

RISKY BUSINESS

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

Marsh & McLennan Selects Brian Duperreault as Chief

Marsh & McLennan Cos., the world's largest insurance brokerage, named Brian Duperreault as chief executive officer, selecting an insurance veteran to restore profit lost after a 2004 bid-rigging scandal.

Duperreault, the CEO of Ace Ltd. from 1994 to 2004, replaces Michael Cherkasky, the former prosecutor who cleaned up relations with regulators and then proved unable to regain the lost clients and profit. Ace, the Bermuda-based business insurer, increased more than fivefold in New York trading while Duperreault was CEO.

Marsh & McLennan's board has been under pressure from some shareholders to spin off consulting and security businesses and concentrate on selling insurance. Duperreault said in an interview his focus at the New York-based company is to increase each unit's profitability and that he will "always" be evaluating the company's mix of assets.

"This takes a lot of pressure off management to do something quickly," said Meyer Shields, an analyst with Stifel, Nicolaus & Co. in Baltimore. "He is somebody who could serve as a beacon to attract talent and keep the talent that has been leaving Marsh under the current confused management."

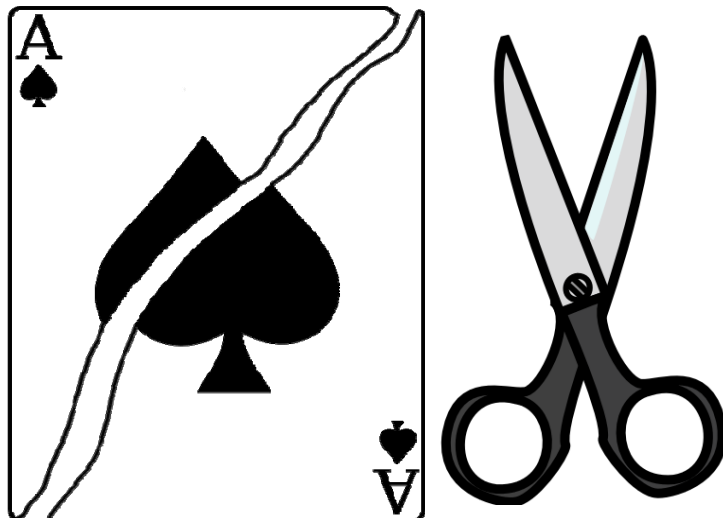
From Cherkasky's appointment on Oct. 25, 2004, to Dec. 20, 2007, the day before he said he'd step down, the shares lost about 6 percent. Aon Corp., the second-biggest brokerage, gained 145 percent in that span. Marsh & McLennan advanced 51 cents, or 1.9 percent, to \$27.87 at 2:15 p.m. in New York Stock Exchange composite trading.

Jim Harrison of Toronto-based K.J. Harrison & Partners Inc. has said the company is worth more than \$30 a share, a value that could be released by spinning off the Mercer human resources and Oliver Wyman consulting units and Kroll investigations arm. Harrison has asked if there's any benefit in having the businesses together in a single company.

"You never hear that question when the units are operating well," Duperreault said in an interview today. "First things first: Let's get them all operating at peak efficiency."

Duperreault, 60, presided over more than a half-dozen acquisitions at Ace, including the 1999 purchase of Cigna Corp.'s property and casualty insurance division for \$3.45 billion. The deal transformed Ace "from being essentially a Bermuda-based specialty insurer to a worldwide player," said Walter Scott, the former Ace CEO who hired Duperreault to succeed him. Scott is now chairman of Assured Guaranty Ltd., a Bermuda-based financial guarantor.

Before joining Ace, Duperreault worked for more than 20 years at American International Group Inc., the world's largest insurer by assets, rising to become



head of the unit handling AIG's commercial business outside the U.S., according to a statement today from Marsh & McLennan.

"It's a great hire," said Mark Lane, an analyst at William Blair & Co. who has a "marketperform" rating on the shares. "He brings instant credibility to the job." Cherkasky, 57, became CEO in 2004 when New York Attorney General Eliot Spitzer, now the state's governor, opened an investigation into bid-rigging and sued the company. CEO Jeffrey Greenberg was forced out after Spitzer refused to negotiate with him. Cherkasky got the job and reached an \$850 million settlement.

"Michael Cherkasky's skill was as a regulator," said Shields. "There were regulatory challenges to the company, and he was able to bring that to an end."

The financial damage continued as Marsh & McLennan had to forgo about \$845 million a year in payments from insurers that Spitzer had labeled "kickbacks." The probe also hurt the company's reputation and scattered Marsh's customers at the same time that falling prices for commercial insurance reduced commissions for helping corporations find coverage.

"This is a people business, and the CEO of Marsh was not a people person," Scott said of Cherkasky. "He certainly didn't know the industry."

H. WAYNE SNIDER DISTINGUISHED LECTURER SERIES



Kent Cooke (Class of 1987, 1993)

Vice President
Marsh Philadelphia

DATE: Wednesday, February 6, 2008

TIME: 11:40AM- 12:30PM

PLACE: Walk Auditorium

Kent Cooke is a Vice President, team leader and Senior Property & Casualty Client Advisor in the Marsh Philadelphia Multilines Practice. His responsibilities include program design, negotiations with insurers and consultative services to fifteen clients representing over \$1.2 million in annual revenue to the firm. He is an insurance generalist with knowledge and experience across a broad range of disciplines.

Kent came to Marsh in 1998 when Marsh acquired Sedgwick, Inc. Prior to the acquisition he served as a Property & Casualty account manager since joining Sedgwick in 1993. Throughout his career, he has worked on both loss sensitive and guaranteed cost insurance programs, placing: Property &

Casualty, Inland Marine, Financial/Professional and Environmental coverages. Kent has also been the account executive for a Bermuda domiciled group captive insurance company as well as a cover holder for a London Market Pollution Legal Liability insurance program.

Kent is a licensed Property & Casualty insurance producer in the states of Delaware, New Jersey, Ohio and Pennsylvania. He is a member in good standing of the CPCU Society and the Temple University Alumni Association. He is also a member of the National Black MBA Association, for which he serves as the Philadelphia Chairperson of Leaders of Tomorrow, the association's high school student mentoring program. Kent has served on the Board of Trustees of Nazarene Baptist Church since 1993. He is currently the Vice Chairman of the Board. He has previously served as Financial Secretary and Recording Secretary. Kent is happily married to the former Donnell Karima Gillespie, an educator and Chairperson of the Science Department of Charter High School for Architecture & Design which is located in Philadelphia, PA.

Intern Testimonial: Nika Cadogan

Nika Cadogan is a Risk Management major graduating in December 2008. In the summer of 2007, Nika interned with the Philadelphia Insurance Companies to experience the underwriting profession first hand. Risky Business sat down with Nika to ask her more about the experience

RB: How was the internship in general?

NC: My internship was a great learning experience. It was instrumental in bridging the gap between the theory and practical methods in insurance.

RB: Was your internship located far from home?

NC: No. One of the best things about my internship was that it was less than 20 minutes from my home. I had no problems locating PHLY Insurance Companies, as it was only a couple of blocks away from my former job.

RB: Did you have a mentor for the duration of the internship?

NC: Yes, I did have a mentor. Her name was Carol Pope, and has been employed with PHLY Ins. Co for the past eight years. She was the key person who helped to show me the difference between my RMI classes and actual business practices in insurance.

RB: Did you have a long-term project that you were responsible for?

NC: Unfortunately, I was not responsible for any long-term projects. I was assigned to special programs, underwritten for a particular group of clients. My activities involved more day-to-day type of work assignments, as opposed to a more specific project.

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

NC: The most important thing I learned from my internship experience was observing a company's underwriting standards. I witnessed how underwriting standards are not always strictly followed, and that more than just what textbooks teach, go into how insurance works.

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

NC: I know I am going to sound typical with this answer, but my RMI classes were more than adequate preparation for this internship. Though I was not able to have my own pet project, I was able to understand the business logic behind procedures such as changing rates, amending endorsements and the structure of business lines policies because of my RMI classes.

Gamma Games

Wednesday, February 13, 2008

6:00-8:00pm

Pearson 145

Free t-shirts! Free bandanas! What more could one ask for? Who among us doesn't like free t-shirts or bandanas? Bond with your fellow Gamma Iota Sigma members through the superlatively entertaining activities we will be hosting. You will crash into each in an awkward manner, especially in Ultimate Musical Chairs! This is not your delinquent Gamma Games of yesteryear; the events will be better and more chaotic than ever.

If you have any questions regarding this event, please contact Jim O' Hearn:

ohearn@temple.edu



Etiquette Workshop

Friday, February 1, 2008

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 or that are participating in BA 2101 through Gamma Iota Sigma. A sign-up sheet will be available on the Gamma Iota Sigma office door (the 4th floor of Ritter). Spots are limited for each, so sign up soon. **If you have already attended one of these workshops through Gamma Iota Sigma, you do not need to attend another one.**

If you have any questions regarding this event, please contact Joee Curry:

joeecurry@gmail.com

Intern Interview Workshop

Saturday, February 9, 2008

9:15am-12:15pm

Tuttleman 406

These workshops provide a way to learn how to interview for internships, an important skill that will serve anyone well. All students must attend one Intern Interview Workshop during their time in GIS, excepting those that have already completed one with Diane Fabii. This workshop is also a requirement for the Road to the Resume Book. A sign-up sheet will be available on the Gamma Iota Sigma office door (the 4th floor of Ritter). Spots are limited for each workshop, so sign up soon. **If you have already attended one of these workshops through Gamma Iota Sigma, you do not need to attend another one.**

If you have any questions regarding this event, please contact Joee Curry:

joeecurry@gmail.com

New Member Information Session

Friday, February 8, 2008

11:40am-12:30pm

Student Center 217A

The **New Member Information Session** will be a way for members that are new to the organization to become accustomed to the ways of Gamma Iota Sigma as well as to the perks of being a member. The several topics for discussion will include social benefits, professional development, and internships. New members can meet with officers and older GIS members. These meetings are an excellent way to make yourself familiar with the organization. In addition, free pizza and soda will be provided.

Contact Nate Loughin if you have any questions regarding this event:

nmloug@gmail.com

Helium Comedy Club presents Ted Alexandro

Wednesday February 6, 2008

7:30-10:00pm

2031 Sansom Street

Start this semester off right by joining your fellow Sigma Chapter members at the Helium Comedy Club. Nationally renowned comedian Ted Alexandro will be present to humor us with his verbal art. **Tickets are an astoundingly low \$8**, so get your tickets before they run out. Unfortunately, this event will be limited to only those of age 21 and older.

If you have any questions regarding this event, please contact Jim O' Hearn:

ohearn@temple.edu