Meet the future of risk management:

RMI’s Presidential Scholars

Department of Risk Management and Insurance
From the RMI Chair

We have had a great year in the Department of Risk Management and Insurance! Once again, we are ranked among the top four RMI programs in the country by U.S. News & World Report. In addition, we are also a designated Center of Actuarial Excellence by the Society of Actuaries, and we have been accredited by the Professional Risk Managers’ International Association (PRMIA). We are the only RMI department in the world to have all three of these distinctions!

Some GSU News

I’d like to mention two things about the university that directly impacts the quality of life here for our students. The first is the recognition GSU is getting for getting students through to graduation. The university is receiving national recognition for its data driven programs to help students with advising for appropriate majors and classes, innovative use of small grant financing to help students finish their last semester, and helping students see the financial implications of their decisions to go part-time or to take classes that do not directly advance their degree completion. Further, the university is starting a program to look at how to mitigate the risks of students dropping out in the first year or two. As a result GSU’s graduation rate jumped by 22 percentage points over the past decade!

A second project the university has undertaken is the development of a great Co-Op program opportunity. Many engineering schools have programs like this which will allow a student to work for extended periods of time during their college years (approximately two semesters at GSU) and graduate with one year of experience. The jobs are real jobs with good pay. Employers in the program treat these students as full-time employees and the students will be working full-time for the companies. Robinson’s Computer Information Systems Department and the College of Arts and Science’s Computer Sciences Department are the first two units to offer their students a Co-Op experience.

Some RMI News

The RMI Department has experienced real growth in student enrollments since 2010 (from 394 to 405 as of Fall 2013). A great deal of the growth has come from the undergraduate and specialized masters degrees. In addition, the department is home to a number of Presidential Scholars and Honors College students (see “Meet RMI’s Presidential Scholars” page 4). This is, in part, due to the fact that we are a Center of Actuarial Excellence and we are in an urban area which is gaining insurance jobs.

For example, AIG moved its actuarial group to Atlanta, in part because of the strong actuarial science program here. Further, State Farm is moving 8,000 jobs to the Atlanta area and 3,000 of those jobs will be new ones. A look at any of the employment websites like Monster.com will show hundreds of openings for people with insurance interests. Atlanta is truly becoming an insurance center. Thus, we are in a great place to start offering students significant Co-Op opportunities over the next few years. Not every school can do this effectively.

GSU, however, has spent the money to figure out the best way for our RMI students to get this great experience. This fall, the RMI Department will be building a curriculum that also accommodates a Co-Op experience. We hope to offer this in the Spring or the Fall of 2015.

Over the past year we have been working with employers in the Atlanta area and interested parties in Bermuda to develop a Professional MBA cohort that would start in the Spring of 2015. This would be a hybrid distance learning opportunity for working professionals in Atlanta and Bermuda. Using Polycom technology, the students in Bermuda would be “in class” with students in our Buckhead campus taking the courses live. We hope to bring all the students together for meetings in Atlanta and in Hamilton, providing opportunities for the cohorts to work together and meet each other personally. We have also been working with the Bermuda College to offer a distance learning major in RMI and Finance using the same Polycom technology. Last week I had the opportunity of doing a test run from the...
Robison College to a classroom in Bermuda. Our goal is to make the program experience as much like a traditional class as possible (see “RMI Department Strives to Increase Visibility in Bermuda” page 13).

We hope to transition our Risk Analysis Track in the BBA-RMI program into a new major in Risk Analysis this fall. This major will overlap a little with actuarial science, but it is designed to provide education for sophisticated undergraduate students who can do “big data” predictive modeling and analysis in the risk field – whether for insurers, other companies, government entities, or non-profits. These opportunities in quantitative risk assessment and analysis are growing and we want to be part of training the risk professionals of the future.

Finally, I want to thank everyone who contributed to our department in the last year. Due to your important contributions we truly have the most interesting and innovative risk management department in the world!

Martin F. Grace
Chair, Department of Risk Management & James S. Kemper Professor
For many talented high school students in the U.S. and around the world who love math, Georgia State University has become a prime destination, especially the actuarial science program and risk analysis track in the Department of Risk Management and Insurance (RMI). This is the case for four exceptional students who are Presidential Scholars in GSU’s Honors College and actuarial science majors in the RMI Department’s BBA program: Justin Chastain, Elaina McGann, Rwanda Smith, and Haley Tipsord. All four were leaders in their high schools with outstanding academic achievement, a strong commitment to service and inspiring personal qualities.

With this fine group of students, the RMI Department is well represented among GSU’s existing 27 Presidential Scholars. This scholarship is the highest merit award at Georgia State, awarded to only seven freshman students each year. Nancy Mansfield — Professor of Legal Studies in the RMI Department and a Faculty Associate in the Honors College — has been instrumental in developing and leading programs for Presidential Scholars.

“Every year we select outstanding students for the Presidential Scholarship,” says Professor Mansfield. “In the Department of Risk Management and Insurance, we have the distinction of bringing top students from out of state who have been attracted to Georgia State because of our nationally recognized actuarial science program. These students had many choices for college but chose us because of what we can offer — the RMI Department and the Honors College offer talented and motivated undergraduate students the experience of a highly selective small college combined with the breadth of programs and opportunities of a large public research university in the heart of Atlanta.” Professor Mansfield has worked closely with Justin, Elaina, Rwanda and Haley, and regards this group as some of the best students that she has ever had the pleasure of teaching. Last year’s Presidential Scholar class had an average GPA of 4.0 and SAT score of 1440.

The RMI Department’s quantitatively focused programs and rigorous curriculum are a natural fit for students who excel in math and wish to apply this skill across various career paths in financial and non-financial institutions. The actuarial science program trains students to make challenging decisions regarding how best to price and manage financial and operational risk in today’s...
With these four exceptionally talented students, the RMI Department is well represented among Georgia State’s 27 Presidential Scholars.

complex marketplace. The newly developed risk analysis track in the BBA program teaches students how to model and assess risk and communicate their results in a business or governmental setting. Students take courses in risk modeling, legal risk analysis, regulation, economics, and policy.

“The university and our department,” says Mansfield, “offer these scholars many opportunities - small classes, interaction with top professors, undergraduate research projects, and access to competitive summer internships. We invest in student success and over and over again we have seen high returns on that investment. It’s rewarding to see our students reach their full potential and excel beyond their dreams. Our Presidential Scholars set the bar for success at the university.”

Additional sources: Ashton Brasher, Honors College Class of 2015; Georgia State University Honors College website honors.gsu.edu/the-presidential-scholarship/

JUSTIN CHASTAIN is a senior in the RMI Department’s actuarial science program, a Presidential Scholar in GSU’s Honors College, and an intern at Reynolds and Reynolds Financial Partners. He will transition into a full-time position with the firm upon graduation. Justin had a recent conversation with his boss, Shad Reynolds, about the value of Georgia State University students to the firm. “GSU students, by and large, want to work,” said Reynolds. “They have very little expectation of entitlement. They tend to hit the ground running and for the most part want to earn their rewards.”

When Justin received the Presidential Scholarship, he knew that his college experience would be transformative, rewarding, and challenging. While the scholarship offered needed financial support and unique opportunities, he knew that completing the actuarial science program would require hard work and sacrifice. Justin accepted the challenge and allowed his educational experience to transform his life. These are the qualities that also helped Justin secure a lucrative, full-time position even before graduating. While at GSU, he connected with supportive faculty, participated in cutting-edge research projects, and travelled abroad to Beijing, China.

Justin delighted in the opportunity to work for Dr. Elisabet Rutström, professor and expert on risk perceptions and attitudes, in the Dean’s Behavioral Economics Laboratory (DBEL) in the J. Mack Robinson College of Business. Dr. Rutström is DBEL’s director. “Over the past year I have worked on a number of Economics experiments including one carried out in Pakistan, one in Zimbabwe, and a few in Atlanta,” Justin explained. “I enjoy gaining experience and the other students I work with. I find myself frequently talking about my job to my roommates and friends because I am always excited about the work I’m doing.”

Justin’s trip to China offered him a life-changing opportunity to immerse himself in another culture. He was particularly impressed with the unique architecture, breathtaking scenery, and the quality of the food in Beijing. “The best aspect of being a Presidential Scholar, without a doubt, was the opportunity to take a cost-less study abroad trip,” he said. “Experiencing another culture is the most life-enriching thing I have ever done, hands down.” Justin continues, almost jokingly, “The duck, the soup, the dumplings especially, gave my life new meaning. I may be exaggerating, but I will remember this part of the trip forever. Learning about the food preparation, the unique ingredients, and the customs gave me a whole new appreciation for Chinese culture.”
Meet RMI’s Presidential Scholars (continued from page 5)

ELAINA McGANN — a junior in the RMI Department’s actuarial science program and presidential Scholar in GSU’s Honors College — is a modern Renaissance woman. She lives by the belief that individuals can excel in both science and the arts, and strives to make every aspect of her life an adventure. Originally from Newville, Pennsylvania – a small rural town on the southern portion of the state – she chose to attend GSU as a Presidential Scholar in the Honors College because of the numerous opportunities and resources available to her at the university and in the Atlanta community.

“GSU offered me the opportunity to learn from the business culture that thrives at Robinson and in the surrounding city,” said Elaina as she pondered her choice of GSU. “It has provided me with more opportunities than I could have imagined…to meet representatives from companies, attend networking events, apply for business scholarships…all of which seemed so far out of reach, but have become an exciting reality.”

Another impetus for choosing Georgia State was the level of excellence of the actuarial science program. The program offered Elaina a perfect opportunity to apply her love of financial mathematics in the global business marketplace. Her favorite course so far has been Theory of Interest, taught by Thomas Tredway, member of the RMI faculty. She reflects on the course – “I loved learning about the mathematics that are working behind our everyday finances. This course helped me pass my first actuarial exam and I enjoyed it so much that I now offer tutoring to students currently taking the course.”

Through the various RMI Department resources, Elaina has also expanded her studies past the classroom. She works on various research projects as an assistant in the Dean’s Behavioral Economics Laboratory, under the direction of Dr. Elisabet Rutström, professor and expert on risk perceptions and attitudes. She is a member of the Actuarial Student’s Association which helps her prepare for interviews, the actuarial exams, and offers networking opportunities with various employers. Elaina is excited to complete an internship with Munich Re this summer and hopes to be placed in their corporate actuarial science department.

Last year, on a brief break from her actuarial science studies, Elaina explored her love of literature and travelled to the United Kingdom as part of the Georgia State University British Literature study abroad trip. “I really enjoyed learning how the literature of a country reflects its history,” she explained when asked about her time in the UK. “The trip also made me more outgoing and helped me get to know some wonderful people—friendships that I know will last for a long time.”

When Elaina is not working on her business or math interests, she enjoys playing the clarinet, fencing, painting, and running at the Student Recreation Center. She is always looking for new opportunities to explore, as any true Renaissance woman would.
HALEY TIPSORD — a junior in the RMI Department’s actuarial science program, Presidential Scholar in GSU’s Honors College, and treasurer for the Honors Student Organization — spent her first summer at GSU working as a full-time intern with the Life/Health Actuarial Department of State Farm Corporate in Bloomington, Illinois, her home state. She specifically worked on the 2013 Mortality Improvement Study, analyzing the relationship between insurance rates and rising mortality rates. Participating in this significant study with State Farm reinforced her interest in actuarial science.

For Haley, and other outstanding students who excel in mathematics, Georgia State University’s actuarial science program provides excellent opportunities and resources — rigorous classes with top professors, networking opportunities with leading actuarial professionals that are friends of the RMI Department, the opportunity to work on applied research projects and gain real-world experience, and valuable extracurricular activities in a metropolitan setting. “I ultimately chose GSU because of the actuarial program,” says Haley. “I began my college search by only looking at schools that were accredited by the society of actuaries and not located in Illinois. The final determining factor was being awarded the Presidential Scholarship, it allowed me to go to school with no worries.” Well on her way to becoming an actuary, Haley recently passed her first actuarial exam.

As a research assistant in the Dean’s Behavioral Economics Laboratory (DBEL) in the Robinson College under the direction of Dr. Elisabet Rutström, Haley worked on a project sponsored by the Federal Highway Administration investigating drivers’ reaction to traffic congestion and road tolls. About her role in the project, she said, “I was able to help with several aspects of the project, including administering a driving simulator activity, providing upkeep with the data, and various other tasks such as researching wildfires or finding certain statistics to help with development.”

Haley’s experience working with DBEL was probably the most important factor in helping her obtain the internship with State Farm. The interview process was thorough, requiring her to engage in a four-hour interview with at least five different people. “All of the interviewers were curious about my assistantship with the J. Mack Robinson College of Business,” said Haley about the process. “The fact that I had actual research experience within my field truly helped me get my foot in the door.”

Enriching her college experience with exciting extracurricular activities, Haley serves as treasurer for the Honors Student Organization and is a member of both RMI Department student groups, Gamma Iota Sigma and the Actuarial Student Association. When she became treasurer, the board was completely new. This represented a unique opportunity for collaboration and Haley cherished the role. “We had to start from scratch,” said Haley. “The entire board has worked together in order to grow our membership and increase student involvement.” A proud accomplishment indeed.
Meet RMI’s Presidential Scholars  
(continued from page 7)

RWANDA SMITH, a sophomore level Presidential Scholar in the Honors College at Georgia State University, embraces her love of numbers and equations. She attended the Math and Science Academy at Ocean Lakes High School in her hometown of Virginia Beach, where she received countless awards and recognitions and was a National Merit Finalist. Her affinity for mathematics and ability to excel in the subject, made her the perfect fit for the J. Mack Robinson College of Business and its highly ranked Actuarial Science program, although she is not quite certain how it happened.

“Honestly, I just woke up one day and thought, ‘Hey — actuarial science!’ And it turns out that’s what my dad majored in college,” she says (her father attended Morehouse College, practically down the street from GSU). “I started looking up schools that have good accredited programs for that — I was looking at Purdue and even some Canadian schools, but Georgia State was my favorite.”

During her senior year in high school, Rwanda completed an internship with State Farm Insurance Company. She credits working closely with the company agents for furthering her interests in the actuarial science profession. Her aim is to become an actuary with a top tier company and eventually earn a Master of Business Administration.

Last semester, Rwanda participated in the PwC Tax Competition — an event sponsored by PricewaterhouseCoopers LLP that brings together more than 5,000 students from 85 colleges and universities to participate in various challenges involving tax and accounting policy issues, logic games, and collaborative activities.

Rwanda is currently working as a research assistant with Dr. Martin Grace, RMI Department Chair and James S. Kemper Professor of Risk Management and Insurance. She is gaining valuable experience at an early stage in her academic career by learning to use statistical research software such as R to examine possible relationships between the top Fortune 500 companies, how they perceive risk, and how the public views that risk.

When Rwanda is not taking classes, assisting with research, or performing other academic duties, she is a voracious reader and enjoys kayaking. A fact that not many people know is that she’s a big fan of “Doctor Who” and the Whovian Universe. “I’ve really gotten into the British productions, all kinds of BBC stuff,” she says.

RMI Department Chair Martin Grace teaches sophomore actuarial science major Rwanda Smith the fundamentals of analyzing big data.
Career Seminars Increase Employment Opportunities for Our Students

Under the leadership of Barry Wood, Director of External Relations, the RMI Department works closely with our industry partners and supporters to increase employment and internship opportunities for our students.

In 2013, Towers Watson hosted an Actuarial Careers Seminar for Georgia State University actuarial science students at their offices in Buckhead. We often hear from students that they are unsure about the types of jobs for which they qualify, or the types of companies that will hire them after graduation. The half-day event was intended to introduce actuarial science majors to the various career paths available to them, and to meet the companies that may one day become their employers. More than 40 students attended morning presentations and stayed for a networking lunch with presenters and representatives from several actuarial firms. The program was an overwhelming success.

The RMI Department is planning several similar events in 2014. In April, Travelers Insurance will host an Insurance Career Day at their offices in Alpharetta. While the format may be somewhat different from last year’s event at Towers Watson, students will gain access to industry professionals and learn about a variety of potential careers in insurance. Towers Watson will host a second Actuarial Career Day in September, where we hope to replicate the success of the previous event. The Federal Home Loan Bank of Atlanta will host a Banking Career Day in October. It is the department’s hope that by providing opportunities for continued student interaction with industry representatives as well as opportunities for students to refine their job search and interview skills, the difficult transition from student to employee will become easier.
High Placement Rate for Graduates of Mathematical Risk Management Program

Ninety-three percent of students who graduated between 2011 and August 2013 from the Master of Science in Mathematical Risk Management (MS-MRM) program at Georgia State University’s J. Mack Robinson College of Business had a job prior to or within three months of graduation, according to program co-advisor Daniel Bauer.

“These statistics are in line with consistently high placement records for graduates of our mathematical risk management program,” said Bauer, who is an assistant professor of risk management and insurance.

Placement rates for degree holders have been strong since the program’s launch 10 years ago. The average salary for MS-MRM graduates is $81,000, and ranges from $55,000 to $120,000. Examples of recent placements are provided in the table below.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPMG</td>
<td>Financial risk management associate</td>
</tr>
<tr>
<td>Intercontinental Exchange (ICE)</td>
<td>Risk analyst</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Credit scoring analyst</td>
</tr>
<tr>
<td>LexisNexis</td>
<td>Statistical modeling consultant</td>
</tr>
<tr>
<td>Discover Financial Services</td>
<td>Senior associate</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>Capital markets analyst</td>
</tr>
</tbody>
</table>

“For example, we’ve had students accept positions in areas related to big data analytics and those that combine behavioral approaches to finance and risk management,” said Luger.

The MS-MRM program prepares graduates for analytical and technical positions within financial institutions, risk management advisory organizations and treasury departments of non-financial corporations. It draws on faculty expertise in mathematical finance, actuarial science and corporate risk management. Graduates receive a Master of Science in Risk Management and Insurance with an emphasis in Mathematical Risk Management.

Quantitative in focus, the program is well suited for students with undergraduate and graduate degrees in mathematics, statistics or similar technical disciplines. Students with an MBA or undergraduate degree in economics, finance or actuarial science, who can demonstrate the necessary skills in mathematics, also make excellent candidates. The program can be completed in 16 months over three semesters. The department also offers a dual-degree option in combination with a Master of Science in Actuarial Science that can be completed in 22 months over four semesters. The Dual MRM/MAS degree offers employment opportunities as an “insurance quant” in the insurance industry.

“We are seeing graduates accept positions that require modeling strengths in quantitative finance and risk management that go beyond the immediate realm of the financial industry,” said program co-advisor Richard Luger, an associate professor of risk management and insurance.

“We are proud that our focus on modeling risk differentiates our graduates from those of other high quality financial engineering programs around the country,” Bauer said.
Risk Analysis at GSU: Successful Launch for Exciting New Program

The RMI Department successfully launched its new BBA in Risk Management & Insurance - Track in Risk Analysis last fall, and hopes to transition the program into a new Risk Analysis major by fall 2014. This premium program intends to attract the best and brightest students by delivering a rich, unique, and rigorous interdisciplinary academic experience. The program is linked to GSU’s Honors College and will teach students how to assess and quantify risk by providing in-depth knowledge on the development, use, and interpretation of risk data, and how best to communicate the findings.

The inaugural cohort of eight students began the program in August and will take most of their classes together. Several new and challenging courses are being developed, with an interdisciplinary focus. As part of the program, students will have the opportunity to meet and interact with industry leaders, become involved in big data projects, and gain real-world experience in class and on research projects. Special scholarships and fellowships are available to our students.

Panthers On Wall Street...and in London

For the past six years, the J. Mack Robinson College of Business, through its Career Management Center, has sponsored Panthers on Wall Street – a three-day trip that takes a group of Robinson’s most talented students through New York’s financial district. Many of Robinson’s finance, accounting, risk management and actuarial science students aspire to work in capital markets, but not all top employers can visit the Georgia State campus. To increase the odds of pairing our students with their dream jobs, Robinson takes a select group every year to Wall Street, and introduces their best firms to our best students. To date, about 25% of all students making this trip secured a position in New York.

Given the continued success of Panthers on Wall Street and elucidating Robinson’s status as a global institution, the Career Management Center expanded this program to include an annual excursion to London. The inaugural Panthers in the City trip took place last summer and included not only visits to Bank of America, Bloomberg, Goldman Sachs, and Lloyds of London, among others, but a side trip to Oxford University.

Once again, the RMI Department was well represented among the group of bright and talented students that participated in these programs:

- **Luka Kublashvili (MS MRM)**: Wall Street and London
- **Naifei (Nelly) Zhang (MS RMI)**: Wall Street
- **Marie-Erwan Doffou (BBA RMI/FIN)**: Wall Street
- **Robert Tyler Johnson (BBA RMI/FIN)**: Wall Street

You can meet all of the Panthers on Wall Street and Panthers in London by visiting robinson.gsu.edu/career
HEADLINES

RMI Faculty Take Teaching Out of the Traditional Classroom

AAMGA Underwriting Bootcamp

As a collaborative effort with the American Association of Managing General Agents (AAMGA), RMI Department faculty will host the first Underwriting Boot Camp on July 14-25, for individuals new to underwriting. Each year, the insurance industry seeks to hire talented college graduates for underwriting positions. Because no other local university teaches underwriting as part of their risk management curriculum, the AAMGA approached Georgia State and asked if we could provide two weeks of intense and rigorous underwriting training. Their hope is that following this course, new underwriters will gain a firm grasp of fundamental concepts and analytical tools so that they can hit the ground running when they return to their employers.

Harold Weston, Clinical Assistant Professor of Risk Management and Insurance, will teach half of the coursework, while AAMGA instructors will teach the remaining sections. We are expecting the Boot Camp to be successful and that it will become an annual event.

CEAR/Huebner Summer Risk Institute

The CEAR/Huebner Summer Risk Institute exposes Ph.D. students and interested faculty to relevant cutting-edge models, tools, and theory centered around risk and uncertainty. Our audience will be comprised primarily of faculty and Ph.D. students interested in the economics of risk who are located at colleges and universities that do not have access to specialized seminars and courses in these areas. Lectures are conducted by leading scholars in the fields of risk and uncertainty located at Georgia State University and elsewhere.

The inaugural Risk Institute will take place July 28-31 at the CEAR facilities on the Georgia State University campus. Guest lecturers include Hanming Fang, Professor of Economics, University of Pennsylvania, who will speak on the topic of health insurance reform and the labor market, and Christian Gollier, Professor, University of Toulouse, whose lecture will focus on valuing climate policies in an uncertain world.

The CEAR/Huebner Summer Risk Institute will be an annual event and will be led by world-renown researchers. Visit rmi.robinson.gsu.edu/faculty-research/cearhuebner-summer-risk-institute for more information.

Executive Education in Bermuda

Look for members of the Risk Management and Insurance faculty to conduct classes outside of traditional Georgia State University classrooms in 2014. In collaboration with the Professional Risk Managers' International Association (PRMIA), Daniel Bauer, Richard Luger, and Ajay Subramanian will travel to Bermuda in early spring (March 17-20) to teach a seminar on Financial Risk Modeling, Calculation of Economic Capital, and the Design of Prudential Regulation at the offices of the Bermuda Monetary Authority (BMA).

The course provides a comprehensive overview of financial risk models and their applications to the regulation of financial institutions. It develops the tools and models to analyze different risks faced by financial institutions such as market, interest rate, credit, and insurance risk. The course introduces the underlying theory and clarifies the concepts using a number of illustrative applications. The BMA is in charge of regulating the financial services industry on the island and periodically provides updated instruction for their employees.
RMI Department activities in Bermuda have burgeoned over the last few years. 2013 was no exception. Recognizing Bermuda’s status as a primary global hub for the insurance and reinsurance marketplace, Georgia State University strives to develop a strong presence on the island as a premier provider of undergraduate, graduate, and executive education services. We are currently working to develop and advance a number of important initiatives with public organizations and private firms in Bermuda.

Professional MBA with RMI Concentration
Beginning in January 2015, we will launch a Professional MBA with a Risk Management concentration. This will be the first time that this specialization is attached to our PMBA program. The inaugural cohort will be comprised of 10 to 15 Bermudian students, who will take classes via live simulcast from the offices of the Bermuda Insurance Institute (BII) in Hamilton. These distance students will be seen by their Atlanta-based professors in much the same way that Atlanta-based students will be seen. The Bermudian students will be able to participate in discussions and ask questions.

Bermuda International College & University Fair
Additionally, the RMI Department has developed a regular presence at the annual Bermuda International College and University Fair. Each year approximately 1,700 students attend the fair to visit with college and university representatives. Each year the number of prospective students that visit with us and expresses interest in GSU grows. We had the best turnout ever in 2013 and will look to welcome many new Bermudian students to our campus in the near future.

Partnership with Bermuda Monetary Authority
RMI faculty members Daniel Bauer, Richard Luger, and Ajay Subramanian were asked by the Bermuda Monetary Authority (BMA) to teach a four-day seminar on Financial Risk Modeling, Calculation of Economic Capital, and the Design of Prudential Regulation. The seminar will take place from March 17-20 at the BMA offices. (see “Executive Education in Bermuda” on page 12)

Collaboration with Bermuda College
In 2011, the RMI Department entered into an agreement with Bermuda College to allow students to complete their first two years of college on the island, followed by their last two years at Georgia State University. Participants are required to earn and maintain a grade point average of 3.0 or higher to qualify for study at Georgia State at the in-state tuition rate, which is a benefit worth over $18,000 annually to international students. While the program took some time to gain popularity, we are seeing a number of applicants take advantage of this agreement recently.

In another collaborative effort being developed with Bermuda College and similar to the PMBA program described above, the RMI Department will allow students on the island to take classes on the campus of Bermuda College as Georgia State University students. Instruction would be provided via simulcast, mostly in the evening so that participants who are full-time employees can continue to work during the day. This program – which will allow students to major in risk management and insurance and/or finance – will launch in August of 2014.

RMI Department Strives to Increase Visibility in Bermuda
While the great recession is associated with substantial upheaval in both the housing and financial markets, its greatest effects were probably in the labor market. From a nadir in March 2007 to its peak in October 2009, unemployment (seasonally adjusted) rose from 4.4 percent to 10.0 percent. Since then, it has fallen slowly to 6.6 percent in January 2014. (Source: Bureau of Labor Statistics) These figures likely mask the true harm to the labor market, as it excludes “discouraged workers” who are not employed but are not looking for work. The idea that fewer people are in the labor force can be seen with the employment-population ratio, which was 63.3 percent in March 2007, but fell to 58.5 percent in October 2009; this measure had failed to improve and as of January 2014 stands at 58.8 percent. This broader measure captures the idea that nonemployment failed to improve along with unemployment.

For a department of risk management and insurance, these patterns highlight not just an important source of lost income, but also an important source of risk for individuals. The loss of employment was not felt evenly throughout the population; most people did not lose their jobs and may have been relatively unaffected by the rise in unemployment and nonemployment. However, the consequences for the minority of individuals who lost their jobs has been severe. Research has shown that past layoffs are associated with a substantial loss of earnings in the long-term, with long-term losses averaging 25 percent of income for workers who had been in their job for a long time prior to the layoff (Jacobson, Lalonde, and Sullivan, 1993). Davis and Wachter (2011, BPEA) note that “the available evidence also indicates that job displacement leads to less stability in earnings and employment, worse health outcomes, higher mortality, lower achievements by children, and other unwelcome consequences.”

While there is an insurance product to help mitigate the negative consequences of unemployment, much of the earnings lost due to unemployment are not replaced by the unemployment insurance system. Unemployment insurance typically replaces no more than half of lost wages, and many workers have been unemployed for so long that they no longer qualify for unemployment insurance. Fortunately, government programs are not the only tool individuals have available to them to manage the increased earnings risk in recessions. My own work has found that risk-sharing within couples tends to be better during recessions in the sense that husbands’ and wives’ incomes are more likely to move in opposite directions during bad economic times; a husband’s income drop is more likely to be associated with an increase in his wife’s income in recessions than in booms.¹

The loss of employment was not felt evenly throughout the population; most people did not lose their jobs and may have been relatively unaffected by the rise in unemployment and nonemployment. However, the consequences for the minority of individuals who lost their jobs has been severe.

Faculty Awards

CHARLOTTE ALEXANDER, Assistant Professor, received the Southeast Academy of Legal Studies in Business “Best Proceedings Paper Award” for the second year in a row.

PERRY BINDER, Assistant Professor, received a 2013 Robinson College Faculty Recognition Award for Teaching Excellence.

NANCY MANSFIELD, Professor, was recognized by the Southeast Academy of Legal Studies in Business as recipient of the Larry DiMatteo Senior Scholar Award for her research and service contributions.

AJAY SUBRAMANIAN, Professor, received a 2013 Robinson College Faculty Recognition Award for Excellence in Research.

Faculty Publications


AJAY SUBRAMANIAN, authored “Dynamic Contracting under Imperfect Public Information and Asymmetric Beliefs,” (with Yahel Giat), Journal of Economic Dynamics and Control, forthcoming.

Select Faculty Presentations

DANIEL BAUER, Assistant Professor, had a particularly busy year; disseminating his research findings to various audiences around the world:

Mar/2014: Invited presentation at the 2014 German Probability and Statistics Days (satellite conference) in Ulm, Germany, “The Marginal Cost of Risk, Risk Measures, and Capital Allocation” (joint work with RMI associate professor GEORGE ZANJANI)


Feb/2014: “Risk and Valuation of Variable Annuities with Guaranteed Minimum Benefits” course at the Mathematical Finance Summer School, African Institute for Mathematical Sciences, Cape Town, South Africa

Nov/2013: Invited plenary presentation at the IV Simposio de Actuarios, Medellín, Colombia (essentially the meeting of the Colombian Actuarial Association), “The Marginal Cost of Risk, Risk Measures, and Capital Allocation” (joint work with GEORGE ZANJANI). During this visit, he had the pleasure of interacting with a number of our graduates that now hold high-level positions in the Colombian financial services industry.

Coming Apr/2014: presentations to audiences of the International Actuarial Congress in Washington, DC, and seminar presentations at St. John’s University in NYC and University of St. Thomas in Minnesota.
The Center for the Economic Analysis of Risk (CEAR), now in its fourth year of operation within the RMI Department, conducts and promotes economic research on the measurement and management of risks faced by individuals, institutions and societies. A distinctive feature of CEAR is the attention given to the way risk is perceived and managed at different levels of decision-making: individuals, households, villages, local and state governments, national governments, and of course globally. These different levels of decision-making have often been studied in isolation, despite the interactions that occur between them all. CEAR seeks to integrate research that has occurred across these different levels of decision-making.

CEAR's administrative structure is collaborative in nature, with formal ties to four academic units at Georgia State University, (Andrew Young School of Policy Studies, J. Mack Robinson College of Business School of Accountancy and Departments of Risk Management and Insurance and Finance) and the Federal Reserve Bank of Atlanta. Each has a member on the CEAR Advisory Board, and a separate member on the CEAR Oversight Committee.

CEAR seeks to establish 'risk' as an academic discipline and become the world’s intellectual leader in the conduct and dissemination of this scholarship by:

- Conducting research that informs scholarly and policy debate on the most important and compelling economic and social questions related to risk.
- Being recognized as the leading collaborative research center that enables scholars from around the world to meaningfully interact to address these important topics.
- Fostering a critical mass of academics/researchers from multiple disciplines including economics, accounting, finance, law and mathematics who identify themselves as risk scholars.
- Propagating the next generation of risk scholars.
- Becoming a leading resource for policymakers and business professionals seeking to address challenging risk problems.

CEAR Update:
Pursuing a Rigorous Research Agenda Around the World

To advance its goal to “Propagate the next generation of risk scholars” CEAR provided financial support of $75,000 to fifteen PhD students in fiscal year 2014. Recipients of CEAR support, known as CEAR Scholars, are students committed to conducting research focused on some area of risk and are chosen by their respective department’s PhD coordinator. This year’s CEAR Scholars were:

**ACCOUNTING**
Zhen (Jen) Zhang
Stephen Fuller
Heba Abdel-Rahim
Kerri-Ann Sanderson

**RMI**
Xiaohu Ping
Jinyu Yu
Philippe d’Astous
Yiling Deng

**FINANCE**
Qinxi Wu
Sangho Lee
Kevin Mullally
Mehdi Haghbaali
Mo Shen

**ECONOMICS**
Ming Tsang
Daniel Lee
Urmimala Sen
Maria Nilda Bernedo Del Carpio
Lily Li
Shagata Mukherjee
CEAR has been examining the way in which people perceive the risks of inflation, in a project funded by the Federal Reserve Bank of Atlanta. Expectations of inflation affect many important economic choices, such as decisions about which mortgage to take up, how to invest savings, and how to plan for retirement. Inflation expectations play an important role in how the Fed evaluates the state of the economy, and determines policy towards interest rates. Many people view the relationship between inflation expectations and official inflation targets as a barometer of the general credibility of economic policy. The research project is one component of CEAR Signature Research on the Elicitation of Subjective Risk Perceptions (cear.gsu.edu/research/signature-research/).

The most popular way to find out about the inflation expectations that people hold is simply to ask them in surveys. For instance, in one popular survey people are asked on the phone whether they think that prices in general will go up over the next 12 months, and if so what the percentage increase will be. One of the stylized findings from these surveys is that responses are generally much higher than historical rates of inflation. Moreover, some demographics groups have systematically higher inflation expectations. This research project looks at four aspects of these surveys of inflation expectations.

The first issue is overall bias: the stylized fact that the inflation expectations surveys show a persistent trend in which the population over-estimates the rate of inflation. One critical clue here is that the mean expectation over-estimates actual inflation, but that the median expectation does not. This suggests that there is some positive skewness in expectations: most people have “lower or moderate” expectations but a few people have “really high” expectations. To unpack this hypothesis we elicited the whole distribution of expectations from each individual, not just their “best guess” or point estimate. One hypothesis is that a weighted-average expectation, where the weights are inverse to the variance in individuals belief, might better track actual inflation. Another hypothesis is that this bias just comes from people giving a “hypothetical answer to a hypothetical question,” and that providing real monetary incentives for accurate forecasts will reduce the bias as people think more carefully about their answers.

The second issue is demographic variation: the stylized fact that some demographic groups within the inflation expectations surveys exhibit significant differences compared to other groups. For instance, women, non-whites and those with less formal education each exhibit persistent over-estimates of inflation. We evaluate the hypothesis that these demographic groups also have “diffuse expectations” about inflation — that they know that they don’t know what inflation will be in the future with any precision. Just like Donald Rumsfeld’s “known unknowns.” This is important for the policy relevance of these biases. If someone is biased and knows it, they might be wary of making economic commitments on the basis of their expectations. But if someone is biased and does not know it, they might easily make significant economic commitments at a great cost to them and society. So our goal here is to evaluate the individual’s awareness of bias.

The third issue is the consequences of bias: do individuals with biased inflation expectations “act on them”? This is related to the awareness issue raised above, of course, but goes further to see if people that have bias have some way of allowing for that when they make economic commitments that depend on inflation. For instance, do those with bias opt for inflation-adjusted instruments, particularly when those instruments are more costly than alternatives?

The final issue is correction of bias: can we design structured survey questions or incentivized tasks that will help individuals better calibrate their inflation expectations? One suggestion is that individuals that have biased expectations of the future might also be those that have no clue about recent historical inflation rates. If so, this could serve as a simple calibrating device: telling them those recent rates prior to eliciting their forecasts.
CEAR News Bits...

CEAR added two new members to its Internal Advisory Board:

Department of Risk Management & Insurance

DANIEL BAUER is an Assistant Professor of risk management and insurance who specializes in the development of new mathematical models for the valuation and risk management of insurance products and insurance-linked securities. Other interests include the economics of annuitization and computational finance. He received a doctorate in mathematics from Ulm University, an MS degree from San Diego State University where he studied statistics as a Fulbright scholar.

School of Accountancy

DOUGLAS E. STEVENS is an Associate Professor in Robinson's School of Accountancy. His areas of specialization include the impact of financial information, economic theory, financial accounting, and managerial accounting. He obtained a PhD from Indiana University, and MSM from Purdue University, and a BA from Spring Arbor College.

CEAR obtains Trademark protection for the Center for the Economic Analysis of Risk and CEAR.
On January 29, 2014, the University of Cape Town launched the African Institute of Financial Markets and Risk Management (AIFMRM) thanks to a multi-million rand partnership with FirstRand, Barclays Africa Group, Liberty and the Western Cape government. AIFMRM is an academic institute that conducts research and delivers education and training in financial markets and risk management.

The Institute has established further partnerships in pursuit of its goals. These include agreements with Georgia State University’s Department of Risk Management and Insurance and their Center for the Economic Analysis of Risk (CEAR), the Association for Savings and Investments South Africa (ASISA) Academy, GetSmarter (an online education provider), the Western Cape’s Department of Economic Development and Tourism (DEDT), InSETA, BankSETA and the Banking Association of South Africa (BASA).

The Georgia State University collaboration will enable teaching contributions, course models and some shared supervision of postgraduate theses. The prospect of one or more co-taught and co-branded qualifications, involving student time at both institutions, is currently under discussion.

The Dean of the Faculty of Commerce, Professor Don Ross, who is also a CEAR Program Director in the area of methodology, said: “AIFMRM is unique in Africa. No similar academic institute, aimed at creating a steady and sustainable pipeline of African university graduates with sophisticated knowledge in banking, insurance, risk management and quantitative finance, exists on the continent.”

“In the 21st century, capacity for situation-specific innovation in financial markets and risk management will be among the core determinants of which emerging markets graduate to mature development and which remain mired in middle-income traps.”

“AIFMRM’s establishment improves the prognosis in this area. We owe this new basis for optimism to the forward-looking and expansive vision of our sponsors from the sector who have risen to the development challenge we face.”

Founding director, Professor David Taylor added: “While our overall purpose is to increase the extent and depth of expertise and to address skills shortages, the Institute is specifically focussed on two key areas. One is transforming the profile of quantitative finance, risk management, insurance and banking professionals. The other is ensuring that the next generation of academics are in place to safeguard the continuity of graduates in these areas.”

“Industry collaboration is the foundation of the activities of the Institute and is crucial to ensuring that education and research are aligned with the needs of the sector.”

The significance of the institute to the economy was recognized by the Western Cape Minister of Finance, Economic Development and Tourism, Alan Winde, who said: “As a country we have too many talented youth that are unemployed, that could positively contribute to the economic prosperity of our country. The vocational and academic innovation proposed by the institute will go a long way in addressing skills shortages in one of the fastest growing sectors. Furthermore, South Africa has positioned itself as a gateway into the rest of the continent. The additional focus on understanding African financial market idiosyncrasies will become a critical lever in positioning the region as the authoritative hub in African financial market intelligence.”

Western Cape Premier, Helen Zille, added: “Unemployment remains our most serious challenge in South Africa and indeed in much of the developing world. A critical factor underlying this challenge is often a mismatch between skills supply and demand. For this reason, all efforts to close the skills gap are most welcome in order to boost job creation, in particular because the skills base of an economy influences its attractiveness as an investment destination. Given the importance of the ICT and financial services sectors for the Western Cape economy, we are very pleased to be partners and full supporters of this collaborative effort between business, academia and government.”

Source: David Taylor, Director, AIFMRM; Faculty of Commerce, University of Cape Town; David.Taylor@uct.ac.za
From the RMF Director

Looking Back
We sadly note the passing of an American hero and great benefactor, Thomas P. Bowles. To his family and friends we offer our sincere appreciation of his contributions to Georgia State University. Mr. Bowles story is told elsewhere in this issue and quite a story it is. He left his legacy at Georgia State University in his endowed professorship. The Thomas P. Bowles Chair is awarded and held by an academic who will advance actuarial science. The Bowles Chair is currently vacant due to the departure of Shaun Wang, who left the university to pursue opportunities in the private sector. A search to fill the position is ongoing.

Looking Ahead
The RMF mission has several important components. One is to provide monetary support to the RMI Department to supplement scholarships and provide support for faculty research and travel activities. Donations supplement the earnings of the endowment funds and are used to modulate fluctuations in portfolio yields.

Alumni Support
The contributions of alumni have been transformational and are crucial to the ongoing success of the department. The valuable academic credentials of RMI alumni have opened doors since the very beginning of the program, and that remains true today. Our alumni donors cite several motivations for supporting the RMI Department. Some say that offering opportunities to students by providing scholarship funds is a way to pay back or replenish the coffers that provided opportunity to them. In fact you might be one of the successful graduates who were aided by a scholarship grant. Second, alumni career trajectories have been boosted by the powerful combination of the GSU RMI credentials and their skills to such a degree that they want to reward the excellent reputation of the dept. They like to support the department through a regular annual fund gift because that ensures the communication and public relations efforts of the department are always first rate. Sharing the research prowess of the faculty and programs as well as the graduates career advancement is a vital effort that enhances the value of the department. Others, like Jim Brooks, provide new opportunities by funding specific projects. Whatever your motivation, supporting the department produces value to you as an alumni.

Corporate Partners
The rapidly changing world of risk measurement and management is increasing the need for skills beyond the scope of today’s curriculum. The impact of technology is growing as a result of big data and the challenges raised in the area of cyber security. Add in the regulatory and policy volatility that is a result of the great recession, and a new optimum skill set is required by today’s risk professionals. With the emphasis on developing analytical and modeling skills in the undergraduate curriculum, the demand for GSU RMI graduates is projected to be robust in the coming years. Employers are seeking the current skills that the GSU programs develop. Corporate partners benefit by creating awareness for students to attract applicants and to identify top talent for recruiting.
The importance of accurate risk analysis cannot be understated in today’s increasingly complex business environment. The quantity of business related information is doubling every other year. The speed of data transmission is approaching the speed of light, with lasers and fiber optic cables that transmit information much faster than a human can read, process or react to. Considering these factors, it is crucial to analyze how human behavior interacts with one's ability to process information.

Case in point involves the recent winter storms that hit Atlanta, where information about the weather was simply not processed correctly. The result was a massive disruption of the normal functioning of our transportation system. Every aspect of our city was put at risk. Not only were individuals threatened, businesses, institutions, and even schools faced extraordinary risks, all because of a failure to process information correctly.

The job of risk science can be boiled down to a simple aphorism – to accurately and reliably measure and manage risk. Underlying both of these objectives is the development of the fundamental analytical tools necessary to perform highly complex computations on an ever-increasing amount of information. There is no doubt in my mind that one of the critical areas of expertise in the current economic recovery is accurate analysis of the information that is available to us. This requires not only the technical expertise to formulate the correct and accurate algorithmic calculations and models but also the ability to correctly predict human behavior. The synergies produced by researching these two factors in tandem are much more valuable to the business community and society in general. It is the RMI Department’s mission to further the knowledge and application that improves our understanding of risk by conducting research from this broad perspective. The department strives to produce predictive models and tools to better manage an endless variety of risks.

Over the past 60 years, Georgia State University’s RMI Department has been at the forefront of higher education around the field of risk. From traditional insurance education to actuarial science, under the leadership of insurance pioneer Kenneth Black, Jr. and other visionaries, the department became an important educational hub in the South, offering undergraduate, graduate, and doctoral degrees in risk management. This facilitated the relocation or expansion of important financial services companies from the Northeast to Atlanta and other parts of the South. The department’s current designation as a Center of Actuarial Excellence by the Society of Actuaries was earned through purposeful program advancement over decades. This advancement also produced some extremely successful alumni who became leaders in the field because they understood the region and used their skills and capitalize on the rapid growth of the region.

Today, the RMI Department is redefining the discipline of risk, and by default, risk education. They are expanding the thinking of economists, financial experts, actuaries, chief risk officers, lawyers, psychologists, and sociologists, among others to think about a risk science that not only looks at numbers and equations, but looks at behavior, environmental concerns, and political and cultural factors. GSU’s RMI graduates benefit under the tutelage of world-class research faculty that are the next generation of thought leaders.

The southeast region continues to show signs of attracting more insurance and risk analysis industry jobs, as measured by the number of corporate recruiters and their programs that have come to GSU this year. Internships and job opening forecasts are both up dramatically. Though most of our students find their careers beginning in the region, the RMI program is designed to give graduates the broad skills to be able to work anywhere in the world. To facilitate the placement of alumni, we have strong corporate relations, and seek to further our success in partnership with industry. We are grateful for your participation in advancing our mission.
Jim and Karen Brooks Fund:  
Supporting the Dissemination of Research Worldwide

James C. Brooks (MAS, 1969), Jr., alumnus and long-time supporter of the Department of Risk Management and Insurance at Georgia State University, along with his wife Karen, graciously responded to our funding needs by establishing the Jim and Karen Brooks Fund. It will be used to facilitate the presentation and dissemination of leading-edge research by RMI faculty members at conferences and symposia worldwide.

Jim’s relationship with the RMI Department has been long and rich, spanning more than 45 years. He received a Master of Actuarial Science degree from Georgia State in 1969. He also served on the Board of Trustees of Educational Foundation, Inc. (the predecessor of today’s GSU Risk Management Foundation) for nine years, three of those as chair. While on the board, he was a leading member of the steering committee that established the Robert W. Batten Chair in Actuarial Science. Jim was instrumental in raising the original funding that seeded the Batten Chair. He has always been grateful for the mentoring he received from Robert Batten, as well as from Professor Emeritus Eli Zubay (a founder of the actuarial science program at Georgia State). “Their zeal and enthusiasm for actuarial careers changed my life,” said Jim. The personal counseling he received from the RMI Department faculty was “unsurpassed in my entire educational experience,” said Jim. He has been a faithful champion of GSU’s actuarial science program since.

After graduating from GSU in 1969, Jim’s career in the life insurance business rocketed. He eventually became the president of Life of Georgia, commanding the top floor of what was one of Atlanta’s most prestigious buildings at the time. After retiring from Life of Georgia, he became an entrepreneur and started several successful businesses.

Jim is an accomplished classical clarinetist, having performed with several ensembles, including the Sandy Springs Chamber Orchestra, the Lovett/Atlanta Wind Ensemble, and the University of Alabama-Birmingham Wind Symphony. It was during Jim’s time at Duke University, from where he earned a bachelor’s degree in mathematics, that his passion for music was refined as a member of the concert band. Jim’s love of music certainly remains a significant part of his life, coming full-circle last spring as he played a reunion concert with the Duke University Wind Symphony.

Karen Brooks also has a history with Georgia State University. After earning an undergraduate degree in psychology in 1969 and a Master’s in Counselling in 1971 from the University of Connecticut, she moved to Atlanta and accepted a position as an Undergraduate Admissions Counselor at GSU. She then moved to the position of Assistant Registrar in charge of graduation for the university, where she remained until 1977.

Jim and Karen have two children. Paul was born in 1977 and is a tenured Associate Professor of Statistics and Operations Research at Virginia Commonwealth University in Richmond. Daughter Paige was born in 1980 and is employed as Coordinator of Continuing Professional Education (CPE) for Mauldin & Jenkins, one of the larger CPA firms in Atlanta. The RMI Department is proud to consider Jim and Karen Brooks among its greatest of friends.

Contributions to the Jim and Karen Brooks Fund or any other RMI scholarship can be made by visiting rmi.robinson.gsu.edu/RMF
Recognizing Excellence Luncheon & Awards Ceremony

RMI students, faculty, and friends of the department gathered at Georgia State University’s Rialto Center for the Performing Arts on February 28 for the Recognizing Excellence Luncheon and awards ceremony to honor 2013 RMI Department scholarship recipients and donors. Forty-eight scholarship recipients were recognized by RMI Department Chair Martin Grace and GSU Risk Management Foundation Chair Mike DeKoning. RMI alumna LaKenya Young (BAB-RMI, 2013) — a Professional Associate, Global Property Department at ACE Group — gave an inspiring keynote speech.

RMF Board of Trustees
(from July 1, 2013 to June 30, 2014)

Executive Committee

Mike DeKoning, Chair, Board of Trustees
President and CEO, Munich American Reassurance Company

Jim Shevlin, Vice Chair, Board of Trustees;
Committee Chair, Strategic Fundraising
SVP, Regional Executive Officer, ACE USA, Southeast Region

Dave Hupp, Committee Chair, Finance

Wes Duesenberg, Committee Chair, Board Development; Treasurer
President, Southern Insurance Underwriters, Inc.

Ken Yoo, Committee Chair, Advancing Success Teams
Chief Risk Officer, Federal Home Loan Bank of Atlanta

Silvia Wykoff, Committee Chair, Marketing

Martin Grace, RMF Executive Director and RMI Department Chair
Georgia State University

David Buechner, Director
GSU Risk Management Foundation

Barry Wood, Director of External Relations, RMI Department
Georgia State University

B. Scott Burton, Counsel
Sutherland, Asbill & Brennan, LLP

Members

Brian T. Casey, Partner, Locke Lord Bissell & Liddell LLP

Laurie J. Champion, Managing Director, Aon Risk Solutions

David Conner, Sr. Vice President, Solutions Risk Management, Assurant Solutions

James “Jim” Dwane, Regional President, AIG

John Fenton, Principal, Towers Watson

Ken Fraser, Executive Vice President, Head of Risk Management and International, Wells Fargo

Kyle Frigon, Vice President, Aon

Stephen Haase, Chief Executive Officer, INSUREtrust.com

Richard Hoehne, Global Solution Director, IBM Insurance Business Solutions

Emanuel V. Lauria, Jr., Executive Vice President, Global Sales & Marketing, Crawford & Company

Adam H. Litke, Bloomberg LP

John E. Pallat III, Director Product Development, Solon Capital, LLC

Todd Perkins, Director, Enterprise Risk, Southern Company

Thomas Postol, Managing Director – Inland Marine, Travelers Insurance

Kavin Smith, Partner & Client Executive, Seacrest Partners

Rodney Smith, Southeast Region – Director, Lloyd’s America Inc.

Paul E. Sparks, SEVP, McGuff, Seibels & Williams

Dorn H. Swerdlin, CEO, Swerdlin & Company

J. Brady Young, President, Strategic Risk Solutions

Lisa Zonino, Consultant, Egon Zehnder

LaKenya Young photographed with Andrew Miller, Director of Development for the Spencer Educational Foundation. LaKenya received the prestigious Spencer Educational Foundation Scholarship in 2012 in recognition of her leadership potential and merit as a scholar.
In Memoriam: Stuart Schwarzschild (1918-2013)

Georgia State University Professor Emeritus Stuart Schwarzschild, who taught insurance and risk management, as well as business law and finance for 20 years in the RMI Department, passed away on June 24, 2013 in Atlanta at the age of 95.

Dr. Schwarzschild graduated from the University of Richmond in 1938. He enlisted in the Army in 1940, serving as Captain of the 902nd Ordnance Company. He led his company from England to Utah Beach on D+14. After the Armistice, he served under NATO in Izmir Turkey and retired as a Lt. Colonel in 1953. He returned to college after the service and received a PhD at age 40 from the University of Pennsylvania, Wharton School. While at Penn he was a Huebner Fellow. It was through the Wharton School and the Huebner Foundation that he met Kenneth Black Jr., one of the founding fathers of the RMI Department and a Huebner Scholar himself. Dr. Black was instrumental in bringing Dr. Schwarzschild to the RMI faculty.

Dr. Schwarzschild was a prolific writer of books, articles and letters. In fact, he much preferred a letter to a phone call, and was known for his gracious notes. Stuart and his wife, Betty Granger Schwarzschild (who is also deceased), loved to host their neighbors, graduate students, their Sunday School class and a varied assortment of friends that they made over 55 years of living in Atlanta. They traveled widely and lived fully. Stuart was truly a lifelong learner and teacher, curious about and engaged in the world. He was a strong supporter of Georgia State University and the RMI Department, where he influenced the lives of countless students. He is survived by his daughter Beverley Schwarzschild Clark of Raleigh, NC and his son John Schwarzschild of Austin, Texas.

Source: family-placed death notice in the Atlanta Journal-Constitution

RMF Board Welcomes New Members

Laurie J. Champion
Managing Director & Practice Leader, ERM Aon

David Connor
Senior Vice President over Assurant Solutions Risk Management Assurant

Kyle P. Frigon
Vice President Aon Risk Solutions
In Memoriam: Thomas Payne Bowles Jr. (1916-2013)

Thomas Payne Bowles Jr., namesake of the Thomas P. Bowles Jr. Chair of Actuarial Science in the Department of Risk Management and Insurance at Georgia State University, died on December 30, 2013 at the age of 97.

In 1942, Mr. Bowles served in the military as an artillery officer during World War II and participated in the Normandy Beach air defense planning for the invasion of France, commanded an advanced detachment of anti-aircraft weapons and landed on Omaha Beach on D-Day, June 6, 1944. He fought across France and Germany, and took part in the battle for Ludendorff Bridge (Battle of Remagen), which enabled the U.S. Army to establish a bridgehead on the eastern side of the Rhine. Overall he participated in the Northern France, Rhineland, Ardennes, and Central Europe campaigns. For his service he was awarded the Bronze Star. He returned to the U.S. as a Major in January 1946. He met his wife, Pat, a U.S. Army nurse while stationed in Switzerland in 1945.

After his military service, Mr. Bowles attended the University of Richmond and worked as an actuary for the Life Insurance Co. of Virginia. He organized Bowles, Andrews and Towne, a consulting actuarial firm in Richmond in 1948 and moved to Atlanta in 1954 to open a second office. In 1962, he co-founded Bowles & Tillinghast in Atlanta, which became Tillinghast, Nelson and Warren in 1977 and a Towers Perrin company in 1986. Bowles was named chief executive officer of Georgia International Corporation in 1970 and president of Capital Holding Company in 1973, before returning to Tillinghast in 1975 and retiring in 1988. He was a Fellow of the Society of Actuaries and a past president of the Society and of the American Academy of Actuaries.

The Thomas P. Bowles Jr. Chair of Actuarial Science was established at Georgia State University in 1988 by a group of Mr. Bowles’ friends and colleagues from Tillinghast and by Dr. Kenneth Black Jr., one of the founders of the RMI Department. The group wanted to recognize his lifelong contribution to advancing the profession of actuarial science as well as his strong belief that best path to improving the business climate for the insurance community was to provide actuarial education in Atlanta.

Today, the Bowles Chair specifically focuses on the changing and complex environment in which the contemporary actuary practices. By supporting high-level research activities, it highlights and addresses major trends, and contributes to the continued vitality of the actuarial profession. The Bowles Symposia Series — established in 1995 as a special program of the RMI Department — represent a collection of actuarial research and education seminars that focus on specific issues relevant to the changing and complex environment in which contemporary actuaries practice. Recent symposia have been co-sponsored by the Casualty Actuarial Society (CAS), the Society of Actuaries (SoA), the Actuarial Foundation, and the Professional Risk Managers’ International Association (PRMIA). The opportunities available through the Bowles Chair help attract the best and brightest faculty to Georgia State. Through the development of its actuarial science program — also a result of opportunities provided by the Bowles Chair — the university is now a Center of Actuarial Excellence.
Many Thanks to Our 2013 Donors

$10,000 – $24,999
Equinox Financial Solutions
Munich American Reassurance Company
Munich Reinsurance America, Inc.
Risk & Re-Insurance Solutions Corp
Scott Goodell
Seacrest Partners
Southern Company Services, Inc
Southern Insurance Underwriters, Inc.
Strategic Risk Solutions
Towers Watson
William Rauschenberg, Jr.

Heritage Charity Auction and Awards
HSBC Philanthropic Programs
International Insurance of Georgia
John Elger
John Fenton, FSA, MAAA
John Thielman
Kavin Smith, CPCU
Laura Rhodes
Layton Outerbridge
Lesly Senker
Li Li
McGriff, Seibels & Williams of Georgia, Inc.
Michael P. Watkins
Michael Sinclair
Michael Yates
Ming-Yang Wu, ASA
Peter Lloyd
Richard D. Phillips
Ringler Associates
Robert Price, Jr., EA, FSA, MAAA
Safeonline LLP
Scott Thompson
Shannon Totten
Shepherd Foundation, Inc.
The Leavitt Group of Atlanta
Thomas and Susan S. Tredway
Thomas Hendricks
United Healthcare of Georgia
Vivek Kumar Mishra
William Loventhal III
William Pritchard, Jr.
Yushu Hu

$5,000 – $9,999
AIG Property Casualty
Assurant
Equinox Financial Solutions
FAME, Inc.
Georgia Power Foundation, Inc.
Lloyd's America, Inc.
RGA Re
Sam Baig (AmWINS Brokerage)
Travelers

$500 – $999
Allison L. Towlson
Arthur Pittman
Bryon Scott Burton
David Hupp
Endurance Bermuda
G. William Boyd
Hae Won (Henry) Jung
Jim Shevlin
Martin Grace
Merlinos & Associates, Inc.
Steven Haase
Thomas Bishop
Thomas Postal
Wesley Duesenberg, C.I.W., Jr.

$100 – $499
Ahmed Moinuddin
AIG Matching Grants Program
AIG Property Casualty
Alberto A Abalo
Associated Physicians Captive, Inc.
Axis US Services
Barry Wood
Beazley USA Services, Inc.
Bernard Webb
Bonnie Petersen
Brian Casey
Cheryl Price
Conrad Ciccotello
David Zona
Diana Gudkova
Douglas Foley
Emanuel Lauria, Jr.
Ernie Feirer
Frank Shoppe, CPCU
Harold Cohen, FSA, MAAA
Harold Weston
Heather Elliott

Adolphus Drain
Alan Grotnes
Axis US Services
Ben Cuttino
Bill Danish
Bill Wright
Bob Ellis
Brain Brown
Brian Horner
Brian Mikes
Bruce Moseley
Bryon Scott Burton
Carl Grotnes
Chad Holsonbeck
Chris Cotterell
Chuck Magnum
UP TO $99
Contributions received between July 1, 2012 and June 30, 2013

You can make a huge difference today by giving to the Department of Risk Management and Insurance. Your gift provides scholarships to students, teaching and research support to faculty, and keeps adding value to your Georgia State University degree long after you’ve graduated. Visit rmi.gsu.edu/rmf and make a difference.
Congratulations 2014 Honors Day Award Recipients

Outstanding Risk Management and Insurance Undergraduate Student of the Year Award
CHRIS DURAN

Outstanding Mathematical Risk Management Graduate Student of the Year Award
QINGHUA GUO

Robert W. Batten Actuarial Science Award
JUAN JEREZ

Floyd S. Harper Actuarial Science Award
GNIKAN ALLADE

Eli A. Zubay Actuarial Science Award
STEFANY JACKSON

Student Organization Leadership Awards
AMY MATTHES
KININ KONE

Student Organization Service Awards
ANDERS GRAHAM

rmi.robinson.gsu.edu