

RISKY BUSINESS

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

FEBRUARY 12, 2007
A GAMMA IOTA SIGMA
PUBLICATION
SIGMACHAPTER.ORG
VOLUME XV, ISSUE 3



Snow cannons showering the slopes in Kitzbühel, Austria. By midmorning every day, the machines are stopped because it is too warm for the fake snow to stick.

Weather Risk Management Comes of Age

A company that vows to help large and mid-sized corporations manage the financial impact of adverse weather on their cash flow is expected to debut this spring. Storm Risk Solutions claims to have developed the first standardized method by which companies can measure the fiscal effects of weather uncertainty on their business. The company is promising to provide its clients with access to financial protection, helping them invest for growth rather than reserving for potential weather-related loss. Storm Risk Solutions was founded by David Riker, known for his role in migrating the insurance business online through his company, eCoverage. Storm Risk Solutions is backed by venture capital fund RRE Ventures. "Markets and management are the two best predictors of success

for our investments", says RRE co-founder and managing partner, Stuart Ellman. "The overwhelming concern for climate change has created an immediate opportunity for Storm as a corporate utility in a risk market representing greater than \$3 trillion in the U.S. alone." The New York company reports it is creating standardized indices that will initially allow companies in the energy, construction, aviation, ski, outdoor entertainment and agriculture sectors to analyze and track the impact of seasonal volatility on their business results, then price and execute a weather-indexed OTC derivative to reduce weather-related uncertainty. Just as corporations use interest rate or currency derivatives to mitigate volatility in credit or foreign exchange markets, Storm's business model and products allow

corporations to create a standardized means of measuring, pricing and transferring weather related risk, according to its announcement. Storm Risk Solutions expects its average contract to be in the order of \$10 million, which it says it will place with leading risk management firms, but it has the ability to write contracts in excess of \$50 million. "Corporations are now facing unprecedented weather-related uncertainty with significant consequences on cash flow," notes Riker. "We are in active discussion with many of North America's best-known corporate brands, who've told us how troubled they are about the impact adverse weather has on their profit potential and how excited they are that the weather risk management industry has come of age."

H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES

JOE VALERIO
Senior Vice President
Willis of Pennsylvania, INC

WEDNESDAY, FEBRUARY 14, 2007
11:40am— 12:30pm
WALK AUDITORIUM, TEMPLE UNIVERSITY

Joe Valerio is a Senior Vice President for Willis, a global risk management consulting firm. He is also the Founder and President of Gridiron Concepts Ltd., a consulting firm that specializes in creating effective teams. During his six-year career with the NFL's Kansas City Chiefs, Joe started at every position on the offensive line, including tight end. As an offensive lineman he caught an NFL-record four touchdown passes, three from the legendary Joe Montana. Joe's active role in the Kansas City community included speaking to numerous businesses and service organizations, as well as over 100

schools on a variety of topics. He also established and maintained a charitable foundation, "Joe Valerio Centers on Kids," benefiting a Kansas City area children's hospital. In 1995 Joe was nominated for NFL Man of the Year for outstanding community service. In addition to his on field efforts, Joe was a sports anchor for Kansas City's KMBC Channel 9, and a sports talk show host for KCFX 101.1 FM Radio. While earning an economics degree from The University of Pennsylvania, Joe received First Team All-Ivy League and First Team All-American honors. He was also voted Team Captain and Team Most Valuable Player by his teammates. He was recently inducted into the University of Pennsylvania's Athletic Hall of Fame. Joe has continued his community service in the Philadelphia area as a past member of the Executive Committee of the Southeastern Pennsylvania Chapter of the March of Dimes Board of Directors. Joe's family also acts as an Ambassador Family for the March of Dimes. He also has served as the Vice President of the Ridley Educational Foundation, a non-profit organization that grants funds to teachers for innovative programs at his high school alma mater. He has also served as the Vice President of the Philadelphia Chapter of the National Football League Retired Players Association. As an integral part of one of the NFL's most successful teams in the 90's, Joe learned that it takes more than talent to play at the professional level and contribute to a winning team. All are welcome to attend the H. Wayne Snider Guest Lecturer Series. Visit Sigmachapter.org for more information.

The Schuylkill Center

Saturday, February 17, 2007

10:00am-12:00pm

8480 Hagy's Mill Road

Philadelphia, PA 19128

Come help clear invasive plants at Penn's Native Acres for the spring season. Dress warmly and bring gloves if you wish. Meeting 9:30 am outside Cecil B. Moore subway outside of Wendy's. This event is organized by the Community Affairs committee. For more information, please contact **Eric Flaksman** at:

tua29814@temple.edu

Etiquette Workshops

Monday, February 12, 2007

4:45am-6:15pm

Tuttleman 303 A/B

Friday, February 16, 2007

4:45am-6:15pm

Tuttleman 303 A/B

Proper business etiquette is essential when it comes to networking. The GIS etiquette workshop is designed to cover the basics of business etiquette. You will learn the ins and outs of networking and dinner etiquette. If you have already attended one of these workshops through Gamma Iota Sigma, you do not need to attend another one. Contact **Leah Major** if you have any questions.

Relay for Life 50/50 Raffle

CONGRATULATIONS TO MATT MENAQUALE

Matt Menaquale won last weeks 50/50 raffle. \$36 dollars will be donated to the **American Cancer Society, Relay for Life**. Buy a ticket next week and help us reach our goal of donating \$500 to a great cause.



Risk Management Internship Presentation

Friday, February 16, 2007

Speakman 113

11:40am-12:30pm

Are you planning on having an internship next summer but aren't sure where you want to work or what you want to take away from your experience? If you answered yes to any of these questions, then you should consider attending one or more of our Internship Presentation Sessions. These sessions will feature three interns who had the opportunity to work at different companies during this past summer and will give you an outstanding perspective of everything from projects they worked on to the culture of the companies. Contact **Nate Loughin** if you have any questions. Students presenting will be:

Aelon Porat, ACE

Nick Boyer, The National Academy of Social Insurance

Dan Maboney, Commerce Insurance Services

Nloughin@temple.edu

Ask An Actuary

Evaluate the following integral given that **A** is the region bounded by $x = 0$, $y = 0$, and $x + y = 1$.

$$\int \int_A x e^{-(x+2y)} dx dy$$

If you can solve the problem above you should attend the:

Actuarial Science Career Workshop

Friday, February 16, 2007

Student Center 200B

11:40am-12:30pm

Nick Zornosa, CIGNA

Nick Zornosa will be sharing his experiences as an actuary at CIGNA. This is a great opportunity to learn what it is like to actually be an actuary in the real world. As always there will be free pizza and soda.

Contact **Nate Loughin** if you have any questions.

Poker Tournament

Draught Horse

Thursday March 1, 2007

7:00pm-10:30pm

21+, Tickets \$20 in advance, available in the Gamma Office or \$30 at the door.

Top Prize: 2 days 1 night at any Harrah's Entertainment venue plus dinner and a show.



2nd Place: Surround System



3rd Place: \$50 Visa Gift Card



Contact **Aaron Hill** if you have questions, aaron.hill@temple.edu

HAPPY VALENTINES DAY

Gamma Iota Sigma will be selling delicious chocolate roses, luscious lollipop hearts, and red roses.

Goodies will be sold in the SAC on Monday, Tuesday, and Wednesday, February 12-14 from 10:30am-5:00pm. There will also be a table set up outside the Wednesday meeting from 11:40am-12:30pm.

These roses and lollipops make great gifts for friends or sweet treats for your significant other. Where else can you get a dozen roses for \$20!

One Lollipop will be \$1
One Rose will be \$2
One Rose and 2 Lollipops will be \$3
6 Roses will be \$10
One Dozen Roses will be \$20