

RISKY BUSINESS

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

WACHOVIA WON'T WATCH-OVA-YA!

Wells Fargo & Co. and Citigroup Inc. agreed Monday to a 44-hour truce in their fight over regional bank Wachovia Corp. after a weekend of legal wrangling. Wells Fargo and Citigroup have been battling over the bank since Wells Fargo announced an offer Friday that bested Citigroup's proposal a week ago. As part of their agreement on Monday to suspend all litigation, effective immediately, the three banks also said they would cease any formal discovery activities.

The increasingly bitter dispute has drawn in Federal Reserve officials looking to broker a deal. Sheila Bair, chairman of the Federal Deposit Insurance Corp. (FDIC), said she expected an agreement "that serves the public interest" to be reached Monday, although the FDIC is not involved in the negotiations. A person familiar with the situation said the various options discussed in the talks with the government included dividing up Wachovia between the two feuding companies. The source added that Wells Fargo would still like to buy all

of Wachovia. Citi, which announced a preliminary agreement to buy Wachovia's banking assets for \$2.2 billion a week ago, was considering an offer for the entire bank, among other options, a person close to Citi said.

The source said Citi has no appetite to buy Wachovia's assets without some sort of government guarantee -- unlike Wells Fargo, which made a \$15 billion counter bid for the entire bank on Friday. Some analysts also questioned whether Wells Fargo's bid will cost the government less money than Citigroup's. Wells Fargo is taking advantage of changes the Internal Revenue Service had made in the tax treatment of write-downs when a bank is purchased. The changes allow the acquiring bank to recognize an immediate benefit from the write-downs, rather than recognizing them over multiple years.

Citi shares ended down 5.1 percent to \$17.41 on worries it could lose the chance to increase its deposit base through a Wachovia takeover, while Wachovia dropped 6.9 percent to \$5.78 on

concern over the impact of a protracted legal battle. Shares in Wells Fargo closed down 2.7 percent to \$33.64 after Citi sued San Francisco-based Wells and Wachovia for breach of contract. "A protracted legal squabble is in no one's interest," said Michael Farr, president of investment manager Farr, Miller & Washington. He said the uncertainty over Wachovia's future will likely cause depositors to withdraw savings from the bank.

Wells Fargo, the No. 7 U.S. bank by assets, has managed to remain profitable during the credit crunch, while Citi is looking to turn around its ailing business after posting about \$60 billion in write-downs and losses during the last year.



Adapted from *Insurance Journal* "Wachovia...Halt Litigation"

H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES



WEDNESDAY
OCTOBER
15TH, 2008

STEPHEN J. JOHNSON, CPA
DEPUTY INSURANCE COMMISSIONER
PA INSURANCE DEPARTMENT

11:40 AM - 12:30 PM
WALK AUDITORIUM

Stephen Johnson was appointed deputy insurance commissioner for the Office of Corporate and Financial Regulation, effective February 18, 1998. As deputy insurance commissioner, Mr. Johnson oversees the Bureau of Company Licensing and Financial Analysis and the Bureau

of Financial Examinations. These bureaus are principally responsible for carrying out the department's financial solvency regulation of the insurance industry. Units within the bureaus are responsible for company licensing; financial analysis; financial examinations; as well as the review of proposed acquisitions, mergers, restructurings and other corporate changes and transactions involving Pennsylvania insurers.

From December, 1991 to February 18, 1998, Mr. Johnson was director of the Bureau of Financial Examinations in the Office of Corporate and Financial Regulation. As bureau director he oversaw a team of examiners and exam managers who conducted on-site reviews of the financial health of approximately 300 insurance companies organized in Pennsylvania, as well as continuing care retirement communities.

From September, 1990 to December, 1991, Mr. Johnson was chief of the financial analysis division in the Of-

fice of Corporate and Financial Regulation. As chief, Mr. Johnson supervised the department's financial analysts and oversaw the analysis and review of financial statements filed by Pennsylvania's 300 domestic and 1400 foreign licensed insurance companies. Mr. Johnson serves as member on many financial working groups, task forces and committees of the National Association of Insurance Commissioners, including, since its inception in the Fall of 1994, the Statutory Accounting Principles Working Group. In December of 2001, Mr. Johnson was presented with the National Association of Insurance Commissioners Robert DiNeen Award in recognition of outstanding achievement as a career regulator.

Mr. Johnson earned a Bachelor of Science degree in business administration from Shippensburg University. He has been a certified public accountant since 1980. He is also the proud father of Kevin Johnson, our president of the Sigma Chapter of Gamma Iota Sigma.

Committee Meetings

Monday, October 13th, 2008
11:40 AM - 12:30 PM

Career Development - HGC* North 217C
Student Affairs - HGC North 217D
Community Affairs - HGC North 217B
Public Relations - HGC North 217A
MIS - Ritter Annex 402
Special Events - HGC North 220
Math Competition - HGC North 223

As part of the BA 2101 Course Credit, attendance at committee meetings is required. However, this is also a great way to network with fellow members who have had great GIS experiences.

*HGC = *The Howard Gittis Student Center (SAC)*

Industry to Campus - ACE-INA & CIGNA

Monday, October 13th, 2008
4:30 PM - 7:00 PM
Tuttleman Room 300AB

As a **graduating senior** you will be looking at a variety of companies for available opportunities. 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. **ACE-INA and CIGNA** will be in attendance.

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

October RIMS Meeting

Tuesday, October 14th, 2008
8:00 AM - 10:00 AM
Union League Philadelphia

The Delaware Valley Chapter of the **Risk and Insurance Management Society (RIMS)** is holding their monthly meeting this October 14th, 2008 beginning with breakfast at 8:00 am. The meeting will follow at 8:30 am. This is an excellent opportunity for you to meet and network with industry professionals, as well as learn about current trends and events within the industry.

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

“How to Prepare for the Graduating Senior Career Reception”

Monday, October 20th, 2008
11:40 AM - 12:30 PM

The Howard Gittis Student Center (SAC) 217D

For **graduating seniors** participating in the **Fall 2008 Graduating Senior Career Reception**, this workshop not only goes over how to prepare for the event, but also is the last chance to review your resume for any last minute changes. Also, remember that the Road to the Resume Book requires this event, so it is **Mandatory**.

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

Cultural Dinner

Monday, October 20th, 2008
7:00 PM - 9:00 PM
Pho Hoa Restaurant
1111 South 11th Street, (11th and Washington)

Join us for a **Vietnamese Feast!** At Pho Hoa, Yo! Pho Hoa is a ‘Health Conscious Choice’ that features naturally flavored, low-calorie, delicious soups with the choicest slices of brisket, flank, eye round steak. (The Sigma Chapter got a great deal!) Prices include a drink, appetizers, and an entrée:

Vegetable Entrée - \$11
Chicken or Beef Entrée - \$12
Seafood Entrée - \$15

Any questions regarding this event, contact Corey Devaughn: Corey.D@temple.edu

Intern Testimonial—Paul Kang

Paul Kang is a senior graduating in December of 2008, and majoring in Actuarial Science and Risk Management and Insurance. In the Summer of 2008, Paul interned at APEX Consulting in Philadelphia. *Risky Business* recently sat down with Paul to ask about his experience with APEX:

RB: What sort of work were you assigned to do while at APEX?

PK: I worked mainly with post retirement health benefits. Much of it dealt with the calculation of benefits, verifying calculations and creating the reports that go along with it. I also was a part of a group of interns that got the chance to create a new model and even present it to the president of the company.

RB: Did you have a mentor to work with?

PK: I didn't have one specific mentor, but the interns and I got to sit down and learn about all the aspects of the company from the different people in those areas. Because of that, we got to know almost everyone in the office and it promoted a great atmosphere for us to ask questions while we worked.

RB: Did your Actuarial and RMI classes end up helping you during your internship?

PK: Absolutely it did. Being both an Actuarial and Risk student, I believe it helped me on the job with not just doing the math but also with the terms and rules that are used in our industry.

RB: What do you think about the overall internship experience?

PK: It was amazing. I actually woke up every morning wanting to go to work! I enjoyed working at APEX, and the people there made it such a great place to work. I gained so much experience, made new friends and I would recommend an internship to anyone.

Fun facts you thought you'd never need to know

- Most people blink about 17,000 times a day
- Moths have no stomach
- Hummingbirds can't walk
- A mosquito has 47 teeth
- Ants do not sleep
- Elephants have been known to remain standing even after they die
- There are 60,000 miles (97,000 km) in blood vessels in every human
- The most dangerous animal in the world is the COMMON HOUSE FLY! Because of their habitual tendency to visit animal waste, they transmit more diseases than any other animal.
- Armadillos, opossums, and sloth's spend about 80% of their lives sleeping
- 100 years ago, the first virus was found in both plants and animals
- The only letter not appearing on the Periodic Table is the letter ‘J’
- Ten minutes of one hurricane contains enough energy to match the nuclear stockpiles of the world!
- Lake Titicaca is the highest navigable lake in the world
- There is enough fuel in a full tank of a Jumbo Jet to drive an average car four times around the world
- Humans blink over 10,000,000 times a year
- Porcupines float in water
- The leg bones of a bat are so thin that no bat can walk
- Only humans sleep on their backs
- 15 Million blood cells are produced and destroyed in the human body every second
- Every year, kids in North America spend close to half a billion dollars on chewing gum
- Apples are more efficient at waking you up in the morning than caffeine
- The average person has over 1,460 dreams per year
- The ears of a cricket are located on the front legs, just below the knee
- On average, a person takes about 2,000,000 steps each year

**GAMMA IS GOING GREEN!**

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