

RISKY BUSINESS

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

China Bars Exports by 750 Toy Makers

November 1, 2007

Chinese regulators said Thursday that they had suspended the export licenses of more than 750 toy companies because of quality control problems, according to the state-controlled media.

The government said an additional 690 toy factories in southern China, the world's largest toy manufacturing region, had been ordered to renovate or improve their facilities.

The move was announced just days after American legislators moved to strengthen consumer protections and impose tougher penalties on companies that sell tainted or hazardous goods, including goods imported from China.

This year, European Union officials warned China that they would take strong action if it did not improve the quality and safety of the consumer goods it exports, particularly toys.

Toy industry officials in the United States hailed China's announcement.

"China is living up to its word to improve product quality and product safety," said Frank W. Clarke, a spokesman for the Toy Industry Association in New York, which represents some of the world's biggest toy makers. "This will be reassuring to consumers to see that China is taking action."

The toy industry has been rocked this year by a series of recalls involving millions of toys made in China, many of which were found to contain high levels of toxic lead paint.

The Chinese government crackdown on toy makers is not expected to significantly affect the coming holiday season because most of those toys, the vast majority of which are made in China, have already been produced and shipped to American ports and will soon be stocked on retailer shelves.

But the regulatory moves could hurt toy makers next year, and possibly upset their extensive supply chain, even though the suspensions directly affect only a small portion of the more than 5,000 toy makers believed to be operating in southern China.

Senator Richard J. Durbin, Democrat of Illinois and one of the leaders behind legislation to strengthen consumer protections, said China's move to suspend licenses was not enough. He called for the United States and China to come to an agreement that would put American product safety inspectors working in China, before faulty goods could be exported.



"Simply reacting to problems doesn't solve a crisis," Mr. Durbin said in a statement issued Thursday morning. "More needs to be done."

Despite the announcement of the license suspensions, Chinese regulators said 99 percent of toy exports in southern Guangdong Province, near Hong Kong, met quality standards.

But those figures seemed contradictory; regulators in Guangdong said that they had visited over 1,700 facilities and that 764, more than a third, had their licenses revoked. Nearly as many were ordered to bring their factories up to quality standards.

For months, China's top quality inspection agency — the General Administration of Quality Supervision, Inspection and Quarantine — has insisted that the same percentage of the country's exports met quality standards and were safe.

Chinese regulators also said recently that the country's toy exports were continuing to boom this year, according to a report by Reuters.

Trade statistics through August showed that American imports of toys continued to grow steadily, despite the recalls, though those statistics may reflect a period long before news of the major recalls began to spread around the globe.

China has also been stung by criticism this year of other faulty products, including tainted pet food ingredients, toxic toothpaste and seafood laced with harmful chemicals.

H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER



Roger Andrews

Risk Manager in Residence

2007 Spencer Educational Foundation

Director of Risk Management

E. D. Bullard Company

Wednesday, November 7, 2007

11:40am-12:30pm

Kiva Auditorium (not Walk), Ritter Annex

Roger Andrews is director of risk management for E.D. Bullard Company. He manages the international risk for this major manufacturer of personal protective equipment including hard hats, fire helmets, and thermal image cameras. His duties include: the purchase of all property & casualty, group health insurance and workers' compensation policies; review of all product literature and warnings; administration of the 401(k) program; and, management of all litigation and claims under the self-insured retention.

Prior to joining E.D. Bullard, Mr. Andrews worked for Travelers Insurance Company as a commercial underwriter in San Diego and in the international department in Hartford, Connecticut. In 1982, he became the first director of risk management for the State of Maine. He has worked as manager of property and casualty for Hannaford Bros. Co., and director of risk management

for Bath Iron Works Corp.

While in Maine, Mr. Andrews was appointed to serve on the Governor's Commission to Examine Problems of Tort Litigation and Liability Insurance in Maine. He was a founding member and past chairman of the Board of Directors of the Maine Council of Self-Insurers and as a trustee of the McKin Toxic Waste Site Trust Fund and served as Chairman of the Human Resource Committee of the Maine Chamber of Commerce & Industry.

Mr. Andrews has been active in RIMS for the past 23 years in various capacities. He has served as president and director of the Bluegrass Chapter in Lexington, Kentucky and currently serves as Delegate and co-chair of the Western Regional Conference from the Utah Chapter. He was president of RIMS from May 1, 2000 to 2001. Roger was a member of the RIMS Nominating Committee and is currently a member of the board of directors of the Spencer Educational Foundation. In April 2006, at the RIMS Conference in Hawaii, Roger was awarded RIMS' highest award, the Harry & Dorothy Goodell Award for outstanding contributions to risk management and to RIMS.

Roger received a BA degree from Brigham Young University, a JD from Thomas Jefferson School of Law in San Diego and is a member of the State Bar of California. He and his wife, Joelyn, have seven children and seven grandchildren.

Bullard[®]

It's your life and you're worth it[™]

Underwriting Panel

Friday, November 9, 2007

11:40am-12:30pm

Speakman 113

The insurance carrier is both the company accepting the transfer of risk and forms the second major part of the insurance transaction. Underwriters at insurance carriers are responsible for pricing the risk appropriately, so that a firm's losses do not exceed the premiums paid to the insurer. Although there are many similarities in the way carriers operate, there are also equally many differences. Size, geography and many other factors lead to variations in the *modus operandi* of the many insurance firms. In this workshop, **James Anderson (Class of 2004)** of CIGNA, **Joseph Jacquinto (Class of 2000)** of Liberty Mutual and **Duane Garrison (Class of 2000)** of AIG will discuss their own companies and careers.

If you have any questions regarding this event, please contact Karen Gaudet:
k.gaudet@temple.edu

'How to Prepare for an Actuarial Science Internship Reception' Workshop (MANDATORY)

Friday, November 9, 2007

11:40am-12:30pm

Student Center 217D

The **'How to Prepare for the Actuarial Science Internship Reception' Workshop** is designed to help both new and old members become acquainted with our annual Actuarial Science Internship Reception. Sometimes it is difficult to figure out how to approach an industry representative or what to do while in an interview. This workshop will discuss these issues as well as dispense advice on before-and-after-reception procedures. **If you want to attend the Internship Reception, attendance at this workshop is mandatory, no matter if you have been to a reception before or not.** Free pizza and soda will be provided.

If you have any questions regarding this event, please contact Nate Loughin:
nmloug@temple.edu

Etiquette Workshop (LAST ONE)

Friday, November 9, 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 (i.e. attend the Actuarial Science Intern Reception) or that are participating in BA 2101 through Gamma Iota Sigma. Book. Please take note that this is the last Etiquette Workshop of this semester and that there are limited spots available, so sign up as soon as possible at the Gamma Iota Sigma Office (4th floor of Ritter).**

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



Intern Testimonial: Matt Ferry

Matt Ferry is a Risk Management major graduating in December 2008. In the summer of 2007, Matt interned in Manhattan, NY with Arthur J. Gallagher. Risky Business sat down with Matt to discuss his experience at AJG.

RB: How was the internship in general?

MF: The internship was a lot of fun and a great learning experience. It allowed for a lot of hands on learning in very student-friendly culture.

RB: Where was your internship? If it was away from home, how well did you adapt being away?

MF: My internship was in midtown Manhattan. It wasn't technically away from home being that I commuted from my parent's house. There really wasn't any sort of adaptation being that I'm originally from New York, so it was really nice being back in the city. The only adaptation I really had to make was being flown out to home office in Illinois for a week. It was tough to find decent Chinese food out there.

RB: Did you have a mentor?

MF: The internship was rotational in that I worked in two different departments for four weeks at a clip. I did have two mentors, one for each department. They were senior V.P.s and the most helpful people I've ever met.

RB: What do you feel was the most important thing you came away with from the internship?

MF: A great work experience, with satisfaction that I know I chose the right major for my personality type and skill-set.

RB: Did you feel that your RMI classes helped you?

MF: I was fresh out of Intro. with Dr. Manaka (my favorite class to date) when I got this internship; that class alone built a foundation that AJG developed. However, as a whole, it was the combination of Wednesday meetings, the Gamma workshops as well as Intro. that helped me get a grasp on the industry and on what is expected from a young professional.

Corporate Trek: ACE INA

Friday, November 9, 2007

1:50-4:00pm

Philadelphia

This is an excellent opportunity for actuarial science students who are interested in obtaining an internship this upcoming summer and planning on attending the Actuarial Science Internship Reception. ACE-INA will have representatives take us on a tour of their office space, have members from their various lines of business speak to you about their roles within the company and have lower-level employees up to senior management speak to you. This will allow you to network with the people that will be interviewing you at the Reception.

We will be meeting at Broad and Cecil B. Moore at 1:50pm, near Barnes and Noble.

If you would like to attend this event or if you have any questions regarding this event, please contact Gelena Turkel:
gelena@temple.edu

Philabundance Food Bank (RMI event)

Saturday, November 10, 2007

12:30-3:30pm

8th and Berks

On Saturday, November 10th, 2007, the Sigma Chapter will help Philabundance in their efforts to end hunger. Founded in 1984, Philabundance fights hunger while reducing food waste. Members will help Philabundance to package and/or sort canned goods for senior citizens that are in need of food. **Please note that this event will fulfill the RMI 3582(100) community service requirement event.** There will be sign-up sheets for this event on the door of the Gamma office (4th floor of Ritter).

If you have any questions regarding this event, please contact Crystal Carmicheal:
crystal.carmicheal@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!

Strike's Bowling Lounge

Tuesday, November 13, 2007

6:00-9:00pm

40th and Locust

Once again, Sigma Chapter's Bowling Night will be held at Strike's Bowling Lounge, which is located on the campus of Penn. This location is easily accessible through the subway system from Temple's campus. Besides bowling and pool tables, Strikes offers a variety of delicious food as well as alcoholic beverages to those over 21. Dr. Drennan will also be in attendance, so take this chance to beat him at his own game. **This event will cost \$20 per person and is open to EVERYONE, so bring all your friends!** The cost includes both the cost of bowling as well as appetizers.

If you have any questions regarding this event, please contact Chelsea Balerno:
CBalerno@gmail.com