RMI Receives 2CI Grant

The RMI Department was awarded a Georgia State University Second Century Initiative (2CI) grant. The primary goal of the university’s 2CI initiative is to build internationally recognized scholarly strength and critical mass around common research themes in order to enhance Georgia State University’s overall quality, interdisciplinary richness, and competitiveness.

(continued on page 11)

MRM Program Accredited by the Professional Risk Managers’ International Association - PRMIA

The Department of Risk Management and Insurance’s Master of Science in Mathematical Risk Management (MRM) program has been named an Accredited University Risk Program by the Professional Risk Managers’ International Association (PRMIA), an 80,000-member organization with 205 chapters around the world. As a result of this accreditation, graduates of the MRM program may be able to waive the first two exams in a four exam sequence required to earn the organization’s Professional Risk Manager (PRM) designation, which is the leading certification for financial risk managers.

With the PRMIA designation, the Robinson College of Business’ RMI Department becomes the only program at a North American business school to be ranked a top 10 risk/insurance program by U.S. News & World Report, a Society of Actuaries Center of Actuarial Excellence, and a PRMIA Accredited University Risk Program.

According to RMI Department Chair Richard D. Phillips, “This portfolio of accolades from the insurance, actuarial and financial risk management communities has no comparison. We are gratified by the recognition of our program’s excellence.”

(continued on page 11)
In last year’s newsletter I discussed the initiatives adopted as part of the department’s refreshed strategic plan that covers the years 2011-2017. In this year’s letter I am happy to report that we have made substantial progress on many of the initiatives already. The following highlights some of those accomplishments.

> In July 2011 we finalized an agreement with the global broker Willis to establish the Willis Economic Modeling Forum. Details about the partnership can be found on page #1 but suffice to say here the Forum is consistent with Strategic Objective #1: to attract resources for the study of complex risk management problems and Strategic Objective #3: to attract world-class students to study at Georgia State. I am pleased to announce we successfully completed a worldwide search to identify the Forum’s inaugural director as Dr. Markus Stricker, who agreed to our terms in March. As you will read, Dr. Stricker brings a unique set of professional experiences that align almost perfectly to be the inaugural director of a research center formed by a partnership between an industry partner and ourselves. We look forward to finalizing plans over the summer and watching him launch the Forum in August.

> Also in March 2012 we learned the Professional Risk Managers’ International Association (PRMIA) agreed to accredit our Mathematical Risk Management Program as an Accredited University Risk Program. PRMIA is a global professional association whose mission is to provide a free and open forum for the promotion of sound risk management standards and practices primarily in the realm of financial risk management. Through this accreditation students graduating with an MRM degree can waive the first two of the four-exam sequence necessary to earn PRMIA’s Professional Risk Manager professional credential. As a result, the Risk Management and Insurance Department at Georgia State becomes the only program at a North American business school to be ranked a top 10 risk/insurance program by U.S. News & World Report, a Society of Actuaries Center of Actuarial Excellence, and a PRMIA Accredited University Risk Program, all of which is consistent with Strategic Objective #3: to become the aspirational risk management program for students globally.

> The department, together with Georgia State’s Andrew Young School of Policy Studies, was recently awarded a Second Century Initiative (2CI) grant to launch the “Portfolios of Atlanta’s Poor” project. The objective of our proposal is to apply the tools of modern behavioral economics and risk management to begin answering the following simple questions: “How do the poor survive on very little income and what can be done to adjust the design of formal financial service products to increase the chances of success?” Inspired by the growth of microfinance and microinsurance markets in developing countries, the project is intended to increase our understanding of how banks, insurers and other private market companies can improve the design and effectiveness of antipoverty programs. With this grant the department will be able to add to its staff (Strategic Objective #1) and to work towards helping solve a real and timely issue. If successful, we fully expect that the project can be exported to other cities.

> This year we will see five of our PhD students finish their studies and move on to take positions at major colleges and universities. This year’s cohort is an important barometer for the future as these students are the first to fully participate in the department’s revised PhD program. To date four of the newly minted PhD’s have accepted positions with the following schools: Illinois State University, St. Thomas University, Copenhagen Business School, and the University of Melbourne. In one case, one of our students received offers from five separate universities before he selected his new home. I am extremely pleased with the placements given that they are all with quality institutions and go a long way towards progress with Objective #2: place graduates of the PhD program at peer and aspirational universities.

> The department was recently granted permission to develop a new undergraduate program in tentatively entitled Risk Analysis. The goal of this program will be to leverage RMI’s reputation with risk, insurance, law and analytical modeling to create a premiere undergraduate degree that will join substantive knowledge of risk, regulation, communication and analysis to help organizations quantify and manage risk. This premier BBA program will be linked through GSU’s new Honors College and be aimed at double majors. The creation of this cohort program will require the development of several new courses and provide for an interdisciplinary approach that will involve internships with business and government agencies. Funding and support for this program will come largely from outside corporate sponsors. Our new BBA helps us move forward with Strategic Objective #3: become the aspirational risk management program for students from around the world, and with Strategic Objective #4: enhance the quality of the learning environment for our students consistent with the programs and opportunities
offered to students at the top 20 U.S. business schools.>

> The endowed assets of the newly renamed Georgia State University Risk Management Foundation (formerly the Educational Foundation, Inc.) have grown substantially over the past couple of years as the result of a friendly stock market, the addition of an endowed chair, and a large gift from an anonymous donor that will create an endowed eminent scholar chair. While we are not yet near the amount that we feel that we need in order to achieve our envisioned future, we have come quite a long way. Increasing our endowed assets helps in meeting Objective #6: ensure that the department has the financial and operational resources necessary to achieve the envisioned future. Next year we will launch a planning project designed to develop strategies to increase our endowment to be in amounts consistent with those of top 20 business schools. You will be hearing more from us soon and I hope that given how much we’ve accomplished so far, that you will be ready and willing to help.

As you can see, the faculty and staff of RMI have been busy over the past year. And we have quite a number of new initiatives underway that you will undoubtedly read about in next year’s letter. We are doing meaningful work and are involved in interesting projects. And we are having fun doing it!

Sincerely yours,

[Signature]

Formed in 2006, Willis Research Network’s focus has been on evaluating the frequency, severity and impact of major natural catastrophes with the aim of helping society at local and global levels manage these risks via public and private sector approaches. Thus, the introduction of GSU’s Willis Economic Modeling Forum represents a second major research area for the Network – this time charged to investigate how best to model and manage the extreme economic and financial risks underwritten by the insurance industry.

To achieve its mission the Forum will:

1. Create an international network of researchers at Georgia State University and at other leading universities from relevant disciplines who will interact with insurers, reinsurers, government research institutions and other non-governmental organizations to focus on the most forward-looking and fundamental challenges of building models that can reliably be used for risk measurement, assessment, capital allocation, and internal decision-making by firms and used by regulators charged to ensure the solvency of the industry.

2. Organize teams of Georgia State University graduate students, a principal faculty investigator, and an industry partner to conduct collaborative applied research projects designed to produce outcomes that are both academically rigorous but that are also directly relevant to industry. Successful projects will be those where there is both a clear expected economic benefit as well as an expected academic benefit.

The Forum will be housed in the university’s Department of Risk Management and Insurance – the largest academic program dedicated to the study of risk management and insurance anywhere in the world. The Department is also home to the Center for the Economic Analysis of Risk (CEAR) – a cooperative effort of multiple academic units within the Robinson College of Business, the Department of Economics housed in the university’s Andrew Young School of Policy Studies, and the Federal Reserve Bank of Atlanta. CEAR’s mission is to conduct and promote economic research on the measurement and management of risks faced by individuals, institutions and societies. Using its international network of researchers, CEAR envisions that its efforts will lead the topic of “risk” to be considered a well-defined, interdisciplinary area of study and that CEAR will be viewed as the intellectual leader in the conduct and dissemination of risk research and studies.

Markus Stricker was appointed in March as the Forum’s inaugural director. Most recently, he was Managing Director at Intuitive Collaboration AG, a global professional services firm that enables reinsurance companies to manage their risks more effectively. He has worked with Towers Perrin, Tillinghast, Aon ReSolution in Zurich, Swiss Re, and served as a lecturer and research associate at the University of Chicago.

GSU’s Willis Economic Modeling Forum will bring academic researchers together with the insurance industry to advance the basic science that underlies the internal economic capital models used by insurers worldwide.
The Center for the Economic Analysis of Risk (CEAR) at Georgia State University’s J. Mack Robinson College of Business, officially launched in 2009, unites the disciplines of accounting, finance, and insurance to promote economic research on the measurement and management of risk faced by individuals, households, institutions, and societies.

The center is a collaborative partnership between Robinson’s Department of Risk Management and Insurance, Department of Finance, and School of Accountancy; the Department of Economics of Georgia State University’s Andrew Young School of Policy Studies; and the Federal Reserve Bank of Atlanta.

Since its inception, CEAR has successfully pursued an agenda focused on conducting rigorous research grounded in theoretically consistent methodology; cultivating a common language for academicians, policy makers, and practitioners; and undertaking broad, multiyear projects that address fundamental topics as well as issues with immediate implications for business and policy. The following examples illustrate the center’s work:

CEAR Workshops/Conferences: The center hosts 5 or 6 workshops per academic year, bringing leading researchers in different areas of risk to GSU for a two-day intensive discussion on a specific topic. A sampling of workshops held include:

- Attitudes Towards Risk, Uncertainty and Ambiguity: Theory, Experimental Design and Econometrics (May 5-6, 2010)
- Insurance for the Poor (September 29-30)
- Risk Perception and Subjective Beliefs (October 27-28, 2010)
- The Econometrics of Risk (January 10-11, 2011)
- Risk and Theories of Agency (January 21-22, 2011)
- Traffic Risk (February 21-22, 2011)
- Rank-Dependent Models of Risky Behavior: A 30th Birthday Party (September 22-23, 2011)
- Structural Modeling of Heterogeneity in Discrete Choice Under Risk and Uncertainty (December 1-2, 2011)
- Experimental Economics Examination of Congestion Pricing - Peer Review Panel (December 5, 2011)
- Behavioral Risk Management (February 10-11, 2012)
- Gambling (April 2-3, 2012)
- Incentives and Risk Taking (April 6-7, 2012)

CEAR Small-Scale Projects: The center has funded several small-scale projects (budgets up to $5,000), to faculty and graduate students in the constituent departments of CEAR, including:

- Luck and Discovered Risk Preferences (RMI)
- Discounting Behavior, Risk Attitudes, and Experimental Procedures (Economics)
- Ellsberg Paradoxes and ‘Source Dependence’ Explanations (RMI)
- The Impact of Market Demand Risk on the Effectiveness of Negotiated Transfer Price Agreements (Accounting)
- Ambiguity Aversion and Repeated Games (RMI)
- The Decision Motivating Effects of Strategy Maps (Accounting)
- Building a VR Environment to Test Economic Games (RCB and Economics)

CEAR Fellows: Under the direction of Glenn Harrison, CEAR’s inaugural director, the center has appointed a multi-disciplinary group of CEAR Fellows, comprised of GSU and non-GSU researchers, whose primary function is to guide and participate in CEAR workshops and conferences, in person and virtually. Fellows are encouraged to submit proposals to host and coordinate workshops and conferences, and to submit proposals for research projects. CEAR Fellows also have access to a network of researchers active in their respective areas of scholarship, including senior researchers willing to comment on papers.

CEAR Pre-Doctoral Fellowships: The center provides support for up to two new graduate students per year, for up to three years, in each of its constituent departments. Recipients of the fellowship are committed to conducting research focused on some area of risk and are chosen by their respective department’s doctoral program coordinator. Over the past two academic years CEAR support has totaled approximately $110,000 and reached 17 individuals.

CEAR Graduate Student Ad Hoc Support: The center provides financial support on an ad hoc basis for graduate students in its constituent departments for expenses that are not covered by the typical departmental support (i.e., journal submissions, attending academic conferences to present an accepted paper, costs of running laboratory experiments, and similar expenses).
CEAR Hires John Thielman as Associate Director

The Center for the Economic Analysis of Risk (CEAR) has hired John Thielman, J.D., to be their first ever Associate Director. Mr. Thielman will also hold a joint position with the RMI Department as a clinical professor of legal studies.

Mr. Thielman is a former prosecutor, chief counsel with a Fortune 500 insurance company, Managing Attorney and trial attorney. He is a subject matter expert on litigation, litigation management and planning, insurance and ethics. In his role with CEAR, he manages the center’s daily operations, providing support for CEAR related research. He is charged with the important task of developing, fostering and nurturing a common sense of community and shared purpose among all of the diverse members of the CEAR worldwide network. In addition to his role with the center, he teaches courses on the legal environment of business and ethics for the RMI Department. He is licensed to practice law in Georgia, Florida, New York and Massachusetts.

Mr. Thielman received his J.D., cum laude, from the State University of New York at Buffalo School of Law. He also holds a B.A. in Psychology from Boston University.

Climate Change and Risk: A New Course to Address A Huge Risk

The RMI Department has always taken a broad view of risk. Now we are addressing one of the biggest risks on the planet - climate change.

In Fall 2012 RMI will launch a new course entitled Climate Change and Risk. This honors colloquium will be offered jointly by the department and by the university’s Honors College.

The interdisciplinary seminar-style course will cover the topic of the risk of climate change from the scientific, legal, public policy, economic, and ethical perspectives. Upon completion, students will understand why greenhouse gasses in the Earth’s atmosphere are at highest measured levels in 650,000 years; they will investigate the potential impact of this outcome; and they will be challenged to debate important policy options. Each student will be required to write several papers related to the topic. For example, a student might address if past and present generations have an ethical duty to future generations not to alter the planet irreparably. Or a student could be asked to review the scientific literature that predicts the mean increase in sea levels and then ask if coastal cities such as Miami, New York, and San Francisco should expend significant resources to protect against this potential risk.

The course will be co-taught by RMI Professors Harold Weston and Glenn Harrison. Professor Weston, Clinical Assistant Professor and Undergraduate Program Advisor in the RMI Department, has been studying and giving speeches from the policy, law and insurance implications of the subject for many years.

Professor Glenn Harrison, RMI Professor and Director of the Center for the Economic Analysis of Risks, is well known for his work in environmental economics that has included modeling the effects of alternative policies to mitigate global warming, critiques of casual applications of the contingent valuation method, and improved methods of damage assessment. He has also served as a consultant for the Swedish government and the United States Environmental Protection Agency evaluating carbon tax proposals.

As far as we can determine, we are the first dedicated risk management department in the country to take up the subject. But then again, we take a broad view of risk here.
In the past fifteen years, we have witnessed scandals at Enron, WorldCom and Arthur Andersen; the global financial crisis triggered by the collapse of the housing bubble; and the Occupy Wall Street movement. Most recently, Greg Smith made a very public resignation from Goldman Sachs, stating that the “decline in the firm’s moral fiber represents the single most serious threat to its long-run survival.” These current events underscore the relevance and value of ethics in business.

Undergraduate and MBA students in the J. Mack Robinson College of Business at Georgia State University have been introduced to ethical theory and decision-making models in their required Legal Environment of Business class for nearly twenty years. Recently, The Robinson College has identified Ethics and Social Responsibility as one of the primary objectives in its assessment plan for accreditation and has begun to systematically examine the ethics and social responsibility assessment data for our students on a variety of college and national measures. That data will be continually collected, analyzed and utilized to improve and expand ethics instruction within the college, with the goal of educating ethical managers.

Various Legal Studies courses offered through the Department of Risk Management and Insurance provide the base for scholarship and teaching at the intersection of law and business and are among the most popular course offerings at the undergraduate and graduate level in the Robinson College. In the law-related courses, we stress that to be competitive, American business must understand and strategically use the legal environment to minimize risk and enhance productivity. Strategic responses to competitive pressures may also require managers to make difficult ethical decisions.

While most of the Legal Studies courses are electives, one is required, the Legal Environment of Business (LEB) course. In this course every semester, we demonstrate to our students that virtually all business decisions have ethical implications and that corporations have responsibilities to customers, employees, communities, and society, in addition to their obligations to shareholders. We believe that students, as future business professionals, need multiple practice opportunities to enhance their ability to identify and respond to ethical dilemmas, to reason through complex, real-world problems similar to those they are likely to encounter in business, and to make ethically defensible decisions. To increase the ability of our students to identify ethical issues, as well as their ability to make ethical business decisions, we have developed ethics curricular materials and shared them with our colleagues across the business disciplines.

We were invited to serve on a college task force to develop a plan for integrating ethics across the business curriculum. As part of its charge, the task force created an Ethical Decision-Making Model to provide RCB students with a conceptual framework to use in analyzing complex ethical problems. When the plan is fully implemented, undergraduate and MBA students will be taught the model in their LEB courses, and will use it throughout their remaining RCB courses when analyzing discipline-specific ethics problems in the functional areas. It is our hope that sustained and continued use of the model in all RCB courses will provide

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A MODEL FOR ETHICAL DECISION-MAKING

<table>
<thead>
<tr>
<th>Decision Maker</th>
<th>Facts</th>
<th>Options and Consequences</th>
<th>Duties and Obligations</th>
<th>Decision and Justification</th>
<th>Evaluation of Outcome</th>
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<tbody>
<tr>
<td><strong>WHO IS THE DECISION MAKER?</strong></td>
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<td>Who has the power and authority to decide?</td>
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<td>Who will be accountable for the decision?</td>
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<td>What is the issue or conflict facing the decision maker?</td>
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<td><strong>WHAT ARE THE FACTS?</strong></td>
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<td>Do I know enough to make a decision?</td>
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<td>Are there any practical constraints on my decision?</td>
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<td>Who are the individuals and groups that will be affected by the decision?</td>
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<td><strong>WHAT ARE MY OPTIONS AND THEIR CONSEQUENCES TO STAKEHOLDERS?</strong></td>
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<td>What courses of action are available?</td>
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<td>What are the likely consequences to important stakeholders?</td>
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<td><strong>DO MY DUTIES AND OBLIGATIONS HELP GUIDE MY DECISION?</strong></td>
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<td>Does a legal rule, company policy or cultural norm govern my decision?</td>
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<td>If not, have other duties or obligations toward key stakeholders?</td>
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<td><strong>WHAT IS MY DECISION &amp; HOW DO I JUSTIFY IT?</strong></td>
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<td>Which option will produce the most good and do the least harm (utilitarianism)?</td>
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<td>Which option best respects the rights of primary stakeholders? (rights approach)</td>
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<td>Which option treats people equally or proportionately? (justice approach)</td>
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<td><strong>HOW DO I EVALUATE THE OUTCOME?</strong></td>
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<td>How did the decision turn out for the primary stakeholders?</td>
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<td>If I confront a similar dilemma, would I recommend a different course of action?</td>
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<td>Am I prepared to revise my decision in light of new information and/or circumstances?</td>
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NANCY MANSFIELD is a professor and the academic coordinator for law-related courses in the RMI Department’s legal studies program. Prof. Mansfield has taught various law courses including the Legal and Ethical Environment of Business, the Regulator y Environment in the Executive MBA program, Health Law in the Masters of Health Administration program, and the “Law & Society” Learning Community. Her research is currently focused on health law and employment law issues. She was educated at Smith College and the University of North Carolina, Chapel Hill. She received her law degree from the University of Georgia. She is a member of Phi Kappa Phi honorary society. Professor Mansfield is an active member of the Academy of Legal Studies in Business, a past president of the Southeastern Academy of Legal Studies, a member of the American Society of Law, Medicine and Ethics and the Georgia Bar Association. In addition to her faculty position and university activities, Professor Mansfield is a certified mediator and has led law-related executive education programs for business.

SUSAN WILEY is an associate professor of legal studies in the RMI Department. She has published
My current research focus is on bubbles, defined as episodes of asset price booms and busts that cannot be attributed to changes in economic fundamentals. Famous historical examples of bubbles are the 1711-1720 British South Sea Bubble (which coined the term bubble) and the Dutch tulip mania in 1636-1637. More recently, Japan experienced a large asset price bubble between 1986-1991, while US lived through the 1995-2000 dot-com bubble during which the Dow Jones industrial average more than tripled and then the index lost 43% of its value by late 2002. Coinciding with the stock market collapse, real home prices in US increased by 57% between 2000 and 2007, only to revert back to 2000 levels by March 2009.

Our understanding of these frequent bubble episodes is limited. They can pose a dramatic risk to investors when they collapse, but they are accompanied by large increases in consumption, capital stock and output while they develop. What are the causes and consequences of bubbles? Why would rational, forward-looking investors voluntarily hold overvalued assets? Can bubbles help explain the behavior of asset returns and trading volumes, where alternative theories have failed? When can the movements in asset prices be attributed to a bubble rather than changes in fundamentals? These are the questions addressed by my research agenda.

In Bidian (2011a), I show that low real interest rates are needed to sustain an asset price bubble. This applies to environments where agents can face general portfolio constraints (e.g., debt limits, short sale constraints etc) and can be differentially informed about fundamentals. Therefore, low real interest rates in the economy are a necessary condition for a bubble, regardless if an agents’ trading motive is speculation stemming from asymmetric information (believing that there is a “greater-fool” to whom to resell the overvalued asset) or is simply because they desire to share risk and smooth income fluctuations.

Given the pervasiveness of bubbles, it is natural to ask whether bubbles can be a rational response to some financial markets frictions. Bidian and Bejan (2012) argue that bubbles are symptoms rather than causes of existing imperfections in the capital markets. Limited enforceability of credit contracts can generate a credit rationing of investors which gives rise to a demand for liquidity. Investors bid up the price of assets above fundamental value to create a form of “outside” liquidity that compensates investors for the insufficient “inside” liquidity they face due to the borrowing constraints.

The classic theory of finance has a hard time explaining the enormous volatility of asset prices even in the absence of news and the existence of stock markets, such as NASDAQ or NYSE, where a high frequency/large volume of trading occurs. Trading in stocks due to life-cycle reasons (as people advance in age) or due to portfolio rebalancing reasons would be sufficiently low to be handled at a retail level or by using life-insurance. In Bejan and Bidian (2012) we show that bubbles can create a partial disconnect between the financial side (prices) of the economy from the real side (consumption, production). Therefore, bubbles can generate an excess volatility of prices and a trading frenzy while they run and a large collapse in trade volume when they crash. Moreover, bubbles can produce large and time varying equity premia (returns on stocks in excess of treasury bills).

It would be beneficial for risk managers and investors to know whether the assets in their portfolio carry a bubble given the associated risk of a correction in prices to the lower fundamental values. A natural way to test for bubbles is to analyze whether prices or dividend yields have a non-stationary, explosive behavior. Bidian (2011b) shows that without the benefit of hindsight, identifying asset bubbles is very difficult. The reason is that there exist (latent) stationary bubbles, which would not be associated with an explosive behavior in prices.

In conclusion, a central authority trying to control bubbles faces several challenges. First, it is hard to identify a bubble before it grows very large and collapses. Second, it is unclear whether specific bubble episodes have an overall negative impact on the economy as they increase consumption, capital and output, and further careful

(continued on page 10)
PANTHERS Roar on Wall Street, Again

One particularly warm morning in September, then RMI student David Pacer—who graduated last winter with a double degree in actuarial science and finance—and a group of 16 other Georgia State University students found themselves at Bloomberg Tower in New York City, preparing to interact with some of the city’s leading power players. The group was part of GSU’s successful Panthers on Wall Street program, now in its fifth year. The program provides select Robinson College of Business juniors, seniors, and graduate students with an opportunity to enter a career in New York’s financial district. During a four-day immersion, students learn first-hand how business is done in the Big Apple.

“The mission is to help students seeking jobs in New York identify opportunities and position them with not only the companies, but alumni there,” says Jason Aldrich, executive director of the Robinson College of Business Career Management Center, which leads the program. “[We want] to build a network of contacts in New York who can help the students.”

The program is highly competitive, receiving more than 100 applications in 2011. The 17 student representatives—selected by Aldrich and his colleagues—completed a professional development bootcamp, learning what to wear, how to enter a room, how to prepare for interviews and more. The two-day schedule was packed with eight company visits, a tour of the New York Stock Exchange trading floor, an alumni reception and, new this year, a trip to Rockefeller Plaza to try to get on camera at the “Today” show. The 2011 group visited Keefe, Bruyette & Woods, Deloitte, KPMG and Chartis, among other companies. A typical session included a recruitment presentation, panel discussion and time for networking.

“There is a level of intensity that you can’t even describe in New York, and this program is an introduction to that,” says David Pacer (BBA-AS 2011). Pacer is one of several students to land an interview as a result of the group visits. He accepted a position with Munich Reinsurance America.

Aldrich and the other advisers—a group that includes the RMI Department’s own Barry Wood, Director of External Relations—have already selected the 2012 Panthers. That group will be travelling to New York on September 16-19. (Source: GSU Magazine, Winter 2011)
CONGRATULATIONS HONORS DAY AWARD RECIPIENTS

2012 RECIPIENTS

RMI Alumni Club Undergraduate Student of the Year Award
JUSTIN MCCART

Outstanding Personal Financial Planning Graduate Student of the Year Award
PATRICK GOURLEY

Outstanding Risk Management and Insurance Graduate Student of the Year Award
MELODI KLINE

Robert W. Batten Actuarial Science Award
DAVID GONZALEZ

Floyd S. Harper Actuarial Science Award
YITENG DENG

Eli A. Zubay Actuarial Science Award
JUNXIANG WANG

Gamma Iota Sigma Leadership Awards
KWESI OFORI-ATTA

Gamma Iota Sigma Service Awards
STANLEY EKUGE
VE’RON HALL
BRUCE HINTON
TANDEKA NOMVETE
LAKENYA YOUNG

Department Hosts Risk Manager in Residence

For the first time at Georgia State University, the Spencer Foundation awarded a grant to the Department of Risk Management and Insurance to host a Risk Manager in Residence. The Risk Manager in Residence Program brings together practicing risk managers from corporate America to colleges and universities. Now in its 14th year, the program has been praised by both risk managers and universities as a rewarding educational experience and a chance to give back to the profession.

The department reviewed the credentials of dozens of risk managers before selecting Roger Andrews, Director of Risk Management for the E.D. Bullard Company, as the 2011 Risk Manager in Residence. Mr. Andrews arrived on the Georgia State campus in October for two days of informative and stimulating classroom presentations and discussions with students and faculty.

Mr. Andrews has been with Bullard since 1991 and prior to his current position, held a similar position with Bath Iron Works. Roger Andrews addressed students at different levels of their academic careers, speaking at two freshman learning community classes as well as to juniors and seniors in the undergraduate RMI program. In all, Mr. Andrews was a guest speaker at eight classes. He also hosted a student reception at the end of his first day on campus, and met several faculty members. His time at Georgia State was fully utilized.

Student reactions to Mr. Andrews were overwhelmingly positive. The students benefit by hearing about the professional experiences of the risk manager and they came to see the connection between theory learned in the classroom and the practical application.

The Spencer Foundation, Inc. was established in 1979 by the Atlanta Chapter of the Risk and Insurance Management Society, Inc. (RIMS) to honor the late Robert S. Spencer, former RIMS president and Vice president of Fuqua Industries, Inc. Spencer’s mission is to provide scholarship awards and educational grants to stimulate, promote and encourage students of risk management disciplines in fulfilling their educational goals.

Panthers to Join Sun Belt Conference

Georgia State University has accepted an invitation to join the Sun Belt Conference on July 1, 2013, and will begin conference competition in the 2013-14 academic year. The Sun Belt is one of only eleven conferences to participate in the Bowl Championship Series (BCS) and Football Bowl Subdivision (FBS).

The move to the Sun Belt means that the Georgia State football program, which began play in 2010 under head coach Bill Curry, will step up to the FBS level. GSU football will complete a transitional period while playing a Sun Belt schedule in 2013 and then will be eligible for postseason football in 2014. All other GSU sports will be eligible for Sun Belt championships in 2013-14.
Asset Price Bubbles
(continued from page 7)

empirical studies are warranted. Third, even if bubbles are determined to be detrimental, the government should try to correct or remove the underlying frictions in the financial system that are causing the bubbles, rather than pricking them afterwards. If the underlying friction is the limited enforcement of contracts, as suggested in my research, then harsher penalties for default could prevent bubbles from developing.

REFERENCES


Ethical Decision-Making Model
(continued from page 6)

our students with a familiar tool to use in responding to ethical problems in business, thereby improving their ethical reasoning skills.

We then developed a pilot study to test the Ethics Model in our undergraduate LEB classes. After first introducing the Ethics Model in class and using it on a sample problem, we asked students to apply the Ethics Model to a hypothetical business problem - a vendor’s offer of free furniture to an employee. The hypothetical problem generates issues regarding whether the offer of free furniture is a “gift,” “incentive,” “bribe” or neither, whether the offer would compromise the employee’s ability to make the best decision for his company, and what obligations he owes to his employer. We administered the study in both 2011 and 2012. After we collected students’ written responses, we tabulated the results using an Evaluation Checklist.

The results of our study will be published in the forthcoming issue of the Journal of Legal Studies Education. The study reports students’ ability to engage in ethical reasoning – to identify the issues and points of conflict, the interested parties and stakeholders, the alternatives and probable consequences of each option, and finally the obligations raised by the ethical dilemma. Overall, we found that the Ethics Model framework provided a systematic approach for analyzing the hypothetical problem and enhanced student awareness of ethical issues, potential stakeholders and possible resolutions.

Our study is only the first step toward more fully integrating ethics into the RCB business curriculum. Ultimately, faculty in the functional areas will need training on instructional methods, as well as ethics materials that can be incorporated into their courses. As we continue to collect assessment data, we should be better able to determine if our students’ ethical awareness and reasoning skills are actually improving. It is our hope that RCB graduates will master not only the fundamentals of business management, but also the reasoning skills needed to be ethical leaders in their industries.
RMI Department Awarded GSU Second Century Initiative Grant
(continued from page 1)

The Second Century Initiative grant was awarded for “Portfolios of the Atlanta Poor,” a research project on understanding how the urban poor make savings decisions; how they manage financial and non-financial risks; and how their investment and consumption decisions change over a lifetime. GSU’s Center for the Economic Analysis of Risk (CEAR) has been enlisted as a partner in this initiative to coordinate and conduct the research.

The Portfolios of the Atlanta Poor project is premised on a very simple question: *How do the poor survive on very little income?* Tragically not everyone survives, but there is a great deal that is unknown about how the poor actually manage their financial and non-financial activities to “make do”. The 2CI will allow Georgia State University’s best researchers to apply the tools of modern behavioral economics and risk management to begin answering this question. A better understanding of the issues surrounding this fundamental question should improve the design and effectiveness of antipoverty programs.

The geographic focus of the research will begin in Atlanta but will not end there. The work promises to simultaneously demonstrate the power of rigorous research for a physically immediate issue and to broaden the scope of traditional risk management research beyond financial advice for the rich, or for corporations. It is applied research in the best sense, putting well-developed academic skills to work on a real problem. Finally, it complements and extends the academic and research programs of the RMI Department, AYS and CEAR. In order to accomplish these goals, the following steps will be taken:

- Assemble a core faculty at the intersection of behavioral economics and household finance
- Build a database that tracks in minute detail the portfolios of the Atlanta poor
- Target additional funding opportunities as a result of the research activities of this core faculty
- Demonstrate opportunities for the private sector to better serve the poor in a welfare-improving manner
- Use the research as a teaching tool in the classroom

Munich Re Fellows Program

Members of the 32nd class of the Munich Re Visiting Fellows Program will be at Georgia State University from March 19 to May 14. Sponsored by the Horst K. Jannott (HKJ) Scholarship, this program brings ten insurance professionals from around the world for a rigorous eight-week series of seminars and company visits to closely examine the U.S. insurance system and its practices.

The program is led by RMI Department Chair, Richard Phillips and Alfred Mettler, Clinical Associate Professor of Finance in the J. Mack Robinson College of Business. The Fellows are selected by their respective companies, based on their leadership potential. This year’s impressive group includes:

- NATALIA ARANGO
  Financial Engineer, Munich Re, Munich, Germany
- JOÃO BOTELHO
  Superintendent, Itaú Seguros, Sao Paulo, Brasil
- MICHAEL GIBBONS
  Legal Counsel, Munich Re, Munich, Germany
- ROBERT GESCHWANDNER
  Senior Underwriter, Munich Re, Munich, Germany
- MANABU HIRASUKA
  Non-Life Insurance, Sompo Japan Insurance Inc., Tokyo, Japan
- ADAM KLEEBERG
  Assistant Vice President/Corporate Claims Counsel, Phoenix Aviation, Kennesaw, Georgia, US
- GAURAY KUMAR
  Country Head, Insoap.com Ltd. (India Branch)
- Admiral Group, New Delhi, India
- ALESSANDRA QUERIN
  Strategy Advisor, Generali, Triest, Italy
- RICHARD VOGEL
  Syndic/Legal Counsel, ASR Nederland, Utrecht, The Netherlands
- ZHENWEI ZHANG
  Reinsurance Manager, PICC P&C, Beijing, China

MRM Program Accredited by PRMIA
(continued from page 1)

Established in 2002 by a volunteer group of risk industry professionals, PRMIA’s mission is to provide a free and open forum for the promotion of sound risk management standards and practices globally. To accomplish this mission, PRMIA’s objectives are:

- To be a leader of industry opinion and a proponent for the risk management profession
- Drive the integration of practice and theory and certify the credentials of professional risk managers
- Connect practitioners, researchers, students and others interested in the field of risk management
- Be global in focus, promoting cross-cultural ethical standards, serving emerging as well as more developed markets
- Work with other professional associations in furtherance of PRMIA’s mission

(This article contains text from a recent press release from Jenifer Shockley, Office of Marketing and Communications, J. Mack Robinson College of Business).
From the RMF Board Chair

MICHAEL YATES
Assurant Solutions

It is an honor to serve as the 2011/2012 Chairman of the Board of Trustees for the newly re-named Georgia State University Risk Management Foundation (RMF). The Foundation provides support to the Department of Risk Management and Insurance (RMI) through scholarships, professorships, faculty research and working capital to facilitate program and faculty development. Our board includes representatives from top risk management, insurance companies, banks, consultants, energy companies, etc., who bring a wealth of knowledge and support to the table.

The Foundation has supported GSU’s RMI Department with fundraising efforts and advisory support since 1959, incorporated as the Educational Foundation Inc (EFI). So you may wonder, why change the name now? If it ain’t broke, don’t fix it, right?

Certainly, the Board did not take lightly the notion of changing the name of the Foundation that has supported the department for so long. However, the more resounding response from this Board was that the EFI name needed some refreshing. We have witnessed the RMI Department grow through the years, and as it branches out from its insurance roots and caters to more industries and multiple career paths, the Board felt compelled to create a name that points everyone to our central academic focal point — risk. The new name, Georgia State University Risk Management Foundation, was voted on and approved by the Board last year, and special thanks to our General Counsel, Scott Burton, for researching and obtaining state approval. I hope you like the change as much as the Board does.

We also recognized that the Foundation’s mission and activities had not transformed in parallel with the advancements of the RMI Department. This became one of the driving forces to bring the Board together for a two-day strategic retreat in February 2012. The retreat was held at Robinson’s Buckhead Center, which gave us a chance to see first-hand some of the new technology being utilized at GSU (very cool!). Attendance and engaged participation at the retreat was at an all-time high, thanks in large part to the preparations of Heidi Deringer, a friend of the Board’s from Bain Consulting, who served as our facilitator. The purpose was to reassess our strategy, mission statement, board composition, and committee structures. The details and deliverables from that retreat will become the basis for transformative change for the Foundation, which we believe will provide us the means to meet the growing needs of the RMI Department and its students, now and in the future.

However, while we are strategically focused on the future, the Board lives in the current reality of depending on funds raised out of our Annual Campaign to support RMF. That’s where you all play a big role. We are tremendously thankful to all of the corporate and individual sponsors who continue to support the Foundation each year; and in order to grow, we need more support from others excited about the RMI strategic direction. I hope you will thoughtfully consider making or increasing your financial contributions to RMF.

Please take a few minutes to donate to the RMI Department. One major reason the Department of Risk Management and Insurance has become a national leader in risk and insurance education is the support we receive from our alumni and friends. We appreciate your past support and thank you in advance for your future support.

WAYS TO GIVE:

MAIL YOUR GIFT TO:
GSU Risk Management Foundation
P.O. Box 4036, Atlanta, GA 30302-4036
(payable to GSU Risk Management Foundation, Inc.)

ONLINE: rmi.gsu.edu/rmf

PHONE: 404-413-7815

RECURRING CREDIT CARD GIVING:
Call our office at 404-413-7815, and we can set your credit card up for recurring monthly, quarterly, or annual gifts to support the RMI Department.

Donate Now During the Alumni and Friends Campaign!
2011 RMI/RMF Golf Tournament

On October 10, 2011, a few weeks after the PGA Championship at the Atlanta Athletic Club, the RMI Department hosted the 2nd Annual Golf Tournament to benefit the GSU Risk Management Foundation.

Spearheaded by RMF board member and RMI alumnus Steve Haase (BBA-RMI ’78, MS-RMI ’84), 39 teams representing insurance, legal, and financial services industries participated in a friendly competition of shamble style golf.

While our inaugural year’s weather was marked with 90° temperatures, this year was considerably cooler. “The Irish weather and good company made for a memorable day,” said golfer and RMI Professor Conrad Ciccotello. Despite the soggy day, many teams played all or most of the holes before coming inside to enjoy dinner, a silent auction, a presentation of awards and prizes, and networking. Thanks once again to all participants and congratulations to the winners.

Record-Breaking Year for Bermuda Fun

Thanks to our dedicated supporters, this was a record breaking fundraising year for the Bermuda Fund. In its 8th year, the annual Georgia State University Bermuda Railway Trek raised over $35,400 to support Bermudian students in studying risk management and actuarial science at Georgia State.

The walk-a-thon, which spans the entire length of the island, has grown its success through the generosity of RMF board members, corporate sponsors on the island, and friends of the program. In particular, the drivers of the annual event, who initiated a lively competition to raise funds. This group includes: RMI alumnus J. Gary Meggs (BBA ’74, MBA-IN ’78, MIn ’83) of Southern Company Services, Inc.; Greg McCollister and Paul Sparks of McGriff, Seibels & Williams of Georgia, Inc.; Paul Scope and Lindsey Lehman of JLT Park, Ltd.; and Brady Young (MIN ’85) of Strategic Risk Solutions, who is also an RMI alumnus.

Special thanks to RMI alumni John Pallat (MIN ’85) of Equinox Financial Services and J. Gary Meggs of Southern Company Services, Inc. for being the largest contributors to this year’s campaign.

We currently have three students in the Bermuda Fund program, and are working with partners on the island to increase that number.

Lush, tropical foliage and mangroves line the path of the GSU Bermuda Railway Trek.
3rd Annual Recognizing Excellence Luncheon

A stunning crowd amassed at the J. Mack Robinson College of Business Buckhead Center on February 23, 2012, for our 3rd Annual Recognizing Excellence luncheon and awards ceremony to honor RMI Department scholarship recipients and donors. More than seventy scholarship recipients were recognized by RMF Board Chair Michael Yates and Vice Chair Andrea Sellars (BBA-AS ’67, MAS ’70). The program was facilitated by RMF Assistant Director Monique Boyce, and included a speech about the department’s recent accomplishments by RMI Department Chairman/RFM Executive Director Richard Phillips.

Special thanks to our Luncheon Sponsors:

PHOTO CAPTIONS (left to right)
Mark Brown (MS-MRM) recipient of the John W. Hall Scholarship with parents Kathe Brown and Dr. Morris Brown
Lisa Shaffer (BBA-AS) recipient of the Insurance Professionals of Atlanta Scholarship with RMF Board Members Andrea Sellers and Michael Yates
Markus Sommerville (BBA-RMI), recipient of Ace Westchester Specialty Group and Risk and Insurance Management Society (Atlanta Chapter) Scholarships

RMF Board Member Spotlight

BRIAN T. CASEY, Partner
Locke, Lord, Bissell & Liddell
Brian Casey focuses on corporate, mergers and acquisitions, corporate and structured finance, and other transactional and regulatory matters for insurance, financial services and health care clients. Mr. Casey has earned many accolades throughout his career including being named to Insurance Broadcast’s List of the 100 Most Powerful People in the Insurance Industry – North America for seven years. He earned his Juris Doctor at The Ohio State University. Casey taught Insurance Law for the GSU RMI Department as an adjunct professor in the mid-1990s.

JOHN PALLAT, Director of Product Development
Equinox Financial Solutions
John Pallat is an entrepreneur specializing in the development and distribution of niche financial products that target underserved retail and institutional market segments. He is the Director of Product Development for Equinox Financial Solutions based in Princeton, NJ. Mr. Pallat oversees the conception, development and implementation of new products and distribution strategies for investment products managed by Equinox Fund Management and other investment managers. Mr. Pallat received his B.S. from Miami University and a Masters of Insurance degree from Georgia State University. He is currently pursuing a Doctor of Business Administration from the International School of Management in Paris France.

KAVIN SMITH, CPCU, Partner
Seacrest Partners, Inc.
Kavin Smith is a founding partner of Savannah-based Seacrest Partners, Inc. Smith has 29 years of experience in the commercial insurance brokerage and underwriting fields. In 2005 Smith and six other partners formed Seacrest Partners, a privately-held insurance brokerage firm. Today, the firm employs 40 associates, has offices in Atlanta and Savannah, and represents large commercial accounts throughout the Southeast. During his career, Smith has held marketing and management positions with Palmer & Cay/Wachovia Insurance Services, Sedgwick James and Wausau Insurance Companies. Smith earned a BBA in Risk & Insurance Management from Georgia State University and holds the Chartered Property-Casualty Underwriter (CPCU) designation.

DORN H. SWERDLIN, President and CEO
Swerdlin & Company
Dorn Swerdlin, a founder of Swerdlin & Company, is involved extensively in client relations, strategic planning and new business development. Dorn has over 38 years experience in the retirement plan industry and over 40 years as an actuary. He is a Fellow of the Society of Actuaries where he served and chaired on the Actuary of the Future Section Council, the Election Committee and a member of the Marketplace Relevance Strategic Action Team. Dorn is also a member of the American Academy of Actuaries, an Enrolled Actuary, a member of the American Society of Pension Professionals and Actuaries, a Fellow of the Conference of Consulting Actuaries and a member the National Institute of Pension Administrators and the National ESOP Association. He is also a trustee of the Actuarial Foundation.
Many Thanks to Our 2011 Donors

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- Risk & Insurance Management Society, Inc., Atlanta

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- Victoria Williams
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- W. Barry Dawson
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Amounts reflect all contributions received between July 1, 2010 and June 30, 2011.

DANIEL BAUER, assistant professor of risk management and insurance, authored a paper entitled “On the Calculation of the Solvency Capital Requirement based on Nested Simulations,” which was accepted for publication in the ASTIN Bulletin.

FLORENCE, ITALY

PERRY BINDER, assistant professor of legal studies, will be taking his teaching skills to Italy this May for the GSU Teaching Abroad Program. The course, Business Culture Meets Law in Florence, takes 20 students to live in the heart of this historic city, study Italian culture, international law, and global business communication skills, with time off to travel on optional guided excursions to Rome, Venice, and Tuscany. Throughout the program, a variety of social and cultural activities are included to help students learn more about the host culture. This is the first ever RMI-led course in GSU’s Teaching Abroad Program.

ELIZABETH BROWN, associate professor of legal studies, received the Best Paper Award at the Western Academy of Legal Studies in Business annual conference for her paper entitled “Will the Federal Insurance Office Enhance Both Domestic and International Insurance Regulation?”


ROBERT KLEIN, associate professor of risk management and insurance and director of the Center for Risk Management and Insurance Research, presented his research at the eighth annual Insurance Reform Summit: An Era of Enhanced Federal Scrutiny, in Washington D.C. on March 21. The director of the recently created Federal Insurance Office, Michael McRaith, delivered the keynote address. The timely summit served as a status report on how the Federal Insurance Office is being established, the scope of the operations that the director sees and is recommending, and whether any legislation to empower activity by the Federal Insurance Office is being proposed or should be anticipated.

NANCY MANSFIELD, professor of legal studies in the RMI Department, coauthored “The Shocking Impact of Corporate Scandal on Directors’ and Officers’ Liability (with J. Gabel, K. McCullough and S. Fier), which will appear in the University of Miami Business Law Review, a specialty journal providing business and legal analysis. “Integrating Ethics Across the Curriculum: A Pilot Study to Assess Students’ Ethical Reasoning,” a paper coauthored with RMI legal studies associate professors SUSAN WILLEY and MARGARET SHERMAN, has been accepted for publication in the Journal of Legal Studies Education, the premier pedagogy journal in legal studies.
RICHARD PHILLIPS, professor and RMI Department chair, authored “Introduction to the 2011 Symposium Issue of the JRI on Microinsurance” (with Craig Churchill and Dirk Reinhardt), for the Journal of Risk and Insurance 78(1): 1-5. He served as an editor of this special issue of the JRI.

MARGARET SHERMAN, associate professor of legal studies in the RMI Department and coordinator of business outreach for the Robinson College’s Center for International Business, Education and Research (CIBER), is a regular contributor to GlobalAtlanta’s continuing series on Europe’s debt crisis. As part of the series she interviewed Paul Gleeson, the Irish consul general based in Atlanta, concerning Ireland’s upcoming referendum on the European Stability Treaty. She also interviewed Vassilios Gouloussis, the Greek consul based in Atlanta, on the European Union’s new loan program for Greece.


SHAUN WANG, program director and professor of actuarial science, received the 2011 CAS/CIA/SOA Risk Management Section Award for Best Paper with Practical Risk Management Applications. The paper “U.S. Property-Casualty: Underwriting Cycle Modeling and Risk Benchmarks” is co-authored with John Major, Charles Pan, and Jessica Leong. Congratulations to AJAY SUBRAMANIAN, who was promoted to full professor this year. GEORGE ZANJANI, associate professor of risk management and insurance, will receive tenure. Both well-deserved outcomes become effective in August.

Meet the New RMI Faculty

CHARLOTTE ALEXANDER joined the RMI faculty as an assistant professor of legal studies last summer. She holds a secondary appointment at the College of Law. Her scholarly work focuses on employee risk, including health and safety risk, job and wage loss risk, deportation risk for undocumented workers, and the risk of retaliation faced by workers who participate in litigation, attempt to unionize, or otherwise challenge conditions at work. She is also interested in using empirical methods to study the civil justice system, focusing on aggregate litigation, private law enforcement, and access-to-justice issues.

Professor Alexander received her BA, magna cum laude, from Columbia University and her JD, cum laude, from Harvard Law School, where she was elected President of the Harvard Legal Aid Bureau. After law school, she clerked for Judge Nancy Gertner of the U.S. District Court for the District of Massachusetts, and then served as a Skadden Fellow and Senior Staff Attorney at Georgia Legal Services’ Farmworker Division. She was formerly Deputy Director of the National Institute for Teaching Ethics and Professionalism at the Georgia State University College of Law.

FLORIN BIDIAN joined the RMI faculty last fall as an assistant professor. He specializes in financial economics, monetary economics and risk management. Prior to joining Georgia State, he was a senior risk and quantitative methods analyst at an energy hedge fund in Houston. He received a PhD and MA in economics from the University of Minnesota, as well as a MS and BA in mathematics and a BA in economics from Babes-Bolyai University, Cluj, Romania.


Weeks after joining the faculty, he was tapped by the U.S. Department of Treasury for a one-year appointment as Deputy Assistant Secretary of the Treasury for Economic Policy, Microeconomic Analysis, overseeing special projects and directing a staff of ten economists. Dr. Shore rejoins the RMI faculty this summer. He received his undergraduate degree from Princeton University and graduate degrees from Harvard University. He spent four years on the faculty of the Wharton School of the University of Pennsylvania and four years on the faculty of the Johns Hopkins University economics department.
STUDENT NEWS

DANAE TROTT (BBA-AS), a recipient of the RMI Department’s Bermuda Scholarship, was featured in the 2012 issue of Your Future, a Bermudian career related magazine that is sent to all of the homes on the island.

The Foundation for Agency Management Excellence (FAME), the charitable foundation of The Council of Insurance Agents & Brokers, selected BBA-RMI students RASHIDA ARNETT and WILLIAM SMITH as recipients of the 2011-2012 FAME Scholarship. Both students will receive $5,000.

LAKENYA YOUNG (BBA-RMI) was selected to receive a prestigious Spencer Educational Foundation, Inc. Scholarship in the amount of $5,000. Spencer’s Educational Committee selected Ms. Young based on her leadership potential and merit as a scholar at Georgia State University. As a Spencer Scholar, Ms. Young will be invited to speak to audiences of the Atlanta Chapter of the Risk and Insurance Management Society, Inc. and other Spencer events.

PhD STUDENT PLACEMENT

Congratulations to our graduating doctoral students! HAE WON JUNG has accepted a position as assistant professor at the University of Melbourne in Australia. FAN LIU will join Shippensburg University’s Finance Department next fall as an assistant professor. JIMMY MARTINEZ will be an assistant professor in the Economics Department at Copenhagen Business School, one of the largest business schools in Europe. THORSTEN MOENIG will be joining St. Thomas University in St. Paul, Minnesota as an assistant professor of actuarial science, NAN ZHU will be an assistant professor of actuarial science at Illinois State University.

Busy Time for Department’s Student Organizations

In addition to their regular networking meetings, the RMI Department’s student organizations — Actuarial Students Association, Gamma Iota Sigma, Mathematical Risk Management Student Association, and the Graduate Risk Management Association — hosted a Professional Speakers Series that included presentations by:

- Michael DeKoning, President and CEO of Munich American Reassurance Company and a member of our own GSU Risk Management Foundation Board of Trustees, on the state of the reinsurance market after financial crisis (cosponsored with GSU’s Finance Society)
- Rick Elliott, President and CEO of United Healthcare of Georgia and a member of our own GSU Risk Management Foundation Board of Trustees, on the healthcare crisis in the U.S. and the impact of reform (this presentation was given to a class of Robinson College of Business Professional MBA students)

RMI’s student organizations hosted several career development workshops and presentations by potential employers, including:

- Chartis
- Coventry Health Care
- CPeck
- Guardian Life
- Lincoln Financial
- Metlife
- New York Life
- Towers Watson

Buck Consulting, ING, and Munich American Re conducted mock interviews with the students.

Congratulations to Gamma Iota Sigma (GIS) President Kwesi Ofori-Atta and the other officers — Stanley Ekuge, Ve’ron Hall, Bruce Hinton, Tandeka Nomvete, and LaKenya Young — who have reinvigorated the club. They now have more than 30 members and are growing quickly. If you are interested in assisting students in this process, or want information about any of RMI’s student organizations, contact Ednisha Riley at eriley@gsu.edu so we can connect you.

COMMUNITY SERVICE: On March 9, 2012, GIS participated in a community service project with Open Hand, an organization that helps people better manage chronic disease through comprehensive nutrition care. Students helped package food for later distribution to the community.

Gamma Iota Sigma members help Open Hand package food which they will later distribute to the community.
RMI Students Can Now Study in Munich, Germany

Through the RMI Department’s Student Exchange Program, undergraduate and graduate students have the opportunity to study risk management and/or intern abroad in one of Germany’s top business schools—the Munich School of Management in the Ludwig-Maximilians-Universität (LMU), Munich. The program allows for up to three Georgia State University students to study at LMU during any semester. Semesters at LMU run from October to February and from April to July. Undergraduate courses currently offered include Risk and Insurance (in German), Case studies in Risk Management, Financial Management, and a Special Topic Seminar. Graduate courses in reinsurance and insurance economics are currently being offered.

At LMU, courses are offered in both German and English. In order to qualify for participation in the student exchange program, students must:

• Have declared a major within the Department of Risk Management and Insurance
• Pass an eligibility screen
• Comply with standard rules and regulations of LMU
• Must be proficient in the language of instruction for courses being taken

In addition to fees paid to Georgia State, there are certain additional fees and expenses associated with this program, including food, housing, transportation, books, and insurance.

Ludwig-Maximilians-Universität (LMU), Munich is one of Germany’s top universities with more than 500 years of tradition. As a premier center for research and teaching, it houses more than 43,000 students and 700 faculty members. Its Munich School of Management is among the most renowned business schools in the world and offers bachelor’s and master’s degrees in various disciplines including accounting, finance, information and innovation, marketing, and human resources management.

For additional information about the program contact Ednisha Riley, Administrative Specialist - Student & Alumni Affairs, at eriley@gsu.edu or 404.413.7491

ALUMNI NEWS

The Robinson College of Business recognized RMI alumnus LAWTON M. (MAC) NEASE III (MBA-RMI, 1967; PhD-RMI, 1974) as recipient of the prestigious Robinson Alumni Leadership Award (Lifetime Achievement). He was honored during a ceremony in October at Robinson’s Buckhead Center. He is a former member of the GSU Risk Management Foundation Board of Trustees – the department’s fundraising arm – and a long-time supporter of the RMI Department.

Dr. Nease is president of Nease, Lagana, Eden & Culley, Inc., which was founded in 1988 and specializes in planning for estates and businesses and has been involved in some of the industry’s largest, most complex life insurance placements. As a part-time instructor for the RMI Department, Nease taught courses in business insurance, executive benefits and estate planning. Mac also has served as a key lecturer in many executive development programs offered by the RMI Department. He has also been a special lecturer to the national legal, accounting and estate planning communities, and chaired the committee representing the insurance industry in meetings with the U.S. Treasury and the IRS to negotiate new insurance regulations in 2001.

"Mac is one of the finest life insurance and estate and business planning professionals in the country," according to Dr. Bruce Palmer—former chair of the RMI Department (1993-2001) and Professor Emeritus at Georgia State. Palmer also adds that “Because of his outstanding and unique communication skills, Dr. Nease is one of the most highly sought after speakers, nationally, in the financial services field.”

Nease has served numerous leadership roles in the insurance industry, including national president of the Advanced Association for Life Underwriting, president of the Atlanta Estate Planning Council and the Society of Financial Service Professionals. He is the recipient of the prestigious Harry I. Davis Award representing outstanding leadership to the Atlanta insurance community and the Distinguished Service Award from the Georgia Institute of Technology.

Nease chairs the board of trustees of the Georgia Tech Foundation and sits on the boards of M Financial Group, M Financial Investment Advisors, M Funds, Inc., McCamish Systems, and numerous charitable and community organizations.

In addition to his MBA-RMI and PhD-RMI from the Robinson College, Nease is a graduate of the Georgia Institute of Technology in business and industrial management and he holds the CLU designation from The American College in Bryn Mawr, Pennsylvania. He authored the dissertation “Estate and Gift Tax Consequences of Third Party Owned Life Insurance.”
In April 2011, the Department of Risk Management and Insurance hosted a visit by Lord Peter Levene, Chairman of Lloyd’s of London, who made an engaging presentation to a full audience of university faculty members, staff, and students on the global financial crisis and its impact on Great Britain’s insurance markets. It was a great honor for the department to be able to host such an accomplished individual.

Peter Levene has enjoyed a long and varied career in business, government and banking. He was elected Chairman of Lloyd’s, the world’s leading specialist insurance and reinsurance market, in November 2002. Lord Levene began in the defense industry with United Scientific Holdings and was subsequently asked by U.K. Defence Secretary, Michael Heseltine, to act as Personal Advisor in the Ministry of Defense. He became Permanent Secretary in the role of Chief of Defence Procurement, a position he held for six years. He subsequently held several government posts including as U.K. Advisor to the Secretary of State for the Environment; to the President of the Board of Trade; and to the Chancellor of the Exchequer. He was appointed as Advisor to the Prime Minister on Efficiency and Effectiveness from 1992 to 1997. During this period, he also served as Chairman of the Docklands Light Railway and then Chairman and Chief Executive of Canary Wharf Ltd.

He is an Alderman of the City of London and served as Sheriff in 1995 and Lord Mayor in 1998. He received a knighthood in 1989 and became a Life Peer in July 1997. Later he became Vice Chairman of Deutsche Bank in the UK, having also been at Wasserstein Perella and Morgan Stanley.

Peter Levene currently holds four non-executive directorships, as Chairman of General Dynamics UK Limited and on the boards of Haymarket Group Ltd, Total SA and China Construction Bank. He is also the Chairman of NBNK Investments plc and is a member of the House of Lords Select Committee for Economic Affairs.