Officer and Director Elections Are Taking Place

Election time is here again. The nominations committee proposed the following slate, which was accepted by the ARIA Board at its winter meeting:

President: Vickie Bajtelsmit, Colorado State University

President Elect: Gene Lai, Washington State University

Vice President and Program Chair:
- David Sommer (St. Mary’s University)
- Terrie Troxel (Indiana State University)

Board Position 1:
- Patricia Born (Florida State University)
- Sharon Tennyson (Cornell University)

Board Position 2:
- Jack Nicholson (Florida Hurricane Catastrophe Fund)
- William Panning (Willis Re)

Ballots were sent electronically on April 7 to all ARIA members who paid their dues for the current year. If you prefer to receive a paper ballot, contact the ARIA Executive Office at aria@cpcuiia.org or call (610) 640-1997. Paper ballots should be mailed to ARIA, 716 Providence Road, Malvern, PA 19355-3402.

Don’t forget to pay your 2009 membership dues in order to participate in this important election! If you renewed your membership after April 7, but before May 7, contact the Executive Office if you did not receive a ballot. All electronic and paper ballots must be submitted no later than May 7.

Election results will be tallied and reported by the end of May.
I am pleased to report that plans for an informative and exciting annual meeting in Providence, Rhode Island are coming along nicely (see the last page for attractions in and around Providence). This forum will enable academia and insurance professionals to keep abreast of current issues affecting our profession, as well as opportunities to network with peers from across the globe. The ongoing financial crisis and its impact on universities and the insurance industry will be the primary focus of discussions during this important event.

In keeping with the format of the past few years, our first day — known as Industry Day — is intended to bring academicians and thought leaders in the insurance business together in a cooperative and educational setting. We will begin with a plenary session entitled Understanding Capital and When You Really Need It, organized by Thomas Hettinger, Managing Director North America with EMB. A panel comprised of industry experts will explore issues including predictive modeling, mark-to-market practices, liquidity and diversification as they discuss lessons learned from the credit crunch. You are guaranteed to hear and take part in a thought-provoking exchange of ideas and perspectives.

In addition, we are enhancing our annual meeting program with a special, fast-paced and interactive feature this year. During the first day and a half, attendees will have the opportunity to participate in the Primary Insurance Management Exercise (PRIME), a computer simulation program designed by Gen Re, a Berkshire Hathaway Company. Please see a description of PRIME in the box at the end of this article.

The Presidential Luncheon speech on Monday, August 3, will be delivered by Howard Kunreuther, the Cecilia Yen Koo Professor of Decision Sciences and Public Policy at the Wharton School of the University of Pennsylvania. Professor Kunreuther is a well known and highly regarded expert in the study of managing low-probability/high-consequence events related to natural and technological hazards. He is a Fellow of the American Association for the Advancement of Science, a member of the National Earthquake Hazards Reduction Program’s Advisory Committee on Earthquake Hazards Reduction, and Distinguished Fellow of the Society for Risk Analysis, receiving the Society’s Distinguished Achievement Award in 2001. He has published extensively on this topic and was a recipient of ARIA’s Kulp-Wright Award (1971) for his significant contribution to the literature of insurance.

The second day of our program will consist of another plenary session entitled The Financial Crisis: Implications for Insurers

Continued on next page
and Risk Management organized by Michael McNamara. Not only does the financial crisis impact banks and security markets, but it also affects property and liability insurers. How have all of the various financial intermediaries fared as a result of the economic downturn? And what is the impact on the risk management practice? Robert Hartwig, president of the Insurance Information Institute, and Millie Workman, education director with the International Risk Management Institute, will be our panelists. Their discussion is designed to be an excellent complement to the earlier plenary discussion on Understanding Capital. You will not want to miss this session either.

In light of all the discussions surrounding the economy, it is only fitting that Sheila Bair, Chairman of the Federal Deposit Insurance Corporation, has also been invited to speak at this year’s ARIA meeting. Stay tuned for future listservs regarding her participation!

The Strickler Innovation in Instruction Award presentation will take place on the last day and will feature the teaching methods of this year’s winner. As always, we will have numerous paper presentations throughout the course of the meeting which will be of interest not only to academicians but also to industry professionals. Discussants will be on hand to critique the various papers. Papers and proposals have been distributed to the program committee on an anonymous basis and will go through the evaluation process. I am confident there will be many insightful presentations related to different areas including but not limited to insurance economics, regulation, life and health insurance, pensions, risk management, insurer operations, etc.

I would like to express my deep appreciation to all the individuals assisting me in the development of this program. It is my sincere pleasure to work with them in offering you another exceptional meeting. See you in Providence on August 2-5!

AND NOW for Something a Little Bit Different…..
The PRIME Exercise!

This year, meeting attendees will participate in the Primary Insurance Management Exercise (PRIME), a computer simulation program designed by Gen Re, a Berkshire Hathaway Company. Attendees will be assigned to different teams; you will learn who your team members are when you register, and you will be asked to sit with them throughout the course of this game.

This fun and interactive teambuilding exercise allows participants to experience managing a “virtual” property/casualty insurance company. The game will take place over several rounds during which teams will be making decisions based on simulated conditions reflecting a competitive insurance environment with changing market conditions, catastrophe potential, inflation and government regulation. Participants will develop an understanding of the consequences of micro or line decisions, the importance of structure and planning, and how input from various disciplines within the insurance company contributes to successful financial results.

PRIME has been conducted at different venues and has always been a resounding success. Comments made by earlier participants in the game include:
“The PRIME exercise was excellent. It was not only educational, but it gave us the opportunity to interact with other attendees from different companies;” and
“PRIME was exceptional! It brought all parties at the table together in a very short period of time.”

We hope you will all participate in PRIME, which is bound to be enjoyable, stimulating and competitive! You might even think about conducting this exercise, or a version thereof, in your classrooms to give students a fun and educational way to learn about insurance company operations.
Proceedings from ARIA’s January 2009 Mid-Year Board Meeting

by Tony Biacchi, Executive Director

The ARIA Board convened its mid-year meeting at the Cooper Guest Lodge in Dallas, Texas.

The first order of business focused on the 2010 World Risk and Insurance Economics Congress (WRIEC). The initial World Congress was held in conjunction with ARIA’s 2005 annual meeting in Salt Lake City; organizers of this Congress were Asia-Pacific Risk and Insurance Association (APRIA), the European Group of Risk and Insurance Economists (EGRIE), the Geneva Association, and ARIA. Although the group agreed to hold a second World Congress in Europe in 2010, the meeting now will be held in Singapore as a result of economic conditions in Europe.

Gene Lai and Vickie Bajtelsmit represent ARIA on the WRIEC Organization Committee. ARIA was asked to support the World Congress with a $10,000 donation. The association agreed to the request, but asked for clarification concerning ARIA’s liability in the event of meeting cancellation or failure to satisfy financial commitments. During a conference call with Jean Kwon, he noted that APRIA will assume a 50 percent interest in the meeting and the remaining three sponsors from 2005 will assume the remaining 50 percent interest.

ARIA’s investment portfolio, similar to the finances of many other organizations, experienced negative results in 2008. While ARIA is not highly invested in risky funds, the Board decided ARIA should develop an investment policy. All monetary amounts associated with an ARIA award will continue in 2009.

On the positive side of the ledger, after many years of losing money, the annual meeting showed a positive bottom line. ARIA is grateful to all of its sponsors. The euphoria might be short lived, however, as there is concern that sponsorship for the 2009 meeting could be reduced because of the current economy. Plans for the meeting, particularly social activities, could be scaled back.

The financial success of the 2008 annual meeting resulted from the added contributions from the insurance community in and around Portland, Oregon. Local industry sponsors from the Providence would be welcome.

The discussion about the tentative nature of meeting sponsorship recognized that ARIA does not have direct industry support similar to an organization such as the Geneva Association. One benefit academics can convey to the industry is their research results, but is the research valued? Is it too theoretical? Can ARIA’s relationships with the Griffith Foundation, Casualty Actuarial Society (CAS), and the National Association of Insurance Commissioners be leveraged to make a relationship between academia and the industry beneficial to both? ARIA will take steps in that direction.

Louise Francis of Francis Analytics and Actuarial Data Mining serves as vice president of research for the CAS and is the Society’s new representative to ARIA. Patrick Brockett will be asked to head a committee to explore the possibility of ARIA sponsoring an award for an article published in CAS’s journal Variance: Advance the Science of Risk. If approved,
the first award will be offered in 2010 for articles published in 2009.

The Board received an annual meeting update from the program chair, Gene Lai. Similar to recent meetings, Monday will be "Industry Day." In addition, a greater number of industry people will be asked to serve as session discussants. Gene is well aware that previous meetings have suffered from last-minute cancellations by presenters. Requiring a presenter to submit a meeting registration by June 1 would be a means to show commitment.

The membership committee will continue the mentoring program for first-time attendees to the annual meeting and monitoring non-renewing members. Suggestions and ideas that will enhance ARIA's value to its members are appreciated.

A request to co-sponsor the Fifth Longevity Risk and Capital Markets Solution Symposium did not receive Board support.

One strategic planning initiative, working with consumers, will be eliminated since ARIA has limited contact and exposure to the public. However, as mentioned previously, ARIA will recommit its efforts to work with industry and professional associations.

Various committees reported their status to the Board. Criteria for the Hagen Family Foundation Travel Award, new in 2009, were presented in that committee's report. Session presentations for those applying for funding must be reviewed by May 8, 2009. Listserv e-mails will announce the criteria for several awards that are based on nominations.

ARIA hopes to launch a teaching resources project this year. Once selected, a website will serve as a repository for educational materials, including those from Strickler Award winners, which will be available to the membership, possibly on a password protected basis. Committee members of the teaching resources project also suggested a teaching-related listserv and a bulletin board of useful teaching tips. A list of experienced instructors who could serve as mentors also would be helpful. Those interested in the resources project could get together on Sunday afternoon before the Providence annual meeting to share ideas.

In recognition of the need for mentors and with the hope of increasing collaboration, the competency list developed in cooperation with the American Institute for CPCU that shows skill levels and interests among ARIA members will be placed on ARIA's website. Survey respondents will be identified by a number rather than the name of an individual. Specific names are available through the ARIA executive office.

Thirty-two position openings are posted on ARIA's website. Twelve of 14 job opening announcements satisfied ARIA's criteria for placement on the website during the second half of 2008. The placement committee will go back to the source to determine if a position has been filled or removed from consideration. A job announcement on ARIA's website must satisfy at least one of the three following criteria:

- does the position title relate to risk management, insurance, and/or actuarial science?
- does the institution have a relationship to the risk management, insurance, and/or actuarial science disciplines?
- does the actual description of the position note a relationship to risk management, insurance, and/or actuarial science?

This rubric does not preclude the acceptance of positions in related disciplines, e.g., economic, finance, etc., but they must bear some specific connection to either risk management, insurance, and/or actuarial science.

Article submissions to The Journal of Risk and Insurance (The JRI) continued to run high in 2008. Unique submissions numbered 135. Submissions plus resubmissions totaled 233. Half of The JRI's submissions are received from outside the USA. An increase in the page count has relieved the backlog of accepted yet unpublished articles.

Three special issues of The JRI are in the pipeline. The first is related to the SOR-JRI conference on New Forms of Risk Sharing and Risk Engineering held in Paris in September 2007. The second special issue will focus on Long Term Care Insurance and Health Insurance, to be published in March 2009. The third special issue will address corporate governance in a troubled economic time.

Submissions to Risk Management and Insurance Review also are doing well. RMIR received 31 new submissions and 29 resubmissions. Two articles from the Griffith Foundation's Enterprise Risk Management Symposium are being prepared for publication.

Wiley-Blackwell Publishing, which handles membership subscriptions and production of ARIA's two journals, reported that membership remained steady in 2008. Library and consortium subscriptions to ARIA's journals were down three percent. Some libraries opted for an on-line subscription rather than receiving paper copies of the journals. Wiley-Blackwell is aware of the difficulties in renewing 2009 memberships as a result of merging Wiley and Blackwell databases.

ARIA has been approved for membership in the Allied Social Science Association and has been allocated one session at the 2010 meeting in Atlanta. The time slot should accommodate three or four papers. A referee committee will be formed to market and select papers for presentation at the ASSA meeting.

ARIA's contract for The JRI editor expires at the end of the year. The editor has expressed interest in continuing in that capacity. David Sommer heads a committee that reviewed editor reports and surveyed associate editors. A final report and recommendation concerning an additional three-year contract will be presented to the Board for a vote at the August meeting.

The executive office reported that all JRI articles, except for the three most recent years which contractually remain under the control of Wiley-Blackwell, were archived by JSTOR.

An inquiry about higher education risk management and insurance programs will be forthcoming. The university profile will request information about the makeup of RMI departments.
Dr. John S. Bickley, age 90, passed away peacefully in his sleep on October 12, 2008, at Hospice of West Alabama in Tuscaloosa, Ala. He had few peers in his generation — a generation of giants in the field of RMI education. When he died the world truly lost a unique and influential character.

John Bickley was one of a kind. It was not unusual for his friends to gather and tell stories about him for hours on end. John loved it — both those that were flattering and those that were less so. These stories reflected his complex and many-faceted character and always ended with a laugh by all. It was an age of raconteurs.

When John set his mind to something, nothing stood in his way. Consequently, he broke some china from time to time and was generous to a fault. The ends he chose were always grand enough to justify the means, and he dreamed and planned on a scale few others could match. Along the way he received hundreds of awards and accolades. For example, I don’t know many professors who have been in the oval office with the president of the United States or decorated with “The Order of The Sacred Treasure” by the Emperor of Japan. John did both and much more.

John’s life’s work was to aid the insurance industry’s mission of serving society; and he promoted a symbiotic relationship between industry and academia in achieving that mission. In 1965, John founded the International Insurance Society. The Society’s seminars include small, confidential meetings moderated by academics in which industry executives from dozens of nations share their solutions to common challenges. He also founded The Insurance Hall of Fame (IHF) in 1957 to honor those who make a lasting contribution to the industry and society. His final creation was The University of Alabama’s Global Insurance Humanitarian Award to recognize people in the insurance and financial services industries who make great humanitarian contributions and practice exceptional business ethics.

While teaching and leading the Society and IHF, John also was director of education for State Auto Insurance Group for 28 years; founding editor of ARIAs Journal of Risk and Insurance; past president of ARIA; member of Mortar Board and numerous other organizations; and founder of The University of Texas at Austin and The University of Alabama Insurance Planning Commissions. In his retirement, he was founding chairman of The University of Alabama Emeritus Committee on International Strategic Studies. John was a member of Delta’s Million Miler Club, making 262 trips to 51 countries for speeches, research and consultation.

First and foremost, John was a mentor and a teacher — not just of insurance but also of how to comport oneself in life. His students delighted in such lectures as “Don’t Leave the Sherbet Spoon in the Bowl,” “Picking the Appropriate Wine,” and “How to Escort a Visiting Dignitary.” The combination of knowledge and social savvy that was his legacy to his students did much to enrich their lives both personally and professionally.

John loved The University of Alabama and worked tirelessly to obtain support and funds for a wide variety of important initiatives, including the Insurance Hall of Fame Museum & Gallery, the Nippon Life Center, the Alfonso T. Yuchengco classroom, and the Capstone College of Nursing building. During his lifetime he raised more than $6 million for the university.

John received numerous honors for his devotion to industry and academia. He was decorated by the Ministers of Finance of the Republic of China and South Korea, as well as by the Emperor of Japan, and was the first recipient of the John S. Bickley Founder’s Award Gold Medal for Excellence and a laureate of The Insurance Hall of Fame. The University of Alabama honored him by creating the John S. and Mary Louise Loftis Bickley Teaching Chair of Insurance and Financial Services.

John was also inducted into the Culverhouse College of Commerce and Business Administration’s Faculty Hall of Fame and received the Algernon Sidney Sullivan Award and the Outstanding Commitment to Teaching Award of the National Alumni Association. Other tributes include an honorary Doctor of Science (honoris causa) Mapua Institute.
Profile of an Insurance Educator: Etti Baranoff

by Diana Lee, ARIA News Editor

“Great professor”...“Not only very informative, but pleasant as well”...“Teaches what you need to learn.” These are students’ comments made about Etti Baranoff, our featured insurance educator in this issue of ARIA NEWS.

Etti Baranoff

Etti has had a multi-faceted career. She received her B.A. degree in economics and statistics from the University of Tel-Aviv (Israel) nearly forty years ago, and 10 years later earned her FLMI (Fellow, Life Management Institute) designation. In 1993, she earned her Ph.D. at the University of Texas at Austin in finance with minors in statistics and insurance. Since 1995, Etti has been with the Virginia Commonwealth University (VCU) in Richmond, Virginia.

ERM maps and benchmarking analysis of insurers’ ERM activities; interrelations among capital/risk/organization/distribution structures; solvency detection models; insurance regulations; market discipline in insurance markets; insurers asset allocation and performance; industry segmentation; and more...

Etti has accumulated many honors and recognitions during her career. She has won numerous research awards given by the International Insurance Society (2008, 2006, 2004, 1996 and 1995) — this may in fact be a record high! Etti was recognized as the 2005 Distinguished Scholar of the VCU Business School and is a seven-time winner of research awards given by the business school. She is also the recipient of the 1990 Spencer Scholarship Award (RIMS) and the 1989 Vestal Lemmon Presidential Scholarship at the University of Texas.

Etti has more than 30 published articles in academic and non-academic journals and periodicals, and has presented countless times at various meetings and conferences. She has publications at our own Journal of Risk and Insurance and Review of Risk Management and Insurance, and The Geneva Papers on Risk and Insurance Issues and Practice, the Journal of Banking and Finance, Contingencies, Journal of Insurance Regulation, etal.

Etti: Like most of us, I came to insurance by sheer coincidence. When I completed my undergraduate studies at the University of Tel-Aviv in economics and statistics, I was not inclined to move into insurance and worked at the Israeli Labor Union (like a government within the main government) and the Federal Reserves of Israel, and taught high school.

It was only upon my arrival to Austin, Tex. that I had an opportunity to work for American Founders Life Insurance. Beginning as a pension administrator and moving into market research, I obtained the FLMI (Fellow, Life Management Institute) designation and truly found the industry and products to be of great interest. As a result of this experience, I sought and found a regulatory position at the Texas State Board of Insurance (currently the Texas Department of Insurance, or TDI) as an actuarial rate analyst for all...

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the promulgated property/casualty lines of insurance. Later on, I moved into a legislative research position for all lines of insurance under the Board.

It was in 1987 when my father passed away and I traveled quickly to Israel that I realized the need to actualize my old dream of obtaining a graduate degree. When I returned to the U.S. in January 1988, I applied to the Ph.D. program at the University of Texas (UT) at Austin for insurance studies in the finance department. Since all of my paperwork was in place from earlier years, I was accepted into the program.

The Chairman of the Board at the time, Lyndon Olson, suggested that I continue to work full time while pursuing the graduate degree. The distance between the Board and UT was about 8 blocks and I managed to study, work and have a regular life with my family and my community. I discovered that the more one squeezes into a day, the more efficient one becomes. I graduated from UT in the same year that my second daughter graduated from high school; she noted in her valedictorian speech how special it was for her to graduate together with her mother.

My mentor and professor, Robert C. Witt, and I worked on special projects that were of great interest to me. To avoid any conflict of interest, I moved to the Texas Association of School Boards — a large governmental risk pool for the Texas 1000 school districts. When Bob passed away suddenly in 1995 while playing basketball, I had to “spread my wings” and accepted the visiting position at Virginia Commonwealth University. My husband, Steve, and I made a decision to not leave Austin and I began commuting between Richmond and Austin.

ARIA NEWS: How did you end up in Texas in the first place?

Etti: I met my husband, Steve, in Israel; he is originally from Austin, so it was natural that we relocated there in 1977. His father, an art professor at UT was ill and passed away about six months after we arrived. His mother made her mark in Austin’s public education field; currently, there is a school in Austin — the Dr. Timy Baranoff Elementary School — named after her. We have very strong roots and community life in Austin, and now also in Richmond as we maintain two homes since Steve’s retirement from his engineering career.

ARIA NEWS: Who was the most influential person in your career?

Etti: My father and Bob Witt; also, Lyndon Olson at TDI. Currently, I admire a lot of our colleagues and feel very fortunate to work with Tom Sager, Pat Brockett and Linda Golden, all at UT–Austin.

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

Etti: When a student of mine achieves success, I regard it as a personal success. In the area of writing and research, I am constantly working to add to the bank of knowledge that exists in our field.

During the current financial crisis, I believe that our field is not only the most relevant and most important, it also needs to be elevated to be a required field of study in all business schools in order to ensure sustainability. It is imperative that graduating students have the mindset of recognizing risks and have the knowledge of how to manage them (see: “Prevent the Next Crisis: Demand Risk Management Education,” The Regulator/IAN 2009 7). My current textbook writing along with my research, interviews and public exposure is to advance the understanding about the importance of our field.

It is also important to me to write op-eds and promote public education in the area of health insurance coverage and the need for individuals to be included in the managed care system. With the availability of individual coverage and HSA (health savings accounts), the public should realize that catastrophic health coverage is attainable and there is no need to remain uninsured, especially when one is young and healthy.

My greatest personal accomplishments are my family (my husband, two daughters, their husbands and four grandchildren) and my community life. All provide me with great satisfaction and enrichment.

ARIA NEWS: What do you see as major challenges facing schools with risk management and insurance programs?

Etti: The challenges for schools are to make themselves the most viable and relevant area of study. I see ARIA as the group to help show the educational world that if opportunity risks had the same tools and techniques, including sophisticated catastrophe modeling that actuaries have been using, then we may have had a different outcome related to the ongoing financial crisis. We should emphasize to our risk management classes that risks can take the “house” down unless they are managed prudently with a clear understanding of their measure and consequences. While much of our teaching is multi-disciplinary, our field is the only one that gives the tools to mitigate risks and not allow sloppy underwriting as was the real estate mortgages case that brought about this economic crisis.

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

Etti: I love my academic career, which I started later in life. I probably would have started earlier if I had known how terrific this career is, mentoring young adults while doing research and writing about topics of such great interest.

ARIA NEWS: What hobbies or activities do you enjoy outside of teaching and research?

Etti: I am a swimmer, a kayaker, a walker and a lover of nature. I am addicted to swimming; for me, it is like eating and sleeping. I love nature and joining my husband on his bird photographic trips. Some of these experiences such as the snow geese blasting off at dawn at Bosque Del Apache in New Mexico are magical. My husband’s photo art shows greatly enrich our lives (see www.birdsbybaranoff.com).

I also love listening to books on tapes and music, and Steve’s hobby as a fiddler of old...
Since Hurricane Andrew in 1992 and the disastrous 2004-2005 hurricane seasons, the State of Florida has supported many programs to deal with certain features of Florida’s property insurance issues. However, few have addressed the issues from a risk management and financial viewpoint.

The Florida Catastrophic Storm Risk Management Center at the Florida State University College of Business focuses the expertise of a nationally recognized risk management and insurance faculty and other financial experts on the difficult property insurance issues that have plagued Florida’s leaders and citizens for almost 20 years.

Those issues include insurance affordability and availability in a state plagued by hurricanes. The effects of past catastrophic storms have pushed up insurance premiums and chased some private insurers out of the state while bankrupting others. State efforts to provide affordable insurance to Floridians have greatly increased the number of homeowners policies held by the state-run insurance provider while ballooning the exposure of the state’s reinsurance entity.

Looking Back to Move Forward

As the Center began full-scale operations in January 2008, it became clear that in order for staff to chart their course it would need to explore what had been done before. That effort led to many valuable relationships with people who had been involved in the issues for years and to previous recommendations made by several state and federal task forces and committees.

The Center does not seek to duplicate work that has already been done, but rather look at the many nonprofits, academic centers and programs already in place to help clearly define its focus and identify possible partnerships.

One Center project that came out of the exercise is a review of recommendations made by the State Board of Administration (SBA) in 2006. The SBA study looked at viable sources of private capital and how to increase the flow of private capital into Florida’s residential property insurance market. Center staff members are reviewing the recommendations to determine what has been tried and any results, as well as what could be tried now.

The Center is also reviewing several proposed regional and nationally focused financial remedies to insurance affordability and availability issues. Staff’s role is to provide an independent analysis of the feasibility of these proposals and their possible effects on the insurance market and the consumers who rely on it.

Avoiding Duplication Through Collaboration

The Center is coordinating with others across Florida and the nation. In addition to working on insurance issues, the Center collaborates with other FSU departments, universities and state and federal agencies in areas like storm forecasting, mitigation and disaster planning and response.

Research currently supported by the Center includes:

- Developing an innovative, computer-based approach to testing the effectiveness of alternative approaches to encouraging mitigation before they are launched;
- Determining how Floridians decide whether to evacuate when a hurricane threatens;
- Determining whether consumers are willing to pay for safety when buying homes in areas prone to catastrophic wind loss;
- Identifying and articulating climate signals in historical insured property losses;
- Improved analysis and understanding of the meteorology underlying the various components of the hurricane risk problem;
- Investigating the issue of rain penetration through the building envelope;
- Looking at who mitigates against potential catastrophic storm damage and why;
- Preparing public libraries to meet catastrophe challenges;
- Studying the relation of insurance subsidies and development in Florida; and
- Subsidies in the Florida property insurance market.

Current research partners outside of FSU include: the Wharton School of the University of Pennsylvania, University of Florida Department of Civil and Coastal Engineering, and the University of Miami. The Center is fortunate to work with accomplished departments within FSU including: economics, geography, meteorology, information sciences, insurance and risk management, and real estate.

Florida State University College of Business faculty working with the Center includes:

- Patricia “Patty” Born, associate professor;
- James M. Carson, the Payne H. and Charlotte Hodges Midyette Eminent Scholar Chair in Risk Management and Insurance;

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A half hour from Florence, Italy, Siena is located in Tuscany in the central part of the country. Our sound academic tradition and fine food and drinks not only make staying at the University of Siena extremely pleasant, but they also foster a considerable level of internationalization in our research. In particular, our exceptional wine, Brunello di Montalcino—i.e., the “red one”—is another reason why so many academicians from everywhere around the world should visit our university!

Although the University of Siena dates back to 1240, the School of Economics was established quite recently in 1966 as a school of “Economics and Banking.” It was Italy’s only school of “Banking” for a long period of time. Due to a normative prescription set by the government, it was renamed a school of “Economics” during the early 1990s; its sound tradition in the field of banking remains intact, however, with a banking bachelor programme among those currently offered. Insurance studies have been included in the banking programme since its inception. The school has two joint branches located in Arezzo and Grosseto, Italy, which are specialized in two separate fields (see below).

Our institution is ranked among the very best faculties of Economics in Italy in terms of productivity, teaching staff profiles and teaching standards, as well as research and international cooperation. We offer education at various academic levels in a well established, internationalized context, and our staff of professors and lecturers (over 110 permanent teaching positions) and administrative team are well known and highly respected.

I have been at the University of Siena since 1979 (… not all of them spent as a student), and have been in charge of promoting the image of the faculty and developing cooperation among other academic institutions since 2008. I am also responsible for the insurance studies at the university. This article follows a preceding publication in ARIA NEWS (Spring 2003), where a series of crucial innovations affecting the education framework in Italy at that time were described. Our insurance curriculum has undergone recent reforms — perhaps the most significant improvement — since the school’s inception, which I would like to share with you now.

The Past Reform and the Faculty
Described in my earlier article was a general introduction of the system of “credits” and the new architecture of study courses at the university, pursuant to the guidelines of the Bologna Process — the framework that harmonizes university education in Europe. It consisted of a three-year “laurea” degree (or “laurea breve,” roughly equivalent to a bachelor’s degree), followed by the “laurea specialistica” (or “magistrale”) completing the 3+2 year training and leading to the master’s degree. The framework also included two “master courses,” the first level after the BSc and the second level after the MSc, one year each. The reform was aimed to simplify bureaucratic procedures, greatly reorganize the teaching supply and adapt to the standards recognized by the European Union.

Most of the innovations are still in force, but new reforms are being implemented. Forty years of tradition experienced by the “Economics and Banking” faculty (now “Economics”) are now being revived in this newly developed order. Programs offered are being significantly restructured. New courses, new opportunities and two new degrees given in English provide evidence of the coming change.

The New Curriculum
The new curriculum (from 2009–2010 onward) is structured with five 1st level degree (BSc) programmes — Business Administration (in addition to Siena, this program is also based in Arezzo), Economics and Banking (the leading course), Economics, and Economics and Territorial Development (based in Grosseto).

After the first degree, six 2nd level degree programmes give students the opportunity to specialize. These six MSc programmes are in:

- Management and Governance, with a specific curriculum (accounting and management) taught entirely in English;
- Economics and Management of Financial Institutions;
- Statistics for Sample Surveys;
- Economics;
- Economics of Environment and Development; and
- Finance (again, entirely in English).

Two 2nd level degree programmes warrant special discussion due to their learning outcomes and employment perspectives: the MSc in Economics and Management of Financial Intermediaries (EMFI) and the MSc in Finance.

The two-year MSc programme in Economics and Management of Financial Intermediaries, which is taught as a sequel to the BSc in Economics and Banking, aims at providing in-depth knowledge and understanding of the structure, activities and regulation of financial systems, in particular banks, insurance companies, financial institutions and central banks. With respect to the other degrees offered in the same field, EMFI is characterized by a special focus on financial intermediation in four main disciplinary areas: management, economics, law, and financial mathematics. This programme is designed to offer graduates a strong background in banking, investment and financial markets, with special knowledge and skills.

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required for employment in the areas of credit and financial risk management, internal auditing, compliance and research in financial intermediaries, consultancy and financial services firms, rating agencies and supervisory authorities.

The MSc programme in Finance is primarily concerned with modeling and applications of quantitative methods. Since finance is based on statistical and mathematical models, the programme covers the most important technical and quantitative aspects of finance in regular use in financial institutions. It is intended to prepare students for a wide range of careers, both inside and outside the financial industry, including financial engineering and risk management, quantitative asset management, macroeconomic and financial forecasting, quantitative trading, and applied research. In particular, once the programme is completed, students may begin their careers in financial institutions, advisory business, regulatory bodies, as well as in finance departments of non-financial companies.

The Insurance Studies at the “Goodwin Faculty of Economics”

Insurance-related courses are scattered throughout several of the aforementioned programmes. The very basic course is mandatory in the third year of the BSc in Economics and Banking programme, namely “Risk and Insurance.” It is in fact structured as a preliminary risk management and insurance course and is primarily designed to provide conceptual understanding of insurance and introduce students to insurance risk and management of insurance companies. This course provides them with the instruments needed to learn basic life and non-life (property-casualty/liability) insurance theory. A series of other traditional subjects are included in the syllabus, such as insurance contracts, markets, regulation and profitability measures.

Apart from Risk and Insurance, two more courses are provided at the MSc level: “Insurance Companies Financial Management” and “Structured Finance and Insurance.” Both of these are included in the MSc programme in EMFI. The first one is to develop students’ knowledge about insurance companies financial risk management, particularly providing them with the needed instruments to deal with: (i) control of asset-liability, cost-revenues and inflows-outflows dynamics; (ii) identification and measure of core business risks and financial risk; (iii) cash-flow analysis for insurance companies; and (iv) capital management and economic value (with special reference to company evaluation methods, shareholder value, embedded value and economic value added).

“Structured Finance and Insurance,” which is taught in English as part of the MSc programme in Finance, is designed to provide students with a broad perspective of pure risk management. While emphasizing traditional risk management and insurance/reinsurance, it introduces other types of risk transfer with special attention to market solutions (particularly Alternative Risk Transfer, ART and pure risk securitization). Derived from the preceding “Insurance Derivatives” course, “Structured Finance and Insurance” is intended to be the most advanced among the other ones offered in the insurance field. Traditionally, it is supported by complimentary annual seminars (e.g., sponsored by Munich Re, the Reinsurance Pool, and so on) so that students have the opportunity to take advantage of professionals’ points of view.

This brief outline has provided a summary of the School of Economics programmes at the University of Siena and up-to-date insights about our insurance studies. A more detailed description concerning the faculty and our institution as a whole may be found online at www.unisi.it.

### Activities of Related Associations and Affiliates

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<tr>
<th>International Insurance Society</th>
<th>2009 Seminar (45th annual)</th>
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<td>June 7–10, 2009</td>
<td>Amman, Jordan</td>
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<th>Asia-Pacific Risk and Insurance Association</th>
<th>2009 Conference (13th annual)</th>
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<td>July 19–22, 2009</td>
<td>Peking University</td>
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<td>Beijing, China</td>
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<td>E-mail: <a href="mailto:apria@scidomain.org">apria@scidomain.org</a> or <a href="mailto:secretariat@apria.org">secretariat@apria.org</a></td>
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<th>Society of Insurance Research</th>
<th>2009 Annual Conference (39th annual)</th>
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<tr>
<td>September 20–23, 2009</td>
<td>Rosen Plaza Hotel</td>
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<td>Orlando, Florida</td>
<td><a href="http://www.sirnet.org">http://www.sirnet.org</a></td>
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<tr>
<td>E-mail: <a href="mailto:diana.lee@pciaa.net">diana.lee@pciaa.net</a></td>
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<th>European Group of Risk and Insurance Economists</th>
<th>2009 Seminar (36th annual), sponsored by The Geneva Association</th>
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<tr>
<td>September 21–23, 2009</td>
<td>Bergen, Norway</td>
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Local organizer: Svein-Arne Persson
E-mail: Svein-Arne.Persson@nhh.no
http://www.egrie.org/Meetings.htm

Southern Risk and Insurance Association
2009 Annual Meeting (41st annual)
November 22–24, 2009
Best Western Lake Buena Vista Resort Hotel
Orlando, Florida
http://www.southernrisk.org

The Geneva Association
International Insurance and Finance Seminar (6th annual)
December 2009 (tba)
London, England
http://www.genevaassociation.org

Western Risk and Insurance Association
2010 Annual Meeting (44th annual)
January 3–6, 2010
Napa, California
http://www.wria.org

2nd World Risk and Insurance Economics Congress
July 24–29, 2010
Singapore
First-Party Insurance Bad Faith Liability: Law, Theory, and Economic Consequences
by Sharon Tennyson, Cornell University, and William J. Warfel, Indiana State University

The following is the executive summary and excerpt taken from a recent study conducted by Sharon Tennyson and William Warfel on behalf of the National Association of Mutual Insurance Companies (NAMIC). This summary is being reprinted with permission from NAMIC; to see the entire study, go to http://www.namic.org/insbriefs/080926BadFaith.pdf. If you have any questions on the study, contact Dr. Robert R. Detlefsen, NAMIC vice president—public policy, at rdetlefsen@namic.org or (317) 876-4268.

The idea that insurers should be penalized for unfair claim settlement practices involving first-party insurance coverage is a relatively recent development in the long history of insurance law. Today, many states allow for recovery of consequential, or incidental, damages, attorney’s fees, and prejudgment interest, as well as the benefit owed under the policy, in a first-party insurance bad faith case.

In theory, allowing policyholders to recover damages over and above the insurance benefit owed may provide insurers with added incentives to engage in fair and efficient claims settlement, enhancing the efficiency of contracting in insurance markets to the advantage of both policyholders and insurers. However, many observers have raised concerns that the development of the law of first-party bad faith and its implementation by the courts have not achieved uniformly desirable results. Critics have centered on issues that arise from the expansion of bad faith actions in the area of tort law rather than contract law despite the existence of a contract, and without requiring the policyholder to allege a traditional tort such as fraud or intentional infliction of emotional distress. This increases both potential damages and the uncertainty of judgments, and changes the dynamics of the bad faith litigation process. Moreover, the variation in state legal regimes increases the uncertainty and complexity of the legal environment in which insurance companies must settle claims.

This paper provides a discussion and analysis of first-party insurance bad faith liability. It traces the evolution of first-party insurance bad faith law, and identifies and discusses the various approaches that have been taken by the courts and state legislatures. The paper identifies a number of potential adverse effects of excessive or uncertain first-party bad faith liability claims for insurance markets, and analyzes insurance claims data to investigate the empirical importance of these effects. The empirical evidence suggests that bad faith remedies function less than optimally in practice. Specifically, the evidence supports the idea that allowing tort liability for insurance bad faith results in reduced insurer incentives to challenge disputable claims, and in higher claims costs as a result.

In light of these findings, the paper discusses and evaluates state legislative expansions of policyholder remedies for first-party bad faith that occurred in 2007 and 2008. The paper concludes that certain features of recent legislation in several states will create incentive distortions that may lead to greater uncertainty and higher costs for insurers, higher levels of insurance fraud, and correspondingly higher insurance premiums for consumers.

The study uses uninsured motorist (UM) claims data compiled by the Insurance Research Council (IRC). UM coverage is part of the automobile insurance policy and provides indemnification to the policyholder in accidents in which the driver who is at fault does not carry liability insurance.

Insurers have several methods at their disposal to investigate the validity of medical claims. One method is a medical audit, which entails having a medical professional (usually a nurse) review the medical treatment and bills submitted. The review will provide information from a medical perspective on whether the treatment and billed amounts are appropriate. The intensity and purpose of a medical audit can vary, however, from routine to investigative, and may be undertaken in-house or by an external professional. While procedures may vary among individual insurers and cannot be determined from the available data, internal medical audits are more likely to be routine than those undertaken external to the firm.

Another more costly and detailed investigative method is the independent medical exam (IME). An IME is an examination of the injured policyholder by a medical professional (usually a doctor) chosen by the insurance company. An IME provides a second medical opinion about the nature and severity of the injuries to the policyholder. An IME is more expensive than a medical audit and necessitates the cooperation and involvement of the policyholder.

The IRC claims database reports information for each claim on whether a medical audit or an IME was undertaken. Exhibits 1 and 2 compare insurers’ use of medical audits and IMEs, respectively, in states that allow tort-based actions for bad faith and states that do not.

The comparisons in Exhibit 1 are suggestive of both larger resource investments in claims handling and smaller resource investments in fraud investigation by insurers in states that allow bad-faith tort actions. Insurers faced with potential tort actions are more likely to conduct a medical audit (on 39.5 percent of claims versus 30.0 percent of claims in other states), but this is entirely due to a greater propensity to conduct in-house medical audits (33.2 percent versus 22.9 percent).

These differences across states are statistically significant, meaning that we can have a high degree of confidence that there are differences. Insurers in tort action states are actually slightly less likely to invest in external medical audits (although the difference is not statistically significant, indicating that the difference may be due to random chance). The pattern suggests greater routine use of medical audits in states that allow tort-based bad faith actions, but no greater investigative use of medical audits, which may indicate an overinvestment in claims processing bureaucracy. This interpretation is reinforced by the fact that the prospect of a tort claim has the opposite effect on insurers’ IME use, as seen in Exhibit 2.

Because an IME requires the notification and cooperation of the insured, insurers may be particularly reluctant to undertake this type of investigation when bad faith
suits are decided under tort law. Consistent with this idea, insurers request an IME for only 4.1 percent of claims in states that allow tort-based bad faith actions, but for 14.8 percent of claims that do not allow tort-based bad faith. Similarly, an IME is performed for only 3.5 percent of claims in states that allow tort-based bad faith as compared to 13.8 percent of claims in states that do not. Statistical tests show that both of these differences are statistically significant.

NAMIC is a full-service national trade association serving the property/casualty insurance industry with more than 1,400 member companies that underwrite more than 40 percent of the property/casualty insurance premium in the United States. NAMIC members are small farm mutual companies, state and regional insurance companies, risk retention groups, national writers, reinsurance companies, and international insurance giants.

New Florida State University Center, continued

- Cassandra Cole, the Waters Fellow in Risk Management and Insurance and associate professor of risk management and insurance;
- Richard B. Corbett, the Independent Life and Accident Insurance Company Professor;
- Randy E. Dumm, the People’s First Insurance Fellow and associate professor of risk management and insurance;
- Kathleen McCullough, the State Farm Insurance Companies Professor in Risk Management and Insurance and associate professor of risk management and insurance.

The Center’s staff includes:
- Charles M. Nyce, Ph.D., associate director;
- Lorilee Schneider, Ph.D., associate director;
- Sue Ellen Smith, program manager.

Outreach and Education Also Key to Center’s Efforts
While research is a major focus of the Center’s efforts, outreach and education are also important components of its program. The Center’s website (www.stormrisk.org) is a cost-effective tool designed to serve as a one-stop shop for citizens, policymakers, the news media and others seeking to learn about Florida’s property insurance issues, especially in relation to hurricanes.

The Center also organizes symposia and conferences in order to provide access to top experts in fields related to its mission. In 2008, the Center organized two speaker series engagements, one plenary session, and one conference. Center faculty also attended and spoke at several other conferences and meetings including the National Hurricane Conference and the Natural Hazards Workshop.

For More Information about the Center
To learn more about the Center, including its faculty and staff, current research projects and past symposia, visit www.stormrisk.org, e-mail stormrisk@cob.fsu.edu or call (850) 645-8388.

About the Author
In addition to directing the Florida Catastrophic Storm Risk Management Center, Patrick F. Maroney is the Kathryn Magee Kip Professor in the Department of Risk Management/Insurance, Real Estate and Business Law. He has been a faculty member at Florida State University since 1981. Prior to joining the Center, he served as the associate dean for Graduate Programs in the College of Business from 2003 until January 2008. He also served as the Chairman of the Risk Management and Insurance Department from 1994 until the fall semester of 2001. Professor Maroney has authored or co-authored more than forty articles and books. His research concentration is in the area of insurance law and regulation.
Risk Management and Insurance Positions

Below is a list of organizations offering academic, government, and industry jobs that ARIA has received since October 2008, 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.

October

The Chinese University of Hong Kong
Department of Finance
Associate / assistant professor

Drake University (Des Moines IA)
College of Business and Public Administration
Assistant, associate, or full professor of actuarial science

University of Guelph (Ontario, Canada)
Department of Economics
Research chair

University of Illinois at Urbana-Champaign
Department of Finance
Faculty positions in finance

University of Waterloo
(Waterloo, Ontario, Canada)
Department of Statistics and Actuarial Science
Assistant professor in actuarial science
Lecturer in actuarial science

University of the West (Rosemead CA)
Business Administration Department
Assistant professor of finance or accounting
Assistant professor of marketing or management

November

The University of Manitoba
(Winnipeg, Manitoba, Canada)
I.H. Asper School of Business, Warren Centre for Actuarial Studies and Research
Assistant professor of actuarial studies

December

Georgia State University (Atlanta GA)
Department of Risk Management and Insurance
Clinical assistant or associate professor

Mississippi State University
(Mississippi State MS)
Department of Finance and Economics
Assistant professor

Northern Illinois University (DeKalb IL)
Division of Statistics
Assistant professor in actuarial science

ARIA Members and Friends in the News

To honor Dan Anderson’s 39 years of outstanding service at the University of Wisconsin – Madison, a panel discussion entitled “Current Topics in Risk Management and Insurance” is being presented by his distinguished students on April 24, 2009. Best wishes to Dan, who will be retiring at the end of the spring semester.

Joseph Belth testified before the Capital and Surplus Relief Working Group of the National Association of Insurance Commissioners in January 2009 opposing the capital relief program for life insurance companies.

Congratulations to Bobby E. Bierley (University of Georgia), who was selected by the Spencer Educational Foundation, Inc. to be a 2008 Spencer Scholar. He received a $10,000 scholarship in the “Pre-Dissertation Ph.D. category.”

The TIAA-CREF Institute presented its 13th annual Paul A. Samuelson Award for outstanding scholarly writing on lifelong financial security to Jeffrey R. Brown, William G. Karnes Professor of Finance, College of Business, University of Illinois at Urbana-Champaign, and Amy Finkelstein (professor of economics, MIT) at the ASSA meeting in January. Their groundbreaking paper, “The Interaction of Public and Private Insurance: Medicaid and the Long-Term Care Insurance Market,” is published in the June 2008 issue of American Economic Review.

Florida State University recently created a new fellowship named after William A. (“Bill”) Waters, Jr., an insurance executive, who generously supported the RMI program by funding student scholarships and providing resources for program development. Congratulations to Cassandra Cole, who was appointed as the Waters Fellow in Risk Management and Insurance.

Helen Doerpinghaus is now vice provost for academic affairs and dean of undergraduate studies at the University of South Carolina. She is no longer in the university’s Moore School of Business.

Kevin Gatzlaff has joined Ball State University’s faculty in Muncie, Ind. as a risk management-insurance professor.

Illinois State University’s Katie School of Insurance and Financial Services was recently recognized with the “Educating Illinois in Action” award. The school “exhibits one or more of Educating Illinois’ core values — pursuit of learning and scholarship, individualized attention, public opportunity, diversity, and civic engagement.” Congratulations to director James R. Jones and the faculty and students.

Chuck Nyce, who is now an assistant director with the Florida Catastrophic Storm Risk Management Center in Tallahassee, Fla., can be reached at cnyce@cob.fsu.edu, or (850) 645-8392.

Jin Park will be leaving Illinois Wesleyan University to join the Indiana State University insurance and risk management faculty in the fall. He and wife, Soojung Choi, and 16-month old son, Christopher, are very excited about going to Terre Haute.

The Asia-Pacific Risk and Insurance Association has appointed Michael R. Powers, Professor with Temple University (US) and Distinguished Visiting Professor with Tsinghua University (China), as the new editor for the Asia-Pacific Journal of Risk and Insurance.

Congratulations to ARIA president Terri Vaughan, who became chief executive officer of the National Association of Insurance Commissioners (NAIC), effective February 18, 2009. Her responsibilities include outreach to federal governmental entities and state government associations, as well as consumer and insurance industry representatives.

Best wishes to Krupa Viswanathan and husband, whose new baby daughter Laavanya was born on June 13, 2008.

Laavanya Viswanathan with big sister Lalitha
John S. Bickley Remembered, continued

of Technology, Manila, Philippines; the Signum Meriti Gold Medal, De La Salle University, Manila, Philippines; The University of Alabama System’s Chancellor’s Citation; and the Resolutions of Merit from the Student Government Association of The University of Alabama, as well as the State of Alabama legislature.

It is also worth noting that John served honorably in the Air Force in World War II. One assignment involved leading the post band at Maxwell Air Force Base, Montgomery, Ala. He produced several extravaganzas with Uncle Sam’s band and facilities, not always with official permission. But, he was never in danger of a court marshal — although some of his superior officers probably longed for the chance. An accomplished musician himself, he supported music and other arts throughout his life.

A man of many passions and a strong faith, John served on the Board of Pensions of the Evangelical Lutheran Church in America and as a director of the following organizations: Tuscaloosa Symphony Orchestra; Tuscaloosa String Quartet Society; the Capstone College of Nursing, Community Music School and International Business Advisory Board at The University of Alabama; NorthRiver Yacht Club; University Club; and Alabama Hunter-Jumper Association. He joined the Rotary Club of Tuscaloosa when he was 86 years old and was honored as a recipient of the J. Clemson Duckworth Rotary Rose Award for Outstanding Community Service.

John earned the nickname of “The Energizer Bunny” in his later years. He kept going, and going, and going, even when he could drive only a scooter — going at rabbit rather than turtle speed through the halls of Capstone Village, where he lived independently until two months prior to his death. And, the girls loved him. He was active in the Alabama Insurance Society until the end; at every meeting he was surrounded by coeds whom he enjoyed entertaining and who hung on his every word.

John was educated at Columbia University, Harvard University, The University of Chicago, The University of Wisconsin (where he received his B.A., M.B.A. and Ph.D.) and the Armed Forces Institute. He taught at The Ohio State University, Stanford University, The University of Colorado, The University of Hawaii, The University of Texas at Austin, The University of Washington, The University of Wisconsin, and The University of Alabama, where he held the Frank Park Samford Chair of Insurance at the time of his retirement in 1986.

He leaves behind daughter, Mary Carter Bickley Naismith; son-in-law, John Naismith; brother, George H. Bickley; and sister, Jean Bickley Houghton. His beloved wife of 61 years, Mary Louise Loftis Bickley — a native of Kennedy, Ala. who was the only person who could keep him in check — preceded him in death by four years.

I was honored to be the first holder of the John and Mary Louise Loftis Bickley Endowed Teaching Chair in Insurance and Financial Services and was fortunate to have John with me during my first two years in Tuscaloosa. He was inspiring, helpful, resourceful, and sometimes maddening — especially when he involved me in more things than I had the time to do. Without question I benefited from his presence and friendship. Although I had known John since 1966, when he went to sleep while interviewing me for a job, during the past two years I had a chance to know him very well. During that time he rose even higher in my affection and esteem than before — which is to say very high. We shall not see his like again.

ARIA News: What do you think is the most important value of ARIA?

Etti: Today, ARIA should undertake a major campaign to add RM as required core curriculum in all business schools. I would even volunteer to head such a campaign. How can any business school major go out to the market without the tools to identify, evaluate, measure and mitigate risks? How can anyone not understand underwriting? Currently, we are not educating the students to create sustainability, but it is our duty to do so because who else understands this field better than we do?

ARIA News: Do you have any advice for ARIA members, especially newer ones?

Etti: Teach EROM (enterprise risk and opportunity management)!!!

Positions, continued

Towson State University (Towson MD)
Fisher College of Science and Mathematics
Assistant professor in actuarial science

January

Georgia State University (Atlanta GA)
Robinson College of Business
Director of Center for the Economic Analysis of Risk (CEAR)

University of South Carolina (Columbia SC)
Moore School of Business, Department of Finance
Endowed chair in banking and financing

February

University of St. Gallen (Switzerland)
Institute of Insurance Economics
Two post-doctoral positions (risk management, finance, and insurance)

March

University of Ulm (Germany)
Faculty of Mathematics and Economics
Junior professorship in actuarial mathematics

ARIA News • Spring 2009 15
Newport Music Festivals bookend the ARIA Annual Meeting!

How would you like to visit a state that has everything? A walkable capital city with exceptional dining and shopping opportunities, Golden Age Newport Mansions and miles and miles of beautiful Atlantic Ocean coastline. That, and fine universities with summer theaters, interesting museums and exhibits and 373 years of history. Founded by Roger Williams, Rhode Island is home to both The First Baptist Church in America and the first indoor shopping mall. We’ve got it all covered.

Providence itself is unique for its wonderful ethnic areas; the biggest — Federal Hill — has many Italian restaurants and shops and is an easy walk from our Convention hotel. So is the new Providence Place Mall with great shopping at Nordstrom, Tiffany and dozens of other stores. College Hill is home to Brown University, the RI School of Design and its wonderful art museum, Providence College, and Johnson and Wales — the alma mater of master chef Emeril Lagasse.

One of Brown’s treasures is the John Hay Library with its renowned collection of Lincoln memorabilia (John Hay was Abe’s secretary). Brown’s main thoroughfare, Thayer Street, is chock full of funky restaurants and shops. Who could resist having a cup of coffee at the Blue State Coffee House, whose proceeds go to Democratic causes? If you need a walk or run after all the eating, try Blackstone Boulevard, a 1-1/2 mile Victorian park perfect for biking, running, or walking…ending at a homemade ice cream shop.

You’ll also be close to Wickenden Street, recently filled up by interesting stores carrying just about anything you want from elegant antique shops to the quirkiest junk shops and other beautiful shops in between. Wickenden is also a center of sorts for food, coffee and five sushi bars in the space of a few blocks. At night, you may be able to take in the “sculpture” known as Waterfire, a free downtown event with music, fired braziers and more, along the confluence of the rivers. Check the website, www.waterfire.org, for its summer-long schedule.

Trinity Square, the Tony award-winning repertory theater, is the oldest and most well-known theater in Providence. There has been an explosion of theatrical and music groups in the state in the last few years, so you can take your pick.

Once you hear RI’s nickname, The Ocean State, you’ll want to order that lobster dinner or lunch. Summer is peak season for lobster, which is a mainstay throughout the area. If you enjoy the water, South County beaches centering in Narragansett rival the Jersey Shore. Last but not least, a trip to beautiful Newport is a must for more history, tennis hall of fame, mansions, the Cliff Walk and the famous Newport Festivals featuring folk (August 1–3) and jazz (August 8–10) music. To get there, take Route 114 by car for local flavor or the hour-long RIPTA bus or better yet the RIPTA boat (if it runs) from downtown Providence.

Since New England is a very popular time for summer tourists, make your plans to attend the ARIA meeting well in advance. Pack up, arrive early or stay late, but come to Providence!