

# RISKY BUSINESS

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

## How Now, Down Dow?

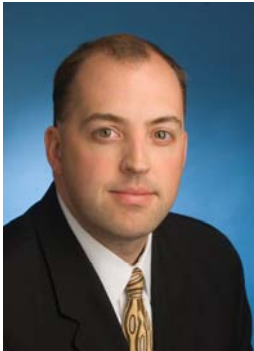
The **Dow Jones industrial average** suffered its worst one-day point decline in history on September 28th, 2008, as investors ran for safety after **Congress failed to pass a bailout** for the nation's beleaguered financial industry. The sheer size and scope of losses in the major stock markets left many investors stunned. The Standard & Poor's 500 index **lost 8.4 percent of its value**, the most in more than 20 years. The entire stock market lost more than \$1 trillion of value just yesterday. **The 777.68-point drop** in the Dow exceeded the benchmark index's previous single-day point decline set after the **Sept. 11, 2001, terrorist attacks**. However, on a percentage basis, the **6.98 percent decline does not rank in the top 10 of losses** for the Dow.

### H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES

WEDNESDAY  
OCTOBER 8TH, 2008

#### JOHN ROTTKAMP

CHIEF UNDERWRITING  
OFFICER - CIGNA  
11:40 AM - 12:30 PM  
WALK AUDITORIUM



**John Rottkamp** has served as the Chief Underwriting Officer for CIGNA Group Insurance since March of 2007. In this role Mr. Rottkamp is responsible for managing the profitability and risk profile for CIGNA's life, disability, accident and special risk products.

Mr. Rottkamp joined CIGNA in 1994 and has served in various positions of increasing responsibilities within CIGNA HealthCare, CIGNA Retirement and Investment Services and CIGNA's former Individual Insurance and Reinsurance divisions.

Mr. Rottkamp holds a Bachelor of Science degree in Business Administration from the University of Hartford. Mr. Rottkamp is a Fellow in the Society of Actuaries and a Member in the American Academy of Actuaries.

The **Dow**, an index of **30** of the nation's top industrial companies, gyrated wildly in the **40 minutes** that voting in the House of Representatives on the bailout bill was being broadcast on television, **including a dizzying 400-point plunge** during one 15-minute period. Traders on the New York Stock Exchange **booed when the closing bell rang**.

The bailout defeat reverberated around the world, with stock markets in other regions recording major losses; **Brazil's stock exchange was forced to shut down** in the afternoon after losses exceeded **10 percent**. The carnage spread to **Asia** too. All major stock markets in the region tumbled sharply, succumbing to heightened fears of a broader global credit crisis. **Japan's benchmark Nikkei 225 index shed more than 544 points**, or 4.6 percent, to 11,199.07. Seoul's Kospi lost 3.5 percent, and Hong Kong's Hang Seng index declined 5.5 percent. Even before the House voted, **credit markets had continued to tighten** and by midday many had virtually stopped trading, creating further problems for many companies that want to borrow money. Meanwhile prices for commodities, **including oil**, plunged on fears that a broader, deeper economic recession would reduce demand. **"It's a full-blown crisis and there's nowhere to hide,"** said money manager Stephen Demirjian of Integrity Capital Management in Boston.

The rout was not limited to financial stocks. Oil companies, manufacturers, and even high-fliers like **Apple Inc.** and **Google Inc.** all took a pounding reflecting investors' deep concerns about the scale and scope of a potential economic slowdown.

Adapted from an article entitled "Market takes a record plunge" By Steven Syre. *The Boston Globe*

### INTERN TESTIMONIAL - CHELSEA BALERNO



Chelsea Balerno is a senior graduating in December of 2009, and majoring in Actuarial Science. In the summer of 2008, Chelsea interned at Towers Perrin in Philadelphia. *Risky Business* recently sat down

with Chelsea to ask about her time there:

**RB: What sort of work were you assigned to do while at Towers Perrin?**

CB: I got to work on a large variety of projects in retirement, health & welfare and executive compensation. I got to work on benefit calculations, government filings, and created a presentation on Enterprise Risk Management and other financial initiatives that was shown to CFOs of Fortune 500 companies!

**RB: Did you have a mentor?**

CB: Yes, I was assigned a "buddy" who gave me work and trained me. However, I had the opportunity to work with people

from all departments and all experience different levels within Towers Perrin.

**RB: Did your Actuarial classes help you during your internship?**

CB: Absolutely! I used a lot of information from Modeling 1 while projecting retirement benefits and death benefits. Theory of interest was very useful as well.

**RB: What was the best aspect of your summer as an intern?**

CB: The people at Towers were amazing! Everyone took the time to teach me new things and assign projects they thought would interest me. I got to sit in on calls with clients, check calculations, and even run some of my own projects within my client team. I also designed and built an indoor miniature golf hole for a company fun golf outing we put on! It is important to find a place where you fit in and feel comfortable, and Towers definitely was a fit for me! Internships are a great way to learn new things, meet new friends, and gain work experience! Working as a retirement consultant was an amazing experience that I would recommend to anyone.

## Friday Enrichment Workshops

Risk Management and Insurance Majors	Graduating Seniors	Actuarial Science Majors
<p><b>Brokers' Panel</b>  <i>Friday, October 10th, 2008</i>            11:40 AM - 12:30 PM            Howard Gittis Center (SAC) North 217AB</p> <p>Have you ever considered the career path of being a broker? Wondering what it takes to be a broker or the type of exams needed? Here is your chance to hear from three brokers from a variety of companies and backgrounds concerning their experiences, types of clients they deal with and their daily activities. The following professionals will be presenting:</p> <p><b>Jeffery Kirk - Clear Stream Benefits Plans, Inc,</b>  <b>Kevin Turner - Class of 1996 - Brown &amp; Brown</b></p> <p>Any questions regarding this event, contact Tiffany Calhoun: Tiffany.Calhoun@temple.edu</p>	<p><b>Evaluating Your Job Offer</b>  <i>Friday, October 10th, 2008</i>            11:40 AM - 12:30 PM            Howard Gittis Center (SAC) North 223</p> <p>As the interviewing process begins to start, evaluating your job offers, benefit packages and possible full-time positions are key. Join in at this Enrichment Workshop to discuss how to evaluate these opportunities. <b>Curt Wilson</b> and <b>Charlie Silla</b> from ACE-INA will be attending.</p> <p>Any questions regarding this event, contact Tiffany Calhoun: Tiffany.Calhoun@temple.edu</p>	<p><b>Intern Presentations</b>  <i>Friday, October 10th, 2008</i>            11:40 AM - 12:30 PM            Howard Gittis Center (SAC) North 217C</p> <p>Looking for an internship in the upcoming summer, wondering what opportunities are available, the type of work you will do and interested whether you will like to attend? An internship presentation provides opportunity for you to hear from fellow actuarial students about their experiences, what they enjoyed and didn't like about their 2008 internships.</p> <p>Any questions regarding this event, contact Tiffany Calhoun: Tiffany.Calhoun@temple.edu</p>

### This week in Time - Numbers

<b>478</b>	Weight, in carats, of a diamond found in the African Nation of Lesotho. It is the 20th largest rough diamond ever found.
<b>19</b>	Number of years journalist U Win Tin spent as a political prisoner before being released by the Burmese government.
<b>\$1.5B</b>	Amount to be slashed from New York City's budget after recent turmoil in the U.S financial Markets.
<b>100</b>	Number of years since the creation of the Ford Model T. Oct 1st marked the 100th anniversary. Happy Birthday Ford! Your present? Economic Downturn...ouch
<b>\$700B</b>	Amount of the recent proposed bailout, which is an amount so high it could buy you every NFL, NBA and Major League Baseball team, with money left over to build each team a new stadium...and pay each player \$191M apiece for a year.

### This week in Time - Quotes

<b>'Economic Pearl Harbor'</b>	<b>Warren Buffett</b> - Investor, describing the nation's financial crisis, after purchasing \$5 billion in Goldman Sachs Group stock.
<b>'America is like my distant uncle, who doesn't remember my name, but occasionally gives me pocket money'</b>	<b>Chimamanda Adichie</b> - Nigerian writer, on receiving a \$500,000 "genius award" from the MacArthur Foundation.
<b>'This is an act of banditry, not of terrorism'</b>	<b>Egyptian Tourism Ministry</b> - In a statement after gunmen kidnapped 19 tourists and their guides during an Egyptian desert safari.
<b>'It's the public school system. Let's be honest - it's full of liberal loons.'</b>	<b>Dann Dalton</b> - Father of an 11-year-old Colorado boy who was suspended for wearing a T-shirt with the slogan: OBAMA IS A TERRORIST'S BEST FRIEND

### A Note from the Editor



As we progress through the semester and your passion for *Risky Business* increases, I just wanted to take the time to introduce myself. Each week I plan to not only bring you upcoming Sigma Chapter events, but to also give you a recap of recent events. Through my subscription to *TIME Magazine* and the Gamma calendar, I hope to keep your briefing informational and interesting (or at least give you something to read while in class). I look forward to bringing you this wonderful piece of literature, and wish you an awesome semester. Thanks for reading.

Ed Boyanoski  
 Director of Career Development, Fox RMI Class of 2008

### Industry to Campus - Aetna & Travelers

*Thursday, October 9th, 2008*  
 4:30 PM - 7:00 PM  
*Kiva Auditorium: Ritter Annex*

As a **graduating senior** you will be looking at a variety of companies for the opportunities available. Are you curious what it is like to work at these companies? Attend the Industry to Campus event to know what your full-time hiring experience will be, hear from HR, Managers and recent hires. **Aetna** and **Travelers** will be in attendance.

Any questions regarding this event, contact Tiffany Calhoun: Tiffany.Calhoun@temple.edu

### Intern Interview Workshop

*Saturday, October 11th, 2008*  
 9:00 AM - 12:00 PM  
*Tuttleman Room 300AB*

This required workshop for the **'Road to the Resume Book'** strengthens the advantage of being in the resume book, as it is designed to provide students with tips that are useful when interviewing. Led by recruiters within the Actuarial Science industry, you will gain real insights into what recruiters are looking for in an intern, and how to leave that positive lasting impression.

Any questions regarding this event, contact Bill Gant: Bill.Gant@temple.edu

### RMI 3682 - Community Service Event

*Saturday, October 11th, 2008*  
 9:00 AM - 12:00 PM

For the **Second** Community Service Event, the Sigma Chapter will be pairing up with the city wide organization, **Greater Philadelphia Cares**. We will be participating in an activity to help other organizations throughout the community. This gives Sigma Chapter members a better understanding of how others in the community contribute and give back.

Any questions regarding this event, contact James Bankhead: James.Bankhead@temple.edu

### October CPCU Meeting

*Tuesday, October 7th, 2008*  
 8:00 AM - 10:00 AM  
*Union League Philadelphia*

The **CPCU** Society has opened their doors to all Sigma Chapter Members! Enjoy the opportunity to participate with the local Philadelphia CPCU chapter members at their monthly meeting. Listen to recent industry trends affecting the insurance industry and socialize with professionals. This is a great opportunity to get involved as an undergrad, so the transition from college will be easy!

Any questions regarding this event, contact Ed Boyanoski: Ed.Boyanoski@temple.edu