

RISKY BUSINESS

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

ARRANGMENTS: LEGAL WOES CONTINUE FOR INSURANCE GIANT

As if AIG's name hadn't been drug through the mud enough over the past year, the world's largest insurer took another hit last Tuesday, as former Vice President of Reinsurance Christian M. Milton was sentenced to four years in prison for his involvement in a fraudulent scheme involving AIG and General Re. Corporation. Former Gen Re CEO Ronald E. Ferguson was sentenced to two years in prison last month for his involvement in the dealings. Both men received fines of \$200,000 in addition to the jail sentences. Milton was the second of five convicted former executives to be sentenced. The defendants were found guilty of conspiracy, securities fraud, and making false statements to the U.S. Securities and Exchange Commission. Elizabeth Monrad, former financial officer for Gen Re, will be sentenced on Feb. 12; Christopher Garand, former SVP in charge of US finite underwriting, will be sentenced on March 4.

In November, Judge Christopher Droney of the U.S. District Court in Connecticut ruled that shareholders had lost more

than \$500 Million in a phony finite reinsurance deal between AIG and Gen Re that was designed to help AIG manipulate its financial statements.

In the sentencing of Milton, Judge Droney varied rather significantly from the federal sentencing guidelines, which called for life in prison. Judge Droney claims that Milton knew that this "was not a bona fide transaction, but rather one designed to cook the books of AIG," but maintains that Milton was not motivated by personal gain. Also at play in the reduced sentencing were over 70 letters from former clients and colleagues, presented by the defense, that described Milton as an "extraordinary and compassionate individual." Defense attorney Fred Hafetz also asked Judge Droney to consider the impact of the sentencing on Milton's family, who faced a "likelihood of deportation," if Milton were in fact incarcerated. Milton was ordered to report to prison on March 25.



Adapted from Colleen McCarthy's article on BusinessInsurance.com, published Jan. 27, 2009.

H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES

THOMAS P. NERNEY, CPCU
CHAIRMAN, PRESIDENT, AND CEO
USLI - WAYNE, PA
WEDNESDAY FEBRUARY 4, 2008
11:30 AM - 12:40 PM, ALTER HALL A031



Mr. Thomas Nerney brings years of leadership experience to his role as Chairman, President and Chief Executive Officer for United States Liability Insurance Group. Previously, Mr. Nerney was the President and Chief Operating Officer for Philadelphia Insurance Companies, which markets and underwrites specialty products nationwide. He was part of the senior management for eighteen years before joining United States Liability in 1996.

In 1996, Mr. Nerney earned a Master of Business Administration degree in Finance from St. Joseph's University in

Philadelphia, Pennsylvania and a Chartered Property Casualty Underwriter designation from the American Institute of Property and Casualty Insurance in Malvern, Pennsylvania. He completed his undergraduate studies at Cabrini College, where he earned a Bachelor of Arts degree in Social Science and Philosophy.

An active member of the community, Mr. Nerney is a founding member of three local not for profit organizations: Good Sports of Wayne, A Front Row Seat to Learning, and The Nerney Family Foundation. He is also on the Board of Trustees (MBA '96) at St. Joseph's University and the Board of Governors of the Academy of Risk Management and Insurance at St. Joseph's University and a former member of the Board of Trustees at his alma mater, Cabrini College. Mr. Nerney's interests include coaching basketball, running, weight lifting and playing golf along with spending time with his family. Mr. Nerney and his wife, Jill, are actively involved with

The Vanguard School. Tom and Jill chaired The Vanguard Golf Open for 2007 and are presently chairing The Vanguard Golf Open in 2008. They are also on the Board of Trustees at LaSalle Academy. LaSalle Academy educates students in grades 3 - 8 whose parents and guardians desire, but cannot afford, a quality Catholic education.

United States Liability Insurance Group
A BERKSHIRE HATHAWAY COMPANY

UPCOMING SPEAKER:
MRS. JOELLE HAYES
SECOND VICE PRESIDENT,
DIVERSITY
TRAVELERS

WEDNESDAY, FEBRUARY 11, 2009
ALTER HALL AUDITORIUM (A031)
11:40 AM—12:30 PM

**DON'T FORGET!! FIRST COMMITTEE MEETINGS MONDAY, FEBRUARY 2ND!!!
SEE REVERSE SIDE FOR ROOM ASSIGNMENTS.**

UPCOMING GAMMA EVENTS

First Committee Meetings

Monday, February 2nd, 2009
11:40 AM - 12:30 PM

Career Development - SAC 217C
Public Relations - SAC 223
Community Affairs - SAC 217B
Math Competition - SAC 205
Student Affairs - SAC 217D
Special Events - SAC 220
MIS - Gamma Office

Reminder: All students who intend to fulfill their BA 2101 requirements through Gamma MUST join a committee and attend at least five of the six committee meetings!

Etiquette Workshop

Tuesday, February 3rd, 2009
Alter Hall Room 744
4:45 PM - 6:15 PM

This workshop is designed to help expose members to some of the etiquette issues that will arise throughout one's career. Taught by CSPD's Janice Campbell, this workshop will cover topics like proper attire, table manners, and travel etiquette. This workshop is a requirement for BA 2101 and must be completed to be included in our Resume Book.

Any questions regarding this event, contact Eleni Lyrstis at elyristis@temple.edu

New GIS Member Orientation

Friday, February 6th, 2009
Speakman 112
11:30 AM - 12:30 PM

This workshop is intended for new members in the organization. A few returning Sigma Chapter members will be talking about their experiences as members and will answer any questions new members may have. Dr. Drennan will not be in attendance so feel free to ask anything. Pizza and refreshments will be served.

Any questions regarding this event, contact Jim O'Hearn at ohearn@temple.edu



Intern Interview Workshop

Saturday, February 7th, 2009
Tuttleman Room 309
9:30 AM - 12:30 PM

This Saturday workshop, taught by Diane Fabii, is designed to introduce students to many of the basic interview skills that can help make the difference between getting and not getting the job.

If you have never completed an intern interview workshop, you MUST complete one this semester BEFORE you complete a mock interview. Students must complete one mock interview per academic year in order to attend the Risk Intern Reception.

Any questions regarding this event, contact Eleni Lyrstis at elyristis@temple.edu

Stuff with numbers... (Not just for actuaries!)

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LETTER FROM THE EDITOR

Greetings all,

I just wanted to take a moment to introduce myself.

My name is Dave Holloway, and I'm a senior Risk Management major. I'm graduating in May, which leaves me but one semester to keep our stakeholders informed of what's going on here in Gamma-land. I look forward to building off of the enormous creativity that Ed Boyanoski brought to *Risky Business* last semester. I'm excited to be here and I look forward to another great semester in Gamma Iota Sigma!

Any questions or concerns about *Risky Business* or any of our other press releases can be directed to me at dholloway@temple.edu.

Quotes of the Week

"It's kind of like going from an Xbox to an Atari."

Team Obama spokesman Bill Burton, on adapting to the White House's outdated computer technologies and rules prohibiting staffers from using social-networking sites and instant messaging.

"We were already aware the animal was unpredictable and [it is] being treated with pills for depression."

Bernadette Chirac, whose husband, France's former president Jacques Chirac, was mauled by his bipolar Maltese dog.

"This is democracy. Each sheik wants to have his say."

Mamoon Sami Rashid, the governor of Iraq's Anbar Province, on the regional elections that have become mired in tribal infighting.



Newsweek