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Editorial

By Christophe Courbage[+]

I am delighted, once again, to present to you this new issue of the Insurance Economics Newsletter, which aims to stimulate, support and disseminate academic and professional research work in risk and insurance economics. This issue contributes to that aim by bringing you various sources of information and initiatives related to the field. It focuses on the theme of the human resources shortage and education in insurance through three contributions that complement each other nicely.

The first article investigates the significant factors as to why the new generation of students is reluctant to prioritise insurance as a profession. It finds that students are unaware of the underlying philosophy of the insurance business, its products and its vital role in the economic and social system. The lack of adequate research, education providers, and study materials is also among the key causes of students' reluctance to engage with the insurance profession. The second article suggests that one way to make insurance an attractive option for young generations is by focusing on what they want and need, i.e. the ability to innovate and use technology to improve people's daily lives. The third article summarises a report addressing education in the field of insurance and investigating the birth of collegiate RMI programmes in the 19th century and their development throughout the 20th century.

This newsletter furthermore presents various other activities organised or supported by The Geneva Association, among which are various calls for papers including for the Ernst-Myer Prize 2014, the World Risk and Insurance Congress and the joint EALE/Geneva Association seminar, as well other activities organised by external organisations in the field of insurance.

As a final note, I would like to take the opportunity, on behalf of The Geneva Association, to sincerely thank Achim Wambach for his invaluable contribution to *The Geneva Risk and Insurance Review*. Achim has been co-editor of this journal since January 2010 and he is being succeeded in this role by Nicolas Treich as of January 2015. Achim considerably contributed to heightening the recognition and quality of the journal. I wish him all the best in his future activities, and I wish you all a very happy New Year.

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Students' Preferences Regarding the Insurance Profession*

By Madhusudan Acharyya+ and Davide Secchi++

Introduction

Skills and talent are vital to all businesses irrespective of their size, type or the market economic conditions, which is why the "talent gap" (the disparity between the supply and demand of talent) may have a detrimental impact on business. Recent observations show that the number of business and management students preparing insurance degrees has declined worldwide, as noted in many developed and developing countries where insurance companies are struggling to find skilled talents. At the 2007 Xchanging conference in London, Richard Ward, then Lloyd's CEO, cautioned with alarming information that the £100 billion U.K. insurance industry, regarded as the second largest national export, with a 330,000 workforce playing diverse roles plus a further million people in related fields, was in imminent danger due to the shortage of highly skilled talents. He commented, "Yet nearly 90 percent of graduates do not consider a role in insurance, and 75 percent of recruiters in the industry struggle to attract quality talents" (HM Treasury, 2009). The shortage of talent in insurance is also acknowledged in a U.K. parliamentary study that emphasised "promoting the insurance industry as an attractive career choice and improving the image of the industry within schools and universities" (HM Treasury, 2009).

In 2010, the Chartered Insurance Institute's (CII) survey of 1,755 school and university students' attitudes towards insurance stated that:

- only 1 per cent was interested to work in the insurance sector (with 15 per cent in finance and 22 per cent in professional services, including law and accounting);
- students regard an insurance career as dull and unethical, involving cheating rather than helping people;
- external sources (the media, teachers, friends and family) who tend to be unaware that insurer's risk pooling across society actually provides security influenced the students' career choice considerably, so the students in effect know very little about insurance, which leads them to avoid this industry as a career choice;
- communication about the value of insurance should be improved among the stakeholders to foster awareness.

Moreover, CII's skill survey (2012) reported:

- almost two-thirds of employers are suffering from talent shortages, with claims management and underwriting being urgently needed skills;
- the majority of respondents believe that new entrants joining the industry at both the entry and leadership levels have failed to acquire sufficient skills at school or at the graduate level.

Moreover, the U.K. Border Agency has added actuaries to the shortage occupation list announced in 2011. A PricewaterhouseCoopers annual global CEO survey found that the availability of talent is critical for business growth (PWC, 2010). The 2010 McKinsey & Company survey revealed U.S. high school and college students' limited understanding about insurance careers. Despite the availability of several quality risk management courses and jobs, the lack of collaborative effort among the insurance industry, academics and professional bodies was highlighted as a key challenge to attracting high-quality talents to the profession. A U.K. parliamentary study also recommended "promoting the insurance industry as an attractive career choice and improving the image of the industry within schools and universities" (HM Treasury, 2009).

All these discussions demonstrate that, on the one hand, there is frustration among college graduates because of the uncertainty surrounding the choice of insurance as a profession. On the other hand, employers (recruiters) are concerned with the shortage of skills and talents for the future of the industry. At the industry level, several factors, for example, image problem, lack of public awareness, etc., are predicted as the causes of young talents'

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demotivation for the insurance profession. However, no scientific research appears to have yet been conducted to find the causes of this concern. This short text summarises the recent work of Acharyya and Secchi (2015) that investigates the significant factors as to why the new generation of students is reluctant to prioritise insurance as a profession.

For their analysis, Acharyya and Secchi (2015) collected data in December 2012 from students at Bournemouth University on three overarching factors (environment, opportunity and awareness) that ultimately influence student choice of insurance as a profession. They tested three hypotheses in relation to student career choice that are based on these three factors. The analysis employed structural equation modelling (SEM) and regression analysis to test the hypotheses.

Results

Acharyya and Secchi's (2015) results show that 31 per cent of the students would consider the insurance profession at any stage of their career, 5 per cent of whom place it as their first career option, 7 per cent second, 15 per cent third, and the remaining 72 per cent fourth or lower. This result is very encouraging, as the CII survey (2010), for example, reports that 1 per cent of their respondents were interested in working in the insurance sector.

They found that the environmental factor positively affects students' choice of the insurance profession. This result is in line with Holland's theory of career choice (1985) in that it highlights how the choice is affected by some social aspects that contribute to determining the person–organisation (or prospective career) fit. In response to their attraction to the insurance profession, 47 per cent of the students remained undecided, so there may be a lack of communication by the insurance industry, educators and professional bodies about insurance's role and value, as several industry surveys noted.

The result from the SEM shows that there are two components of the environmental factor. One is "familiarity" with the concepts and the other is the "origin" of the information on insurance. These two are both contributing positively to explain the latent variable "environment". The conformity factor analysis shows that higher familiarity with the concept and multiple sources of information contribute to defining the environment. This, in turn, positively affects the choice of insurance as a professional career. Therefore, what the findings point out is that better information contributes to making this career option more interesting. The attribute "better" as it refers to information is, in this context, not generic. It refers to individuals strengthening their knowledge by getting similar (or just more) information from diverse sources (e.g. the web, parents, university) and increasing their understanding of what the insurance profession is really about. The indication that comes out from this is that the choice of career is indeed related to the quality and consistency of information that students get from different sources. This defines what can be called pre-conditions or antecedents of what is indicated in the theory of vocational choice (Holland, 1985). Holland's theory also suggests that a person's behaviour is determined by the interaction between his/her personality and his/her work environment characteristics, outlining six vocational personality traits (i.e. realistic, investigative, artistic, social, enterprising and conventional) as well as career environments.

The SEM also shows that students' awareness of the profession shows a (marginally significant) positive effect on insurance as a career choice. Interestingly, the regression analysis cannot support this result. Although it leads to rejecting the hypothesis that awareness is negatively correlated with the students' choice of the insurance profession, it provides some limited ground for discussion. The result strengthens the role of information in defining how people define their career choices. Being aware of what the insurance profession has to offer seems to contribute to defining students' choice. What this finding adds to the discussion above is that higher education has quite a significant role in determining student career choices. This is not surprising and suggests that higher education is still key to helping students make their choices. In addition, it highlights the role of skills and confidence in career choice, consistently with the social cognition theory (Gainor and Lent, 1998). What can be suggested is that partnerships between industry and higher education institutions grow bigger so that university programmes provide students with more awareness of the successful career alternatives that may be available.

For the remaining hypothesis, however, Acharyya and Secchi (2015) did not find a negative correlation between the opportunities associated with the insurance profession and students' choice of an insurance career. At one stage of the study, it was thought that the incentive structure offered by the insurance industry could be an obstacle to attracting talents, but their data did not support this assumption. This aspect certainly needs more accurate and in-depth analyses, maybe with more emphasis on the theories that inspired this element of the theoretical framework.

Discussion

A general comment can be made on what is found in both the regression analysis and in the SEM. First, information on familiarity, awareness and origin is key to individuals in the consideration and selection of their career choices. Second, this leads to both universities and the industry working on sending clearer and stronger messages to students that they choose an economic, finance or accounting path. Third, the lack of support for Hypothesis 2—that is, opportunity negatively affects insurance career choice—shows that this choice is not related to particular individual biases or prejudices over the profession (i.e. motivates for choosing a career) nor to personal capabilities, in particular, mathematical and computational skills. This third element is especially important in that it shows that there are no limits as to whom to target. Put differently, anyone can become interested in exploring insurance as a career choice. All it takes is clearer and stronger information.

This paper points to the importance of students being exposed to insurance processes and products. This ensures better recruitment of talents, expands the recruitment basis and creates more informed customers. One aspect that can be derived from the findings discussed in the paper is the point of contact between the profession and the students surveyed.

The study considers students as potential workers in the insurance industry, and evaluates the likelihood that they would consider that option in their professional careers. However, even if they are not willing to consider that option, they will be (they are) in contact with some elements of the insurance business. All of them are customers, have dealt with insurance-related products in the past and/or will in the future. The fact that most students may not know much about career opportunities, may not be interested or may not be too sure about jobs available does not necessarily mean that they do not use insurance-related products.

In fact, results suggest that participants are not fully aware of career options, but that they know what insurance is about. What was found highlights how confident participants are in their mathematical and computational capabilities. From this, Acharyya and Secchi (2015) may find a first and indirect support for the claim that, even if they are not interested in a career in the insurance business, students may still become good customers. The understanding of insurance-related products is key to customers, and this business relationship is strengthened by math skills and a fair knowledge of what is offered in the market. Of course, this is but a preliminary result and it was not the focus of the current study. However, given its importance, future research may well explore the motives and the likelihood that business students become good customers.

This study contributes to the ongoing debate on the talent shortage in the global insurance industry. Unlike previous studies, the students in the sample are majoring in mainstream subjects (rather than insurance) and some (categorised as international) have no idea about the broader nature of insurance business, including insurance designations. This study may help the insurance industry, educators and professional bodies to target the appropriate market to attract and develop talents. Moreover, the significant factors identified in this study can provide the necessary information for developing a strategy to educate and retain talents by addressing their perceptions of the insurance profession.

Since this analysis suggests that students' awareness negatively affects their choice of an insurance career, closer engagement with university students is recommended to highlight their core understanding of insurance, the broader scope of insurance education and professional routes, along with the opportunities available.

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Got Talent? Attracting Millennials to Insurance Careers…and Keeping Them[*]

By Dax Craig[+]

It's highly doubtful that the words "cool" or "sexy" come to mind when young people think of the insurance industry. Unfortunately, that perception will hinder many young, talented individuals from seeing the value of insurance as a career path, and the industry recognises something needs to be done.

It's no longer enough to simply provide stable job opportunities; it is crucial to find a way to make insurance relevant to a new breed of employees. More diverse than ever before, the next generation of workers differs with regards to age, gender, cultural backgrounds, skill sets and working styles. Studies have proven that they crave innovation, independence and flexibility, gravitating towards companies like Google and Facebook that have built empires around those same principles.

While the first step is to attract top talent, the changes the industry needs to make do not end there. It's not just about finding the right talent, but accommodating that talent when they arrive. One of the biggest reasons why the industry needs to attract diverse talent is because it will soon be losing a good chunk of its workforce. According to a survey from The Institutes,[1] 50 per cent of current insurance workers are nearing retirement age, while half of the total workforce will consist of millennials by the year 2020.

Millennials, or those born between the years 1980 and 1996, are currently the largest generation in the U.S., even surpassing the baby boomers. According to a recent outlook from Applied Systems Inc.,[2] there are nearly 77 million millennials in the U.S. with an average household income of USD 60,000, according to the U.S. Census Bureau. They are also the most educated generation, with nearly 1 in 4 holding at least a bachelor's degree. So why exactly is having a diverse workforce so necessary? Consider the following:

- Minority groups accounted for 87 per cent of the national population growth between 2000 and 2010.
- The Hispanic personal-lines market is projected[3] to grow to nearly USD 41 billion by 2020.
- By 2028, 75 per cent of worldwide discretionary spending will be controlled[4] by women.

What do these statistics mean for insurance? Well, having a diverse workforce means your company will be better able to meet your customer's needs -- that includes a diverse mix of life experiences, backgrounds and skill sets. The country's largest generation grew up in the digital age, in which the world has slowly become smaller and smaller through the proliferation of technology. That means that millennials aren't just more diverse in terms of backgrounds, but also in their ways of thinking.

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[*] This article was originaly published in http://www.propertycasualty360.com/2014/11/24/finding-the-sweet-spot-in-attracting-millennials-t?t=analytics-data

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[1] The Institutes (2012) *Millennial Generation Attitudes about Work and the Insurance Industry*, https://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf

[2] Applied Systems (2014) *Why Millennials Matter*, University Park, IL: Applied Systems, Inc., http://www1.appliedsystems.com/media/399999/why-millennials-matter-ebook_en-us.pdf

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[4] Merril Lynch (2015) "Women Power", http://insights.wm.ml.com/articles/women-power.html#fbid=cETLAGTfYCk

According to Vertafore's[5] 2014 Young Professional Survey, 51 per cent of millennials rate technology as "very important" to keeping them in an industry. Conversely, technology jobs within insurance continue to be the most in demand and are expected to grow[6] at an extraordinary rate, with almost 75 per cent of carriers expected to increase[7] their tech staffs over the next 12 months.

In fact, a recent survey[8] of more than 100 CEOs by Change the Equation—a CEO-led nonprofit coalition looking to improve STEM (science, technology, engineering and mathematics) literacy—found that there is a serious skills gap threatening the U.S.' economic future:

- More than 97 per cent of CEOs believe the skills gap is real.
- Approximately 60 per cent of job openings require basic STEM literacy.

With a view into the type of talent we need to recruit, the next question is: what changes need to be made in order to accommodate the highly connected, diverse and tech-savvy millennial generation? The answer lies in utilising technology such as big data and analytics to help bring insurance into the 21st century. Even more importantly, there is an opportunity for tech-minded talent to help make the industry more nimble, efficient and able to create an engaging customer experience that allows insurers to attract and retain the best risks. Leading insurers are creating sustainable underwriting profits by leveraging data analytics, and the timing couldn't be better to match technology solutions with human capital that knows how to leverage it.

Insurance is playing catch-up in convincing the brightest talent that this is an industry ripe for innovation, especially as it pertains to the millennial generation. While insurance may not have been "cool" for some time, there are ways to make it an attractive option by focusing on what the diverse millennial generation wants and needs—the ability to innovate and use technology to improve people's daily lives.

Collegiate Education in Risk Management and Insurance Globally: Past, Present and Future[*]

By W. Jean Kwon[+]

The risk management and insurance industry has a relatively highly stratified workforce, ranging from lower skilled employees to highly skilled professionals. Its businesses, especially in the reinsurance segment, have long been international, making the human capital management need in the industry broader in scale and scope than in many other industries. The industry undoubtedly depends on colleges and universities for a constant supply of new, dedicated employees and should be able to nurture them as future talents.

Have we—academicians, industry leaders and policymakers—done our best to keep this academic field and profession attractive to new employees and incumbent workers? We observe in recent years no meaningful rise in the number of college students studying risk management and insurance globally, except in selected emerging economies. Not surprisingly, population ageing has become a critical risk in global insurance markets. The human capital attraction and retention challenges in the markets intensify due to a combining effect of social, economic and market-specific factors.

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5 O'Connor, A. (2014) "Young Agents Rate Flexibility, Career Growth Over Technology: Vertafore Survey", Insurance Journal, 14 August, from http://www.insurancejournal.com/news/national/2014/08/14/337540.htm

6 Ward Group (2014) "Labor Study Indicates a Stabilizing Insurance Industry; Recruiting Difficulty Continues", Ward News, 26 August, from http://www.wardinc.com/news/?newsId=215

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8 Gordon, C. and DeBard, A. (2014) "CEOs Say Skills Gap Threatens U.S. Economic Future", http://changetheequation.org/press/ceos-say-skills-gap-threatens-us-economic-future

* This article is based on the author's full report published jointly by the International Insurance Society and St. John's University. The report, in its entirety or executive summary in English, Chinese, Italian, Japanese, Macedonian/Serbo-Croatian, Portuguese, Spanish and Russian, is available at http://iisonline.org/research-program/critical-issues/.

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We also observe that, while risk management and insurance (RMI) is not well recognised as an academic field or profession by the general public and college students, it is viewed as attractive to students studying the field, and as very attractive to both young and old generations working in the insurance profession. Therefore, we need to find ways of effectively educating people about the value of pursuing risk management and insurance as an education and as a profession. For example, the industry can engage in more public relations activities; work closely with local universities to adopt the field as an academic major; develop better talent recruitment, training and retention programmes; and prepare for impending talent morbidity across financial services sectors and across borders.

This report presents key findings from examination of historical records, results of our 2013 survey and communications with RMI professors worldwide. Also presented are the initiatives that professional associations and institutions have played alone as well as in collaboration with local tertiary institutions. Specifically, this report investigates the birth of collegiate RMI programmes in the 19th century and their development throughout the 20th century. It then examines the status of the programmes based not only on the information available from reliable sources in the public domain but also from findings of our 2013 survey of 116 institutions in 25 countries.

Risk and insurance education: the past. Evidence of academic work in insurance is found even in the late 19th and early 20th centuries. We find records of master's theses and doctoral dissertations by graduates of selected universities in Europe (for example, Université de Paris, Université de Caen Basse-Normandie, Université de Toulouse, Université de Lyon, and Albert-Ludwigs-Universitaet, Freiburg), North America (for example, Boston University, Columbia University, Cornell University, University of Pennsylvania and Yale University) and Asia (for example, Peking University). We also find that structured industry training programmes were introduced likely before the establishment of formal collegiate education in insurance. For example, the Federation of Insurance Institutes of Great Britain and Ireland, the Insurance Library Association in Boston, the Insurance Society of New York and several other organisations made significant contributions to both academia and the industry—by designing and offering *ad hoc* seminars, correspondence courses and examinations for industry employees—during the era when new entrants to the industry were mainly high school graduates.

It seems that European scholars—notably those with the University of Göttingen—conducted ad hoc lectures in insurance in or before the 19th century. In North America, the records of seminars in insurance were found at Boston University, Harvard University, the University of Pennsylvania and Washington University. Both the University of Wisconsin and the University of Minnesota claim to be the first to adopt insurance as a course in the regular curriculum. New York University began a gradual development of insurance curricula in life insurance, actuarial practices, life office administration and general insurance (brokerage) from 1905. Secondary and tertiary education in insurance was available in China, Japan and Korea even in the 1900s.

It was not until the 1920s that insurance as an academic field grew in momentum, especially in the U.S. A series of surveys of U.S. colleges and universities (conducted, for example, in 1927, 1932, 1949, 1956–1957, 1969–1970 and 1975–1976) find that the number of insurance courses and programmes was on the rise. The 1975–1976 survey, for example, finds that 677 institutions were offering 2,566 courses in the aggregate. Throughout the decades, insurance principles remained the most popular course offered, followed by life insurance and property/liability insurance. Interestingly, the last known comprehensive survey of North America, for the 1992–1993 academic year, reports that undergraduate RMI courses were offered at 203 institutions and that only 61 of them had an RMI major, minor or concentration at the undergraduate level. It also reports that graduate RMI courses were available at 71 institutions—including 18 institutions with an RMI major or concentration and three institutions with a minor. Doctoral-level majors and minors were available from eight institutions.

The first known global survey of collegiate RMI education was conducted in 1960. It finds that 299 non-U.S. colleges and universities had 689 lecturers for 456 insurance courses and that insurance principles was the most popular course offered, followed by insurance law, social insurance, life insurance, fire insurance and marine insurance. A similar survey conducted in 1977 reports that 332 colleges and universities in 67 countries offered 786 courses in insurance. Risk and insurance foundation courses were the most popular, followed by insurance law courses.

The status of RMI education: the present. In Canada, a number of universities are known to offer one or more RMI courses as part of their business curricula, but only a few provide RMI degree or concentration programmes. In the U.S., we find a relatively large number of colleges and universities with an undergraduate RMI major. Studying RMI as an undergraduate minor is possible at numerous U.S. academic institutions. Only limited information is available about RMI studies at tertiary institutions in North, Central and Latin America.

RMI education is a vital element of undergraduate, graduate and doctoral programmes in a relatively large number of institutions in China, India, Japan, Korea and Taiwan. A 2010 report from China shows that there were 87 undergraduate, 47 graduate and 23 doctoral RMI programmes. According to this report, there were 20,000+ undergraduate, 1,500+ graduate and 240 doctoral students as well as 1,100+ professors in China. India hosts several nationally recognised and regional universities that offer RMI programmes as stand-alone or as part of financial services programmes. RMI programmes in Japan commonly follow a *zemi* [seminar] system. Most universities in Korea now have financial services programmes in lieu of former stand-alone RMI programmes. In Taiwan, we find not only a large number of public and private universities offering RMI education but also a large pool of foreign and locally educated RMI professors. A few public and private universities in Malaysia and Thailand are known to have RMI programmes.

In the U.K., we find several universities with RMI programmes, but they are small in number, in part because of the presence of well-known professional designation programmes as well as the traditional role of industry associations as key players in human resource development for the country. Similar cultures are observed in continental Europe and in several Commonwealth member countries, including Australia and New Zealand. In these countries, RMI courses—undergraduate and graduate alike—are often not available as a cluster in a major or minor, just as they are not in most other countries across Europe. In contrast, Russia is now home to 40+ universities with RMI programmes. In Turkey, insurance courses are widely available, commonly as part of insurance and banking curricula.

Interest in risk management and insurance—including microinsurance and Islamic principle-based takaful operations—is certainly rising in Africa and the Middle East. Nevertheless, little information is available about RMI education in these regions except in South Africa.

The 2013 survey. The survey, with final valid responses from 37 public and 79 private institutions in 25 countries, examines the characteristics of academic divisions, faculties, degree programmes and student bodies, as well as opportunities and challenges faced by the responding institutions. Key findings are summarised here.

- <u>Academic divisions</u>. There are four schools of insurance, one school of insurance studies and one school of risk management, insurance and actuarial science in addition to departments. The title "Department of Insurance" is found in four institutions, "Department of Risk Management and Insurance" in 12 institutions, and "Department of Finance and Insurance" in eight institutions. In all other 61 institutions, RMI programmes or courses are available from non-insurance-specific departments such as "Department of Finance."
- <u>Faculties</u>. The 112 institutions in the aggregate employ 495.5 full-time faculty members, of which 422 members (or 85.2 per cent) hold a terminal (doctoral) degree. They also have 287.5 part-time faculty members, including 100.5 (or 35.0 per cent) with a terminal degree. There are on average 4.38 full-time and 2.54 part-time faculty members per institution. There are 12 institutions with 10 or more full-time faculty members. Sixty-eight institutions report that they have faculty members with one or more professional designations.
- <u>Majors and minors</u>. Eighty-three of the 112 institutions (74.1 per cent) offer an undergraduate major in RMI (likely including RMI as part of a hybrid study such as finance and insurance). Forty-one of the 84 institutions (48.8 per cent) additionally offer RMI as a minor (including concentration, track and similar titles). Separately, 10 of the 112 institutions (8.9 per cent) offer RMI as an undergraduate minor. Regarding advance degree programmes, we find 69 out of 113 institutions (61.0 per cent) offering an MBA, MS or postgraduate programme in RMI (including as part of a hybrid programme). Forty-three of the 69 institutions (62.3 per cent) additionally train Ph.D. candidates in RMI. Separately, five universities do not have a master's degree programme but accept doctoral candidates in RMI.

- Student population (99 observations). We find a total of 14,171 students enrolled in the aggregate of all degree programmes offered. They comprise 10,786 undergraduate students, 1,042 full-time MBA students, 249 part-time MBA students, 1,418 full-time Master of Science/Art candidates, 383 part-time Master of Science/Art candidates and 293 Ph.D. candidates.

  Of the 10 institutions with the largest student population, we find five located in China, two in Taiwan and one each in Germany, Korea and the U.S. Of the 10 with the largest undergraduate student population, four are located in China, three in Taiwan and one institution each located in Korea, Russia and the U.S. Of the 10 with an MBA programme—again in terms of population size—we find three in China, one in Taiwan, two in the U.S. and four in India. Of 10 largest with MS/MA programmes—again in terms of population size—we find four in China, three in the U.K. and one institution each in Australia, India and Thailand. Finally, we find six institutions in China educate a relatively large number of RMI Ph.D. candidates. For India, Russia, Taiwan and the U.S., we find one institution each with 10 or more doctoral candidates.

- Undergraduate RMI courses (99 observations). All institutions except one offer Introduction to Risk Management and Insurance as a required (80 institutions) or as an elective course (18). Other popular courses include Life and Health Insurance (45 required and 27 electives), Property and Liability Insurance (45 and 15), Risk Theory/Economics (31 and 20), Commercial Insurance (28 and 18), Insurance Law (21 and 28), Personal Insurance (20 and 20), Insurance Company Operations (16 and 31), Employee Benefits (17 and 27) and Reinsurance (9 and 20). We do not observe any unique patterns with respect to, for example, theory vs practice-oriented courses across countries or regions.

  Only a few institutions responded as having an RMI course with an international perspective. Four offer it as a required course while 14 offer it as an elective. One U.S. institution requires an academic internship course and seven other U.S. institutions offer it as an elective. It seems, however, selected institutions in other countries plan to offer it.

- Graduate RMI courses (60 observations). The Principles course is again the most popular (28 required and 17 elective), followed by Risk Theory/Economics (27 and 15), Insurance Law (19 and 13), Property and Liability Insurance (15 and 13), Life and Health Insurance (12 and 22) and Insurance Company Operations (9 and 13). Financial RM is popular and is a required course in 20 institutions and an elective in 21. Finance courses as well as Finance and Insurance courses are also offered by some, albeit not a large number of, institutions.

- Ph.D. RMI courses (27 observations). We find that the programmes seem to place less emphasis on course work. Most of the institutions have zero to two required courses—commonly Insurance Principles, Risk Theory/Economics and financial RM. The survey finding shows that Risk Theory/Economics is the most popular (14 required and 7 elective), followed by Financial RM (6 and 11) and RMI Foundation (7 and 6). Practice or insurance market-oriented courses are either unavailable or offered by only a few institutions.

- Programme success factors. Commonly cited success factors that have allowed RMI programmes to be competitive or very competitive include a university's and A department's reputation, its faculty reputation (e.g., research, innovation in teaching, presence of a research centre, synergy of the programme with other academic divisions), governmental and industry support and the institution's location.

- Challenges. The most commonly noted challenge is difficulty in recruitment, both of faculty members with high research/teaching quality and of students in terms of number and quality.

As alluded to above, the field of insurance is not widely known to the general public or college students. It is, however, viewed as attractive to students studying the subject, and as very attractive to those already working in the industry. Therefore, employers need to increase awareness among younger generations—particularly among college-bound high school students and college students in business schools—about the societal and economic contributions made by the industry and about the level of professionalism their workers are expected to hold. Based on the findings cited earlier in this paper, we offer the following recommendations as solutions to human capital attraction and retention risks.

First, we suggest that tertiary educational institutions and their partner training institutes be more active in creating and fortifying relationships with the insurance industry. Second, we suggest that insurance companies work more closely with qualified, local tertiary educational institutions towards the adoption of RMI as a major field of study and, in the case of those institutions already with a programme, towards coordinating and enhancing the process of students learning. Third, professors must continue to review the effectiveness of existing RMI curricula and update them as and when necessary.

Finally, it is critical that RMI programme-offering academic institutions be clearly aware that the insurance industry does not rely solely on them for the supply of human capital. Insurance companies do need graduates from a wide array of academic fields—from economics, finance, law and accounting to engineering and political science for their daily operations in product design, marketing, underwriting, claims, investment, accounting, information technology and so on. It is, however, the collegiate RMI education that they value for the supply of future professionals who have demonstrated a strong interest in the insurance business and will eventually lead the industry.

News from EGRIE

Letter from the President

By Mark Browne[+]

Like many people before and since, in 1996 I was looking for a way to visit a part of the world I had not yet seen. My opportunity to travel that year came when EGRIE accepted my paper for presentation at the conference in Hanover. As I recall, the meeting was held in the Leibniz House; the papers presented were very good and the comments on my paper were extremely helpful. The hosts of the meeting were both gracious and generous. The conference participants were treated to a variety show in Hanover one evening and were provided with some cash to help defray travel costs. For me, the meeting was a milestone event in my life as it was my first trip away from North America. Doors to intellectual inquiry and to friendships were opened at that meeting. My life has been enriched by EGRIE, a fact for which I am very grateful. I am fortunate this year to be able to serve as president of EGRIE, an organisation that has meant much to me.

Since 1996, EGRIE has evolved a great deal. Among the important developments since then was the adoption of bylaws that established EGRIE as a self-supporting organisation distinct from The Geneva Association. The annual meeting of EGRIE is currently funded by membership fees, The Geneva Association, and the generosity of the local conference organiser each year. The administrative duties incumbent to EGRIE's activities are provided by Richard Peter of Ludwig Maximilian University of Munich (LMU). His position is funded by the German Insurance Association. In the not too distant past, EGRIE had no administrative office and was funded almost exclusively by The Geneva Association. EGRIE has grown in membership, its meetings attract more scholars and more paper submissions, and its funding base has expanded. By all measures, EGRIE is healthy, established and increasingly impactful.

What has not changed about EGRIE in the years since I became a member is the organisation's role in fostering high quality research. Of the three major risk management and insurance scholarly societies, the other two being the American Risk and Insurance Association (ARIA) and the Asian Pacific Risk and Insurance Association (APRIA), EGRIE provides the greatest amount of time at its meeting for each paper to be presented and discussed. This comes at the cost of not being able to include as many papers on its programme as the other organisations, but results in the benefit of there being more time for a richer discussion of each research paper that is on the programme. Of the three organisations' conferences, EGRIE's is generally regarded by scholars as the one at which it is most difficult to have a paper accepted onto the programme. EGRIE's conference is also noted for the number and quality of theoretical papers presented each year.

[+] Insurance and Actuarial Science School of Risk Management, Tobin College of Business, St. John's University.

This coming summer EGRIE will for the first time host the World Risk and Insurance Economics Conference (WRIEC) in Munich. The prior meetings of the WRIEC, which is a joint collaboration of EGRIE, ARIA and APRIA, were hosted by ARIA in Salt Lake City in 2005 and by APRIA in Singapore in 2010. The size of the meeting and the logistics involved require a sizeable amount of administrative work. EGRIE is fortunate to have the Munich Risk and Insurance Center at LMU serve as the local organiser for the meeting this coming summer. Throughout its history, EGRIE has received the support of members and their universities who have stepped up as local organisers of its meeting each year. Significant thanks are due to Professor Richter and his group at LMU for taking on this responsibility for the upcoming WRIEC conference, which will undoubtedly be the largest meeting that EGRIE has yet hosted.

As a now veteran traveller, thanks in no small part to EGRIE, I look forward to visiting Munich this summer for the meeting. I hope to see you there.

SCOR–EGRIE Best Paper Awards

SCOR–EGRIE Young Economist Best Paper Award

Winner

The 2014 SCOR–EGRIE prize for the best paper presented by a young economist at the annual seminar of EGRIE was awarded to **Nadine Gatzert**, **Sebastian Pokutta** and **Nikolai Vogl** for their paper “Convergence of Capital and Insurance Markets: Consistent Pricing of Indexed-Linked Catastrophic Loss Instruments”.

The two other nominees were **Muhammed Altuntas**, **Thomas R. Berry-Stölzle**, **Sabine Wende** (“Does One Size Fit All? Determinants of Insurer Capital Structure Around the Globe”) and **Katarzyna Werner** (“Insurance Demand and Heterogeneity in Risk Perception”).

Submissions

The SCOR–EGRIE Young Economist Best Paper Award was created by SCOR, the Institut d’Economie Industrielle (IDEI) and the University of Paris-Dauphine to honour the best paper presented by a young economist at the annual seminar of EGRIE.

The amount offered to the laureate of the award is **€2,000**. This award is organised under the supervision of the Risk Markets and Value Creation Chair at IDEI and the University of Paris-Dauphine, which is sponsored by SCOR and the Fondation du Risque.

The selection committee is composed of five people representing the following institutions: EGRIE, SCOR, Fondation du Risque, the University of Paris-Dauphine and IDEI.

Rules of the SCOR–EGRIE Award:

- To be eligible, the author and all co-authors have to be less than 40 years old.
- The EGRIE Scientific Committee of the WRIEC nominates three papers among those selected for presentation at the conference.
- Upon reception of the final version of the three nominated papers, the selection committee will choose the winner.
- The SCOR–EGRIE Young Economist Best Paper Award will be announced and given during an official ceremony at the EGRIE seminar.

SCOR–Geneva Risk and Insurance Review Best Paper Award

Winner

The 2014 SCOR-GRIR Award for the best paper of the year, published in *The Geneva Risk and Insurance Review*, was awarded to **Pierre Picard** and **Jean Pinquet** for "Optimal Risk Financing in Large Corporations through Insurance Captives" [*The Geneva Risk and Insurance Review* (38)1: 48–86, 2013].

Submissions

SCOR, the Institut d'Economie Industrielle (IDEI), and the University of Paris-Dauphine created the SCOR-GRIR Award to distinguish the best paper of the year published in *The Geneva Risk and Insurance Review*.

The amount offered to the laureate of the award is **€1,000**. This award is organised under the supervision of the Chair "Risk Markets and Value Creation" at IDEI and the University of Paris-Dauphine, which is sponsored by SCOR and the Fondation du Risque.

The selection committee, composed of the editors and associate editors of *The Geneva Risk and Insurance Review*, will choose and reward the best paper published the previous year.

The SCOR–Geneva Risk and Insurance Review Award will be announced during an official ceremony at the EGRIE Seminar.

Call for Papers

World Risk and Insurance Economics Congress (WRIEC) 2015

2–6 August 2015, Munich (Germany)

The 3rd World Risk and Insurance Economics Congress will take place in Munich, Germany, on 2–6 August 2015. The conference will be organised by the European Group of Risk and Insurance Economists and co-organised by the American Risk and Insurance Association, the Asia Pacific Risk Insurance Association and The Geneva Association. It will be hosted by the Munich Risk and Insurance Center at LMU Munich.

The World Congress features panel sessions on climate change, asset management, big data, and risk management and insurance research. Confirmed keynote speakers include Nikolaus von Bomhard and Mohamed El-Erian. On the occasion of the congress the 27th Geneva Risk Economics Lecture will be delivered by Jean-Charles Rochet.

You are encouraged to submit a proposal to present research findings. Papers on any risk or insurance-related topic are welcome. Specific subject areas include, but are not limited to, insurance economics, risk management, insurance law or regulation, insurance company operations, corporate governance, public policy, health care, international issues, retirement, or employee benefits.

Executive summaries (not exceeding three pages) that focus on the purpose, expected results and importance of the research may be submitted. Completed papers are preferred. Proposals from doctoral students are encouraged.

The deadline for submission is **2 February 2015**. This deadline will not be extended.

Proposals must be submitted electronically on the WRIEC website at www.wriec.net in Acrobat (.pdf) or Word (.docx) format. The submission link will be available no later than **5 January 2015**. Please remove all author information from your paper (double-blind review process).

Papers already accepted for publication should not be submitted. Authors will be notified by e-mail of the programme committee's decision regarding their paper by mid-April 2015. In order to stay on the programme, at least one author must register for the meeting no later than 1 June.

Questions concerning the programme can be directed to the Programme Chair **Alexander Mürmann**, Vienna University of Economics and Business (alexander.muermann@wu.ac.at).

The Geneva Association Prizes and Research Grants

Call for Submissions for the Ernst-Meyer Prize 2014

The Geneva Association awards the prestigious Ernst-Meyer Prize annually for university research work in the form of a doctoral thesis which makes a significant and original contribution to the study of risk and insurance economics. The Judging Committee for this year's Ernst-Meyer Prize comprises Dr Christophe Courbage, Prof. Andreas Richter, Prof. Sandrine Spaeter and Prof. Richard Watt.

Applications for the award should include all of the following:

- an electronic version (pdf) of the thesis
- an English language abstract of 1,000–1,200 words
- two recommendations (written in English), each providing a review of the submitted work
- a curriculum vitae in English.

Further requirements:

- The thesis should have been accepted by the Ph.D. Committee during the calendar year preceding the submission deadline.
- Submissions are possible in one of the following languages: English, French, Spanish and German.
- The prize is CHF 5,000.
- The deadline for the Ernst-Meyer Prize 2014 is **31 January 2015**.

Applications should be addressed to secretariat@genevaassociation.org, The Geneva Association, "Ernst-Meyer Prize", General Secretariat, route de Malagnou 53, CH-1208 Geneva.

For a full list of past winners, please click here.

The Geneva Association Research Grants

Each year, The Geneva Association awards up to two research grants for submissions—usually doctoral theses carried out in the field of risk and insurance economics.

Each grant is worth CHF 10,000 and covers a period of 10 months. The grants are primarily intended for research for a thesis leading to a doctor degree in economics. Suggested themes and subjects for research grants are:

Economic theory:

• Uncertainty: imperfect information in deterministic versus indeterministic models • Insurance and risk management in the service economy • Insurability and economic fundamentals • Insurability: privatisation processes and public intervention • The problem of the reinsurer of last resort • Credibility theory (in actuarial sciences) and economics of scale • Comprehensive theories of risk: defining, comparing and integrating pure risks, financial and entrepreneurial risks • Fiscal policy, solidarity and private insurance • Monetary stability and its impact on pure risk management • Systemic risks, the liability portfolio of insurance and pure risk management • The changing role of capital in the contemporary service economy with respect to financial institutions • The economic value of human life.

Economic practice:

• Moral hazard and fraud in the management of pure risks and insurance • Derivatives and their role for insurance on the asset and on the liability side • Economics of health and medical care • The development of technology in specific sectors and these sectors' impact on the insurability of risks • Reinsurance markets • The role of government, risk management and insurance institutions with reference to catastrophic and environmental risks • Financing the life cycle, in particular with regard to the increasing life expectancy of persons over 60: the role of insurance and public institutions • Productive activities, employment and health • National and international institutions, their impact on regulation and solvency rules in the insurance market (European Union, World Trade Organization, etc.) • Fiscal policy and reserving for large low-frequency risks • Distribution strategies in insurance • Emerging markets: problems and opportunities.

For more information please see: www.genevaassociation.org/prizes,-awards-and-grants

Insights on The Geneva Association Research Grants

The Geneva Association offers one or two grants for research into risk and insurance economics each year. Stephan Werner from the London School of Economics was awarded one of these research grants. We would like to congratulate him and give our readers the opportunity to learn more about his work.

Endogenous risk in non-life insurance: evidence from the German insurance sector during the interwar period, by Stephan D. Werner

In 1929, the then-second largest German insurance group, the Frankfurter Allgemeine Versicherungs AG (FAVAG), unexpectedly defaulted due to non-core business activities and fraudulent reporting. The circumstances of this event motivate the working hypothesis that private joint stock non-life insurance companies are exposed to endogenous risk—risk generated within the financial system—in the context of the non-life insurance business model.

Chapter 1 introduces the concept of endogenous risk in the context of the market-consistent valuation of a private non-life insurance company. It discusses the effect of changes in alternative investment opportunities and possible responses by the company. Within the context of the dividend optimisation problem in the Cramér-Lundberg framework, a model for a dividend surplus is proposed that allows the company to actively administer its shareholder value.

Chapter 2 translates the continuous-time dividend surplus model into a realistic discrete-time solvency model that incorporates the company's dividend decision. This model constitutes the conceptual foundation for the econometric analysis of different relevant factors.

Chapter 3 considers the predictability of market exits during the interwar period. Based on new data of 271 German insurance companies, a generalised linear model employing a probit link function is used to predict how companies exited the market between 1925 and 1935. It is found that most companies exited the market during the boom period of the 1920s and not the Great Depression of the 1930s. Investors were also more likely to discontinue unregulated companies featuring a relatively lower reputation.

Chapter 4 analyses the underwriting cycle of the interwar period relative to the business cycle. It utilises disaggregated data from nine different insurance lines of business. With the exception of transport/marine and credit insurance, it is found that most lines were not immediately correlated with the German business cycle. This highlights the problem of non-life insurance companies generating profits, especially during the economic boom period of the "Golden Twenties". The improvement of underwriting conditions during the early 1930s helped insurance companies to survive the Great Depression.

Chapter 5 examines the impact of changes in general economic conditions on risk management decisions of non-life insurance companies. It specifically addresses the determinants for reinsurance demand and questions whether demand was driven by solvency-related considerations. Based on a dataset of all 241 private mutual and joint-stock German companies that were active between 1926 and 1935, a generalised linear panel model employing a probit link function is used to analyse the decision to not engage in reinsurance. In addition, a random effects panel model is specified to examine the determinants of reinsurance demand. It is concluded that, albeit unregulated, reinsurance remained an important risk management tool. Reinsurance companies nevertheless featured a relatively low risk aversion.

Chapter 6 directly addresses the dividend payout policy of German non-life insurance companies. It is found that dividend increases were in particular prevalent during the "Golden Twenties". Differences in payout patterns are examined by the use of a dynamic panel model based on the Arellano-Bond GMM estimator. Especially companies with relatively high reputation paid out proportionally more net operating profit as dividends. In addition, payout ratios were higher during the 1920s period than in the 1930s.

Chapter 7 questions the link between the share price performance and dividend announcements from January 1926 to June 1931. It uses stock price data of all 59 German joint-stock non-life insurance companies listed at a German stock exchange. Employing event study methodology it is found that dividend increases caused positive and decreases likewise negative abnormal stock returns. It is concluded that companies used dividend announcement as a signal to administer shareholder value.

The results of this study confirm the applicability of the underlying analytical model. It is suggested that non-life insurance companies were catering to investor expectations during the "Golden Twenties". This ultimately caused the default of FAVAG in 1929. This confirms the working hypothesis that non-life insurance companies are exposed to endogenous risk.

An outlook on the bailout of AIG in 2008 suggests that similar mechanisms were also at play in this case. This highlights the conflict between market-consistent expectations and the idiosyncratic performance of non-life insurance business. Endogenous risk as a channel for systemic risk thus has to find consideration in current insurance regulation.

Activities Supported by The Geneva Association

17th Meeting of The Geneva Association's Annual Circle of Chief Economists

"Insurance Prospects in a Changing Risk Environment"

24–25 March 2015

Hosted by SCOR SE

Venue: SCOR SE, 5 avenue Kléber, 75016 Paris

Tuesday 24 March 2015

18.45 Gathering at the lobby of the Royal Hotel

19.00 Dinner (location to be announced)

Wednesday, 25 March 2015

08.30 Gathering at the lobby of the Hotel Royal, short walk to SCOR (optional)

09.00 Start of the Conference and Welcome

09.10 ***"Pandenomics"***
Vincent Perez, Chief Pricing Actuary, Head of Actuarial R&D, SCOR Global Life

10.00 ***"Long-term impact of the financial crisis on the insurance industry"***
Michael Heise, Chief Economist , Allianz SE

11.20 ***"The casualty pricing cycle"***
Kurt Karl, Managing Director, Chief Economist, Head of Economic Research & Consulting, Swiss Re

13.30 ***"French savers in the current crisis: preferences, financial expectations, and the demand for savings and life insurance"***
André Masson, Research Director, CNRS, EHESS and Paris School of Economics

14.20 ***"Big data in insurance underwriting: boon or bane?"***
Benno Keller, Head Research and Policy Development, Zurich Insurance Company

15.40 ***"Alternative capital: impacts on global reinsurance and insurance markets"***
Bob Hartwig, President & Economist, Insurance Information Institute

16.40 End of conference

Call for Papers

16th Joint Seminar of the European Association of Law and Economics and The Geneva Association

28–29 May 2015, Berlin

Risk Sharing and Insurance for Catastrophic Events

The 16th Joint Seminar of the International Association for the Study of Insurance Economics (The Geneva Association) and the European Association of Law and Economics (EALE) will commemorate the work of its founding father Göran Skogh, who died on the 11 May 2014. The topic of the seminar will be in the spirit of his seminal 2008 paper on the theory of risk sharing and insurance.

Any papers dealing with the institutional implications of insurance contracts and risk-sharing agreements—including public support—for catastrophic loss are invited. Papers could *inter alia* deal with the following issues:

- **International comparison of disaster risk management systems**, encompassing the full spectrum of the disaster management cycle, including private prevention, resilience infrastructures and insurance, as well as *ex post* risk sharing solutions for financial risk (such as catastrophe funds or relief programmes).
- Risk characteristics and informational requirements of **welfare-enhancing risk sharing contracts** in natural disasters and other catastrophic loss.
- The **institutional implications of "solidarity"** and unitary pricing of natural hazards insurance, e.g. in terms of social cohesion and defective behaviour, transaction costs, the purpose and limits of risk classification, land markets distortions, etc.
- Comparison of **behavioural and economic instruments of natural hazard management** in insurance, including moral suasion, public risk information, nudging and choice architectures, premium rebates and subsidies for risk prevention, etc.

A **special panel session** will be devoted to the legal and economic analysis **of small-scale risk-sharing mechanisms**, including micro-insurance, for natural hazard risk management in the EU and under the upcoming UN Hyogo Framework of Action.

Abstracts should be submitted by **15 February 2015** for review by a scientific board. The acceptance of the proposals will be communicated by **15 March 2015**.

Full papers are due by **2 May 2015**. A selection of the papers from the seminar will be invited for publication in *The Geneva Papers on Risk and Insurance - Issues and Practice.*

The seminar is sponsored by **The Geneva Association** and the **Präventionsstiftung of the Kantonale Gebäudeversicherungen of Switzerland**.

It is jointly organised by *Gert G. Wagner* (DIW Berlin), *Reimund Schwarze* (European-University Viadrina, Frankfurt/O.) and *Jeroen Aerts* (IVM Institute for Environmental Studies, Amsterdam)

Contact: Reimund Schwarze, European University Viadrina, Grosse Scharrnstrasse 59, D-15230 Frankfurt (Oder), Germany. Tel: (+49-335) 5534-2470. E-mail: schwarze@europa-uni.de

Advance Notice

The Geneva Association's Public Forum Event at the Third UN World Conference on Disaster Risk Reduction

"Insurance as contributors to problem solving and impact reduction"

16 March 2015, Sendai, Japan

Venue: Tohoku University Kawauchi North Campus

Audience is limited to 200 people at maximum, participants will come from insurance companies, brokers, policymakers, international organizations, academia, NPOs, etc.

Topics will include:

- How can insurance industry's wealth of knowledge better serve social resilence?
- How can the insurance industry navigate community actors to behave risk consciously?
- How can insurance mechanism be better utilized as an effective social system to enhance DRR?

For further information, please contact our Conference Coordinator, Ms Barbara Botterill at barbara_botterill@genevaassociation.org

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Advance Notice and Call for Contributions

12th Geneva Association Health and Ageing Conference

"Insuring health care for the elderly in Asia"

16–17 November 2015, Singapore

Co-organised with the Singapore College of Insurance

The Geneva Association has the pleasure to inform you that the 12th Health and Ageing Conference, generously hosted by Singapore College of Insurance, will take place in Singapore on 16–17 November 2015. The conference will focus on the medical aspects of ageing in Asia, the challenges of financing the health of an ageing population and the role insurance can play in Asia.

Topics will include:

- The nature and determinants of health care for the elderly in Asia
- Sustainability of health-care financing for the elderly in Asia
- Health-care providers and new health technology
- Insurance solutions to cover the health of an ageing population in Asia
- Other sources of financing the health of an ageing population
- Challenges for insurers in covering health risks for an ageing population.

We encourage you to submit contributions related to the topics of the conference. Suggestions for other topics will be considered.

Should you be interested in contributing to this conference, please contact christophe_courbage@genevaassociation.org

Participants will come from insurance and reinsurance companies, universities and related institutions. There is no conference fee. The conference will have a limited number of participants to guarantee an active exchange of opinions and animated discussions.

For further information, please contact our Conference Coordinator, Ms Barbara Botterill at barbara_botterill@genevaassociation.org

Calls for Papers and Others

Call for Papers

"Risk in Emerging Markets"

Insurance Risk & Finance Research Centre 2015

25–26 June 2015, Singapore

Insurance Risk and Finance Research Centre (IRFRC)
Nanyang Business School, Nanyang Technological University, Singapore

General Information

The Insurance Risk and Finance Research Centre (IRFRC) invites high-quality research in insurance and actuarial science for its annual conference. The theme of this year's conference is **"Risk in Emerging Markets"**. Submissions may be in the form of completed papers (preferred) or extended proposals. In addition to the conference's theme on insurance risk in emerging markets, topics may include, but are not limited to: longevity risk financing, actuarial pricing of catastrophe risk and insurance economics. Papers with a focus on the Asia–Pacific insurance industry are especially welcome.

Confirmed keynote speakers

Christian Gollier, Professor of Economics, University of Toulouse I

Paul Embrechts, Senior SFI Professor of Mathematics, ETH Zurich

Publishing opportunity: *Journal of Risk and Insurance (JRI)*

The Guest Editors will select from the conference programme a number of papers that will go through the normal refereeing process of the *JRI*. Those that have a successful outcome in the reviewing process will appear in a *JRI* symposium entitled "Risk in Emerging Markets". Acceptance of the paper to the conference does not guarantee that it will appear in the *JRI*, as the ultimate decision on publication will be made by the Editor (Keith J. Crocker) in conjunction with the guest editors (to be announced) and the reviewers.

Funding

The IRFRC will provide partial financial support for travel and accommodation for presenters. More details to be announced on the IRFRC website (www.irfrc.com) by December 2014. University guidelines apply.

Submission guidelines

Please email your *blind* submission and *separate cover page* with complete contact information of all co-authors and presenter (must be specified) to the IRFRC: d-irfrc@ntu.edu.sg. For any questions please email Andreas Milidonis: amilidonis@ntu.edu.sg. Deadline for submission of papers or extended proposals: **1 March 2015**. Decisions to be communicated no later than: **20 April 2015.** Final papers and presentations to be sent by: **31 May 2015**. Please provide complete contact information of all co-authors and the presenter on a separate cover page.

Scientific committee

Submitted papers will be reviewed by the Scientific Committee comprising: Uditha Balasooriya, Nanyang Technological University; Andrew Cairns, Heriot Watt-University; Wai-Sum Chan, Chinese University of Hong Kong; Michel Dacorogna, SCOR; Jun-koo Kang, Nanyang Technological University; Marie Kratz, ESSEC Business School; Andreas Milidonis, IRFRC, Nanyang Technological University; Shaun Wang, The Geneva Association; George Zanjani, Georgia State University.

About the Insurance Risk and Finance Research Centre (IRFRC)

Founded in March 2011 in partnership with global reinsurer SCOR, the IRFRC sponsors and directs primary research on insurance and insurance-related risk research in the Asia–Pacific region. Through research, industry collaborations and seminars it aims to provide a critical foundation to create knowledge and support the growing role of the insurance industry in the economic development of the region. IRFRC website: www.irfrc.com.

Call for Papers

International Conference on Risk Analysis (ICRA 6)

26-29 May 2015, Barcelona

The 2015 International Conference on Risk Analysis (ICRA6) is an international forum for disseminating recent advances in the field of Risk Analysis, with applications for the risk assessment and the risk management in Life, Biological and Environmental Sciences & Public Health, Economics and Finance, and Reliability of Engineering, Technical, Biological & Biomedical Systems. The conference will also include the 6th Workshop on Risk Management and Insurance (RISK 2015).

All papers must be written in English or Spanish, and will be peer reviewed. Only one paper per registration is accepted. An Author's Kit is available at the conference website. It provides guidance and Word / LaTex templates for preparing papers for ICRA6 / RISK 2015.

Note that full papers must be 5 to 6 pages in length and must use one of the provided templates. Accepted papers will be published in the conference proceedings (with ISBN). Moreover, authors of accepted papers presented at ICRA6 / RISK 2015 will be invited to submit extended version of their papers to special issues of the following ISI and Scopus-indexed journals International Journals: RevStat Statistical Journal, and Int. J. of Data Analysis Techniques and Strategies.

The deadline to submit manuscripts for consideration is **15 January 2015**. The website of the conference is http://www.uoc.edu/portal/en/symposia/icra6/.

Call for Papers

Catastrophe, Weather and Insurance

The *Journal of Insurance Issues (JII)*, together with St. John's University's School of Risk Management, Insurance, and Actuarial Science (SRM), announces research awards totalling USD 6,000 for selected papers submitted for publication in a special issue of the *JII* focused on catastrophes, climate change and insurance. Papers on all related topics are invited for consideration. Papers previously published are not eligible for consideration.

A best paper award of USD 3,000 and up to three honourable mention awards of USD 1,000 will be made. Winning papers will be presented in a research symposium in October 2015. The symposium will be held in conjunction with the School of Risk Management's annual invitation-only conference on insurance regulation in New York City. Selected papers will be considered for inclusion in a special issue of the *JII* to be published in March 2016; the focus of the issue and paper is on catastrophe, environmental change, and insurance. Limited travel support to attend the research symposium and the School of Risk Management's conference on insurance regulation may be available for one author of each selected paper.

The deadline to submit manuscripts for consideration is **30 June 2015**. Awards will be announced August 15.

Authors should submit papers to James Barrese at barresej@stjohns.edu listing the subject "JII Research Award submission." The *JII* website (www.insuranceissues.org) contains information on paper formatting requirements.

St. John's University's School of Risk Management, Insurance and Actuarial Science

The School of Risk Management, Insurance and Actuarial Science is a division of the Tobin College of Business of St. John's University in New York City. The School of Risk Management is a global leader in risk and insurance education and research.

Journal of Insurance Issues

The *Journal of Insurance Issues*, which is jointly published by the Western Risk and Insurance Association and the Southern Risk and Insurance Associations, publishes rigorous theoretical and empirical research on risk and insurance topics.

Awards Committee (to-date)

James Barrese, St. John's University; Thomas Berry-Stölzle, The University of Georgia; Mark Browne, St. John's University ; Andre Liebenberg, University of Mississippi; Charles Nyce, Florida State University; Andreas Richter, Ludwig Maximillian University; Petra Steinorth, St. John's University

The Insurance Institute of China

The Insurance Institute of China, founded in 1979 in Beijing, is a non-profit organisation with 255 members, 132 and 78 of which represent insurance companies, and academic and research institutes respectively. The IIC, formed by professionals, academics and business entities from China's insurance and relevant fields, operates under the direction of CIRC, addressing theoretical, policy-related and practical studies in insurance, aiming to create a platform for information sharing and idea-exchanging among academics. The IIC is the leading innovative think tank, providing all-round intellectual solutions to decision-making in major and focused issues in commercial insurance, risk management, social security, gaining grounds for future development of insurance in the states' development strategy.

In its role as innovative think-tank in China's insurance industry, the IIC:

- carries out major research projects, including *Report of State Risk Management*, promoting the application of risk management in safety management at State level;
- encourages researches in catastrophic insurance, agricultural insurance, liability insurance, and pension system;
- standardises the data acquisition in catastrophic insurance, creating data base in the underlying area;
- promoting the digitalisation of medical insurance data;
- stresses researches of legal issues in insurance, focusing on traffic compulsory insurance, liability insurance of safety production and environment pollution, catastrophic insurance and other areas.

The IIC inspires to advance interactions with academic peers and ideas exchange through *Insurance Studies, Insurance Studies—Practice and Explore, Insurance News*, and annual seminars. The IIC is also committed to:

- Promoting the acquisition and research in historical documents of China's insurance industry through the editing of *History of Insurance in China* and *A General Overview of China Insurance;*
- Creating insurance culture by ways of collecting witness' 'oral history' of those who lived through the ages of China's insurance development, initiating museum of insurance, editing video documentaries, and organising charity events through insurance mechanism, rescuing historical documents.

The IIC provides unparalleled opportunities for China insurance academics to interact with global peers. The IIC actively tracks insurance research progresses in the international community, and major academic events, associating with global insurance academic institutes, introducing expertise from oversea insurance industry. The IIC inspires to advance the cooperation and exchange both between insurance communities from mainland, Hong Kong, Macao and Taiwan, and China and the world, by combining its advantages in membership, publication and industrial statues to integrate academic resources in China.

For more information, please visit www.iic.org.cn

Publications Supported by The Geneva Association

Announcement

Past issues of *The Geneva Papers on Risk and Insurance—Issues and Practice* (GPP) and of *The Geneva Risk and Insurance Review* (GRIR) are available for free on The Geneva Association's website three years after their date of publication: https://www.genevaassociation.org/publications. Vol. 36(1) January 2011 of GPP and Vol. 35(2) December 2010 of GRIR have now been made available online.

Latest Issues

The Geneva Risk and Insurance Review

Vol. 39, No. 2 / September 2014

Special issue on new developments in the economics of Insurance markets with adverse selection

- Guest Editorial—Special Issue "New Developments in the Economics of Insurance Markets with Adverse Selection" of the *Geneva Risk and Insurance Review*, *by Alexander Muermann and Casey Rothschild*
- New Developments in the Theory of Adverse Selection in Competitive Insurance, *by Wanda Mimra and Achim Wambach*
- Participating Insurance Contracts and the Rothschild-Stiglitz Equilibrium Puzzle, *by Pierre Picard*
- Unravelling vs Unravelling: A Memo on Competitive Equilibriums and Trade in Insurance Markets, *by Nathaniel Hendren*
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- Econometric Methods for Testing for Asymmetric Information: A Comparison of Parametric and Nonparametric Methods with an Application to Hospital Daily Benefits, *by Martin Spindler*

The Geneva Papers on Risk and Insurance—Issues and Practice

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- Why Choose an Insurance Career? A Pilot Study of University Students' Preferences Regarding the Insurance Profession, *by Madhusudan Acharyya and Davide Secchi*

Shin Research Excellence Award-Winning Papers

- Insurability of Cyber Risk: An Empirical Analysis, *by Christian Biener, Martin Eling and Jan Hendrik Wirfs*
- An Examination of the Geographic Aggregation of Catastrophic Risk, *by Randy E. Dumm, Mark E. Johnson and Charles C. Watson Jr*

The Geneva Association is pleased to announce a new report on

The Global Insurance Protection Gap
Assessment and recommendations

Edited by Kai-Uwe Schanz and Shaun Wang

November 2014

Insurance makes an important contribution to boosting societies' risk absorption and diversification capabilities, promoting economic and social development by greasing the wheels of the economy. Underinsurance represents a gap between the current state and the full potential of the insurance industry in serving the economy.

This report presents an overview assessment of the current state of underinsurance in non-life, life and pensions insurance. It also proposes specific actions by the insurance industry in collaboration with governments that can help close the protection gap and thereby add to their contribution to economic development.

The report is available at
https://www.genevaassociation.org/media/909569/ga2014-the_global_insurance_protection_gap.pdf

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Macroprudential Supervision in Insurance
Theoretical and Practical Aspects

Edited by Jan Monkiewicz and Marian Malecki

October 2014

Published by Palgrave Macmillan

Macroprudential policies, tools and supervision have become the most important regulatory and supervisory innovation across the globe in recent years. This very relevant topic, which became important after the last financial crisis, is the subject matter of numerous studies and policy papers. Most contributions to the field however are banking-oriented and rarely address other segments of the financial sector. It seems only natural therefore that a more balanced approach is required.

Macroprudential Supervision in Insurance fills this existing vacuum and advances our understanding of macroprudential oversight in insurance. The book is split into three parts. The first part addresses general and methodological issues and provides a framework for the analysis of macroprudential policies and supervision in the insurance context. The second part focuses on policy related issues: balance between macro and micro, the macroprudential supervisory toolkit, GSII related aspects and the institutional dimension of macroprudential supervision. The third part focuses on global level aspects of macroprudential in insurance, making this an ideal resource for the supervisory community, the insurance industry and anyone interested in insurance regulation.

Further information at http://www.palgrave.com/page/detail/macroprudential-supervision-in-insurance-jan-monkiewicz/?K=9781137439093insurance-jan-monkiewicz/?K=9781137439093

THE RESEARCH PROGRAMME ON RISK AND INSURANCE ECONOMICS

The research programme on risk and insurance economics comprises the theoretical and academic activities of The Geneva Association.

It is dedicated to making an original contribution to the progress of insurance by promoting studies of the interdependence between economics and insurance and to highlighting the importance of risk and insurance economics as part of the modern general economic theory. The objectives of the programme are to detect and define special aims for research programmes in risk and insurance economics, to stimulate and support academic and professional research work in risk and insurance economics, and to diffuse knowledge and the results of research in risk and insurance economics worldwide.

The Geneva Association

The Geneva Association is the leading international insurance think tank for strategically important insurance and risk management issues.

The Geneva Association identifies fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance sector. Through the development of research programmes, regular publications and the organisation of international meetings, The Geneva Association serves as a catalyst for progress in the understanding of risk and insurance matters and acts as an information creator and disseminator. It is the leading voice of the largest insurance groups worldwide in the dialogue with international institutions. In parallel, it advances—in economic and cultural terms—the development and application of risk management and the understanding of uncertainty in the modern economy.

The Geneva Association membership comprises a statutory maximum of 90 Chief Executive Officers (CEOs) from the world's top insurance and reinsurance companies. It organises international expert networks and manages discussion platforms for senior insurance executives and specialists as well as policymakers, regulators and multilateral organisations. The Geneva Association's annual General Assembly is the most prestigious gathering of leading insurance CEOs worldwide.

Established in 1973, The Geneva Association, officially the "International Association for the Study of Insurance Economics," has offices in Geneva and Basel, Switzerland and is a non-profit organisation funded by its Members.

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FORTHCOMING CONFERENCES OF THE GENEVA ASSOCIATION

2015

February

19	Basel	**31st Regulation and Supervision (PROGRES) Seminar**
20	Basel	**2nd International Colloquium on International Capital Standards**

March

6	Zurich	**The Geneva Association/IAIS Executive Committee High-Level Meeting**, hosted by The Geneva Association (Board members only)
16	Sendai	**The Geneva Association's Public Forum Event at the Third UN World Conference on Disaster Risk Reduction, "Insurance as contributors to problem solving and impact reduction"**
25	Paris	**17th Meeting of the Annual Circle of Chief Economists (ACCE)**, hosted by SCOR (ACCE members only)

May

13-16	Singapore	**42nd General Assembly of The Geneva Association**, hosted by the Monetary Authority of Singapore (Members only)
28-29	Berlin	**16th Joint Seminar of the European Association of Law and Economics (EALE) and The Geneva Association**

June

2	Munich	**9th Geneva Association Meeting of Chief Investment Officers**, hosted by Allianz Investment Management *(CIO members only)*

August

2-6	Munich	**3rd World Risk and Insurance Economics Congress (WRIEC)**, organised by EGRIE in cooperation with APRIA, ARIA and The Geneva Association

November

16-17	Singapore	**12th Health and Ageing Conference on "Insuring health-care for the elderly in Asia"**, co-organised with the Singapore College of Insurance

2016

June

8-11	Rome	**43rd General Assembly of The Geneva Association**, hosted by the Italian Members (Members only)