President’s Message: Eyeing the Future with Confidence
by James R. Garven, Baylor University

When I first joined ARIA's board of directors in 2001, I wondered—like many new board members—about the financial strength of the association and what its status would be if and when I was fortunate to become president. Well, the time has come and I am now in this position. Thankfully, my initial concerns about ARIA's financial integrity have been largely erased.

In retrospect, it is apparent that I underestimated the significance of the drive, determination, and passion for turning things around that has been shown by the ARIA executive office as well as my fellow officers and board members during the course of the past five years. As Larry Cox noted last year in his president's message, ARIA's publishing partnership with Blackwell has contributed greatly to ARIA's recent financial success.

Furthermore, we are no longer in a “run-off” mode associated with (overpriced) long-term meeting contracts that were executed by previous ARIA administrators. We have now begun the process of researching more price-efficient meeting locations, beginning with our 2007 annual meeting in Quebec City, one of the most attractive sites in North America and a city which I strongly encourage you to visit next summer. This process will continue for 2008 meetings and beyond.

Indeed, the net effect of the turnaround of the past five years is that ARIA is now financially well positioned for the future.

Speaking of the future, an important transition that will occur on January 1, 2007, is the transfer of editorial responsibilities for The Journal of Risk and Insurance from Patrick Brockett and Richard MacMinn to Georges Dionne. ARIA owes a debt of gratitude to Pat and Richard for their excellent stewardship of our association's primary journal. Under their editorship, The JRI has become firmly established as the premier academic journal in risk management and insurance in the world (as documented by published journal stature evaluation and impact articles). Important “behind the scenes” contributions include Pat's and Richard's creation and implementation of a robust and highly useful editorial database system that has improved the quality and efficiency of the editorial process for The Journal. This ARIA asset will be particularly valuable to Georges Dionne as he assumes editorial control of The JRI.

Looking forward, ARIA faces a number of exciting opportunities to expand its influence upon the theory and practice of risk management and insurance. One initiative that I bring to your attention is the Allied Social Sciences Association (ASSA) Exploratory Committee, which is headed up by Martin Grace. The purpose of this committee is to explore the feasibility of instituting an ARIA session at ASSA meetings, which are held at
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2007 ARIA Annual Meeting: Joie de Vivre in Québec City, Canada

by Terri Vaughan, Drake University, and Diana Lee, Property Casualty Insurers Association of America

ARIA members have spoken; in the spring poll to determine the venue for the August 5-8 2007 annual meeting, the city of Québec, Canada was overwhelmingly the favorite choice. This charming old-walled city with its quaint architecture, historical buildings and churches dating back to the 17th and 18th centuries is considered to be the most European city in North America and one of the top travel destinations in the world. More than 95 percent of the residents speak Québécois French. It is so easy to stroll around to see the sights, hunt for regional crafts and sample old and new world French cuisine.

Summer is a great time to visit Québec. Known for its “joie de vivre,” it is the second oldest European settlement still in existence in Canada. It is divided into two tiers, separated by steep bluffs—the Upper Town (haute ville) and the Lower Town (basse ville). With spectacular views overlooking the majestic St. Lawrence River, the Upper Town includes the old district and is home to the world-renowned hotel—Le Château Frontenac, military sites such as the Citadel and the historic Plains of Abraham (where the town fell to the British in 1759), and the Québec Parliament. The Lower Town is the oldest neighborhood in North America, filled with cobblestone roads, up-scale shops, art galleries, and trendy—but affordable—restaurants and cafés galore.

Our hotel is the four diamond-rated Loews Le Concorde, outside the walls of old Québec but a short walk to most of the attractions. Its revolving restaurant on top is a great place to gather and network with ARIA friends and colleagues. Recent guest reviews include: “The hotel was beautiful, the staff exceptionally helpful, and the location perfect;” “we were treated like special guests;” and “very nice size rooms, with a fantastic view of the old city.”

This year, we will be increasing the number of concurrent sessions, while decreasing the number of papers covered in each session. This will allow greater time for discussion of the papers. The program committee is again seeking volunteers to be discussants. As with last year’s program, we are accepting proposal submissions that may be full papers or a three-page summary. Rankings of submissions will consider the degree of completeness of the research submitted. Highly ranked, completed research papers are more likely to receive a favorable time slot on the program. We are also encouraging individuals to organize their own concurrent sessions around a theme. The organizer would be responsible for identifying experts in that field, encouraging them to submit proposals, and, if appropriate, identifying representatives of industry to be discussants.

Continued on the next page
2007 ARIA Annual Meeting, continued

We invite your participation to present research on any topic related to risk and insurance. Send your proposal to ARIA’s vice president and program chair, Terri Vaughan, at terri.vaughan@drake.edu by February 15, 2007. More details on the August 5-8, 2007 annual meeting will be provided on the ARIA web site, www.aria.org, and in the next issue of ARIA News.

President's Message, continued

the beginning of every year. We hope that ARIA will be able to have an ASSA presence beginning as early as its January 2008 meeting. Another initiative involves the formation of an ad hoc industry advisory board committee. The purpose of this committee will be to look into the feasibility of encouraging greater industry involvement with ARIA by establishing a high level industry advisory board.

Let me assure you that ARIA’s board of directors, officers, and executive office are working hard to ensure that our association continues to be well positioned for serving its members’ needs as effectively and efficiently as possible. Obviously, we can only be as strong as our members enable us to be, so I encourage all of you to do what you can to promote ARIA and the academic discipline of risk management and insurance.

In closing, I am eager to hear your ideas on additional initiatives which ARIA can take. Feel free to contact me at james_garven@baylor.edu to discuss ways in which we can strengthen our organization. As we go forward during this upcoming year, I look ahead with confidence and optimism and am honored to be your president.

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Baylor University

President-Elect
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Board Member (2009)
Richard Derrig
Opal Consulting LLC

New Board Members: Steve Weisbart, Anne Kleffner, and Richard Derrig

ARIA NEWS

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Produced by the American Institute for CPCU and the Insurance Institute of America

Graphic Designer: Mary P. Clark
Congratulations to the ARIA Award Winners of 2006
Compiled by Anthony J. Biacchi, American Institute for CPCU

Casualty Actuarial Society Award for 2005
A paper published by ARIA (in either The JRI or RMIR) in the prior year that is most valuable to casualty actuarial science: J. David Cummins (Wharton School, University of Pennsylvania) and Richard Phillips (Georgia State University) for “Estimating the Cost of Equity Capital for Property-Liability Insurers,” The JRI, 2005, 72(3): 441-478

Bob Hedges Undergraduate Scholarship Award
A stipend of a maximum of $1,000 enabling an undergraduate student in risk management and insurance to attend the ARIA annual meeting: Jeffrey Partlow, Ohio State University

Kulp-Wright Book Award

Robert I. Mehr Award
A literature contribution having a ten-year influence in the field of risk management and insurance: David W. Sommer (University of Georgia) for “The Impact of Firm Risk on Property-Liability Insurance Prices,” The JRI, 1996, 63(3): 501-504

RMIR Award for the Best Feature Article
Best feature article in the Risk Management and Insurance Review: Michael Hoy (University of Guelph) and Michael Ruse (Florida State University) for “Regulating Genetic Information in Insurance Markets,” RMIR, 2005, 8(2): 211-237

RMIR Award for the Best Perspectives Article
Best perspectives article in the Risk Management and Insurance Review: Patrick Brockett (University of Texas – Austin), Mulong Wang (University of Rhode Island), and Chuanhou Yang (Gannon University) for “Weather Derivatives and Weather Risk Management,” RMIR, 2005, 8(1): 127-140

Les B. Strickler Innovation in Instruction Award
A Simulation of How Insurance Markets Can Be Inefficient

Robert C. Witt Award
This award for outstanding feature article in The Journal of Risk and Insurance was given to two winners this year:

President’s Award
In recognition and appreciation for commitment and dedicated service to the Association: Ryan B. Lee and Norma L. Nielson (both with University of Calgary)

What?
The 5th Biennial MIGA-Georgetown Symposium on International Political Risk Management: Meeting the Needs of the Present, Anticipating the Challenges of the Future
Sponsored by the Multilateral Investment Guarantee Agency and the School of Foreign Service, Georgetown University

When?
Friday, November 3, 2006

Where?
Georgetown University, Washington, D.C.
Activities of Sister Associations and Affiliates

Southern Risk and Insurance Association
2006 Annual Meeting (38th annual)
November 19-21
The Westin Resort
Hilton Head, South Carolina
http://www.southernrisk.org

The Geneva Association, co-sponsored with the FFSA (Fédération Française des Sociétés d’Assurances)
2006 International Insurance Conference (5th annual)
December 12
Paris, France
http://www.genevaassociation.org

Western Risk and Insurance Association
2007 Annual Meeting (41st annual)
January 3-6
Westin Horton Plaza
San Diego, California
http://www.wria.org

Midwest Finance Association
2007 Conference (56th annual)
March 21-24
Hilton Minneapolis Hotel, Minneapolis, Minn.
To contact the program chair, e-mail: chair@mfa-2007.com

Risk Theory Seminar
2007 Annual Meeting (45th annual)
April 20-22
Penn State University (PSU)
University Park, Pennsylvania
http://www.aria.org/rts

Send five-page abstracts/rough drafts to Larry Cox, The University of Mississippi, at lcox@bus.olemiss.edu by December 15, 2006. Successful papers must be completed and sent to all participants by March 15, 2007. Financial support for North American travel only, one author per paper, is available. Contact Keith Crocker, PSU, at kcrocker@psu.edu, for local arrangements.

Asia-Pacific Risk and Insurance Association
2007 Conference (11th annual)
July 25-28
Hosted by National Chengchi University
Taipei, Taiwan
http://www.apria.org

Proposals or papers should be e-mailed no later than February 12, 2007 to: Michael Sherris, 2007 program committee chair, at conference_paper@apria.org.
For more information, contact: secretariat@apria.org

European Group of Risk and Insurance Economists
2007 Seminar (34th annual)
September 17-19
Cologne, Germany
http://www.egrie.org/Meetings.htm

A Retrospective of The Journal of Risk and Insurance
by Patrick L. Brockett and Richard MacMinn (The JRI Editors)

As editors of The Journal of Risk and Insurance, we believe the future viability of the association is tied to its continued visibility and prestige. We must continue to position the journal to take full advantage of the major changes taking place in our discipline and in the publication and distribution of academic journals. The following is a synopsis of our three terms in this capacity:

First Term (1998-2000)
1. The files for the journal were mailed to the University of Texas – Austin (UTA) in January 1998. The first year required the creation of a process designed to deliver camera-ready copy for the printer and PDF for the online publication. We accomplished both in addition to creating an editorial database and web interface.

2. We posted the journal online for the first time in March 1998, and continued to serve the online JRI from UTA until ARIA entered its contract with Blackwell in 2002. The web presence increased the visibility of the journal worldwide and probably increased the citation counts for articles accessible now through an increasing number of search engines.

3. The labor intensive copy editing work by the editors (Richard MacMinn and Patrick Brockett) and assistant editor

Continued on page 6
A Retrospective, continued

Richard MacMinn

(Kumi Smedley) continued through March 1999. Then ARIA president Steve D’Arcy helped make arrangements with Terrie Troxel at the American Institute for CPCU (AICPCU) to take over the copy editing, printing and distribution. The Institute’s staff greatly improved the appearance of the journal. In 1999 we began looking for other publishers but the cost was considered high at that time.

4. The arrangement with the Institute allowed us to devote more time to editorial work and further development of the editorial database.

5. In an effort to continue increasing the quality of our article selections, we began expanding the number of referees in our database. This was also a way to promote the journal by acquainting experts at universities worldwide with research submitted to The JRI. We received referees’ reports from many noted scholars.

6. Manuscript submissions were at a low of 108 in 2000. The quality of the articles that year was quite good and generated our highest impact factor.

7. In 1999 and 2000, we proposed that all back issues of The JRI be archived electronically by JSTOR. Then ARIA president Helen Doerpinghaus helped to accomplish this important milestone, allowing the journal to become available worldwide to a larger academic audience, libraries and search engines.

8. In 2000, we proposed Blackwell as our next publisher. Again under her presidency, Helen Doerpinghaus made the appropriate strategic arrangement; thus, Blackwell began as our publisher with the March 2002 issue.


1. The publishing was moved from the AICPCU to Blackwell.

2. We moved the ARIA web pages to UTA from Louisiana State University and continued to serve both the ARIA and The JRI pages there.

3. We continued using the editorial database to improve the processing times and increase the scope of our referee coverage.

4. The improved professional look of the journal and the improved quality of the referee process started helping the submission numbers. Our first term average submission rate was 123 while the second term average was 150.

5. We continued international travel to promote the journal, e.g., in a keynote address in Shanghai at the 2002 APRIA meeting.

6. We accomplished our goal of making The JRI truly international when more than 50 percent of the submissions from foreign authors was reached.

Third Term (2004-2006)

1. We moved the ARIA and The JRI web pages from UTA to a commercial server, which provided a home for those sites independent of their webmasters.

2. The JRI web pages were redesigned in 2004.

3. The pages for the Robert C. Witt award and Robert I. Mehr award were added to The JRI site. An editor gallery was also added.

4. A “members’ only” area was added to The JRI site that gives ARIA members access to The JRI issues on JSTOR. It also provides access to the new searchable ARIA membership directory.

5. The average submission rate for manuscripts increased from 150 in the second term to 184 so far in the third term. The bigger submission rate caused a backlog that we reduced by increasing the number of articles published in 2004 and by increasing our page budget with Blackwell, effective 2006.

6. We published two invited articles in 2005 as one step in the direction of opening new areas of research and in improving our impact factor.

7. We have continued the improvement of the editorial database, allowing us to make better editorial decisions. Now, all the processing times and recommendations historically provided by hundreds of referees can be seen by the editor.

Continued on next page
I’d like to take this space to include a personal thank you of my own to Professors Richard MacMinn and Patrick Brockett. My time with The JRI has been the job of a lifetime, and I’ll never be able to replace the experience with anything close to comparable. Their efforts have always included me as a respected team member and partner in this labor of love we call The JRI. I now realize that this type of leadership is not the norm, which makes me relish my title and time as assistant editor with even greater appreciation. My experiences go far beyond the development and growth of a journal, and I will carry these with me always.

Many of the reviewers and authors were also beacons during my tenure, and for this I am grateful. And, of course, my contacts with ARIA have been a real joy and pleasure.

I want to express to the membership that your editors were the most dedicated, caring and professional people I have ever had the pleasure to work with. Their vision for The JRI was to place it firmly as the cornerstone journal of the industry, and in doing so they always strove to bring it and the organization higher. While I certainly worked hard to help manage The JRI, I must admit that it made me a better person to be under the tutelage of Professors MacMinn and Brockett – both on a professional and personal level.

Thank you for your trust, your respect and your friendship, the most valuable and dearest being the last. I leave with great sadness but a better person for my time spent with the editors and everyone else with whom I came into contact.

Kumi Smedley  
Assistant Editor,  
The Journal of Risk and Insurance

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### Risk Management and Insurance Positions

Below is a list of organizations offering academic, government, and industry jobs that ARIA has received since April of 2006, presented in chronological order of final posting on ARIA’s Web site. Please visit the ARIA Web site (www.aria.org) or contact these organizations for additional information.

**April**

Asia-Pacific Journal of Risk and Insurance  
Country reports editor

Missouri State University (Springfield MO)  
Finance and General Business Department  
(August 2007)

The Baker Chair of Insurance, associate or full professor in insurance and risk management  
(tenure track)

**June**

Asia-Pacific Journal of Risk and Insurance  
Editor (deadline for nominations is July 2006)

National Alliance Research Academy  
(Austin TX)  
Research director

Old Dominion University (Norfolk VA)  
College of Business and Public Administration  
Assistant professor of insurance (tenure track)

St. Mary’s University (San Antonio TX)  
Department of Finance & Quantitative Management  
Charles E. Cheever Chair in Risk Management, associate or full professor (tenure track)

TIAA-CREF (New York City NY)  
Financial security and products specialist

**July**

Illinois-Wesleyan University (Normal IL)  
Department of Business Administration  
Assistant professor of risk manager

Triad Financial Corporation (Huntington Beach CA)  
Manager of risk management

**August**

University of Nebraska-Lincoln  
Assistant or associate professor in risk management (tenure track)

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Continued on page 8
William Rabel Honored as Bickley Teaching Chair of Insurance and Financial Services at The University of Alabama

The University of Alabama has a long association with risk management and insurance education, with the first courses being offered in 1921. On August 17, 2006, a gala black tie dinner and dedication ceremony for the John and Mary Louise Loftis Bickley Endowed Teaching Chair in Insurance and Financial Services at The University of Alabama’s Culverhouse College of Commerce was held in Tuscaloosa. Under the leadership of Dr. John Bickley (for whom the chair is named, along with his wife), the school has achieved international prominence in insurance.

In addition to Dr. Bickley, William H. Rabel was honored at this ceremony as the inaugural chairholder of the Bickley Chair. He also was appointed as professor of finance in the department of economics, finance, and legal studies of the Culverhouse College of Commerce and Business Administration and began his term on August 16.

The purpose of the Bickley chair is to promote student enthusiasm for the subject of risk management and insurance by offering stimulating courses, attention-grabbing student activities, and an effective program of internships and job placement. The chair will also maintain a strong relationship with the industry.

Dr. Bickley, himself a legendary figure on campus and in the insurance field, described Bill as “a great teacher with wonderful leadership abilities and research capabilities. He will provide a true international perspective to our insurance program, and his contacts in the industry will lend an important ‘real world’ dimension to the curriculum.”

“A sound insurance industry is a prerequisite for a sound economy,” said Dr. Billy Helms, head of the department of economics, finance and legal studies. “Dr. Rabel’s appointment will enhance our ability to produce graduates who understand the role of insurance and risk management in society. They will learn how to manage their business and personal risks effectively and many of them will find jobs in this important field.”

Bill says, ‘The university here in Tuscaloosa is beautiful, and the state is rightfully proud of it. For the second consecutive year, the graduate school of business has ranked in the top 10 in three categories of the Princeton Review: fifth for best professors, fourth for best campus facilities, and eighth for best administration. Indeed, the faculty at Alabama is excellent and I am honored to be a part of it. I am also very pleased to be involved in this new dimension in collegiate education by serving as the first Bickley teaching chairholder.”
Profile of Insurance Scholars—John H. Thornton Retires

by Diana Lee, ARIA News Editor

After a distinguished and active 35-year career at the University of North Texas (UNT), where he was Regent’s Professor of Insurance, John H. Thornton, CLU, retired this summer. Before joining UNT, John earned his Ph.D. in insurance and risk management and M.B.A. in real estate and urban affairs from Georgia State University in Atlanta. He obtained his B.A. degree in economics from the University of the South, located in Sewanee, Tenn.

John clearly understands the meaning of the word “service,” his leadership roles with various academic, insurance and athletic organizations and the terms he served are impressive. For example, John was past president of ARIA (1988-1989), as well as past president of the Southern Risk and Insurance Association and the Western Risk and Insurance Association. He served as a vice president and member of the board of governors of the International Insurance Society, chaired this group’s board of moderators (1995 and 1997-2000), and was an elector for the Insurance Hall of Fame for 22 years. John also was the past education committee chairman for the Dallas-Fort Worth Chapter of the Risk and Insurance Management Society for two seven-year terms, and head of a Texas statewide committee that examined needed changes to provisions in the Insurance Code as they pertained to medical insurance programs for the state’s institutions of higher learning.

John served as associate editor for the Risk Management and Insurance Review, and was on the editorial boards of the Journal of Business Research, Journal of Insurance Issues and the Journal of the American Society of CLU and ChFC. He also refereed many submissions to other journals.

From 1971 to August 2005, John was coordinator of the UNT Insurance Area, which included responsibility for scheduling courses, securing adjunct faculty, and recruiting new faculty. He chaired the UNT insurance and retirement committee for nine years, chaired his College of Business’ undergraduate curriculum committee for three years, and co-chaired the school’s annual United Way Fund drive. John founded and led a campaign to create an endowed chair in insurance at UNT, to which he personally contributed $200,000 in paid-up whole life insurance.

John also took great interest in student activities; he sponsored the UNT Insurance Club, which regularly provided students opportunities to meet and learn from industry executives in a variety of settings, including classroom, informal mixers, and visits to companies, agencies and regulatory offices. Each year, he opened his home to sponsor a student-industry mixer, and took students to visit industry organizations such as the Texas Department of Insurance (where he was a volunteer member of its Insurance Agents’ Licensing Advisory Council), the Texas Automobile Insurance Plan Association, and the Texas Windstorm Insurance Association.

An avid sports enthusiast, John was a member of UNT’s Athletic Council from 1981 until his retirement and chaired this group from 1985 through 1995. He was faculty athletic representative to the National Collegiate Athletic Association (NCAA), which oversees intercollegiate athletics programs in U.S. colleges and universities, for a decade. As his school’s delegate to the Southland Conference, John served as vice president of the conference, heading up its NCAA compliance committee and finance committee and participating on its long-range planning committee. John also represented UNT at the Big West Conference in the late 1990s. In September 2006, State Farm Insurance Company sponsored the third annual John H. Thornton Charity Golf Classic.

And if all of these activities were not enough, John found time to be an active participant in his community through organizations such as the Denton County Friends of the Family, a shelter for battered women and children, the Denton Area Teachers’ Credit Union, and the Denton South Rotary Club, where he is a Paul Harris fellow.

John’s published works are numerous as well. He is co-author of a text, Personal Financial Management, and has authored an array of articles, including work in The Journal of Risk and Insurance, the Journal of Financial Services Research, the Journal of Business Research, the Journal of Insurance Issues, the Journal of the American Society of CLU and ChFC, the CPCU Journal, the Journal of Insurance Regulation, Best’s Review, the Proceedings of the International Insurance Society, Inc., and the Oklahoma Law Review.

Some of John’s written works have been honored for their outstanding contributions to the literature. He also received the College of Business Administration Outstanding Teaching Award from the Council of Business Students in 1997-1998. In addition, John was named an Honors Professor by the UNT Student Association in 2002 and received the Outstanding Teaching Award from the school’s department of finance, insurance, real estate and law in 2004 and 2005.

John and his wife, Catherine, have relocated to Greenville, S.C., where they are finishing plans for a home on a small lake, near Catherine’s family. John says, “Greenville is ideally located for travel in

Continued on page 11

Send Us Your News
ARIA members can send notice of events of professional or personal significance that they would like published in ARIA News to the editor, Diana Lee, at diana.lee@pciaa.net. Please send announcements for the spring 2007 issue by February 15, 2007.
Terrie Troxel Heads Up Gongaware Center at Indiana State University

Like Bill Rabel, another well known ARIA figure has returned to academic life. Beginning in July, Terrie Troxel relocated to Terre Haute, Ind. to become executive director of Indiana State University’s Gongaware Center for Insurance Management Development. He also joined the faculty of the College of Business’ nationally recognized insurance and risk management program.

“We are excited that Dr. Troxel has agreed to work with us in this critical area of our college,” said Ron Green, dean of ISU’s College of Business. “His background and experience will be instrumental as we continue to strengthen our ties with the financial services industry.”

The Gongaware Center was established eight years ago with a generous gift from Donald Gongaware (former chief operating officer and executive vice president of Conseco) and his wife, Patricia, for the purpose of developing future leaders in insurance and the financial services industry. Since its inception, part of the Gongaware Center’s mission has included recruiting top high school students into ISU’s insurance and risk management program and helping them to build the technical, operational and leadership skills necessary to succeed in the industry and in the communities in which they live. The Gongaware Scholars Program awards three four-year scholarships annually for students majoring in insurance and risk management. Currently, 11 Gongaware Scholars are enrolled at ISU and another 11 have graduated and gone into professional positions within the insurance industry or on to graduate or law school.

“This is a terrific opportunity for me to bring my career experience to the university’s professional College of Business,” Terrie says. He would also like to provide in-depth research and analysis in risk management and insurance topics for those in the industry and continue to promote what’s already been proven to be a very strong Gongaware Scholars program.

“Helping to place graduates with employers where they can continue to grow professionally and make a meaningful contribution to society is the ultimate goal of the Center’s work. Risk management and insurance offer many dynamic opportunities for bright, young people, and I look forward to assisting our scholars in launching successful careers.”

“Dr. Troxel’s service will complement an already strong team in our insurance and risk management program and financial services offerings as a whole,” Green said. “With him on board, we can continue to focus on meeting the needs of not only our students, but of the insurance industry at large.”

And Speaking of ISU….

By Maria Doti Greninger, Associate Director of Communications and Marketing

ISU’s Networks Program

Indiana State University’s Networks Financial Institute was honored by the Indiana legislature earlier this year for its continuous efforts to provide vital human resources to the financial services industry and for its in-depth statewide initiatives. “We’re very pleased to gain this recognition in preparing future leaders in financial services for the state,” said ISU President Lloyd Benjamin.
Weathering the Storms at University of Louisiana – Lafayette

by William Ferguson

The seeds were sown in 1991, literally over coffee, for what has become the insurance and risk management (RMI) program at the then-University of Southwestern Louisiana (USL) – now, the University of Louisiana at Lafayette (UL). Over that coffee, then USL-College of Business Administration Dean Jan W. Duggar and several local insurance industry professionals discussed familiar insurance industry problems, including succession planning, industry recruiting, and ethics. They also were quite concerned with trying to dispel the historically negative image that insurance had in general, and particularly in Louisiana, which—at that time—had seen each of its insurance commissioners elected since 1967 indicted and serve time in federal correctional facilities.

The coffee klatch proposed a university-industry partnership to try to build a quality program of RMI education, with a curriculum stressing technical knowledge, ethics and professionalism. However, Dean Duggar made it clear to all that, given the ongoing annual budgetary shortfalls that perennially plague Louisiana’s system of higher education (even to this day!), the industry end of that partnership likely would bear the lion’s share of the load. The industry would have to step up and put its money where its mouth was for university administration to entertain their partnership proposal and commit scarce resources to such a project.

The group decided their best avenue was to try to leverage a then-new state program wherein the Louisiana legislature promised to match private donations for certain approved educational endowment projects on a 60/40 basis: i.e., if private donors raised $60,000 toward a $100,000 endowment, then the state would fund the remaining $40,000. The corpus of any such endowment could never be invaded, and only that portion of interest earnings in excess of mandated inflation and maintenance expense targets would be available to fund operational activities.

The coffee group decided they would seek to raise $600,000 toward a $1 million endowed Chair position and, ultimately, $40,000 each toward two endowed Professorship salary supplements focused in insurance and risk management, as the core of their financial commitment to their university-industry partnership.

A broader local advisory board of industry professionals was formed, and other university faculty, including Mr. J. David Lofton, Esq. – then associate professor

Continued on page 14
of legal studies and coordinator of the real estate and insurance law coursework offered at the university, became intimately involved. Professor Lofton had regularly taught the lone course in insurance law for years, and passionately anticipated broadening the insurance offerings. The proposal also received enthusiastic support from the Louisiana Department of Insurance and from industry groups across the state and region.

The group enlisted the support of Mr. G. Frank Purvis, Jr., then chairman of the New Orleans-based Pan-American Life Insurance Company, and an internationally known businessperson and well-respected gentleman. Before joining Pan-American in 1949, Mr. Purvis had admirably served the people of Louisiana from 1935-1941 as attorney for the Secretary of State, ex-officio insurance commissioner and special assistant to the Attorney General. Upon his return from wartime service as an officer aboard destroyer escorts in the North Atlantic, Mr. Purvis also served as deputy insurance commissioner for the State of Louisiana and Special Assistant Attorney General—where he was responsible for drafting what became the modern Louisiana Insurance Code (1948). Mr. Purvis became the figurehead for the university-industry partnership financial drive, and the G. Frank Purvis, Jr. Eminent Scholar Endowed Chair in Insurance and Risk Management came into being (and was fully funded by 1998).

Dean Duggar, Professor Lofton, the local advisory board, and a group of Houston alumni risk professionals headed by Mr. Wayne Dauterive was committed to doing more than just raising funds to build the UL RMI program. The adverse impact of Hurricane Andrew on Louisiana's insurance markets helped win converts and encourage the group, who collected and analyzed information from the leading RMI undergraduate programs of that time, including those at the Wharton School (University of Pennsylvania), University of Georgia, University of Wisconsin, Georgia State University and University of Nebraska, as well as the professional programs of the American Institute for CPCU/Insurance Institute of America. Ultimately, a separate curriculum and undergraduate degree program within the finance major at USL was ironed out, and was formally approved by the board of regents of the University of Louisiana System in August 1994. The UL RMI program was officially out of the starting blocks.

However, the fledgling program immediately experienced some rather severe set-backs. Joseph Tombs, JD—who was "all but dissertation" from Georgia—was hired, but left after two semesters to go to Georgia State. Tragically, Professor Lofton fell victim to a sudden heart attack boarding a bateau mouche excursion boat on the Seine River during a trip to Paris in the spring of 1995. Dean Duggar and the university then recruited Dr. William Ferguson away from Marshall University in June 1995, arriving on campus that August to find eight students committed to the UL RMI experiment.

During the next decade, and despite ongoing bumps in the road (e.g., the 1997 departure of Dean Duggar, a virtual revolving-door of six acting and permanent deans since then that continues even to this day, Hurricanes Katrina and Rita, etc.), Ferguson has successfully guided

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the UL RMI program—still stressing the original ideals of technical knowledge, ethics and professionalism. Despite being a “one-man shop,” enrollment has grown steadily from the original eight majors and two in the first graduating class of December, 1995 to today’s approximately 100 majors and 15-25 graduates per year.

The UL RMI program consistently ranked no lower than #12 in the three most recently conducted Business Insurance annual surveys (unofficially #10 in the latest, and likely easily in the Top 10 had Business Insurance continued its survey in 2005-06).

The UL RMI program now boasts almost 200 alumni, the vast majority of whom took their first jobs, and/or are still working, in RMI. Two key components of ongoing industry support, internship opportunities and ultimate job placement, continue to be solid and help attract student majors to the UL RMI program.

With Ferguson’s demonstrated stability at the helm and oversight of the curriculum, financial support for the UL RMI program from the industry and professional groups across the state and region has been exceptional. Funding for the Purvis Chair and the two original Professorships were completed ahead of schedule, though approval for actually hiring a second tenure track RMI person per the original program design has remained elusive. And though scholarships specifically do not qualify for state matching funds, Ferguson personally solicited and has overseen private donations well in excess of $150,000 for direct scholarship endowments dedicated to RMI majors.

Endowment sponsors include the National Association of Insurance Women (NAIW) of Acadiana, the Louisiana Department of Insurance, the Southwest Louisiana Claims Association, the Professional Insurance Agents (PIA) of Acadiana, the Louisiana Surplus Line Association, the Bayou Chapter of CPCU, the LEMIC Insurance Company (formerly the Louisiana Employers Managed Insurance Company), the Shelter Insurance Companies, and the Acadiana Life Underwriters. Student scholarship awards from these endowments range from $250 to $500 per semester per recipient. The endowed James D. Parkerson Award ($100) goes to the outstanding student of all Principles courses offered in an academic year. Several non-endowed scholarships also are awarded annually.

Many positive things have occurred in the whirlwind history of the UL program, including the university name change in 2000, and completion of a new building to house the newly endowed college in 2005. A graduate elective course in RMI for the MBA program was finally approved and first offered in the fall of 2003. UL regularly participates as a host school in the RIMS Risk Manager in Residence program, and UL students have won competitive national scholarships from groups such as the Million Dollar Round Table and the Spencer Educational Foundation, among others.

Several UL students also have been selected to participate in national and international internship and educational exchange programs, studying in such places as Bermuda and London. In 2003, nine UL students joined nine Appalachian State University (Boone, NC) students for a two-day risk management seminar in the hospitality and gaming industries in Las Vegas. Most recently, all UL RMI undergraduate program courses were finally freed from their historic “finance” (FNAN) course designator structure, and changed to their own separate insurance and risk management (INSR) course designations effective with the Fall 2006 semester.

Preliminary major enrollment numbers for Fall 2006 do indicate a slight downturn in number of majors (to approximately 90), due in large part to administratively unpublicized changes occurring over the summer and students being unfamiliar with the new nomenclature, but this is expected to stabilize. And there is an active student Risk Management & Insurance Society group helping to get the word out. Total student enrollment and overall contact hours remain reasonably stable across all RMI course offerings.

The UL RMI program continues to operate today through an effective team of one full-time tenure track professor and three long-term masters-qualified industry professionals in non-tenure track instructor/adjunct faculty support roles. Five courses comprise the basic RMI major core [principles, life/health insurance, property/casualty insurance, employee benefits and a capstone seminar in (enterprise) risk management], in addition to independent study and internship elective course offerings, and required ethics and finance courses.

Each of the RMI courses, with the exception of the spring-only seminar course, is now offered every semester. In addition to their formal teaching duties, all UL RMI teaching faculty are actively involved in various state, local, national and internationally recognized industry organizations and groups, holding leadership roles in many. Further, the B.I. Moody III College of Business Administration is fully accredited by the Association to Advance Collegiate Schools of Business, and the RMI teaching faculty are cheerful participants in the commitment to excellence implied through maintenance of that prestigious recognition. In that vein, recent scholarly articles published by the UL RMI teaching faculty have appeared in outlets such as the Risk Management and Insurance Review and the Journal of Workers’ Compensation.

The Bachelor of Science in Business Administration degree program in Insurance and Risk Management at the University of Louisiana at Lafayette was founded and exists today solely because of the vision of a handful of dedicated insurance industry professionals who recognized the need for a quality program of RMI education stressing ethics and professionalism, in addition to technical knowledge. The UL RMI faculty are fully committed to this ideal, and they recognize that providing a nationally respected program undoubtedly benefits both the people of Louisiana and the industry as a whole.

ARIA salutes its institutional sponsors and expresses appreciation for their support of risk and insurance education in universities around the world.
Harris Schlesinger on EGRIE: European Group of Risk and Insurance Economists

One of the co-sponsors of last year's World Risk and Insurance Economics Congress was the European Group of Risk and Insurance Economists. Current EGRIE president Harris Schlesinger (2006-2007), who also is a past ARIA president (1997-1998) and past president of the Risk Theory Society (1985-86), recently spent time with ARIA News talking about EGRIE.

ARIA News: Harris, at the World Congress in Salt Lake City, many ARIA members had their first exposure to the European Group of Risk and Insurance Economists (EGRIE). What exactly is EGRIE and how is it similar to or different from ARIA?

Schlesinger: EGRIE is a group of researchers, mostly economists, who have an interest in risk and insurance topics. The group has been meeting once a year since 1976. The meetings are much smaller than those of ARIA, typically about 60-70 people participate and we spend much more time on fewer papers. The group is actually more similar to the Risk Theory Society than to ARIA.

ARIA News: How large is the EGRIE membership and who constitutes the members?

Schlesinger: We currently have about 140-150 members. Anyone who presents a paper at the annual meeting becomes a member and to remain a member you must either attend a meeting or publish a paper in the Geneva Risk and Insurance Review (formerly the Geneva Papers on Risk and Insurance Theory) within a moving three-year window. Again, this is somewhat similar to the Risk Theory Society.

ARIA News: Can anyone become a member? And is there a membership fee?

Schlesinger: There are no dues. Anyone can become a member so long as he or she gets a paper accepted on the program for the annual meeting, which is getting harder all the time. EGRIE has a scientific committee, which does blind reviews of all proposals, but there is much competition. There are usually only 25 or so papers on the program. I think we often receive around 80-100 submissions. In addition, we include on the program an annual invited lecture, the so-called “Geneva Risk Lecture.”

ARIA News: What exactly is the Geneva Risk Lecture?

Schlesinger: As part of their sponsorship of our meetings, the Geneva Association provides funds to invite a prominent researcher to speak on a topic of his or her choice. Last year in Salt Lake City, the lecture was by Paul Embrechts. For the previous year, it was given by Dave Cummins. Past lecturers include such notables as Ken Froot, Kip Viscusi, Michael Rothschild, John Pratt, Mark Machina, Jack Meyer, Michael Brennan and many others of similar notoriety.

ARIA News: You mentioned the Geneva Risk and Insurance Review. Is this the Association’s journal?

Schlesinger: EGRIE has been sponsored from the start by the Geneva Association, which has many other interests besides us. In 1990, Henri Loubergé and I received support from the Geneva Association to start a new journal, to complement the Geneva Papers, which has been around since 1973. We called the new journal the Geneva Papers on Risk and Insurance Theory and had in mind a journal devoted to the types of rigorous scientific papers presented at the EGRIE meetings. The original Geneva Papers was always a mix of academic and practitioner articles.

As I mentioned previously, publishing in the Geneva Risk and Insurance Review is one way to maintain membership in EGRIE. Plus, we invite the guest speaker of the Geneva Risk Lecture to publish his or her presentation in the Geneva Risk and Insurance Review. So I guess you might say that this is the “unofficial” journal of EGRIE.

ARIA News: Harris, how did you first become involved with EGRIE?

Schlesinger: Well, back when I was a new assistant professor at Vanderbilt University we did not have automatic summer research support. So I applied for a small research grant from the Hubeinan Foundation and that started everything. The grant sponsored a trip to my very first ARIA meeting in 1980 where I happened to meet Henri Loubergé. Henri told me about EGRIE and told me to try to attend one of their meetings.

Financing such a trip was not so easy for me back then. I remember that my department at Vanderbilt allocated around $400 and I applied for a University travel grant for another $500, plus I wrote to the Geneva Association, which provided a bit more funding. So eventually I pieced together enough funding to cover the costs of the trip and attended my first ever EGRIE meeting in Geneva in 1982. Since that time, I have attended all but 5 or 6 of their annual meetings.

ARIA News: We understand that EGRIE just held its 2006 meeting in Barcelona, Spain. Can you tell us a little about that?

Schlesinger: The Barcelona meeting (September 19-20, 2006) was quite nice. Martin Weber from The University of Mannheim gave the Geneva Risk Lecture on the topic of “Biased Probability Judgments,” which is an interesting aspect of behavioral economics.

Barcelona is such a beautiful city and the conference was up to its usual high standards with interesting papers, high-level discussions and great food.

ARIA News: When and where are future EGRIE meetings?

Schlesinger: The next meeting will take place on September 17-19, 2007 in Cologne, Germany. I hope that some ARIA members who are reading this interview will keep an eye out for a call for papers for the 2007 meeting.

Continued on page 18
This competitive program provides students with an opportunity to embrace their careers, even in the early years of their college education. State Representative Clyde Kersey said, “Networks leads the way in its education and outreach initiatives on current financial literacy issues. ISU is on the leading edge and is very much in tune with the legislature’s expectations. That is something we are very proud of.” Visit the Networks Web site at www.networksfinancialstitute.org.

ISU Students Receive Benedetti Award

Two ISU students, Michael Haseley and Jackie Zuerner, received the Anita Benedetti Student Involvement Award sponsored by the Risk and Insurance Management Society, Inc. at its national conference this past spring. They received the award for their outstanding leadership and involvement at Indiana State and in the pursuit of insurance and risk management as an area of study and future career. “Competition for this honor is always fierce, yet I’m never surprised at how well our students fare when going head to head with top students throughout the country,” said Mary Ann Boose, ISU insurance and risk management program coordinator. “Dr. Boose has helped the ISU RMI program to stand out from other competing programs and has prepared graduates for the real world,” Zuerner said. “She spearheaded the surplus lines course, taking students to London to examine the insurance industry. The trip served as a catalyst for my interest in working in the brokerage environment as a summer intern.”

This award program was established to honor the late Anita Benedetti, former RIMS deputy executive director and president of the Spencer Educational Foundation, Inc.

ISU Ethics Conference

During the spring, Networks and Gongaware Scholars hosted ISU’s first conference on ethics and corporate responsibility for students. Conference planning and logistics are part of these scholars’ junior year objectives to enhance experiential learning opportunities and leadership skills by brainstorming topics and recruiting speakers. Topical ethical issues facing today’s business world included ethics of genetic testing, the Sarbanes Oxley Act, employment of illegal immigrants, Martha Stewart: What Went Wrong?, piracy of music downloads, and truth in advertising.

How did ethics become the focus? Based on results from a survey of employers in the banking, insurance and securities industry, ISU’s Networks Financial Institute learned that ethics is considered one of the top skills that new college hires should possess. While new hires should have a solid education based on traditional curriculum, there is an intense and emerging interest in “soft skills,” particularly in the areas of business ethics and financial services.

Planning the conference enabled the students to make a solid connection between theory and practice and tie the content to classroom topics. “Whether they knew it yet or not, they became more savvy concerning the topic of ethical dilemmas,” said Professor Art Sherwood. “How do you make good, solid ethical decisions? They know now that it’s not as easy as black and white, right or wrong.”
Harris Schlesinger, continued

At our annual business meeting, the EGRIE members selected Toulouse, France as the venue for the 2008 meeting. And of course, the 2010 meeting hosted by EGRIE in conjunction with ARIA and APRIA will be the second World Risk and Insurance Economics Congress in Paris, France.

ARIA News: As the new president of EGRIE, what do you hope to accomplish for the association?

Schlesinger: Well, I think that talking about EGRIE has been very helpful as I am happy to see more ARIA members made aware of this organization. The inaugural World Congress in 2005 was also a big help in this regard. Since the 2010 World Congress will be hosted by us, I suppose we will begin to work on some of the logistics for that meeting in addition to planning our own upcoming meetings.

Given the structure of EGRIE, there are not many duties of the president. I feel particularly honored to be the first non-European to be president. Although since I have averaged around 1-1/2 days per week in Europe over the past 20 years, I am not sure I qualify as 100 percent “non-European.”

ARIA News: Thanks, Harris. Best wishes on your term as EGRIE president and for a good meeting next year in Cologne. We’ll also look forward to seeing more EGRIE delegates at the second World Congress in Paris.

Before year end, the ARIA office will be mailing a survey via listserv to all members to determine annual meeting site preference for 2008. The two choices are Albuquerque, New Mexico or Portland, Oregon.

Members in the News: Did You Know….?

Vickie Bajetsmit was selected to among the group of Distinguished Huebner Alumni for the year 2005. The Huebner Foundation is an international clearinghouse for researchers and educators in insurance economics and risk management. The foundation is funded by insurance companies and administered by the Wharton School at the University of Pennsylvania.

During the International Insurance Society (IIS) meeting this past July, Etti Baranoff (Virginia Commonwealth University) and Thomas Sager (University of Texas – Austin) were presented a stipend of $10,000 for their paper, “Integrated Risk Management in Life Insurance Companies.” This paper was one of three award winning papers chosen by the Geneva Association and the IIS as part of their collaborative research program to foster high quality practical research on current issues.

David Bickelhaupt was recognized at the 2006 CPCU annual meeting in Nashville, Tenn. for earning his CPCU designation in 1955.

Congratulations to Robert Hartwig, who will become president of the Insurance Information Institute effective January 1, 2007. Bob joined the III in 1998 and has been the Institute’s senior vice president and chief economist for the last four years.

In May 2006, Robert Hoyt received the Outstanding Service Award at the Terry College of Business at the University of Georgia.

Dana Kerr has relocated to Muncie, Ind. and is now with Ball State University, teaching principles of insurance.

Best wishes to Yu-Luen Ma and Nat Pope, who became parents on May 11, 2006 to twins – daughter, Dakota An, and son, Logan Ping. Dakota and Logan were almost seven and six pounds, respectively, when born. All are doing well, due in large part to the presence of Yu-Luen’s mother, who has come from Taiwan to help with the babies for the first six months.

Yu-Luen is on temporary leave of absence from Illinois State University, while Nat joined ISU in a full-time tenure slot at the end of August; he is teaching insurance company operations and liability insurance.

The dean of the RMI Department at the J. Mack Robinson College of Business at Georgia State University is pleased to announce that Richard Phillips is the new chair. Rich holds the Bruce A. Palmer Professorship of Risk Management and Insurance and has been a member of the faculty since 1994. He was also chosen as a 2005 Distinguished Huebner Alumnus.

Congratulations to Mark L. Power, who was recently awarded the title of University Professor at Iowa State University. The title of University Professor is bestowed on a senior faculty member who has demonstrated outstanding performance in teaching, research or professional service; who has acted as a change agent to improve the quality with which the university carries out its land-grant mission; and who is an outstanding university citizen. Mark is the Principal Financial Group Finance Fellow in the department of finance at Iowa State University.

Andreas Richter has accepted the position of book review editor of Asia-Pacific Journal of Risk and Insurance. He has set up a Web site and encourages ARIA members to volunteer to review a book from the list and suggest titles of books for him to review. The site URL is: www.inriver.bwl.uni-muenchen.de/APJRI/index.asp#list_of_books.

Congratulations to Tong Yu (University of Rhode Island), Xuanjuan Chen (University of North Carolina) and Tong Yao (University of Arizona), who won a $10,000 award from the Geneva Association and International Insurance Society for their paper, “How Does Background Risk Affect Risk-taking? Evidence from Insurers’ Corporate Bond Portfolios.” This honor was bestowed upon them at the IIS meeting in Chicago this summer.
Summer Memories

If you wondered why the Bickelhaupts were absent from the 2006 ARIA meeting, that’s because David and his wife, Lee, spent three weeks in Canada visiting their daughter, Carol, and her family at Lake Temagami, 300 miles north of Toronto. Two busy grandsons (12 and 10 years old) kept them busy with boating and fishing. They took the long way home, returning by way of hometown Saratoga Springs, N.Y. to see brother, John, and his wife, Nancy (who had a stroke a year ago, and is being taken care of by their son, Stephen, and his wife, Pat). It was nostalgic for the Bickelhaupts to see the Adirondack Mountains and Saratoga booming, especially during the middle of the city’s exciting August horseracing season. They then went to the CPCU annual meeting in Nashville, Tenn. in early September. David says, “We’re still traveling while our health permits, which we recommend to everyone!”

This summer, Jim Carson and his family drove from Florida to spend some time at Lewis and Clark Lake, which is part of the Missouri River and forms a portion of the Nebraska-South Dakota border. Their days were filled with hiking and swimming, and two-year-old Dakota even went tubing (“just like a big girl”).

Mark Dorfman and his wife, Marcia, spent most of the summer at their home in Door County, Wisc., specifically in the village of Ephraim. As he and others can attest, Door County in the summer is the “Cape Cod of the Midwest.” Retirement has allowed Mark to read Goethe, a three-year project at least, followed by War and Peace. He is also preparing the 9th edition of his introductory textbook.

Mark also informs us that he fought a mostly losing battle against deer destroying his fruit trees, but the Dorfmans were still able to produce about four bushels of apples. Mark looks forward to seeing any friends who are nearby in the summer, and he says, “if you are lucky, you might get a dinner and a piece of Marcia’s home made cherry (or apple) pie.”

Randy Dumm’s class from Florida State University joined Norma Nielson’s class from the University of Calgary during one morning at Swiss Re in London, England. On September 9-10, Anne Kleffner participated in a two-day, 90-kilometer ride on all kinds of off-road terrain to raise money for multiple sclerosis. The MS Mountain Bike ride that began in Hinton Alberta (about a five-hour drive northwest from Calgary) raised over $200,000. Anne says, “I was impressed with the diversity of riders, from young to old, slim to not-so-slim, experienced to novice (including me!).”

It was a well organized and fun event that included a massage at the end of the day. Training for the ride over the summer helped Anne get back into shape after breaking her ankle in March. And talk about a funny coincidence, imagine Anne’s surprise when she discovered, among the books at the back country resort where the riders stayed, a 1964 edition of Insurance and Risk Management. Way to go, Anne!

During the summer, before presenting at the APRIA conference in Tokyo, Japan, Hideya Kubo and her child visited her parents who live outside the city, and had a heartfelt reunion with them.

Kay and Jerry Todd and their daughter, her husband and their four children (8 people in all) drove from Austin, Tex. to Burlington, N.C. in a GMC Yukon over a two-day period to attend the wedding of Jerry’s nephew. They all then drove to Orlando, Fla. for a week and spent most of their time at Universal Studios. In July, Jerry and Kay flew to Innsbruck, Austria for the five-week second summer session of St. Mary’s University, attended by several faculty and students. On weekends, the Todds rode the trains to Germany, Slovenia, Italy, and Prague, rounding out a most enjoyable and educational summer.

Dakota Carson

Anne Kleffner
In Memoriam: Stanley M. Hopp, S.I.R. Executive Director

It is with sadness that I inform you of the passing of Stanley M. Hopp, aged 74, executive director of the Society of Insurance Research, on October 7, 2006. Most ARIA members do not know him, yet he was a strong advocate of joint activities between ARIA and the S.I.R. His outreach to ARIA made it possible for S.I.R. members to receive our journal, Risk Management and Insurance Review, on a regular basis.

Stan recently retired from the S.I.R., where he had been executive director since 1992. He studied insurance at Georgia State University and was with Equifax for 36 years. People who attended S.I.R. events were always greeted warmly and made to feel welcome by him and his wife, Ginger. Stan was the backbone of the society, striving hard to provide members with high quality service and elevate the stature of insurance research. He and Ginger gave the S.I.R. a feel of family and camaraderie.

My time as an S.I.R. member was all the more enjoyable because of Stan and Ginger. I shall miss him.

Diana Lee
ARIA News Editor

An International Approach: The Institute for Global Insurance Education

by Peter Hohman, FCIP, CRM, CAE, Chairman, Institute for Global Insurance Education and President & CEO, The Insurance Institute of Canada

Insurance is a global business, no surprise there. But did you know that the industry’s educators have also gone global?

It makes abundant sense for organizations with the mandate of educating and professionally developing women and men employed in the international business of insurance to respond in this way.

The CEOs of the American Institute for CPCU, The Insurance Institute of Canada and the Chartered Insurance Institute of the U.K. in 1997, namely Dr. Norman Baglini, J. Chris Rhind and Dr. David Bland, had the foresight to create the Institute for Global Insurance Education (IGIE) with the vision of bringing a cooperative approach to insurance learning around the world.

Heading the three “Founding Institutes,” these industry leaders envisioned that IGIE could bring insurance education to parts of the globe, particularly in emerging economies, where resources were simply not available. IGIE could also foster member institutes to create partnering arrangements, cross accreditation and other opportunities to assist one another in the assessment and guidance of course development and exam protocols.

In the nine years since those first discussions, IGIE has grown and brought meaningful value to education on an international basis.

IGIE membership categories now include “affiliate members” for other national insurance institutes and graduate organizations around the world, such as the CPCU Society. “Academic members” include colleges and universities that offer insurance and risk management courses. IGIE is also able to welcome organizations whose mandate is similar to those of affiliate and academic members, but are not constituted in such a way, within an “other members” category.

Participation in IGIE has increased to approximately 25 institutes and other insurance educational organizations around the world including, to name a few, the Insurance Institutes of India, Hong Kong, Singapore and Switzerland, The Australian & New Zealand Institute of Insurance & Finance, and the Bahrain Institute of Banking & Finance. Expanding the life sector involvement, LOMA (the Life Organization Management Association) recently joined the founding institutes to assist in the leadership of IGIE.

Acting on the mandate of bringing education to parts of the world that do not have the means to develop education programs, IGIE’s four leadership organizations produced and recently launched web-based courses in both property/casualty and life insurance, complete with online examinations. Members of IGIE are able to use these courses to educate people in their home countries, thus bringing a fundamental level of knowledge to the global insurance community as a whole. There are currently 95 students enrolled in these programs. Our thanks to the American Institute for CPCU for managing these web-based resources.

Since the early days of IGIE, a number of institutes have taken the opportunity to forge partnerships in the delivery of courses and programs in their respective countries, bringing added value to their industries, stakeholders and members. Similarly, a number of cross-accreditation arrangements have been put in place to facilitate the movement of qualified graduates throughout the world as these professionals follow the needs of their employers and customers.

Insurance is a global business and it is also very much a people business. People as consumers and buyers of insurance, as vendors and suppliers, and most certainly as the vital talent who enable the industry to deliver on the promise of insurance. People make all the difference in our business, and the Institutes are there helping to lead the way individually and collectively through the harmonization efforts of IGIE.

To find out more about the Institute for Global Insurance Education, come and visit us at www.igie.org.