

RISKY BUSINESS

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

THE AFTERMATH: ENTERPRISE RISK MANAGEMENT TAKES CENTER STAGE IN SALMONELLA SCARE



Put down that toast. The peanut butter on it may cause fever, abdominal cramps, or worse. Risk managers throughout much of the food industry probably haven't had much of an appetite lately though. Rightfully so, as the recent outbreak has caused over 600 illnesses and 8 deaths. Over 2,000 products—ranging from dog food to peanut butter crackers—have been pulled from shelves across the country. Peanut butter powerhouses Jif and Peter Pan remain confident that their products are safe for consumption, but the estimated 20% drop in sales indicates that the public isn't quite sure what to believe. Throw into the mix the nauseating details of the conditions at a major peanut plant in Georgia (feel free to look them up yourself), and you've got yourself a downward spiral in the making. What's a risk manager to do?

For the actual peanut butter makers, let's start with what was missing: **supply chain management**. Good enterprise risk management should involve supplier contingency plans, and at the

very least, a solid understanding of current suppliers. If one supplier mishap can bring operations to a halt, keeping that supplier in check should be a top priority. A site visit may have seemed inconvenient at the time, but in retrospect, it certainly couldn't have hurt.

Of course, more traditional **risk transfer instruments** are not to be discounted in times like these. If and when lawsuits occur, peanut plants and peanut butter manufacturers will find out just how well-designed their **liability policies** truly are. If business slows down much more, **business interruption policies** might force their way into the discussion as well.

But even if the financial risk of the current recall is reasonably well-managed, sales won't skyrocket overnight; restoring consumer goodwill can be an uphill battle. And until these companies can regain the public's trust and get business back on track, risk managers in the peanut industry may come off just like some of their products... a little salty.

Information for this story was gathered from:

CNN.com: "Peanut butter makers try to spread word products are safe," Feb. 10th, 2009.

Reuters.com: "Texas orders company at center of salmonella outbreak to recall," Feb. 12th, 2009.

H. WAYNE SNIDER

DISTINGUISHED GUEST LECTURER SERIES

TAMMY BROWN

PRACTICE LEADER, BENEFITS
CONNER STRONG

WEDNESDAY, FEBRUARY 18TH, 2009



Tammy Brown is a Practice Leader for the Employee Benefits practice of Conner Strong Companies, Inc. She has over 25 years of Large Group Underwriting and Account Management experience. As Senior Vice President for the Employee Benefits practice, her responsibilities include developing and implementing the overall strategy for the practice, including strategic planning, benefit evaluations, financial analysis and managing the collective bargaining process. She is also respon-

sible for delivering the financial targets established for the practice in addition to managing client expectations.

Prior to joining Conner Strong, Brown was the Underwriting Director for Horizon Blue Cross Blue Shield of New Jersey. For the last 16 years, she was responsible for all large group customers with 50 or more employees including Midsize, Public Sector, Jumbo, National, and Labor business. Her primary charge was to generate top line revenue and bottom line financial results for Horizon. In that capacity, she was responsible for the risk assessment, pricing, underwriting, and data reporting for all new business, renewals, and settlement activity which exceeded \$3 billion in annual top line revenue. Brown was also responsible for developing strategic pricing initia-

tives to keep pace with the ever-changing marketplace conditions. Prior to joining Horizon, Brown was an Underwriting Consultant for the Equitable's Group Health Division for 11 years. She holds a Bachelor of Science in Mathematics & Economics from Fordham University in New York.

CONNER
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UPCOMING SPEAKER:

MARVIN KELLY
PRESIDENT

NATIONAL CPCU SOCIETY

EXECUTIVE DIRECTOR
TEXAS PROPERTY AND CASUALTY
INSURANCE GUARANTY

WEDNESDAY, FEBRUARY 25TH, 2009

11:40 AM - 12:30 PM

ALTER HALL AUDITORIUM (A031)

GAMMA. GAMES.

WEDNESDAY, FEBRUARY 18TH, 2009

UPCOMING GAMMA EVENTS

Industry to Campus Event

Tuesday, February 17th, 2009
Alter Hall 744
 4:30 PM - 6:30 PM

As a student planning on attending the internship reception you will be looking at a variety of companies for the opportunities available. 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. **Mercer** and **Corporate Synergies** will be the companies attending.

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

How to Prepare for an RMI Intern Reception

Friday, February 20th, 2009
Speakman 112
 11:40 AM - 12:30 PM

This workshop is designed to help both new and old members become acquainted with our Intern Reception. If you are attending the Risk Management and Insurance Intern Career Reception, you **must** attend this workshop to prepare for the event as well as to review your resume for the final time.

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

Actuarial Science Intern Presentations

Friday, February 20th, 2009
SAC 223
 11:40 AM - 12:30 PM

Looking for an internship in the upcoming summer? An internship presentation provides opportunity for you to hear from fellow Actuarial Science students about their experiences with their internships. There will be three presentations where students will talk about what they enjoyed and didn't enjoy about their 2008 internships. Pizza and drinks will be served.

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

LAST Intern Interview Workshop

Saturday, February 21st, 2009
Tuttleman 309
 9:30 AM - 12:30 PM

Members, this is the **LAST** Intern Interview Workshop before the RMI Intern Reception! Diane Fabii will be covering some of the basic interviewing strategies that will be valuable throughout the course of your career. If you have not completed an Intern Interview Workshop already, you **must** attend this one in order to be in the Resume Book.

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

O'HEARN'S TOP FIVE

TOP FIVE DRENNAN-ISMS

5. "Why has this not been done yet?"
4. "Missed you at the meeting Wednesday..."
3. "I'll even take you out to lunch after!"
2. "I have a job...you don't?"
1. "This is a real class. It's not Movies with McCloskey."



LAST Etiquette Workshop

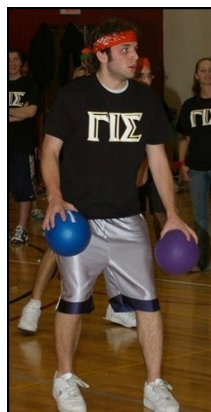
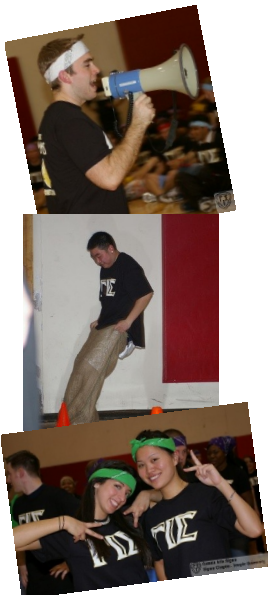
Friday, February 20th, 2009
Alter Hall 746
 4:45 PM - 6:15 PM

For students who plan on attending the RMI Intern Reception but have never completed an Etiquette Workshop, this is the **LAST** one!!! Come hear Janis Campbell as she covers many of the etiquette-based issues that are sure to crop up over the course of your career.

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

GAMMA GAMES THIS WEDNESDAY, FEBRUARY 18TH, 2009!!

ARE YOU THE NEXT GAMMA GAMES MVP?



Spring 2008

Fall 2008



Spring 2009



WEDNESDAY, FEBRUARY 18TH, 2009 - PEARSON ROOM 145
5:30 PM - 8:00 PM