

# RISKY BUSINESS

TEMPLE UNIVERSITY, FOX SCHOOL OF BUSINESS AND MANAGEMENT, DEPARTMENT OF RISK MANAGEMENT AND INSURANCE

## Happy-go-lucky Young

Young people are hard to pin down. They graduate from school. They jump between employers, or in and out of employment. They leave their parental home for a shared flat, a friend's couch, or a house they can scarcely afford. They move to New York, San Francisco, Portland, or even Austin.

And so they often wander away from the comforts of health-care insurance. According to the Census Bureau, almost 30% of Americans between the ages of 18 and 34 are uninsured. For people aged 45 to 64 the number is just 14%. A healthy young person seldom requires medical attention. So forgoing insurance is an understandable decision. But some of those who roll the dice lose. A serious illness or accident can be financially ruinous, and lead to sub-standard care. Having more healthy young people in the insurance pool would benefit insurers, because they are less likely to make big claims. But efforts to attract them have thus far been feeble. Various companies offer low monthly premiums aimed at the young. But they typically have high deductibles—the amount the subscriber has to pay out of his own pocket before insurance kicks in. So young people tend to shy away from them.

One company, however, is taking an interesting new approach. In September Precedent Insurance—a division of the American Community Mutual Insurance Company—brought out a line of Coverage on Demand plans. The plans are currently available only in Texas, which has a higher percentage of uninsured people than any other state. They offer low premiums, low deductibles, limited benefits, and a clever twist. If you exhaust your benefits but need more coverage, you can pay an additional “activation fee” and get more, even after you get ill or hurt. There are four levels of cover. To get to the fourth requires at least a cumulative \$9,000 in activation fees. But it then provides the subscriber with up to \$5m in coverage.

The activation fees for the higher levels are steep, but a lot better than bankruptcy. According to Mike Grandstaff, the company's chief executive officer, they only make sense if you are, in fact, in reasonably good health. If you are likely to need more than the first level of coverage, the plan is not really economical.

Even people who plan on staying well may prefer more comprehensive health-care insurance. The Precedent plans do not cover, for example, costs associated



with a normal pregnancy. This is to discourage women who plan on becoming pregnant shortly after signing up. But it is, of course, hard luck on a woman with an unplanned pregnancy. Perhaps she could hope that the father works for the government and is in a marrying mood.

Young people have it tough. It remains easier for politicians to rally around the cuddly or wrinkly. This was apparent this week, as Democrats denounced a “cruel” George Bush for vetoing, on October 3rd, the reauthorisation and expansion of the State Children's Health Insurance Programme (SCHIP). This federal programme provides insurance for 6.9m children from low-income families by providing blocks of money to the states, which disburse it. SCHIP began in 1997 and expired on September 30th, although Congress has already extended it for six weeks while the political wrangling continues.

A bipartisan majority in the House and Senate passed a plan that calls for \$35 billion in additional spending on SCHIP over the next five years, only to see it vetoed as expected. The plan would have upped the number of children covered to 10m. Mr Bush opposed the scheme mainly on cost grounds (though Democrats say this rings false, given how much he is wasting on the Iraq war) and accused him of wantonly denying children health-care insurance. This week they plainly won the political advantage. But curing America's health-care system will take more than political point-scoring and limited fixes. It will require a degree of political co-operation that is not now available.

## H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER



### Mary Corcoran

Class of 1988

Vice President

Commerce Banc Insurance Services

Wednesday, October 10, 2007

11:40am-12:30pm

Walk Auditorium, Temple University

Mary Corcoran is Program Director for Commerce Banc Insurance Services focusing on the creation and delivery of insurance products for Commerce Bank Customers.

Prior to entering her insurance career, Mary was a programmer and analyst for Unisys Corporation. After receiving her Associate's Degree from Peirce Junior College, Mary returned to school on a part-time basis to pursue her Bachelor's Degree.

Mary changed her major to Risk Management and converted to a full-time student (due to the inspiration of a spirited Temple University professor). Her desire to network and create unity among her

fellow Risk Management and Actuarial students prompted Mary to get involved in the creation of a Chapter of Gamma Iota Sigma at Temple. This grass roots effort paved the way for her future involvement in professional and civic organizations and built a strong network that remains intact today.

Over the past twenty plus years, Mary has held positions in consulting, underwriting, marketing, sales, management, and most recently, product development. She holds her ARM Designation and plans to pursue her Master's Degree in 2008. Mary attributes her multifaceted approach to business to the diversity of her experiences both educationally and professionally. Her industry knowledge, alignment with Temple University along with a strong desire to mentor has positioned her as a strong supporter of the internship program.

Mary resides in Philadelphia with her husband and three sons. She is involved in a variety of community service projects and is an active runner and fundraiser for the Leukemia and Lymphoma Society.

## Etiquette Workshop

Monday, October 15, 2007

4:45-6:15pm

Tuttleman 300AB

Proper business etiquette is essential when it comes to networking. The GIS etiquette workshop is designed to cover the basics of business etiquette. Students will learn the ins and outs of networking and dinner etiquette. This workshop is a requirement for any students that want to be in the Resume Book or that are participating in BA 2101 through Gamma Iota Sigma. A sign-up sheet will be available on the Gamma Iota Sigma office door (the 4th floor of Ritter). Spots are limited for each, so sign up soon. **If you have already attended one of these workshops through Gamma Iota Sigma, you do not need to attend another one.**

If you have any questions regarding this event, please contact Ari Berman:  
[ari.berman@temple.edu](mailto:ari.berman@temple.edu)

## 'How to Prepare for the Senior Career Reception' Workshop

Monday, October 15, 2007

11:40am-12:30pm

Student Center 217A

The **'How to Prepare for a Senior Career Reception' Workshop** will help seniors choose the best strategy during the career reception. This workshop is especially critical for any senior who will be attending the **Senior Career Reception** as it will discuss what seniors can expect at this career reception. Dr. Drennan and Michelle Henry will be presiding over this workshop.

If you have any questions regarding this event, please contact Michelle Henry:  
[mmhenry@temple.edu](mailto:mmhenry@temple.edu)

Don't forget to visit the Sigma Chapter website at <http://www.sigmachapter.org> for a full calendar of events, as well as other features!

## Industry to Campus

### Liberty Mutual and Munich Re

Tuesday, October 16, 2007 and

Thursday, October 18, 2007

4:00-6:00pm

Student Center 200A and Speakman 318

This event provides students a unique opportunity for students to learn more about different companies that will be attending our upcoming Senior Career Reception. Industry representatives will be on hand to answer questions members may have regarding working for these companies as well as different career paths offered within the company. This is both an excellent networking opportunity and learn more about potential employers. Liberty Mutual representatives will be in the Student Center Room 200A on the 16th, while Munich Re representatives will be in Speakman 318 on the 18th.

If you have any questions regarding this event, please contact Gelena Turkel:  
[gelena@temple.edu](mailto:gelena@temple.edu)



## Intern Testimonial: Christine Jenkins

*Christine Jenkins is a Risk Management major graduating in December 2008. In the summer of 2007, Christine interned with Mercer in Newport Beach, CA. Risky Business sat down with Christine to ask about her experience.*

### RB: How was the internship itself?

CJ: The internship itself was awesome. I worked in client teams with consultants and various analysts to examine renewals. I was able to attend about five client meetings with my teams and in three of those meetings I made presentations on my work. It was encouraging to know that my work was valued as much as the work of any other analyst in the office.

### RB: How well did you adapt to being away from home?

CJ: Being away was probably the hardest part of the summer. The only thing that made it easier to bear was the support I had from everyone back at home.

In general, I would definitely recommend having the experience of going far away from home before making the decision to permanently relocate elsewhere.

### RB: Did you have a mentor?

CJ: We didn't have an "official" mentor. However, I did work closely with an alum that graduated from Temple's program. Overall, I was fortunate enough to have worked with a wide variety of personalities in the office, giving me a broader learning experience.

### RB: Did you feel that your RMI classes prepared you for your internship?

CJ: Of course. For students following the benefits track, PAY ATTENTION IN RMI 3501(205). It is also important to have knowledge of the claim function, loss ratios, from RMI 3504(329). I also recommend becoming VERY familiar with Excel.

# MERCER

## PEBA Evening Event

Thursday, October 18, 2007

5:30-9:00pm

The Down Town Club (6th and Chestnut)

Join the Penjerdel Employee Benefits and Compensation Association for a night that will surely be memorable. In attendance will be keynote speaker Rosemarie Greco, the director of Health Care Reform for the Commonwealth of Pennsylvania speaking on "Prescription for Pennsylvania: A Potential Remedy for Health Care Reform". In addition, PEBA will honor Joseph Hessenthaler, Principal at Towers Perrin as the "Outstanding Achievement in Benefits and Compensation Award winner"

If you would like to attend this event or if you have any questions regarding this event, please e-mail Aaron Hill:  
[aaron.hill@temple.edu](mailto:aaron.hill@temple.edu)

## Worker's Compensation Fraud Workshop (hosted by RIMS)

Tuesday, October 16, 2007

8:00-10:00am

Conshohocken, PA

Fraud continues to plague worker's compensation programs across the United States, despite efforts in many quarters to curtail this pervasive crime. Although there is no credible methodology for measuring the true scope and impact of W/C fraud, professionals agree that the extent is probably in the billions of dollars annually. This presentation will profile some classic examples of fraud by allegedly injured workers and outline a series of 'red flags' that employers can use to judge whether fraud is a problem.

Admission to this workshop is free. In addition, the Marriott will provide a free continental breakfast starting at 8:00am.

If you have any questions regarding this event, please contact Kevin Johnson:  
[kjohnson05@temple.edu](mailto:kjohnson05@temple.edu)

## Philadelphia CPCU Breakfast

Thursday, October 18th, 2007

8:00-10:00am

Union League (104 South Broad Street)

This is a great opportunity to attend a professional society meeting. As students will be involved with these types of organizations throughout their professional careers, this networking experience should prove invaluable. Several insurance executives will be present speaking to everyone, and there will be plenty of knowledge to gain. It should be an exciting and intriguing event for everyone attending.

If you would like to attend this event or if you have any questions regarding this event, please e-mail Kevin Johnson:

[kjohnson05@temple.edu](mailto:kjohnson05@temple.edu)