A Conversation with ARIA President George Zanjani

This year’s ARIA president is George Zanjani who is the inaugural holder of the American Association of Managing General Agents (AAMGA) Distinguished Chair in Risk Management and Insurance at Georgia State University (Atlanta). Prior to joining GSU, George served as an economist at the Federal Reserve Bank of New York (FRBNY, 2000-08) specializing in policy work relating to insurance issues in the broader financial system. He also worked as an actuary at Fireman’s Fund Insurance Companies (1990-94), focusing on commercial insurance pricing and heading the firm’s workers compensation actuarial unit in 1994.

George’s published works include insurance papers in the Journal of Financial Economics, Journal of Public Economics and the American Economic Review. He has served on working groups formed by the Committee on the Global Financial System and the Presidential Working Group on Financial Markets. He is an Associate of the Casualty Actuarial Society and holds a Ph.D. in Economics from the University of Chicago.

ARIA NEWS had the chance to talk with George recently about his upcoming term and his thoughts on the association and the field of RMI.

ARIA NEWS: Tell us a little bit about yourself. What prompted you to study economics and become an actuary?

George: Although actuarial work turned out to be a good fit for me (as it does for many undergraduates with quantitative skills), I must confess that very little thought went into the choice in my case. I found myself in my senior year of college not having done any planning about what to do after graduation. I found an actuarial listing on the bulletin board of the career center, and they were hiring.

I liked the job very much but found myself being pushed away from the analytic aspects of the work which I enjoyed and going more toward “people management.” The latter was not what I wanted to do, so I went back to graduate school in economics.

ARIA NEWS: What will be your top priorities during your term as president of ARIA?

George: There are two. The first is to figure out what to do with the “risk management” part of ARIA. For years, we have talked about moving beyond our roots in insurance and staking a broader claim so that we can carry the standard for “risk management.” In my view, we have fallen short of this goal. The second priority is to explore the possibility of reorganizing the association’s research agenda around “risk management” in a way that could better facilitate interdisciplinary research.

ARIA NEWS: What career would you have chosen?

George: That is the question! I don’t think I would have chosen economics if I had known what I was getting into. However, I do think that studying economics has been very useful for me in my career as an actuary.

ARIA NEWS: What did you do last summer?

George: I worked as an intern at a financial services firm. I found the work to be interesting and challenging, but I also realized that it was not what I wanted to do in the long run. I am currently looking for a job in actuarial work.

ARIA NEWS: If you could have any advice for young people interested in pursuing a career in actuarial work, what would it be?

George: My advice would be to focus on developing strong analytical skills and to be open to learning new things. Actuarial work is constantly evolving, and it is important to stay informed about the latest developments in the field.
A Conversation with ARIA President George Zanjani, continued

management”? If so, how? What concrete steps do we need to take to stake our claim, attract new scholarship, and expand our educational and research domains?

The second is to build stronger relationships with the Casualty Actuarial Society (CAS), the Society of Actuaries (SOA), and other insurance organizations with an academic bent. Compared to the first priority, this is low-hanging fruit. There are obvious synergies between ARIA and these associations, and we have not fully exploited them. I would like the ARIA annual meeting to become a top destination for academic actuaries and a showcase for the best actuarial research, as I think this complements the economic and finance research of insurance institutions currently on display at ARIA. We have much to learn from each other.

ARIA NEWS: What are some of the challenges this organization faces?

George: The main one I see is the crisis of identity. Are we an “insurance” organization or a “risk management” organization? When I posed this question during my Presidential Address, the vote seemed evenly split when members were asked how to categorize ARIA as it stands today, yet overwhelmingly in favor of being a “risk management” organization in the future. In my view, ARIA is currently associated with “insurance” by non-members. How could we change it if we wanted to?

And do we want to? Some of the ARIA membership is concerned that an expansion of ARIA’s domain will entail a marginalization of insurance. Even though I am also an insurance scholar, I don’t personally share this worry: We already have “critical mass” in insurance, and this is not going away any time soon. Nevertheless, regardless of my personal view, the concern must be taken seriously.

ARIA NEWS: How can ARIA increase its presence in the insurance and risk management fields, and among other professional groups?

George: Ties to insurance organizations such as the CAS and SOA should be relatively easy to strengthen, as our professional networks are overlapping and already integrated to some extent. Increasing our visibility in insurance, then, is really a matter of execution. The much tougher question concerns presence in risk management. There are professional associations out there such as GARP (Global Association of Risk Professionals) and PRMIA (Professional Risk Managers’ International Association), but, as an association, I think we need much more than we currently have in terms of field definition, curriculum, and research agenda to make a compelling case for more than token engagement. Pieces of this are course being developed at individual institutions. For example, as mentioned in my Presidential Address, the Georgia State University (GSU) RMI Department currently has a master’s program dedicated entirely to quantitative risk management. More engagement will be possible once more infrastructure is in place.

ARIA NEWS: What do you see as major challenges facing universities with RMI programs? How can these programs continue to grow?

George: I am not the best person to ask these trends, as most of my experience as an educator started when I joined the GSU RMI Department in 2008. That said, I did glean some sense of the trends as a by-product of the interviews I conducted with various leaders in RMI during my research for my Presidential Address. Many pointed to the tension between the imperatives of job placement and academic legitimacy in structuring RMI programs. In particular, this tension forces programs to balance the need to organize education around meaningful core principles against the industry’s preference for institutional content. This is not an easy balance to strike. Finding new markets for students in risk management jobs outside the insurance industry may be one path, and we have some examples of programs that have had success in this area.

ARIA NEWS: Our international membership has grown substantially over the years. How can the ARIA board get them to become more involved in the organization?

George: The two main aspects of ARIA that attract interest from international members are The JRI and the annual meeting. International members I have spoken with are concerned with the quality and status of The JRI on an ongoing basis: They want to ensure that The JRI continues to be recognized as a top journal for purposes of tenure and promotion at their universities. Also, the annual meeting is a long trip for those outside North America: They want the trip to be worth it.
Beyond ARIA, many international RMI programs are forging links with North American programs, so I hope interest will continue to grow.

**ARIA NEWS:** You’ve had three separate careers so far: as an actuary at Fireman’s Fund, an economist at the Federal Reserve Board of New York (FRBNY) and now a professor at Georgia State University. Can you compare and contrast these different experiences?

**George:** They all have pros and cons.

One thing I miss about corporate work at Fireman’s Fund (though I didn’t appreciate it at the time) was the closure you get with a production schedule. At Fireman’s Fund, I might work on a project for 3 or 6 months, but at the end of the time period I had accomplished something and it was over. "Done" was better than "perfect." In academia, by contrast, we can work on papers for YEARS without getting positive feedback. Academia, on the other hand, offers the ultimate in terms of professional and personal flexibility. I work on what I want to, when I want to.

The job at the FRBNY was an interesting hybrid. It’s much like an academic job in that a big part of your responsibility is publishing and presenting academic papers, but the teaching part of the academic job is replaced with internal consulting. Consulting work during my tenure at the bank was a bit like what I’ve heard battlefield work is like—long lulls followed by intense bursts of frenzied activity (e.g., during the financial crisis of 2007-08). The FRBNY is also a great place to learn about the plumbing of financial markets and institutions.

**ARIA NEWS:** What has ARIA meant to you, from a personal and professional standpoint?

**George:** ARIA for me has mainly been about people. I’ve made many useful professional connections as well as many good friends within the ARIA membership. It’s a warm and welcoming group of people.

**ARIA NEWS:** What advice do you have for new ARIA members?

**George:** A new ARIA member stands on the verge of entering a friendly and supportive community, and I would encourage him or her to take advantage of that. "It is not what you know, but who you know" is a well-known proverb. ARIA meetings offer new members the opportunity to meet the "who" in their fields.

**ARIA NEWS:** Thanks for your time, George, and best wishes on your term as president.
Mark your calendars! Next year’s ARIA annual meeting will be held on August 4-7, 2013 in Washington, D.C. A favorite venue for ARIA members and others, the city — with an abundance of history, culture and political influence — has so much to offer visitors worldwide. Make sure to set aside some time to visit one or two Smithsonian museums or landmarks such as the National Archives, U.S. Capitol, White House, or Supreme Court.

One “must see” attraction is the Newseum with its daily displays of a front page from every U.S. state. Several highlights of this museum—which opened in 2008 and is dedicated to journalism and free press—include sections of the Berlin Wall, the Pulitzer-prize winners photo gallery and 9/11 gallery. Another relatively new D.C. site is the memorial to Rev. Dr. Martin Luther King, Jr. (along the Tidal Basin by the Franklin Delano Roosevelt Memorial). Other Washington treasures include the Phillips Collection, the country’s first museum of modern art, and the National Geographic Museum which highlights the diversity of international cultures and natural wonders. History buffs will also enjoy Abraham Lincoln’s Cottage (about 3 miles northwest of the White House) and the Changing of the Guard ceremony at the Tomb of the Unknowns in Arlington National Cemetery.

It’s so easy to get around the District on the Metro transit lines. Check out the Waterfront, Eastern Market, and other neighborhoods (e.g., Georgetown, Dupont Circle, Foggy Bottom) or take a stroll on Massachusetts Avenue to see the beautifully designed embassies from around the world.

Our host hotel is the Washington Court Hotel on Capitol Hill, near the historic Union (train) Station and the National Mall lined with the Smithsonian museums. Offering unsurpassed views of the Capitol, this luxury hotel was completely remodeled in 2009. The ARIA Executive Office negotiated an excellent room rate of $155 per night, with free in-room internet service. ARIA members will enjoy spacious guest rooms, comfortable work space and Italian marble bathrooms. And don’t be surprised if you see key political power brokers in the hotel’s Federal City Bar wielding their influence, reaching deals and shaping policies!

In preparation for ARIA’s 2013 annual meeting, proposals to present research findings are now being collected (submissions from doctoral students are encouraged). Members should provide either an executive summary (up to three pages) highlighting the purpose, expected results and importance of their risk- or insurance-related research topic or preferably their completed paper. Include telephone/fax numbers and the e-mail address of the designated contact person and co-author name(s)/affiliation(s) on a separate cover page.

Materials must be sent no later than Friday, February 18, 2013 to this year’s program chair: Patricia Born, Florida State University; phone: (850) 644-7884; e-mail: pborn@cob.fsu.edu. Proposals must be submitted electronically as a file attachment in Acrobat (.pdf) or Word (.doc) format. Authors will be notified by e-mail of the program committee’s decision regarding their paper by mid-April 2013.

Stay tuned for more information on next year’s program in future listservs and the spring issue of ARIA NEWS.
Congratulations to the ARIA Award Winners of 2012
compiled by Anthony J. Biacchi, ARIA Executive Director

Casualty Actuarial Society Award
A paper published by ARIA (in either The JRI or RMIR) in the prior year that is most valuable to casualty actuarial science:

AND

RMIR Award for the Best Feature Article
Best feature article published in the Risk Management and Insurance Review:

“The Impact of Rate Regulation on Claims Evidence from Massachusetts Automobile Insurance,” RMIR, Fall 2011, v. 14 #2, pp. 173–199

Richard Derrig (OPAL Consulting LLC) and Sharon Tennyson (Cornell University)

Hagen Family Foundation Travel Award
Travel stipend in support of an annual meeting presenter:

Tzuting Lin
(National Taiwan University)

Bob Hedges Undergraduate Student Award
A travel stipend enabling an undergraduate attending the ARIA annual meeting:

Adam Hensen
(University of North Texas)

Les B. Strickler Innovation in Instruction Award
Recognition of innovative ideas that have been developed and used in RMI: “An Insurance Pricing Game”

Joseph Haley (St. Cloud State University)

Early Career Scholarly Achievement Award
In recognition of distinguished achievement of a RMI scholar who earned a Ph.D. within the last 10 years:

Nadine Gatzert
(Friedrich-Alexander-University of Erlangen)

Excellence in Teaching Award
In recognition of excellence in teaching in the RMI field:

Rob Drennan (Temple University)

Patrick Brockett & Arnold Shapiro Actuarial Journal Award
Outstanding contribution to the literature of RMI published in an actuarial journal:


Linda Golden (University of Texas at Austin), Charles Yang (Florida Atlantic University) and Hong Zou (City University of Hong Kong)

Robert C. Witt Award
Outstanding feature article published in The Journal of Risk and Insurance:


Casey Rothschild (Wellesley College)

RMIR Award for the Best Perspective Article
Best perspective article published in the Risk Management and Insurance Review:


Cassandra Cole, Patrick Maroney, Kathleen McCullough and Charles Nyce (all with Florida State University), David Macpherson (Florida State University, now with Trinity College) and James W. (Jay) Newman, Jr. (Sawgrass Mutual Insurance Co.)

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Congratulations to the ARIA Award Winners of 2012, continued

Kulp-Wright Book Award
An outstanding original contribution to the literature of RMI:

Francis Diebold, Neil Doherty and Richard Herring (all with University of Pennsylvania, Wharton School)

Kulp-Wright Book Award (Honorable Mention)
An outstanding original contribution to the literature of RMI:
*Public Insurance and Private Markets*, AIE Press, 2010

Jeffrey Brown (University of Illinois)

Robert I. Mehr Award
A literature contribution having a 10-year influence in the field of RMI:

Anders Grosen and Peter Løchte Jørgensen (both with Aarhus University)

President’s Award
In recognition and appreciation for commitment and dedicated service to ARIA:
Georges Dionne (HEC Montréal)

A heart-felt thank you to the sponsors of the 2012 ARIA Annual Meeting!

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University of Georgia, Terry College of Business
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ARIA is grateful to the following sponsors of monetary awards and to those who contributed to funding the awards:
Patrick Brockett & Arnold Shapiro
Actuarial Journal Award
Casualty Actuarial Society
Hagen Family Foundation Travel Award
Robert Hedges Undergraduate Scholarship Fund
Les B. Strickler Education Fund
Robert C. Witt Award Fund

A heart-felt thank you to the sponsors of the 2012 ARIA Annual Meeting!
As I hope many ARIA members have heard, the Wharton School launched a new initiative earlier this year: the Wharton/Penn Risk and Insurance Program (WPRIP, https://wprip.wharton.upenn.edu/). Drawing on the work of our faculty, students, and partners, the overall objective of the WPRIP is to promote interdisciplinary and faculty/student research on empirical, theoretical, domestic, and global topics in the risk/insurance field, including doctoral research. I am pleased to have this opportunity as the Executive Director of the WPRIP to provide an overview of its genesis, goals, activities, and initial funding.

Given the growing importance of risk management and insurance over time, important research issues in the field are being investigated by a wide range of researchers in Wharton and throughout the University of Pennsylvania. Wharton faculty with significant RMI interests include members of many departments, including Business Economics and Public Policy, Health Care Management, Operations and Information Management, Finance, Management, and Statistics. In addition, faculty at the University of Pennsylvania’s Law and Medical Schools collaborate on RMI-related research and conferences, in concert with Wharton faculty and graduate students.

Wharton’s Insurance and Risk Management and Business and Public Policy departments merged in 2011, with the combined entity renamed the Department of Business Economics and Public Policy. Following the merger and in view of the diverse faculty with significant risk/insurance research interests at Wharton and Penn, a core group of faculty decided the time was ripe for establishing a new multidisciplinary initiative to promote and facilitate cutting-edge research on risk/insurance and to broadly disseminate the results of that research—thus leading to the WPRIP.

The WPRIP’s core topics of interest include corporate, government, and household risk management; property/casualty risk and insurance; health and longevity risk management and insurance, including pensions, life, and health insurance; the management and financing of extreme events; enterprise risk management; and legal/regulatory aspects of risk and insurance. In all cases, the goal, working alongside existing Penn research centers with risk and insurance related missions, is to promote outstanding risk and insurance research at the University of Pennsylvania.

The WPRIP has thus far attracted over 20 faculty affiliates. We launched a seminar series this academic year with a roster of Penn researchers and researchers from other schools, including Harvard, Stanford, MIT, and Berkeley. We will soon launch a pilot program to provide research grants to doctoral students and faculty who are initiating RMI research. Longer term goals include organizing conferences on important research and policy issues and sponsoring white papers on topics of significant interest to industry, government, and consumers. We are also exploring whether the WPRIP can add value by creating a hub where academics and practitioners can share research and ideas on subjects of mutual interest.

The WPRIP was made possible by startup funding from the Wharton School’s Office of the Dean, the Wharton Risk and Decision Processes Center, the Pension Research Council, the Boettner Center for Pensions and Retirement Security, the Leonard Davis Institute for Health Economics, and the Law School of the University of Pennsylvania. In addition to me, the steering committee includes Professors Tom Baker, Neil Doherty, Howard Kunreuther, Jean Lemaire, Olivia Mitchell, Kent Smetters, and Mark Pauly. An external advisory committee will be formed in due course.

In view of the merger of Wharton’s Insurance and Risk Management Department and the announced transition of the S.S. Huebner Foundation for Insurance Education from Penn to Georgia State University, some or many ARIA members may be under the impression that RMI is “dead” at Wharton and that “RIP” in the WPRIP acronym should be interpreted accordingly. Be assured that is not the case.

We will continue and expand our long tradition of outstanding research and education on risk and insurance. Examples of ongoing faculty RMI-related research at Wharton/Penn, to name only a few, include analyses of insurance market efficiency, pricing, and regulation; study of risk perception and how it shapes markets for insurance; analyses of corporate/public pensions and annuity markets; examinations of how the financial crisis has affected retirement security; research on terrorism and other forms of catastrophe insurance and risk management; analyses of health insurance and health care reform, including health insurance exchanges, rate review, and medical loss ratio regulation; and investigations of emerging markets for micro-insurance.

Within Wharton’s Applied Economics doctoral program, students may select risk management as a field of concentration. Current doctoral students are working on a variety of topics related to RMI, including analyses of the micro-insurance in India, health insurance and annuity markets, pension and household finance, and financial contagion. One goal of the WPRIP is to help attract and support students with such interests.

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Wharton has an abiding commitment, at both the undergraduate and graduate levels, to educate the very best future entrepreneurs, managers, policymakers, and academics. Our undergraduate “Introduction to Risk Management” course is taken by virtually all Wharton undergraduate students. We also offer several MBA courses in insurance and risk management, and our Actuarial Sciences program is unique in the Ivy League. Wharton offers state-of-the-art Executive Education programs focusing on the technical and environmental challenges facing insurance and financial services firms, again spanning the broad range of issues confronting insurance, financial services, public policy, and regulation. These programs all reflect Wharton’s core competencies in the RMI arena, as well as the longstanding and continuing commitments of faculty to the field.

The Wharton/Penn Risk and Insurance Program will build upon the proud tradition of insurance and risk management research and education at the Wharton School and the University of Pennsylvania. Please do not hesitate to contact me at harring@wharton.upenn.edu if you would like to discuss this initiative, including how the WPRIP might function to benefit RMI research and education across the ARIA community.

Professor Harrington is the Alan B. Miller Professor in the Health Care Management and Business Economics and Public Policy departments at Wharton and Academic Director of the Wharton/Penn Risk and Insurance Program. He serves as a member of the U.S. Treasury’s Federal Advisory Committee on Insurance.

Profile of an Insurance Scholar: Michael R. Powers

Prior to joining Temple (1990), Mike served as deputy insurance commissioner for the Commonwealth of Pennsylvania in the late 1980s, and was responsible for designing Pennsylvania’s current “choice” no-fault automobile insurance system. Over the past three decades, he has consulted for numerous clients in both the public and private sectors, and served on a number of advisory boards, including the Pennsylvania Health-Care Cost Containment Council and the Philadelphia Mayor’s Auto Insurance Task Force.

Mike received his B.S. in applied mathematics, summa cum laude, from Yale University and his Ph.D. in statistics from Harvard University.

ARIA NEWS managed to catch up with Mike recently, who was kind enough to take time from his busy schedule to chat. We share our conversation with readers:

ARIA NEWS: It’s been a few years since we’ve seen you at the annual meeting. Where are you these days, and what have you been up to?

Mike: Last fall I accepted a position at Tsinghua University’s School of Economics and Management, and relocated to Beijing. Prior to that, I had visited Tsinghua for several weeks every spring and/or summer since 2005.

Because my family is a bit spread out — with my wife currently working in London and my two sons going to college and graduate school in New England — my travel is constrained by family commitments, often making it difficult to attend the ARIA conference. However, since both the ARIA and APRIA meetings will be held on the U.S. east coast next year, I’m hopeful I’ll be able to catch up with my ARIA friends then.

ARIA NEWS: Are you working on any particular research issues at the moment?

Mike: Recently, I’ve focused on basic mathematical models for analyzing and managing what I like to call “aloof” risks; that is, the traditional hazard/operational risks of insurance. Overall, I think we need to pursue a deeper understanding...
of how the stochastic behavior of insurance loss portfolios is governed by the underlying frequency and severity components, and what is the relationship between those components and optimal risk finance decisions (i.e., pooling, transfer, and avoidance). Further, we need to develop better ways to evaluate and benefit from the distinctly different effects of diversification and hedging, especially when the two processes coexist. I’ve also taken a strong interest in promoting the use of Bayesian methods in insurance. This is a major theme of my recent book, *Acts of God and Man: Ruminations on Risk and Insurance* (2012, Columbia University Press).

**ARIA NEWS:** Can you compare and contrast the educational systems of China and the U.S.? Are any differences particularly notable in the area of risk and insurance education?

**Mike:** From an instructional point of view, I don’t think there’s as much difference between the Chinese and U.S. classroom experiences as one might expect. I’ve heard both Chinese and American faculty comment on the greater importance of memorization in China, and of creative thinking in the U.S. However, I’ve always found that my Tsinghua students respond quite well to exercises requiring innovation and critical analysis.

From the perspective of risk and insurance scholarship, on the other hand, there’s a dramatic difference between the two countries: the number of schools participating in the field. In China, at least seven of the “top ten” universities have substantial programs in either RMI or actuarial science (and sometimes both), in stark contrast to the situation in the U.S. Naturally, this difference exists for a number of complex historical and institutional reasons; but it is something that should be studied closely by anyone seeking to promote RMI/actuarial science research and education in the U.S.

**ARIA NEWS:** What have you enjoyed the most in your academic career? Do you have any regrets?

**Mike:** What has been most interesting to me is the statistical modeling of traditional insurance risks — the “aloof” risks I mentioned previously. The fact that so many different probability distributions come into play, and that different categories of risk (mortality, disease, accidents, fires, storms, earthquakes, liability, and so on) often require very different probability models, suggests there is much to learn about the disparate physical processes underlying these losses.

Rather than having regrets, I’d say I feel fortunate to have left graduate school just prior to the arrival of the asset-pricing bandwagon. Had I graduated a little later, I might have been lured into the study of market-based financial risks, which now strike me as far less interesting than insurance risks.

**ARIA NEWS:** What has ARIA meant to you, from a personal and professional standpoint?

**Mike:** ARIA is a great institution because it provides a broad forum for the exchange of research and pedagogy, as well as a strong connection to the history of our discipline. Just looking at the list of past presidents and their affiliations gives one a sense of how the field has developed over the decades. I’m particularly proud that so many of my Temple colleagues have been active in ARIA, and that Lauren Regan (Temple University) will soon be president of the organization. I’m also very pleased by the interest of many Asia-Pacific researchers in ARIA, as well as the participation of ARIA members in APRIA.

**ARIA NEWS:** What advice do you have for new ARIA members?

**Mike:** For junior faculty, my basic advice is to seek research problems that not only help you secure tenure, but also are intrinsically interesting. In addition, you should look for opportunities to work with international colleagues, and apply for visiting positions in other countries if possible. Who knows? You may find yourself relocating overseas one day!

**ARIA NEWS:** When you’re not busy teaching or doing research, what do you enjoy doing? What other activities are you involved in?

**Mike:** Since coming to Beijing, my main pastime has been studying Chinese. At this point, I’m learning vocabulary using pinyin (the standard romanization system), rather than memorizing Chinese characters. My short-term goal is to become reasonably proficient in ordinary conversation, and my long-term goal is to understand what’s going on in my department’s and school’s faculty meetings. (Yes, I’m aware that decreased ignorance may lead to diminished bliss!)

My other hobby is playing the circular alto horn, which resembles the French horn, but is played more like a trumpet. Although I haven’t yet discovered any ensembles to join in Beijing, I do find that regular practice in my apartment is a great way to relax — and surprisingly, my neighbors haven’t complained.

**ARIA NEWS:** Thanks for your time, Mike. You’ll be missed at Temple. Best of luck to you at Tsinghua University and in China!
The 3rd China International Conference on Insurance and Risk Management (CICIRM) was held on July 18-21, 2012 at the Copthorne Hotel Qingdao in China’s Shandong province. The theme of this conference was on “Risk, Insurance and the Future Society.” Jointly organized by Tsinghua University’s China Center for Insurance and Risk Management (CCIRM) and the Cass Business School of City University, London, and hosted by the School of Economics of Qingdao University, this event offered a Chinese forum for international communication and cooperation in the studies of insurance, risk management, and actuarial science. Attendees had the opportunity to hear from distinguished speakers, present recent academic and practical research in concurrent sessions, and exchange ideas with leading international researchers.

**Michael Powers** (Chairman of Academic Committee of CCIRM, Tsinghua University) and **Professor Bingzheng Chen** (School of Economics and Management, Tsinghua University and Director of CCIRM) co-chaired the CICIRM Program Committee. Mike also served as a moderator and speaker at the conference. Other ARIA members who participated in this conference were:

**Jing Ai** (University of Hawaii at Manoa), **Gene Lai** (Washington State University) and **Xiaoying Xie** (California State University, Fullerton) moderated various sessions.

**Patrick Brockett** (University of Texas-Austin) and **Richard MacMinn** (Illinois State University) each provided a keynote address, respectively speaking on “Life Settlement Pricing” and “Risk, Insurance and Society: Insurance and the Creation of Value.” Both also served on a panel to discuss “Incorporating Longevity Risk and Medical Information into Life Settlement Pricing.”

**Jun Cai** (University of Waterloo) spoke on “Optimal Reciprocal Reinsurance Treaties between Insurers and Reinsurers.”

**Hua Chen and Mary Weiss** (both with Temple University) spoke on “The Pension Option in Labor Insurance and Precautionary Saving: Evidence from Taiwan.” Mary made a second presentation, “The Impact of RBC Requirements in Property-Liability Insurance.”

**J. David Cummins** (Temple University) was one of several panelists discussing “Organizational Form, Ownership Structure and Top Executive Turnover: Evidence from the Property-Liability Insurance Industry.”

**Sojung Carol Park and Xiaoying Xie** (both with California State University, Fullerton) discussed “Reinsurance and Systemic Risk: The Impact of Reinsurer Downgrading on Property-Casualty Insurers.”

**Yayuan Ren** (Illinois State University) presented on “Rationality of Insurance Pricing: Do Insurers Herd?”

**Jennifer Wang** (National Chengchi University) spoke on “The Crowding-in Effect of Public Health Insurance for Private Health Insurance Coverage — New Insights from Taiwan.”

For presentation materials from most of the talks (both plenary and parallel), go to the following link: http://www.ccirm.org/conference/2012/schedule.php. The 4th China International Conference on Insurance and Risk Management will be held July 17-20, 2013, in Kunming (Capital of China’s Yunnan province). Yunnan University of Finance & Economics will be the host.
Macroeconomic Trends Affecting the Insurance Industry
by Steven Weisbart, Senior Vice President and Chief Economist, Insurance Information Institute

The Insurance Information Institute (I.I.I.) is often asked to identify trends that may challenge or shape the insurance industry. As virtually every ARIA member knows, we often do this through PowerPoint presentations that, once delivered, are posted on the I.I.I. website at www.iii.org/presentations. For most of us trained in economics, identifying macroeconomic trends that affect insurance isn’t hard to do. But when I was invited to address a recent Property Casualty Insurers Association of America marketing and underwriting conference, I thought I should find relevant demographic, cultural, or other non-economic trends to discuss. I knew that would take me outside of my “comfort zone,” but I thought I could chance it.

I knew that some authors such as Alvin Toffler and John Naisbitt had, beginning decades ago, published popular and influential books describing what Naisbitt called Megatrends. There had to be more recent books by these and/or other seers, and there were. One I found easily is Megatrends 2010: The Rise of Conscious Capitalism, by Patricia Aburdene, who co-authored several of Naisbitt’s earlier books. And by typing “megatrends” into Google, I found some other sources.

Through the search process, I also found Mark Penn’s book Microtrends: the small forces behind tomorrow’s big changes. As the title implies, Penn has a different perspective on demographic, social, and cultural changes in the U.S. and globally. It seemed like a good idea to pair the differing viewpoints into a single presentation.

To put both viewpoints in context, I started the presentation with the I.I.I.’s standard review of the insurance industry’s current financial condition and the history of its underwriting and investing experience. These slides, and my comments, covered what is widely understood—that the property-casualty insurance industry has been, and will continue for the short-term future, facing the headwinds of weak exposure growth (following substantial exposure shrinkage), exceptionally low investment returns, and growing catastrophe threats, although it is more substantially capitalized than at any time in its history.

Since my goal was to be suggestive rather than comprehensive (and was constrained by the time allotted on the program), I focused on three Megatrends and seven Microtrends.

For the sake of variety, I chose the Megatrends from a forbes.com website. The first Megatrend points to extraordinary growth and shift in the insurance customer base in the next decade or two. In the “advanced” or “developed” economies of the world, growth is extremely slow, the population is aging rapidly, and the middle class is financially squeezed and shrinking. In contrast, perhaps a billion people in the “emerging” or “developing” economies may become “middle class” in the next decade or two—with assets and income substantial enough to need protection from insurance. The challenge for the property-casualty insurance industry is to explain to these business and personal consumers how insurance can help them prosper. Given the extremely low current amount of insurance owned (measured either per capita or per dollar of GDP), growth ceiling is extremely high. On the other hand, given the current low penetration of insurance, the ascent will be steep.

A second Megatrend I chose is the growth of what the forbes.com site calls “individualistic capitalism.” This is what happens when vendors provide consumers with the means to tailor the products and services they buy in many highly detailed ways, resulting in essentially thousands of varieties (or more) of customer choices and the opportunity for customers to adjust the service agreement at any time. Some of this is already underway in online management of the standard terms of insurance contracts, but many more options can—and probably will—be demanded as technology makes it easier to handle more variations.

A third Megatrend in my presentation is what the forbes.com site calls “the rise of the new business ecosystem.” This refers to new types of marketplaces, such as those created by amazon.com, through which a consumer can shop among several vendors which can reach many more potential customers in such a marketplace than they can on their own. The question is: will this trend affect the property-casualty distribution system? Will, in other words, amazon.com develop a “virtual Lloyd’s”? Is this a way for small insurers to grow in ways they could not engineer in conventional ways?

The presentation then turned to Mark Penn’s Microtrends, defining them as a rapidly-growing group, roughly 1 percent of the population, with needs and wants unmet by current providers. Although Penn’s book identifies 75 microtrends, and most—if not all—are stimulating, my presentation cited just seven.

Serve on an ARIA Committee
If you are interested in becoming active on one of ARIA’s committees, check the website at http://www.aria.org/ for further information, or e-mail ARIA president, George Zanjani, at gzanjani@gsu.edu.

Continued on page 12
The ones I chose were:

1) Single women (now the second-largest group of home buyers, just behind married couples).
2) Dual-career couples who maintain two households (3.5 million in 2005).
3) People who sleep less than 6 hours per night (a new auto insurance underwriting factor?).
4) People with hearing loss (affecting workers comp insurance, but also health insurance, insurance for hearing aids).
5) Men age 50 and older who become fathers (old dads will likely work to older ages and/or drive at older ages).
6) Ex-cons (over 650,000 people, mostly men, are released from prison each year). Are these people insurable in the voluntary market?
7) “High school moguls” (Penn’s term)—teens who start and run substantial successful business, usually online. How much do they know about insurance, and how well are we reaching them?

The presentation I created is at http://www.iii.org/presentations/megatrends-and-microtrends-the-past-and-future-of-pc-insurance.html. I would be interested in comments, suggestions, and additions you have for developing it further. You are free to use anything in it that you find helpful.

Editor’s Note: Steve can be contacted at stevenw@iii.org.

Did you know that…. there were only 384 instructors who taught 584 college courses in insurance in North America universities in 1940? Among these individuals, only 10 percent were full-time professors with at least half of their teaching load in this field.

In response to the need to develop more professors in the area of insurance and related fields, in 1941 the insurance industry established a non-profit foundation to provide fellowship grants for students to pursue their doctoral degrees at The Wharton School of the University of Pennsylvania. The partnership between the foundation and Wharton was also formed to recognize the many contributions of Dr. Solomon S. Huebner who taught the first organized college-level course on the economics of insurance at Wharton in 1904, who started Wharton’s insurance department in 1913 and who wrote the first textbooks on the subject. Thus, it was fitting the foundation was named The S.S. Huebner Foundation for Insurance Education and that it should partner with Wharton.

After more than 70 years of affiliation with the University of Pennsylvania, the S.S. Huebner Foundation announced in August 2012 that it is moving to the Department of Risk Management and Insurance (RMI) at Georgia State University’s J. Mack Robinson College of Business. Richard Phillips (former chair of GSU’s RMI Department and now associate dean of the Robinson College) comments, “I have great respect for the many accomplishments achieved by the partnership between Wharton and the Huebner Foundation. But I am also pleased the Foundation trustees chose Georgia State University to be its new university partner. Together we will work in ways that honor the legacy between Wharton and the Foundation while taking advantage of the tremendous opportunity at GSU to produce an even greater number of exceptionally well qualified scholars consistent with our broad approach to discipline of risk.”

Richard Phillips

Over the years, more than 200 Huebner Fellows completed their doctoral or post-doctoral studies and have gone on to more than 50 universities in the U.S., Canada and Puerto Rico or to leadership positions within insurance educational institutions or the industry in the U.S. Based on the July 2012 membership list, 46 current ARIA members are Huebner alumni. See Figure 1 on the next page.

The 2003 Annual Report of The S.S. Huebner Foundation for Insurance Education contained a detailed summary of its many contributions made to insurance education. Among its many accomplishments as of that time:

- The Huebner Foundation has published more than 75 books on all insurance subjects.
- Huebner Fellows have authored over 3,000 insurance and related publications and more than 450 books on insurance-related topics.
- Roughly 13,000 college students are taught by Huebner Fellows each year.
- Huebner Fellows have provided the equivalent of more than 4,000 years of teaching.

Clearly, the Wharton School should be proud of its outstanding history of preparing leaders in the insurance and risk management fields. ARIA wishes Georgia State University continuing success as it takes over the reins of the Huebner doctoral fellowship program.
The Wharton School at the University of Pennsylvania is the world’s first collegiate business school, established in 1881. It has the largest and one of the most published business school faculty—with 225+ standing and associate members, along with 10 academic departments and 20 research centers and initiatives—and is consistently ranked among the world’s elite business schools. Founder and American entrepreneur and industrialist Joseph Wharton’s pioneering vision for the School was to produce graduates who would become “pillars of the state, whether in private or in public life.”

The Department of Risk Management and Insurance at Georgia State University’s Robinson College of Business is the only program at a North American business school recognized in the following three categories: (1) among the U.S. News & World Report Top 10; (2) designated a Center of Actuarial Excellence by the Society of Actuaries; and (3) named an Accredited University Risk Program by PRMIA (Professional Risk Managers’ International Association). GSU’s RMI Department is renowned for advancing risk as a unique academic discipline focused on the economics of the measurement and management of uncertain outcomes.

**Endote**

Memories from Minneapolis
Memories from Minneapolis, continued
Memories from Minneapolis, continued
Risk Management or Insurance: That is the Question!
by Jean-Paul Louisot, MBA, ARM, FIRM, RM Prof., Université Paris 1—Panthéon Sorbonne and Dean of Curriculum, CARM Institute

During the Awards Luncheon at ARIA’s annual conference on August 7, 2012, the fuzzy future of our discipline led the new president—George Zanjani (Georgia State University)—to ask the hard question as he took the helm of the association: Are we meant to teach risk management or insurance?

The future of RMI—Risk Management & Insurance as an academic discipline

Last year, risk management and insurance, a nearly centennial-long discipline, endured an earthquake when it seemed to be all but doomed as The Wharton School of Business (University of Pennsylvania)—arguably the most prestigious business school—decided to close down its RMI department and disperse its staff in other departments, including Finance. It was feared that this move would spread like thunder, but it has not so far.

One year later, the Wharton School decision seems an isolated event with no repercussion on other leading institutions. This being said, there is no doubt that risk management is slowly coming to maturity as a full-fledged branch of the management sciences whereas insurance is more an industrial sector than a science. Clearly, the remaining RMI departments in other universities have to decide on their future: will they limit their ambition to preparing future managers and executives for the insurance and reinsurance industry, or will they embrace the new field open to young graduates with the building of ERM departments in many organizations, private and public? These few years ahead of us are really those during which ERM teams are being built and risk analysts posted in many subsidiaries inseminate an Enterprise-wide Risk Management culture throughout the organization.

When reviewing various schools’ curricula and the list of research papers presented at the annual convention, it is clear that ARIA’s membership and interest have remained very insurance oriented. In fact, most reflect closely the content of professional designations such as the Chartered Property Casualty Underwriter (CPCU) conferred by the Insurance Institute of America. However, the growing interests of insurance companies in recruiting young MBAs and risk management specialists nurtured totally outside RMI departments have clearly led some RMI faculties to be wary. As such, the fundamental question asked by the new ARIA president of its membership is totally in line with the need for a thorough introspection.

As a head start to this year of brainstorming, the ARIA leadership could look at other continents as competencies development processes seem to be mushrooming with a new professional designation offered in Australia. In addition, the Federation of European Risk Management Association has initiated a two-year process to define a curriculum for future risk management professionals throughout the European Union. And it is a key objective of the British Institute of Risk Management in London to try to develop a “Chartered Professional Risk Manager” designation recognized by the Crown.

The organic link with strategy, already implicit in the concept of ERM, is becoming more and more explicit throughout the organization. The attributes of maturity for ERM is the tie with the strategy team. This proximity must be developed within universities. Then, should an RMI department merge with a department of strategy? The question is worth asking when the number of departments has to be reduced and it is probably a better approach than a merger with Finance that would reduce Risk Management rather than enlarge its vision.

While Risk Management is the major of those few individuals who wish to embark in a career as a risk management professional, it lacks in recognition or luster as a profession on its own merits like attorneys. And while Risk Management is part of the basic toolkit for any aspiring executives—all who are future risk owners—it is rarely a compulsory topic in MBA and Executive MBA programs. If it were, perhaps the survival of the department would not even be in question.

Indeed, if RM is a general competency needed for all future executives, maybe it should stand on its own at par with accounting, marketing, production, etc.

Wharton’s move did not signal the end of RMI departments as we know them, and it has clearly not prompted the death of the discipline. It is, however, high time that ARIA initiate a debate for which I envision five main considerations:

1) The insurance industry remains a key sector of the economy and plays a leading role in the social and economic world. It remains a major source of jobs for RMI majors as well as a natural fund provider for RMI research. (By the same token, competencies needed to lead in the industry also include economics, finance, accounting, actuarial sciences and psychology. Therefore, transversal curricula are called for.)

2) Research should go beyond exploring and plowing again and again the same databases that may not even be pertinent when projecting into the future trends destroyed by the financial and economic tsunami over the last five years. Future research may call for more creativity and concerted efforts from teams tapped from an array of disciplines. (This approach may be embodied by different models depending on the missions and tracks of...
certain universities and their sponsors, given their specific characteristics. For example, Georgia State University chose to formalize this new trend through the creation of its new multi-disciplinary research center—Center for the Economic Analysis of Risk. There may be other viable models, as time will tell.)

3) Risk Management is coming of age as an independent management discipline, one of the compulsory courses in any management/engineering curriculum. (It remains transversal in essence and needs to borrow from many other disciplines, including but not limited to actuarial science, law and strategy, to venture research into new areas—like the paper presented at this year’s annual meeting on supply chain risk management. The specific approach to risk management will have to be developed jointly with other disciplines in any organization such as marketing, procurement, operations, etc. This is why being assimilated with Finance could well prove to be the kiss of death—after all, not all risks are financial; all risk impacts are not measurable in cash.)

4) Teaching risk management will require joint approaches with colleagues from all disciplines. (As for research, students must be ready to tackle risk management issues in all departments of their organizations, more specifically all risk owners must have received some risk management training—supply chain, information systems, human resources, etc. Furthermore, there is the issue of managing risk to reputation that belongs to everybody in the company and is the ultimate risk—the risk of all risks—a meta-risk whose teaching belongs to a comprehensive case at the end of the curriculum.)

5) Insurance is still the anchor for most organizations’ risk financing programs, and the industry should integrate their clients’ ERM efforts to offer proper solutions. (By the same token, insurers and reinsurers have to develop their own ERM programs that regulators and rating agencies alike will be relying more and more on to evaluate rating or solvency assessments.)

Clearly, while remaining the “federal ecumenical house” that it currently is, should ARIA recognize that it has grown and matured into two twin components: ARMEA (American Risk Management Education Association ) and AIEA (American Insurance Education Association)? There is no doubt that whatever is the fate of RMI departments in American universities, the interest for Risk Management in education is rising—now even more within the sustainable development framework (including the program recently developed for sustainable insurance under the United Nations umbrella). But if ARIA is to remain a pertinent player, it probably has to find a way to attract members from departments outside of RMI departments; i.e., academics, doctoral and post-doctoral students who will find an echo of their own interests in ARIA’s statement of mission and objectives.

Of course, this means that ARIA would have to leave its comfortable “nest of insurance issues” to risk a walk in the “real world.” The task at hand is difficult as it requires developing a new ecumenical and specific vocabulary to allow for the building of a body of doctrine and research. The axiomatic foundation will facilitate multi-disciplinary research in which academics of all venues could participate, be it economics or management, but also geography, natural sciences, medicine, psychology and sociology as well as law, to name but a few.

Leaving the comfort of the past is the price to pay to remain pertinent in tomorrow’s world. It may mean for ARIA’s current members less research funding for their respective universities. However, this is the price to pay to demonstrate not only to deans and university presidents, but more importantly to industry sponsors, probably beyond the insurance industry, that there is value creation in the research and education provided under the RMI umbrella. And remember, they hold the key to the safe!

What could ARIA’s future be? ARIA’s new president could not have been more to the point when he stressed that the association was at a crossroads. It remains to be seen how bold the membership will be in responding to its president’s call at the next conference in August 2013 in Washington D.C.

However, whatever direction the members choose, it is high time that risk management & insurance academics, or even better—“uncertainty management specialists”—go to all sorts of organizations, private and public, and suggest avenues of research to help them understand, develop and implement ERM.

It would be disastrous for RMI academics not to venture out of their comfort zone and leave this open field to others, be they actuaries, auditors, compliance specialists, etc. who may carry a narrow view of risk management strategy. After all, Risk Management is also pertinent for tactics and daily choices by floor managers and brings a resiliency far beyond traditional strategic approaches.

As a vibrant illustration of this evolution, when announcing recently the S.S. Huebner Foundation for Insurance Education move to Georgia State University, C. Robert Henrikson (chairman of the Huebner Board of Trustees) stated: “The Department of Risk Management and Insurance at Georgia State University’s Robinson College of Business...is renowned for advancing risk as a unique academic discipline focused on the economics of measurement and management of uncertain outcomes.”

Risk Management of course, but even the insurance industry, if it wants to understand the future needs of its clients and help them develop appropriate and sustainable solutions to their need for risk financing, must foster research programs that go far beyond past data juggling and start daring innovation. In other terms, it is high time that RMI research vehicles be equipped with fog headlights to lift the fog of the future and not only rearview mirrors!

Endnote
1) The inclusion of the term “wide” in Enterprise-wide Risk Management stresses the need for a global and integrated approach to risk management extended throughout an organization.
ARIA Members and Friends in the News

At the end of August 2012, Gilles Bernier retired as a regular faculty member at Laval University; he joined Laval’s Directors College as Program Director (on a contractual basis) effective September 3. In recognition of his long and dedicated career, Gilles received Laval University’s Faculty of Business Administration 2011 Annual Teaching Award (Prix Hermès d’excellence en enseignement). Congratulations to Gilles!

Congratulations to Karen Epermanis (Appalachian State University) who received the Walker College of Business’ 2012 Sywassink Award for Excellence. She was recognized for her excellence in service—Karen serves as the faculty advisor for the Risk Management and Insurance Society at Appalachian State and a faculty supervisor for honors thesis students, as well as leads or participates in various college-level committees.

Montserrat Guillén (University of Barcelona) is the 2012 president of the European Group of Risk and Insurance Economists (EGRIE).

Michael Hoy (University of Guelph) will be on sabbatical at Simon Fraser University in Burnaby, British Columbia, Canada from January to May of 2013. He will continue his research on various topics in economics and in the subject area of chronic poverty measurement.

Soon-Jae Lee (Sejong University) is the 2012-13 Secretary of the Asia Pacific Risk and Insurance Association. Other ARIA members serving on APRIA’s 2012-13 Board of Governors are: Jing Ai (The University of Hawaii at Manoa); Thomas Berry-Stölzle (The University of Georgia); Christophe Courbage (The Geneva Association); Katja Hanewald (University of New South Wales); Yehuda Kahane (Tel Aviv University); Mahito Okura (Nagasaki University); David Richardson (TIAA-CREF); Andreas Richter (Ludwig-Maximilians-Universität); and Min-Teh Yu (National Taiwan University).

Earlier this year, Weili Lu (California State University-Fullerton) was interviewed by Insurance Journal during which she talked about the job outlook for current students preparing to graduate. Her discussion can be viewed at http://www.insurancejournal.tv/videos/7241/.

Congratulations to David Marlett (Appalachian University), who was recently named the IIANC Distinguished Professor of Insurance. This is a $500,000 chair primarily funded by the Independent Insurance Agents of North Carolina.

Moshe Milevsky (York University and Executive Director of the IFID Centre at the Fields Institute in Toronto) has written a new book, The 7 Most Important Equations for Your Retirement (Wiley), in which he tells stories of the lives and works of seven key people whose ideas support today’s retirement income planning. One of these individuals is Dr. Solomon S. Huebner (University of Pennsylvania)— the “father of insurance education.” Moshe discusses Huebner's principal discovery that relates to human life value, allowing life insurance to become an important financial planning tool and demonstrating how to calculate the present value of a life insurance policy.

According to book reviewer, Bob Seawright [chief investment and information officer at Madison Avenue Securities (San Diego)], “Prof. Milevsky uses good, entertaining stories—designed to lead to good conversations—to provide practical (and accurate!) building blocks to help us think carefully and critically about life, money and retirement. In this telling, the equations, the data and the stories all align to provide the critical foundation necessary for important decisions to be made about retirement income planning and the future.”

Congratulations to Richard Phillips, who was recently named Associate Dean of Academic Initiatives and Innovations at Georgia State University’s J. Mack Robinson College of Business. Prior to this, Rich was chair of Robinson’s Department of Risk Management and Insurance. Martin Grace has assumed Rich’s former duties as interim chair.

Congratulations to Casey and Beth Rothschild (Wellesley College) on the birth of their second child, Mabel Elizabeth, who was born on August 17, 2012. At birth, Mabel was 8 lbs. 3 oz. and 20 inches long.

Joan Schmit (University of Wisconsin-Madison) will be on sabbatical at the University of St. Gallen, Switzerland (Fall 2012), working with Martin Eling, Christian Biener, and Hato Schmeiser. In the Spring 2013, she will visit Mike Adams at the University of Bath. Her primary work will be on insurance in emerging markets, largely connected with micro-insurance. Joan informed ARIA NEWS that after several years in the dean’s office, she is looking forward to her sabbatical after which she will return to the life of a full-time professor at UWM.

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ARIA NEWS recently asked members the following question: “What is one piece of advice—unrelated to getting an internship—that you would give to a young person getting out of high school today?” Here are insightful answers from some of our colleagues.

Benjamin Avanzi (University of New South Wales): Study what you like!

Joseph Belth (retired, Indiana University): Avoid—and persuade your parents to avoid—gaming the financial aid system by trying to hide assets or inflate liabilities. I make the suggestion because it is important to get into the habit of following the rules—not only their letter but also their spirit—and being truthful. In other words, it is important to avoid getting into the habit of cheating to gain an advantage.

Pranatharthi Chandrasekar (Unilever House): Ensure there is no gap between—(1) what you think and what you say; (2) what you say and what you do; and (3) what you do and what your report and record reflect.

Lisa Gardner (Drake University): Forget about money and follow your bliss. A statistical analysis of more than 450,000 responses to the Gallup-Healthways Well-being Index survey shows that money doesn’t buy happiness. Money is an artificial device that some folks like to use to “keep score.” Choose to spend your time, including work time, in ways that bring meaning to your life.

Robert Hartwig (Insurance Information Institute): First, go heavy on the math/statistics and science courses—no matter what your major. More doors will be open to you in virtually every discipline. Employers want people with analytical skills. Second, recognize that you are not competing for jobs or slots in graduate school solely with your classmates. You’re in a global marketplace—your skills and your ambition need to be competitive at an international level. Third, pursue study of a foreign language used in international commerce (Chinese, Spanish, French or German) beyond the minimum requirement associated with your major. Again, this makes you more desirable to global employers and many government agencies. Fourth, do not limit yourself geographically. The earnings and job opportunities of students who seek employment opportunities within a limited geographic area will almost certainly lag behind those who see the entire world as an opportunity.

Finally, do not automatically turn down an entry level job at a prospective employer because it doesn’t start at the title or salary at which you had hoped. Hard working, aggressive, fast learners are recognized fairly soon within organizations and can be promoted quickly. The retirement of the baby boomer generation will create an enormous number of opportunities over the next 15 years.

Enya He (University of North Texas): For those who plan to attend college, I would encourage them to get involved with campus activities and make some friends. Some of the people you will meet in college might be your lifetime partner or friends!!!

Shengyue Le (C.P. Group, Thailand): Keep seeking.

Andre Liebenberg (University of Mississippi): Remain close to your parents and high school friends and choose your new friends very carefully.

Xinli Liu (Peking University): Treat life seriously.

Kathleen McCullough (Florida State University): Find good mentors. They should be people that you respect as a person, not just for their resume. Learning what they do and how they make decisions will teach you a great deal.

William McGannon (retired, NOVA Chemicals Corporation, and former Executive in Residence, University of Calgary): Take on all the dirty jobs; even if they don’t seem all that interesting, make them so. Everything you do will have a marvelous turn for learning and adding to your experience for later use...First thing you know is, they start coming to you as you have two things going for you—willingness to get your hands filthy, and getting it done on time and ready for the next...Those who seek the easy road find out it will be short and yours will be never ending! So there...And this from a lad who toiled in corporations for over 48 years!

Faith Neale (University of North Carolina Charlotte): According to my teenagers I am not qualified to answer this question.

Jack Nicholson (Florida Hurricane Catastrophe Fund): I think it is important that a young person be able to set realistic goals and work toward something he/she likes (get focused and stick with whatever it is you want to do, but put in 100% effort). It is probably going to take about 10 years to build a career to the point where you are going to feel successful.

J. François Outreville (HEC Montréal): Don’t select an academic carrier for money, but considering the potential future disequilibrium between demand and supply (the lack of interest for teaching), it may become a second best solution. Furthermore, there is a discount for freedom of ideas and arguments. An academic carrier allows you to be interested in whatever field you like and the wiser you get (not necessarily the older as I suspect some will say), the less you care about your publication record and the more you can spend time to research other fields, for example, wine economics (related to the ageing problem?).

Finally, my advice is not to follow this advice if you have your own beliefs. Heterogeneous beliefs are a good signal to take advantage of differences. Moreover, the assumption that individuals hold homogeneous beliefs lacks empirical support.

William Rabel (University of Alabama): Americans born after WWII mostly know our country as a place where people succeed. However, a longer view shows that America has mostly been a place of failure. Farmers, tinkers, ranchers, shopkeepers, and others repeatedly went broke and started over—many of them time after time. Throughout most of our history the greatness of Americans has

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ARIA members were also asked what they would be doing now if they were not in insurance academia or the industry. Here’s what some said.

Benjamin Avanzi (University of New South Wales): Classical music, as a cellist.

Pranatharthi Chandrasekar (Unilever House): I would have tried to become a teacher, lecturer, professor or faculty as the science and art of teaching is ever-beguiling—one realizes one’s IQ limitation (Ignorance Quotient) day-in and day-out!

Lisa Gardner (Drake University): At some point or another, I seriously considered pursuing a career in architecture, wildlife and conservation management, or in writing. An interest in creative expression probably drives my interest in architecture and writing; my love of the outdoors certainly explains my interest in wildlife and conservation management. If I were not working in academe, I most certainly would be working for a non-profit or as a self-employed consultant in some capacity that allows me to feel like my work helps improve the lives of others. I am an idealist and I cannot see myself enjoying working for a for-profit corporation.

Scott Harrington (University of Pennsylvania): A PGA touring pro.

Robert Hartwig (Insurance Information Institute): I started college as a biochemistry major and was interested in genetic engineering. I somehow got sidetracked, by I still find myself fascinated by the subject and think it would have been a great career choice in a field that continues to expand the boundaries of knowledge and produces tangible improvements in the quality of life around the world at a rapid pace. Separately—many other people have said that they think I would have made a good politician!

Enya He (University of North Texas): When I was in graduate school and I considered myself a diehard college football fan, my dream job—had I been born in the states—would have been a sports anchor for ESPN. However, after six years of living in Dallas where genuine Chinese food is hard to find, I now wish I was a chef and owner of a restaurant that offers genuine homemade Chinese food, not those you find at “all you can eat” Chinese buffets or Panda Express, which is a joke (Need some evidence: have you ever seen any Chinese cook working in a Panda Express?).

Anne Kleffner (University of Calgary): I like to imagine that if I know now what I knew then, maybe I would have become a Park Ranger.

Shengyue Le (C.P. Group, Thailand): I would have preferred going into the engineering or medical field, which entails handling cases with 99.9...9% confidence levels, rather than 0.0...1% chances in the insurance industry.

Diana Lee (Property Casualty Insurers Association of America): I would want to work in the theater (behind the scenes) or as a museum curator.

André Liebenberg (University of Mississippi): I would probably have become an economist or a lawyer; but I would have wanted to become a professional golfer or theater actor.

Xinli Liu (Peking University): Doctor.

Kathleen McCullough (Florida State University): I think I would want to work in the reinsurance area or in commercial risk management.

William McGannon (retired, NOVA Chemicals Corporation, and former Executive in Residence, University of Calgary): The one I was in—risk management in a dynamic corporation, in which every day was a question mark...So darn much going on in so many facets of corporate life...Whe-e-e-e-e...So what is up next!

Faith Neale (University of North Carolina-Charlotte): I was offered a full music scholarship to Florida State University (FSU) but I did not want to end up a middle school or high school band director (can you imagine that?) so I turned it down to major in business at the University of Florida. I eventually earned a music scholarship there as well though not the full ride offered by FSU. I most likely would have ended up in a symphony somewhere because I REALLY did not want to be a band director.


J. François Outreville (HEC Montréal): A journalist, I guess! I like to argue and I would have been interested in economic problems ... or sports (why not?). Later in my career, I would have become a gastronomic critic; however, I don’t think this is a field of interest for young people but it comes with time ... is it related to the ageing problem?

Hato Schmeiser (University of St. Gallen): I never thought that I would stay in academia at all and deal with the topic of Risk Management and Insurance in particular. Doing anything else (bush pilot, lion tamer, etc.), would have been more realistic! However, it is fine as it is.

Joan Schmit (University of Wisconsin): If I were not in insurance, I would have loved to study history. I think I am grateful I chose insurance, and can study history within it.

Terrie Troxel (retired, Indiana State University): I would have become an accountant, or worked as an investment broker at Goldman Sachs and become a millionaire.

Andrew Whitman (University of Minnesota): Insurance was the best route toward my first choice of becoming a college professor; if that didn’t pan out, I would have returned to Philadelphia to assist my mother in managing the E. E. Whitman Coal & Fuel Oil business. I had driven oil trucks and serviced oil burners while going to Penn State. In 1960, I was practicing risk management by preparing for all options and avoided the military draft by staying to work on an MBA.
On May 1, 2012, The Institutes and The Griffith Insurance Education Foundation finalized a formal affiliation. The Institutes’ Board of Trustees and The Griffith Foundation’s Board of Trustees unanimously approved the affiliation based on the complementary nature of the strategic initiatives of both organizations.

According to Michael Fusselbaugh, chairman of the Board of Trustees for The Griffith Foundation and senior vice president of Hartford Steam Boiler, "Our board recognized this affiliation as an outstanding opportunity to continue to expand our 65 year mission to deliver a full range of unbiased and professional risk management and insurance education to students, teachers, academic institutions, and public policymakers by leveraging the significant resources of The Institutes. We found a significant overlap in board participation and supporters for each organization, common insurance education objectives, and no target segment overlap, so combining forces seemed only logical. In short, it’s good for our organizations, our stakeholders, and the industry.”

The goal of this affiliation is to have a more direct path for students between their high school or university experiences and their careers. The Griffith Foundation will focus on educating students about the value of a degree in risk management, while The Institutes will provide professional development content and a distribution network for students to access industry information.

Traditionally, The Institutes have done well meeting the knowledge needs of professionals throughout the first 15 to 20 years of their careers. Affiliating with The Griffith Foundation will help The Institutes expand their reach by better enabling them to provide resources to pre-professionals. It will enhance The Institutes’ ability to encourage the next generation of the insurance industry’s leadership to pursue insurance careers, while instilling in them a passion for lifelong learning. Overall, it allows both The Institutes and The Griffith Foundation to align the strategies needed to promote growth, while also being able to share resources and benefit from cost savings.

In September 2011, more than 100 industry professionals, students, and representatives from academic institutions and a variety of professional organizations attended the Insurance Education and Career Summit. The Career Summit was organized by The Griffith Foundation and sponsored by The Institutes. The Career Summit’s goals were twofold: to identify the primary barriers to meeting the workforce needs of the insurance industry and to develop a strategy to overcome those barriers.

At the end of the Career Summit, The Institutes and The Griffith Foundation were tasked with leading an initiative that would engage the next generation of insurance professionals. It was evident to both organizations that the first priority would be to promote and educate the pre-professionals, or millennials, who would be emerging into the workforce as the next generation of leaders in the insurance industry. To carry out this initiative, The Institutes and The Griffith Foundation will lead the ongoing efforts of researching what millennials want from employers, creating a unified industry message, and providing a place for students to access industry information.

Since the close of the Career Summit, both organizations have worked closely to begin the market research that will serve as a foundation for the future initiatives. As a result of the Engage the Next Generation initiative, The Institutes and The Griffith Foundation saw the potential benefits of an affiliation.

The affiliation offers several benefits to both organizations:

- It enables The Institutes to expand their reach by providing resources to pre-professionals.
- It aligns the strategies of The Institutes and The Griffith Foundation to promote growth and share resources.
- It creates synergy between The Institutes and The Griffith Foundation, as well as the CPCU-Loman Education Foundation.

“"We see this affiliation as presenting both organizations with opportunities to expand our offerings and enhance our abilities to help the risk management and insurance industry attract and retain the talent needed to be successful,” said Peter L. Miller, CPCU, president and CEO of The Institutes. “Overall, affiliating with The Griffith Foundation will provide us with additional ways to encourage engagement with CPCU Society chapters, while also promoting the benefits of life-long professional development."

Jason Terrell is program director for The Griffith Insurance Education Foundation. The Griffith Foundation is a 501(c)(3) nonprofit educational organization that promotes the study and teaching of risk management and all lines of insurance through educational programs targeting students and public policymakers. He can be reached at jterrell@griffithfoundation.org.

ARIA Sponsors Institutes Awards

Each year, the Institutes recognize the outstanding academic achievements of insurance professionals completing various educational programs. ARIA is pleased to sponsor two Awards. The 2012 recipients are:

- Academic Excellence in Associate in Risk Management (ARM): Catherine Courville, Risk Management Consultant, Louisiana Medical Mutual Ins. Co. (LAMMICO) ($250)
- Distinguished Graduate in Enterprise Risk Management (ARM-E): Shishir Kumar, Management Consultant, Inpoint (an AON business) ($500)
Risk Management and Insurance Positions

Below is a list of organizations offering academic, government, and industry jobs that ARIA has received since April 2012, and whose deadlines have not passed. Note that some of these positions may have already been filled at the time of this newsletter publication. Please visit the ARIA website (http://www.aria.org) or contact these organizations for additional information.

April
Western Illinois University (Macomb)
Department of Accounting and Finance
Department Chair

May
University of Ulm (Germany)
Faculty of Mathematics and Economics
Professor in risk management

June
Southwestern University of Finance and Economics
(Chengdu, China)
School of Insurance
Assistant/associate/full professor positions in RMI, actuarial science, and insurance finance and accounting

University of Colorado-Denver
Business School
Assistant/associate/full professor in finance, RMI

University of Houston Downtown (Texas)
Adjunct faculty to teach insurance and risk management undergraduate program

University of Wisconsin-Madison
School of Business Actuarial Science
Risk Management and Insurance Department
Director of Capstone Program in Actuarial Science

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

University of Cincinnati (Ohio)
Carl H. Lindner College of Business
Department of Finance & Real Estate
Academic director of new Center for Insurance and Risk Management

University of Georgia (Athens)
College of Family and Consumer Sciences
Department Head in Housing and Consumer Economics

University of Houston Downtown (Texas)
Assistant professor in insurance and risk management starting August 2013 (Tenure track)

University of Manitoba (Canada)
I.H. Asper School of Business
Dr. L.A.H. Warren Chair in Actuarial Science

August
Drake University (Des Moines, Iowa)
Assistant professor of actuarial science
Assistant or associate professor in actuarial science and risk management

University of Waterloo (Ontario, Canada)
Department of Statistics & Actuarial Science
Open position in actuarial science
Lecturer position in actuarial science
Open positions in statistics
Open positions in biostatistics

September
University of Iowa (Iowa City)
Department of Statistics and Actuarial Science
Assistant professor in actuarial science

University of Pennsylvania (Philadelphia)
The Wharton School, Business Economics and Public Policy Department
Faculty position

October
Heriot-Watt University (Edinburgh, Scotland)
School of Mathematical and Computer Sciences
Lectureships in actuarial science, financial mathematics, probability or statistics

University of Nebraska-Lincoln
College of Business Administration
Assistant, associate or full professor (tenure track or tenured position)
Director of Actuarial Science Program

University of Wisconsin-Madison
School of Business, Actuarial Science, Risk Management and Insurance Department
Research scholar

In April 2012, Ellen Thrower, president emeritus of the School of Insurance of Risk Management, Insurance and Actuarial Science (New York City), was presented the Frank J. Bachich Award, conferred by the United Educators Board of Directors. Ellen has been a member of UE’s Board since 1994 and chair of its Audit Committee since the 1990s. (Dr. Bachich was senior vice president for finance and treasurer of Drexel and MCP Hahnemann University before he passed away in 2000; his career had been dedicated to the financial management of colleges and universities.)

Best wishes to Terrie Troxel, who retired from Indiana State University at the end of June 2012. At ISU, Terrie was associate professor of insurance and risk management and the executive director of both the Gongaware Center for Insurance and Financial Services and the Networks Financial Institute.

Effective during the 1st quarter of 2013, Terri Vaughan will be stepping down as CEO of the National Association of Insurance Commissioners (NAIC). One of Terri’s plans is to revise her father’s (Emmett Vaughan) insurance textbook. The Property Casualty Insurers Association of America issued a press release stating Terri’s departure “is a loss for the NAIC. Terri was well respected by the industry, fellow regulators and consumers. During her tenure, she did an excellent job of establishing the NAIC as a leader in international regulation. She had a unique ability to bring parties together to solve problems.” ARIA wishes Terri well in her future endeavors!

Many people—including insurance professionals—don’t realize the immense power that insurance has in practical life. For example, the development of marine insurance helped to finance large exploratory trips in the 15th and 16th centuries. And the development of agricultural insurance policies helped finance technologies which in turn increased food production in Central and South America in the early 1980s. Indeed, insurance is closely tied with almost any aspect of our lives: as individuals, as well as businesses and in non-economic entities.

Insurers are highly affected by the environmental risks and are also affected by health risks and mortality changes that could be related to pollution and environmental issues. At the same time, insurers manage the main source of long-term financing in the world, and thereby hold the key for shaping the world’s future. Insurers, pension funds and mutual funds manage a portfolio of about $70-$80 trillion—an enormous amount, especially when compared to the Global annual GDP which is also approximately $70 trillion!

Most of the invested money represents policyholders’ money, and should be invested in a way that serves policyholders’ needs. Since most of the money represents our retirement pension, it should be directed towards long term profitable investments, while considering risks and trends. We should review the ways certain projects’ profitability is being evaluated, and consider their possible environmental implications. What is the sense in investing in projects that destroy our environment? Why are we increasing the threats on mankind’s survival on planet Earth?

For many years, ever since I realized that environmental risks are most crucial for mankind’s existence on Earth, I have been urging insurance executives to put this topic at the top of their agenda. Some insurance leaders reached these conclusions even earlier, and used their power to try to change the strategy of their firms to become more environmental. Following the introduction of the PRI initiative (Principles of Responsible Investments) in 2006, under the auspices of the Financial Initiative of the UN Environmental
Programme (UNEP FI), it was only natural that a more specific initiative be carried with the insurance industry. About 5-6 years ago, major world insurers formed a committee to develop a draft for a special convention for the insurance industry. This committee, with immense push by Dr. Achim Steiner (Under-Secretary General of the UN) and Mr. Butch Bacani (FI insurance programme leader), led the research and promotion work to finalize that draft, now called PSI—Principles for Sustainable Insurance.

In June 2012, not coincidentally, two meetings related to sustainability were held in Rio de Janeiro, Brazil: (1) at one end of the city, the UN held its Rio+20 Summit on Climate and Environmental Issues, with heads of states, ministers and experts, and many side conferences; and (2) at the other end, the International Insurance Society (IIS) held its annual meeting, in which heads of the world insurance industry, as well of some people from academia, participated. The main topic at this event highlighted environmental issues as well.

I participated in both conferences—in the first as a member of Israel’s official delegation and in the second as a veteran member of the IIS—and was honored to give a special address on environmental issues, insurance, the PSI convention and its possible implications.

Although the media criticized the UN Summit for “all talk and no play,” a real and significant action took place at the IIS meeting—the PSI convention was signed by Chairpersons and CEOs of leading world insurance companies. This very exciting and historic ceremony was probably one of the most moving ceremonies I ever attended in my life.

The PSI initiative (www.unepfi.org/psi) is a voluntary agreement. During the signatory ceremony it was adopted by a large number of companies that comprise about one seventh of the industry’s investable funds, and other companies are in the process of joining. The initiative is mainly declarative, and it extends the PRI initiative that is limited to investments, by relating to a variety of topics connected to the general management of the company including the underwriting aspects and the construction of insured portfolios. Although it doesn’t deal directly with investments, the PSI convention could lead to the channeling of about 2% of the Global GDP, annually, towards environmentally friendly projects. When this happens it would become a major instrument in mitigating some of the most important threats on the future of humanity.

Without going into details, the most important implications of the PSI are:

- First, the fact that the initiative is signed by the Chairperson or CEO of a company means that he or she puts the environmental issues as a significant element on the firm’s agenda. Nobody wants to suffer the repercussions of the news that the company has joined the initiative and didn’t do anything. The firm is obliged to work together with its clients, business partners and regulators to raise the awareness to environmental, social and governance issues, to manage risks and develop solutions.

- Second, there is an obligation to be accountable and transparent and there are rules of reporting and disclosure. A committee will work on more uniform and detailed definitions and rules. The initiative will eventually help in defining who are the clients that are damaging the environment, and therefore those that will find it more difficult to buy insurance. It will help to define the criteria to distinguish between environmentally friendly and unfriendly investment projects, and where investment money should go towards (e.g., renewable energy projects, pollution reduction projects, etc.).

- The most important implications, in my opinion, are the more indirect consequences. The PSI convention will eventually channel huge amounts ($1-$2 trillion—about 2% of the global annual GDP—out of the $5-$7 trillion that are reinvested annually by the insurance and pension sector) to environmentally friendly investments to make a real and huge change in the world. Giant reinsurance companies, like Munich Re and the Swiss Re—to name just a few that were very active in the PSI initiative—have been diligently working in this direction for years. They are investing much effort and money in very large environmental projects, and are contributing to make our world better and more sustainable.

I am very happy to have had the opportunity to contribute, even though a little, to the advancement of the PSI initiative. It will develop into a significant project that will improve our world and may prevent a large environmental catastrophe. This opportunity caught me at a very good point, just prior to my retirement after more than four-and-a-half decades of teaching in academic programs around the Globe.

Over the years, I’ve reached the conclusion that the fastest way to bring a substantial change, and hopefully prevent an environmental disaster, is by creating a major change in the way of thinking of boards, executives and top management of firms and institutions. For that purpose, I recently joined forces with some of the world’s most famous business coaches to conduct 2-3 day executive workshops intended to lead towards the necessary paradigm shift (see our new site: www.reboothumanity.com). We hope that the forum will be used by many firms and thereby reach the critical mass required to create significant needed changes.

**Editor’s Note:** The text and Powerpoint presentation of Yehuda’s speech, after partial editing, can be viewed on Youtube (about 25 min. total): [http://youtube.com/watch?v=xUfiAlLxq8E](http://youtube.com/watch?v=xUfiAlLxq8E) and [http://youtube.com/watch?v=ZyUlcHadCtc](http://youtube.com/watch?v=ZyUlcHadCtc).
What Did You Do on Your Summer Vacation?

ARIA NEWS thanks the following members for sharing with us some of their summer memories.

Lisa Gardner (Drake University): I had two terrific outdoors adventures planned, one near the Great Smoky Mountains National Park in late July and early August, and another in the Boundary Waters area of Northern Minnesota over a weekend in late September.

Enya He (University of North Texas): My family and I vacationed in the area of Minneapolis where the ARIA meeting was held. Three years ago when the meeting was in Rhode Island, my husband and I planned our vacation around that part of the country and we really had a great time. This year we did the same, except our family is a little bigger than it was then: our 20-month daughter, Allison, joined us on the trip and also had her ARIA debut. We hope to keep this ARIA meeting/family vacation a tradition for the family for many years to come!!

Anne Kleffner (University of Calgary): I spent 5 days on Cortes Island, British Columbia (paradise!) at Hollyhock, a lifelong learning center. I also took a 4-day backpacking trip about 100 km. NE of Golden, BC, with 2 days of crossing glaciers and being very out of my comfort zone!

Diana Lee (Property Casualty Insurers Assn. of America): After the ARIA meeting, my husband and I drove to North Dakota since neither of us had been there before. Only one more state (Idaho) to go to complete my 50 states!...perhaps ARIA’s annual meeting there in the near future? On the way home, we stopped at the Corn Palace in Mitchell, South Dakota – a multi-purpose facility built in honor of the state’s rich agricultural industry; it is uniquely decorated with murals and designs made of corn and other grains.

William McGannon (retired, NOVA Chemicals Corporation, and former Executive in Residence, University of Calgary): My wife and I are legitimate stage and music buffs so New York and London was where it was at for 10 to 14 days at a crack.....But health has slowed things down until the late fall...

Faith Neale (University of North Carolina-Charlotte): I went on a 10 day tour of France with my daughter’s high school French club. Parisians were very nice to us despite all of the warnings including from our guide who lives in Paris. I guess even they are susceptible to my North Carolinian daughter, Tori, with her Georgia-raised smile speaking French in a southern accent. Bonjour, ya’ll! P.S. Despite my slightly flawed French, Tori has taken three years of the language and did a great job speaking over there, sounding like a true native. She worked with a tutor from France almost every week for two years and learned all the customs, etc.

Jack Nicholson (Florida Hurricane Catastrophe Fund): I did a lot of mountain bike riding this summer. There is nothing like concentrating on the “trail” to keep your mind off everything else. It is amazing how well you can focus when you face and overcome danger with every rock, root, log, drop off, or steep hill that you encounter.

Jerry Todd (retired, St. Mary’s University): While ARIA members met in Minneapolis and then disbursed to begin classes, Kay and I went on a 28-day cruise originating in Amsterdam. During the first two weeks, we circumnavigated the British Isles, including England, Scotland, and Ireland, with stops in Norway; during the following two weeks, we travele to and around Iceland with 4 stops.

Andrew Whitman (University of Minnesota): I spent a few days in D.C. visiting Minnesota senators and my district’s Congressional people; I then visited friends and relatives in New Jersey and Philadelphia. Afterwards, I returned home in time for the Oshkosh Air Show and the ARIA annual meeting.
ARIA Members’ Advice to Young People, continued

lain in large part in their willingness to pick themselves up after being trampled down and start over. Follow their example and don’t ever give up on what’s important to you.

In addition, always be on the lookout for opportunities—which inevitably involve risk or they wouldn’t be serious opportunities. Seek to place yourself at risk when the benefit/cost ratio is favorable and you can survive the worst possible consequences of your decision. Keep as many irons in the fire as you can handle. I recommend playing chess at an early age as a good way to learn to evaluate your options.

Hato Schmeiser (University of St. Gallen): Based on my personal experience — although it may sound trivial—just follow your interest when making a career choice. Pragmatism is never a good adviser.

Joan Schmit (University of Wisconsin): What piece of advice would I offer? I think it comes from a story a friend of mine told me. At age 40, his wife decided to learn how to play tennis, not an easy endeavor. In coaching his wife, my friend told her to focus on the technique and not to worry about where the ball landed. If she got the technique, the ball eventually would land where she wanted. We refer to this as “no attachment to outcome.” In all that we do, we can control how we make decisions and implement them, but we cannot control the random events surrounding the ultimate outcomes, nor how people perceive us. We only can control our own actions. Letting go of our attachment to outcome likely will allow us to do more and certainly be happier.

Terrie Troxel (retired, Indiana State University): Whatever you do, be passionate about it.

Andrew Whitman (University of Minnesota): Take the hard sciences and math-oriented courses to maximize your options since you’ll change jobs many times and change careers several times. Join clubs, and professional associations in your areas of interest, but get the degree in as short a time as possible.

Activities of Related Associations and Affiliates

Southern Risk and Insurance Association (SRIA)
2012 Annual Meeting (44th annual)
November 18-20
Hilton Savannah DeSoto, Savannah, Georgia
http://www.southernrisk.org

CEAR/MRIC Behavioral Insurance Workshop
December 10-11
Munich, Germany
Hosted by Ludwig-Maximilians-Universität’s Munich Risk and Insurance Center (MRIC) in cooperation with Center for the Economic Analysis of Risk (CEAR) at Georgia State University
http://www.mric.lmu.de

Western Risk and Insurance Association (WRIA)
2013 Annual Meeting (47th annual)
January 2-5
Caesar’s Palace, Las Vegas, Nevada
http://www.wria.org

Allied Social Science Association (ASSA)
2013 Annual Meeting
January 4-6
Manchester Grand Hyatt, San Diego, California
http://www.aeaweb.org/Annual_Meeting

Midwest Finance Association (MFA)
2013 Conference (62nd annual)
March 13-16
Westin Chicago River North Hotel, Chicago, Illinois
http://www.midwestfinance.org

Risk Theory Seminar (RTS)
2013 Annual Meeting (51st annual)
April 5-7
Temple University, Philadelphia, Pennsylvania
Send a five-page abstract, rough draft or completed form as an attachment in the Adobe Portable Document Format (.pdf) by Saturday, December 15, 2012, to Lars Powell, secretary of the RTS, University of Arkansas-Little Rock; e-mail: lspowell@ualr.edu. Authors will be notified of accepted papers by January 18, 2013, or soon thereafter. Accepted papers must be completed and sent for posting on the RTS web page by March 1, 2013. Financial support for North American travel only, one author per paper, may be available. For local arrangements, contact J. David Cummins at e-mail: cummins@temple.edu.
http://www.aria.org/rts

International Insurance Society (IIS)
2013 Annual Seminar (49th annual)
June 16-19
Seoul, Korea
http://www.iisonline.org

Tsinghua University’s China Center for Insurance and Risk Management
2013 International Conference on Insurance and Risk Management (4th annual)
July 17-20
Kunming, China (Yunnan Province)
http://www.ccirm.org

Asia Pacific Risk and Insurance Association (APRIA)
2013 Conference (17th annual)
July 28-31
Hosted by St. John’s University, New York City, New York
http://www.apria.org
A Message to All ARIA Members: Nominations for Officers and Committee on Nominations Proposed Change

The following is part of ARIA’s listserv announcement #38, week of September 17, 2012.

Nominations for Officers

The 2013 election of officers is several months away, but it’s not too early to consider individuals who might be interested in serving on ARIA’s Board. Office is open to all ARIA members regardless of residence. Three members will be elected to a three-year term on the Board.

At least two nominations shall be made for each Director to be elected. In considering candidates for the Board of Directors, the Committee on Nominations shall strive to maintain a reasonable balance on the Board as between: 1) members whose primary association with ARIA is through university or college activities and those whose association with ARIA is primarily through other organizations, and 2) members located in the United States and those located outside the United States. It shall submit its proposed report to the Board of Directors for its informal review and concurrence before a report is sent to the membership. A report of the Committee on Nominations shall be sent to the membership at least 150 days (amended ARIA general membership meeting August 2008) prior to the scheduled annual meeting. Such report shall show the candidates designated by the Committee on Nominations, and shall quote the by-law provision concerning additional nominations. Additional nominations may be made by any group of 20 or more voting members who shall prepare, sign, and forward their additional nomination(s) to the Executive Director of the Association within 30 days after the report of the Committee on Nominations is distributed. At least 120 days prior to the scheduled annual meeting, the Executive Director shall send ballots containing the original and any additional nominations, with a return envelope addressed to the Executive Director, or through other appropriate means as determined by the Board, to all members who have paid their dues for the current year (added by amendment August 2005).

Nominations also are open for Vice President, although Board members whose terms are expiring are usually considered first for nomination for this position.

Names of individuals for consideration as possible nominees to the 2013 ARIA Board should be e-mailed to the Executive Office, aria@theinstitutes.org, no later than December 15, 2012.

Names will be provided to the Committee on Nominations for their consideration. The final slate of nominees will be presented to the Board for their approval and then electronic ballots will be distributed to the membership in April 2013.

Committee on Nominations Proposed Change to ARIA’s By-Laws

Related to the election of officers, the section of the By-Laws describing the Committee on Nominations is presented below.

There shall be a Committee on Nominations. This committee shall consist of five members, one of whom shall serve as Chairperson. One member shall represent the insurance industry or an insurance organization/association. At least two of the five members shall be past officers of the Association. The Chairperson of the Committee on Nominations, who shall appoint the additional members of the committee, shall be appointed by the President. All members of the Committee on Nominations are subject to the approval of the Board of Directors, as early in each year as possible. The duties of this Committee shall be set forth in the By-Laws concerning election procedure.

ARIA’s Board has agreed that specifying exactly five (5) committee members is limiting. The committee should have at least five members, with one member representing the industry or an insurance organization/association. As a result, an amendment to the By-Laws is presented herein for a vote by the membership.

A By-Law can be voted on via e-mail or postal mail rather than waiting until the annual meeting.

See below.

The suggested amendment (new text in italics) to the section of the By-Laws addressing the Committee on Nominations would read:

B. There shall be a Committee on Nominations. This committee shall consist of at least five members, one of whom shall serve as Chairperson. One member shall represent the insurance industry or an insurance organization/association. At least two members of the committee shall be past officers of the Association. The Chairperson of the Committee on Nominations, who shall appoint the additional members of the committee, shall be appointed by the President. All members of the Committee on Nominations are subject to the approval of the Board of Directors, as early in each year as possible. The duties of this Committee shall be set forth in the By-Laws concerning election procedures.

All votes are due to the executive office one month from the current date. Cut and paste your vote and e-mail it to aria@theinstitutes.org. The mailing address is: ARIA, 716 Providence Road, Malvern, PA 19355.

Thank you.