

# RISKY BUSINESS

VOLUME IX, ISSUE 7

A GAMMA IOTA SIGMA PUBLICATION

SIGMACHAPTER.ORG

MARCH 19, 2007

## Caremark Partners with CVS

Caremark Rx Inc. shareholders approved a \$26.5 billion acquisition by drugstore operator CVS Corp., the pharmacy benefits manager announced. Caremark's rival Express Scripts and CVS have been battling for months to acquire Caremark. But increased antitrust scrutiny of Express Scripts' proposed deal and its decision earlier this week not to increase its offer turned the bidding war in CVS' favor, some analysts said. Caremark officials announced after a 15-minute shareholder meeting in Nashville, where the company is based, that more than 50 percent of the shares voted were cast in favor of the deal. There were no stockholder comments at the meeting. About 200 people attended, including several analysts, officials from Caremark and officials from Express Scripts. The deal, which Caremark and CVS have described as a "merger of equals," would create a \$75 billion drug distribution powerhouse that could compete more effectively for customers and drive a harder bargain with drug makers. With approval from shareholders, Caremark officials say they now expect to close on the deal by next week. CVS shareholders had approved the stock and cash buyout Thursday. Express Scripts' bid was slightly higher, valued at about \$27.2 billion based on Thursday's closing stock price, but hasn't been approved by the Federal Trade Commission. The CVS bid has already been approved by the FTC.

## H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES

### MATT KLETZLI

Assistant Vice President, AIG  
Class of 1993

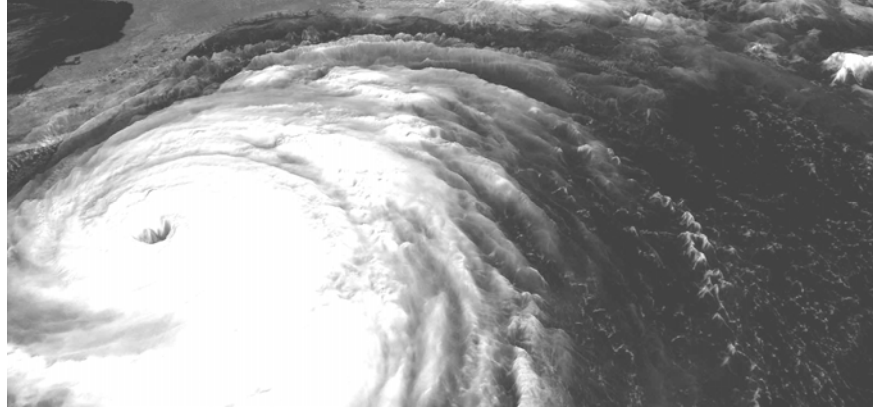
WEDNESDAY, MARCH 21, 2007

11:40am— 12:30pm

WALK AUDITORIUM, TEMPLE UNIVERSITY

**Matt Kletzli** is an Assistant Vice President in the Middle Market Management Liability Division of National Union Fire Insurance Company, an AIG member company. He has underwritten Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability and Crime Coverage for National Union for over seven years and currently manages the divisional operations for the Mid-Atlantic Region. Prior to joining AIG, he was a property and casualty broker with Hobbs Group and Johnson & Higgins of Pennsylvania. Matt received his Bachelor of Business Administration from Temple University in Risk Management and Insurance.

## Washington Debates National Disaster Plan



A proposal for a national disaster plan to backup private hurricane and flood insurance markets appears to be gaining momentum in Washington. This week, Rep. Barney Frank, D-Mass., chairman of the House Financial Services Committee, expressed his support for a national disaster program. "It is clear that the government has got to step in," said Frank during a press conference where he was flanked by Rep. Ginny Brown-Waite, R-Fla., and Rep. Carol Maloney, D-N.Y., who are advocating a federal role. Citing the federal government's role in providing a backstop for terrorism insurance, Frank said, "We believe that we have reached a similar point with regard to what happens with floods and hurricanes. ... I believe that some federal backstop is necessary." U.S. Sen. Chris Dodd, D-Conn., chairman of the Senate Committee on Banking, Housing and Urban Affairs and a Democratic presidential candidate, is also interested. Dodd has said he will hold hearings on insurance issues on April 11 either in Washington or the New Orleans area. "This is not a local issue. It's a national one," Dodd told The Associated Press. He noted that more than 60 percent of the country's population lives within 100 miles of the coast. "What happened here could happen in my state. It could happen to an awful lot of people in this country." The idea of a national plan has garnered increasing attention as states from Texas to Connecticut report property owners are having difficulty obtaining affordable insurance. A number of states are also considering plans of their own. The insurance industry tends to agree that policymakers must address this issue but is watching closely. The Property Casualty Insurers Association of America (PCI) is hoping lawmakers will respect the role of private insurers and come up with state-specific remedies that provide relief where it is most needed. "Insurers, regulators, and consumers all want the same thing: a healthy and competitive insurance market in which consumers can choose a variety of coverage options from a variety of financially secure insurers," said June Holmes, PCI's interim CEO. "PCI is a strong believer in the power of market systems and signals to solve most problems. At the same time, we believe there are some risks in some areas that market solutions alone may not have the tools to address. Mega-catastrophe hurricane and earthquake risks fall into this category. Mega-catastrophe risks, if not addressed, can undermine the economies in these critical areas of the country and insurers need to work with state and federal policymakers to develop innovative solutions that promote increased insurance availability and responsible economic development." Holmes said solutions should meet the unique needs in each state. She maintained that a one-size fits all approach is not likely to work given the diversity of coastal markets. "Conditions in Florida are unique from any other state," said Holmes. "Over 80 percent of the insured property in Florida is located along the Gulf and Atlantic Coasts and the total value of insured property there is nearly \$2 trillion and growing. Florida is the most hurricane-prone state in the U.S., accounting for roughly half of the total U.S. annual aggregate storm losses. The solution to market disruptions in Louisiana, South Carolina, or Massachusetts will look much different from one crafted by Florida legislators.

**Risk Management Intern Reception**  
**Monday, March 19, 2007**  
**Mitten Hall, Grand Court**  
**1:00pm-6:00pm**

The Risk Management Intern Reception provides the opportunity for members to present themselves to potential employers in a setting strictly for those seeking internships who are members of Gamma Iota Sigma and who have completed all the requirements to be in the Resume Book. The companies in attendance range from insurance agents, brokers, carriers, consultants and more from the employee benefits and property casualty industries. Contact A.J. Polito if you have any questions.

**a.polito@temple.edu**

The following companies will be in attendance:

ACE  
AIG - Philadelphia  
AIG - New York  
All Risks, Ltd  
Arthur J. Gallagher  
Benefield  
Brown and Brown  
Campbell Soup  
Cigna  
Commerce  
ECBM  
Guy Carpenter  
Independence Blue Cross  
Marsh  
Mercer  
Napco  
RIMS  
Selective Insurance  
State Farm  
Travelers  
The Addis Group  
The Graham Company  
Towers Perrin  
Trion  
William Gallagher Associates  
Willis of PA

**Philabundance Food Bank**  
**Saturday, March 24, 2007**  
**9:00am-12:00pm**  
**302 West Berks Street**

Come out and help the less fortunate in the Delaware Valley. We will be sorting and distributing food for the elderly, local school programs and to those less fortunate. Philabundance is always a great time. We will be meeting outside of the Cecil B. Moore Subway outside Wendy's at 8:00am. Drivers are needed. Contact Eric Flaksman if you have questions:

**tua29814@temple.edu**



**Old City Alumni Happy Hour**  
**Thursday, March 22, 2007**  
**5:00pm-7:00pm**  
**Plough & the Stars**  
**2nd Street, between Market & Chestnut St.**

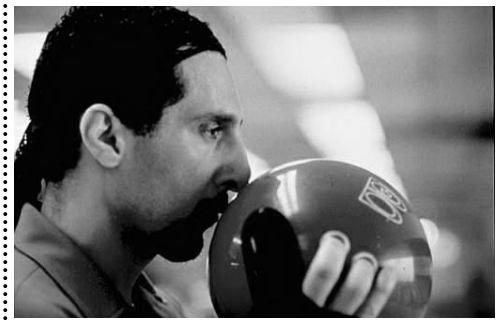
Come reconnect with alumni of Gamma Iota Sigma. Join us in Old City at Plough & the Stars for great food and drinks and to reconnect with fellow alumni and students. There will be great appetizers, compliments of Sigma Chapter, and various drink specials. For more information contact Chris Lavelle at:

**Christopher.lavelle@temple.edu**

**Professional Societies**  
**Workshop**  
**Friday, March 23, 2007**  
**Speakman 113**  
**11:40am-12:30pm**

In the risk management field there are many organizations that help improve the professional development of their members. Representatives from Pennsylvania, New Jersey, and Delaware Employee Benefits Association (PEBA), Risk Insurance Management Society (RIMS), and Chartered Property Casualty Underwriters (CPCU) will be sending representatives to talk to Gamma members on Friday March 23, 2007. This is a great opportunity to learn about professional designations and the risk management, employee benefits, and property and casualty industries. It is also a great opportunity to ask experienced professional about their careers. Contact Nate Loughin if you have any questions.

**N.Loughin@temple.edu**

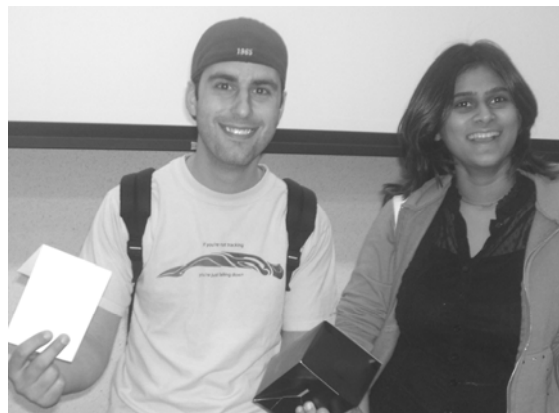


**Bowling Night**  
**Tuesday, March 20, 2007**  
**Strikes Lanes, 4040 Locust St.**  
**6:00pm-9:00pm**

Bowling Night will be held at the Strike's Bowling Lounge, which is located on the campus of UPenn. 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. This event will also provide participants with the unique opportunity to see how their bowling skills stack up against Dr. Drennan's. The cost includes admission, shoe rental, lane rental, and appetizers! Great drink specials are also available. This event is open to EVERYONE, so bring all your friends! Contact Chelsea Balerno if you have any questions.

**Cbalerno@gmail.com**

**Relay for Life, 50/50 Raffle**



Dan Kendrick won last weeks 50/50 raffle. \$38 dollars will be donated to the **American Cancer Society, Relay for Life**. Kinal Shah won second prize, a \$15 iPod gift card courtesy of the Philadelphia chapter of the Chartered Property Casualty Underwriters (CPCU). Buy a ticket next week and help a great cause and help us reach our goal of raising \$1,000.