td>48%</td>
</tr>
<tr>
<td>China</td>
<td>43%</td>
</tr>
<tr>
<td>India</td>
<td>54%</td>
</tr>
<tr>
<td>U.S.</td>
<td>48%</td>
</tr>
<tr>
<td>UK</td>
<td>43%</td>
</tr>
<tr>
<td>Italy</td>
<td>53%</td>
</tr>
<tr>
<td>Canada</td>
<td>47%</td>
</tr>
<tr>
<td>Australia</td>
<td>40%</td>
</tr>
<tr>
<td>Mexico</td>
<td>52%</td>
</tr>
<tr>
<td>Sweden</td>
<td>47%</td>
</tr>
<tr>
<td>Brazil</td>
<td>32%</td>
</tr>
</tbody>
</table>

- 42% of survey participants say they have undergone a cyber threat modeling process in their present role. Of those that did, 80% believe that such a process is essential or very important in terms of managing their company’s cyber risk. Respondents who agree the most with this statement come from India (87%), Australia (85%) and the U.S. (84%). Those who agree the least with this statement come from China and Germany (78% each); Singapore (73%); Sweden (70%); and France (66%).

- Very few companies take steps internally to deal with new and emerging threats. When there is awareness about a new cyber threat, the primary response is to reach out to external groups such as computer emergency response teams, law enforcement and industry peers. Infrequent responses include conducting assessments to determine vulnerability levels (11%) and having “fire drills” to determine readiness level (4%).

Conclusion

Part I and Part II both conclude with recommendations on how companies can better manage cyber attacks targeting their sensitive and confidential information:

- Invest in technologies that provide visibility and details about attempted attacks and how successful attacks would affect the company.
- Look for access to better threat intelligence and real-time defenses.
- Deploy an all-encompassing defense strategy that incorporates web, email and mobile channels. Examine all channels used to interact with information.
- Assess security solution capabilities and deployments against a comprehensive kill-chain model to eliminate gaps and minimize excessive overlap.
- Find effective employee security education methods to promote cooperation and communicate the seriousness of cyber attacks and reduce high risk behavior.

For more information or to obtain individual country reports of the research findings, contact the Ponemon Institute at research@ponemon.org.

The Ponemon Institute is dedicated to independent research and education that advances responsible information and privacy management practices within business and government. Its mission is to conduct high quality, empirical studies on critical issues affecting the management and security of sensitive information about people and organizations.

Websense, Inc. is a global leader in protecting organizations from advanced cyber attacks and data theft.
More than 100 insurance leaders, academics and consultants traveled to Atlanta in September 2011 to initiate a monumental effort. The insurance and risk management industry, comprised of a massive and highly competitive group of organizations, was coming together for the first time to solve a common concern: how to bridge the looming gap in talent.

It was clear the industry needed a unified approach to attract more young people into the insurance field. The stakeholders involved tapped The Institutes and our affiliates – The Griffith Insurance Education Foundation, the CPCU Society and the CPCU-Loman Education Foundation – to lead this effort. Fast forward to today and you have MyPath, a research- and solution-based industry-wide collaborative initiative to engage the next generation of professionals.

MyPath’s purpose is clear: to educate and excite millennials and other young professionals about the limitless career paths in insurance. Our research shows that some of the most highly valued career attributes among millennials align perfectly with the profession – stability, flexibility, upward mobility and the ability to improve others’ lives. We just need to make them recognize that alignment. MyPath can help by giving them the tools to identify why they should pursue risk management and insurance as their careers.

One core element of MyPath is its website: InsureMyPath.org. It already contains information about the industry, how insurance works and the social purpose it serves.

It compiles facts about different insurance careers, and features tools to help people select careers based on their education and interests. There are also videos aggregated from our MyPath partner organizations and from around the Web in which real professionals talk about what it’s like to work in the insurance field. The site naturally has corresponding social media accounts, too: InsureMyPath on Facebook, and @InsureMyPath on Twitter.

While MyPath primarily speaks to millennials and young professionals, it’s very important that influencers such as educators, counselors, parents, friends and family get involved and start sharing news about the effort. Whether that’s linking to an interesting video on the site, pointing an undecided undergraduate to the career matching tool or uploading internships, there are a number of ways that risk management and insurance supporters can propel the effort forward. MyPath also aims to provide influencers with a comprehensive source of information they can leverage for lessons and advice to young people.

A main component of InsureMyPath.org is its internship section, which already lists dozens of internships from dozens of partners across the United States. The number of opportunities is growing as the list of MyPath partners grows as well. We encourage all insurance organizations to become MyPath partners to start taking advantage of this platform. We also encourage teachers and counselors to direct their students to the site, knowing that internships are the single best way for students and young professionals to not only discover what they want to do in their life, but to also secure jobs. Across all industries, nearly half of all new hires went through internship programs, and that percentage is even higher in insurance. Internships in our industry introduce new professionals to the field and give them the knowledge and experience critical to hitting the ground running after graduation.

Ultimately, the best way to dispel any inaccurate perceptions of our industry is to provide a first-hand look at the reality. We have so many multi-faceted, exciting career paths to change those perceptions and align them more closely with the truth of what our industry does, which is help people.

When interns spend time working alongside our professionals, they have the great opportunity to witness the excitement and benefits, and very often become vocal advocates on the industry’s behalf. It’s one thing for parents, our partners and professors to tell their children, candidates and classes about all the rewarding attributes of risk management and insurance positions, but we all know that sometimes they have to see it and feel it themselves to believe it.

Still, with higher education costs being what they are today, we understand that many students often have to decide between using their limited time outside of class working to pay for tuition, books and living expenses. While many of the internships within the insurance industry are paid, geographic constraints often limit students from taking internships away from their homes, as extra living expenses are not something they can afford. That’s why MyPath also connects users with the CPCU-Loman Education Foundation’s financial aid program, which helps fund those additional expenses that would otherwise deter students from taking internships.

Initiatives like this have been successful before in other industries, but only when all stakeholders invested in them. Similarly, plenty of promising recruitment efforts have been launched before, only to fail because there wasn’t complete stakeholder buy-in. An every-organization-for-itsel approach won’t bridge the talent gap. MyPath aims to bring together the efforts of individual insurance organizations and firms in order to amplify their voice and impact.
If any industry can rally behind a forward-looking endeavor like this, it’s the risk management and insurance industry. Our livelihood is based on analyzing future risks, and now it’s time to focus our efforts on ensuring that we attract the top talent needed to guarantee the future integrity of our profession. Fortunately, our field already has many of the assets that top talent is seeking – all we have to do is show them the path.

Join MyPath by becoming a supporter and partner today. Go to InsureMyPath.org or send an email to ContactUs@InsureMyPath.org.

---

**Trends in Higher Education: Real World Lessons**

by Caroline McDonald, Senior Editor of Risk Management Magazine (Sept. 2014)

*Reprinted with permission from Risk Management Magazine. Copyright 2014 Risk and Insurance Management Society, Inc. All rights reserved.*

Risk management is more important than ever in today’s corporate world. With lessons learned from the financial crisis still fresh and the total cost of risk up by almost 15% since 2009, according to the most recent RIMS Benchmark Survey, organizations and their boards are focusing more than ever on corporate risk management and searching for ways to mitigate and insure their risks. What’s more, growth and employee turnover in the insurance industry also mean a greater number of employment opportunities.

None of this is lost on university risk management and insurance (RMI) educators who know they have much to offer. They also realize that their main task is to attract students and bring life to an industry students know very little about and often perceive as dull.

“Few people coming in the door know what risk management is, because an 18-year-old has only had exposure to auto insurance,” said Rob B. Drennan, Ph.D., associate professor and chairman of the department of risk, insurance and healthcare management at Temple University’s Fox School of Business. “We know this because, every time they answer a question, it’s related to auto insurance.”

“Temple has found that learning about risk management means making converts. Once students hear their message, many are drawn to the program. To attract students, the department has a strategy that has proved successful: all 2,000 students of the Fox School of Business pursuing an undergraduate degree each year are required to take an introduction to risk management course in their sophomore year. Because the course is key to engaging students in risk management and the insurance industry, “We teach the course very carefully,” Drennan said. “This past year, the twist is that we have focused on several public policy issues.”

The first class discussion is about the impact of risk on a firm’s value and how managing those risks can help. Next, “we talk about current public policy issues related to how society finances losses,” he said. “We discuss TRIA and the national flood insurance program from a public policy perspective. Should you, for example, give people disaster relief if they build a house on the Jersey shore and it keeps getting wiped out?”

Another big topic is cyberrisk. “The kids shop at Target and they know what happened,” Drennan said. “They have talked about it in other classes, but we look at it from a risk management perspective—what kind of losses, how would you deal with them and what kind of insurance would you have? Also, how easy is it for the insurance industry to put a price tag on cyberrisk?”

At the end of the semester, there is a strategic plan to sit down and conduct information sessions. Students who attend those sessions are invited to consider majoring in risk management. Out of a class of 250 students, 25 are targeted for the program. “This is one of the first courses they encounter in business school where they have to think critically, as opposed to memorizing facts,” Drennan said. “Good students with critical-thinking skills are really drawn to this.”

The department’s efforts have paid off. This past year, the number of risk management graduates was up to 210, from 140 last year. “Our biggest challenge now is that we have waiting lists for our classes, which gives us a different kind of enrollment problem—a good problem to have,” he said.

At the University of Wisconsin, undergraduate students become interested through classroom discussion about key issues. “We spent a lot of time during the spring semester talking about cyberrisk, which was just after the Target security breach,” said Joan T. Schmit, Ph.D., American Family Insurance Chair in Risk Management and Insurance with the Wisconsin School of Business. “We discussed all the elements that can be affected, including supply chain.”

At the University of Georgia, on-campus recruiting for risk management and insurance majors “continues to be very strong,” according to Robert E. Hoyt, Ph.D., Moore Chair, professor of risk management and insurance, and head of the insurance, legal studies and real estate department at the Terry College of Business. “We have had increasing numbers of students declaring the RMI major earlier in their college career and this has increased our total number of majors to roughly 350 juniors and seniors. It also suggests that we will have even larger graduating classes in the next few years.”
Florida State University also requires business majors to take an introductory class, “Risk in Business and Society,” prior to entering the College of Business, said Kathleen McCullough, Ph.D., assistant department chair, associate professor and State Farm Insurance Professor in Risk Management and Insurance. So far, more than 700 students are registered for the class, which she said is “a great chance to show the breadth of issues that risk management encompasses.”

Big Data and Analytics

One trend risk management educators have noted is an increased demand from the industry for students with knowledge of big data and analytics. “One insurer came to us and said they would hire all the students with data analytics training,” Drennan said. While Temple’s business program currently offers a data analytics course, his goal is to “offer a data analytics course in the context of risk management and insurance. This will help our students to be able to take all those reams of data and turn them into meaningful information.”

The University of Georgia has also added a business analytics class as a requirement for all business students. “Business analytics has become an increasingly important skill-set for business professionals,” Hoyt said.

Schmit noted that, at Wisconsin, “Big data, predictive modeling and business analytics have taken off and we want every business student to feel comfortable with ambiguity and uncertainty and have the tools to manage that sort of setting.” Because risk is present in all of business, she said, “We believe that students from every discipline can benefit from an understanding of risk uncertainty, ambiguity and from the tools to function effectively within that kind of environment.”

To help students understand ambiguity, Wisconsin has instituted a program called “Navigating Uncertainty.” “The idea of navigating uncertainty is a way of using business analytics,” Schmit explained. “The combination with behavioral economics and decision-making is a critical component-always with the understanding of the foundational aspects of how insurance functions.”

RMI Students in Demand

Karen Epermanis, Ph.D., director of the Brantley Risk & Insurance Center and associate professor at Appalachian State University, is seeing a huge demand for insurance-trained risk management majors. “We had a graduating class of 54 students and all but four were hired, and two are about to be, so we are at 94% hiring this year,” she said. “There is truly a demand for the training.”

Currently, more than 25% of students at Appalachian State are attracted to the surplus lines industry, she reported. “Our state surplus lines organization is very active, and the primary funder for 12 students who go to London each year.”

While in London, the students visit Lloyd’s and other companies and brokers. “It’s tied into the international insurance classes,” she said. “At Lloyd’s, they get to sit in the box and by the time they have done all those cool things, they are hyped up with surplus lines. The surplus lines industry has also done a good job of recruiting when they have job openings.”

Students are also more comfortable taking jobs with companies that offer training programs. “This generation seems to want training,” she said. More and more companies are hiring interns and a number of students are already employed before starting their senior year. “They are required to finish the year and some companies are strict, requiring at least a 3.0 grade-point average,” Epermanis said.

Hoyt also noted the increasing number of available jobs for graduates. “We had a record-setting 70 companies registered for our Risk and Insurance Careers Day in January, which focuses on full-time and internship positions throughout the risk and insurance industry. This shows the growing interest that risk and insurance firms have in hiring RMI majors.”

A heartfelt thank you to the Sponsors of the 2014 ARIA Annual Meeting!

Platinum Sponsors
Casualty Actuarial Society
Georgia State University
Katie School of Insurance and Financial Services, Illinois State University
Temple University

Gold Sponsors
Baylor University
Insurance Institute of Canada
The Institutes

Silver Sponsors
Ball State University
Florida State University
The Griffith Insurance Education Foundation
S.S. Huebner Foundation for Insurance Education
Insurance Information Institute of North America
Mississippi State University
St. John’s University
University of Alabama
University of Calgary
University of Georgia
University of Illinois at Urbana-Champaign
University of Louisiana-Lafayette
University of Mississippi
University of Nebraska
University of North Carolina at Charlotte
University of Pennsylvania, Wharton School of Business
Virginia Commonwealth University
Washington State University
Wilfrid Laurier University
Many of us are familiar with the names of certain business colleges in North America, such as the Wharton School of Business, the J. Mack Robinson College of Business and the Terry College of Business. These schools are affiliated with the University of Pennsylvania, Georgia State University (GSU) and the University of Georgia (UGA), respectively. The Wharton School was founded in 1881 by Philadelphia industrialist and philanthropist Joseph Wharton. The Colleges of Business at GSU and UGA were renamed in 1998 and 1991, respectively, to honor the late J. Mack Robinson and the late C. Herman Terry and his wife, Mary Virginia Terry, who provided generous endowments to the universities.

Can you correctly match the 26 named business colleges below with these universities in North America?

<table>
<thead>
<tr>
<th>Business College</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Belk (Family) College of Business</td>
<td>A. Appalachian State University</td>
</tr>
<tr>
<td>2. Carlson (Curtis L.) School of Management</td>
<td>B. Auburn University</td>
</tr>
<tr>
<td>3. Carson (Scott and Linda) College of Business</td>
<td>C. Ball State University</td>
</tr>
<tr>
<td>4. Culverhouse (Hugh F.) College of Commerce and Business Administration</td>
<td>D. Baylor University</td>
</tr>
<tr>
<td>5. Driehaus (Richard H.) College of Business</td>
<td>E. Brigham Young University</td>
</tr>
<tr>
<td>6. Dyson (Charles H.) School of Applied Economics &amp; Management</td>
<td>F. California State University – Fullerton</td>
</tr>
<tr>
<td>7. Fisher (Max M.) College of Business</td>
<td>G. California State University – Northridge</td>
</tr>
<tr>
<td>8. Fox (Richard J.) School of Business</td>
<td>H. Cornell University</td>
</tr>
<tr>
<td>9. Fuqua (J. B.) School of Business</td>
<td>I. De Paul University</td>
</tr>
<tr>
<td>10. Graves (Earl G.) School of Business &amp; Management</td>
<td>J. Duke University</td>
</tr>
<tr>
<td>11. Greehey (Bill) School of Business</td>
<td>K. Morgan State University</td>
</tr>
<tr>
<td>12. Hankamer (Earl) School of Business</td>
<td>L. Ohio State University</td>
</tr>
<tr>
<td>13. Harbert (Raymond J.) College of Business</td>
<td>M. Old Dominion University</td>
</tr>
<tr>
<td>14. Haskayne (Richard F.) School of Business</td>
<td>N. Penn State University</td>
</tr>
<tr>
<td>15. Haub (Ervan K.) School of Business</td>
<td>O. St. John's University</td>
</tr>
<tr>
<td>16. Marriott (J. Willard and Alice S.) School of Management</td>
<td>P. St. Joseph's University</td>
</tr>
<tr>
<td>17. McCombs (Billie Joe &quot;Red&quot;) School of Business</td>
<td>Q. St. Mary's University</td>
</tr>
<tr>
<td>18. Mihaylo (Steven G.) College of Business and Economics</td>
<td>R. Temple University</td>
</tr>
<tr>
<td>19. Miller (Wallace T., Jr.) College of Business</td>
<td>S. University of Alabama</td>
</tr>
<tr>
<td>20. Moody (B. I., III) College of Business Administration</td>
<td>T. University of Calgary</td>
</tr>
<tr>
<td>21. Moore (Darla) School of Business</td>
<td>U. University of Louisiana – Lafayette</td>
</tr>
<tr>
<td>22. Nazarian (David) College of Business &amp; Economics</td>
<td>V. University of Minnesota</td>
</tr>
<tr>
<td>23. Smeal (Mary Jean and Frank P.) College of Business</td>
<td>W. University of North Carolina at Charlotte</td>
</tr>
<tr>
<td>24. Strome (Mark E.) College of Business</td>
<td>X. University of South Carolina</td>
</tr>
<tr>
<td>25. Tobin (Peter J.) College of Business</td>
<td>Y. University of Texas – Austin</td>
</tr>
</tbody>
</table>

**Your Score:**
- 0-5: “Stay after school”
- 6-12: “Extra homework”
- 13-19: “Honorable mention”
- 20-26: “Head of the class!”

Answers to Business School Quiz:

Activities of Related Associations and Affiliates

Southern Risk and Insurance Association
2014 Meeting (46th annual)
November 23-25
Francis Marion Hotel
Charleston, South Carolina
http://www.southernrisk.org

Allied Social Science Association (ASSA)
2015 Annual Meeting
January 3-5, 2015
Sheraton Hotel (Headquarters)
Boston Marriott Copley Hotel (ARIA Session, Jan. 3, 10:15 am, presided by J. David Cummins)
Boston, Massachusetts
http://www.aeaweb.org/Annual_Meeting/index.php

Western Risk and Insurance Association
2015 Meeting (49th annual)
January 4-7, 2015
Doubletree Resort – Paradise Valley
Scottsdale, Arizona
http://www.wria.org

Midwest Finance Association (MFA)
2015 Conference (64th annual)
March 4-7, 2015
Westin Chicago River North Hotel
Chicago, Illinois
http://www.midwestfinance.org

Risk Theory Society (RTS)
2015 Annual Seminar (53rd annual)
May 1-3, 2015
Cornell University
Ithaca, New York
Send a five-page abstract, rough draft or completed form as an attachment in the Adobe Portable Document Format (.pdf) by Monday, December 15, 2014, to Alexander Muermann, secretary of the RTS, Vienna University of Economics and Business; email: alexander.muermann@wu.ac.at. Authors will be notified of accepted papers by the end of January 2015, or soon after. Accepted papers must be completed and sent for posting on the RTS web page by March 1, 2015. For local arrangements, contact Sharon Tennyson, email: sharon.tennyson@cornell.edu. http://www.aria.org/rts

International Insurance Society (IIS)
2015 Annual Seminar (51st annual)
June 14-17, 2015
Waldorf Astoria Hotel
New York City, New York
http://www.iisonline.org

China Center for Insurance and Risk Management (CCIRM)
2015 International Conference on Insurance and Risk Management (6th annual, organizers: Tsinghua University's CCIRM and Cass Business School, City University, London; co-organizer: School of Finance, Zhejiang University of Finance and Economics)
July 15-18, 2015
Hangzhou, China
Keynote speakers: Mark Browne (St. John's University) and David Babbel (University of Pennsylvania)

2015 World Risk and Insurance Economics Congress
Hosted by European Group of Risk and Insurance Economists (EGRIE)
Co-organizers: ARIA, Asia Pacific Risk and Insurance Association, and the Geneva Association
August 2-6, 2015
Munich, Germany
http://www.wriec.org

Collegiate Education in Risk Management and Insurance Globally: Past, Present and Future

W. Jean Kwon

Collegiate Education in Risk Management and Insurance Globally: Past, Present and Future is a new study published collaboratively by the International Insurance Society (IIS) and St. John's University's School of Risk Management (SRM). This report calls for a need to broaden accessibility and increase the quality of RMI education programs worldwide. Authored by W. Jean Kwon (SRM), it provides a comprehensive analysis of collegiate education in RMI from three perspectives: (1) the development of RMI education from the 19th century; (2) academic and professional insurance programs globally, based on a survey of 116 institutions in 23 countries as well as correspondence with almost 150 professors; and (3) recommendations for expanding availability to RMI programs and increasing quality of curricula for existing programs in the future.

This report illustrates a dearth in RMI programs across both mature and emerging markets, with many RMI offerings that are merely a component of a broader business program. Notable exceptions exist in markets with significant growth opportunities such as Russia and China, for example, where growth of RMI programs far outpaces other markets.

Continued on page 28

Predictive Modeling Applications in Actuarial Science
(published July 2014), co-edited by Edward Frees, Richard Derrig and Glenn Meyers, is now available. Published by Cambridge University Press in conjunction with the Institute and Faculty of Actuaries, this book provides a practical introduction to predictive modeling in twenty chapters written by content experts. It emphasizes life-long learning by developing tools in an insurance context, providing relevant actuarial applications, and introducing advanced statistical techniques that can be used to gain a competitive advantage in complex data scenarios. Reviewers call this book “a welcome new resource on an important subject” and “should be on your bookshelf.” Vol. 1 (Foundations) can be ordered at www.amazon.com.
At the ARIA annual meeting in Seattle, the first plenary session entitled “What is Risk?” included panelist Neil Doherty, who retired from the University of Pennsylvania two years ago and is now living in the U.S. Pacific Northwest. During his presentation, we learned of his penchant for poetry. Neil was gracious enough to compose the poem below (which has a risk management twist) for ARIA NEWS.

**JEANNE’S SECOND WRINKLE**

“I never had but one wrinkle, and I am sitting on it” (Jeanne Calment)

N. Doherty

Jeanne Calment was wrinkle free, she joked,

she owned her home and smoked,

rode her bike, chose épée for her sport,

and sipped a glass of Port.

She loved her bar of chocolate and would spoil

her food in olive oil.

In prime of life as far as we can gage,

Jeanne Calment was ninety years of age.

They say that every lawyer has his day,

André-Francois Raffray.

This lawyer and our Jeanne co-signed a deal

– André thought it a “steal” –

he would pay a pension till she died

while quietly he’d bide

his time until at last she passed away,

then seize her home upon her judgment day.

With time to spare before his lawyer’s heaven,

– André was forty seven –

for thirty years he’d pay the aging crone

and still not see her home.

Then Andre up and sloughed his mortal coil,

– for lack of olive oil –

but still Widów Raffray would have to wait

to get her hands upon the real estate.

Jeanne Calment was wrinkle free, she joked,

she owned her home and smoked.

She lived until one hundred, twenty two

before she bade adieu.

André had thought the odds were on his side,

alas and woe betide,

he’d let his silly mortgages reverse on

Jeanne Calment, the longest living person.

– Neil Doherty