



**2013**  
**Western Risk &  
Insurance Association**  
**47th Annual Meeting**

Caesars Palace  
Las Vegas, Nevada  
January 2-5, 2013

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<b>Past President</b>	Paul Thistle University of Nevada, Las Vegas

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# **2013 WRIA SPONSORS**

**47th Annual Meeting**

*Caesars Palace, Las Vegas, Nevada*

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- 2008** *The Impact of Cash Flow Volatility on Systematic Risk* by Nicos A. Scordis, James Barrese, and Ping Wang (v.31, No. 1: 43-71)
- 2007** *A Behavioral Model of Insurance Pricing* by James A. Ligon and Paul D. Thistle (v.30, No. 1: 46-61)
- 2006** *The Distribution of Property/Liability Insurance in Canada: Costs and Market Structure* by Mary Kelly and Anne E. Kleffner (v.29, No. 1: 51-70)
- 2005** *Firm-Level Data Analysis of the Effects of Net Investment Income on Underwriting Cycles: An Application of Simultaneous Equations* by Min-Ming Wen and Patricia Born (v.28, No. 1: 14-32)
- 2004** *Capacity Constraints and IPO Underpricing in the Property and Liability Insurance Industry* by Tong Yu, Bingxuan Lin, Mulong Wang, and William R. Feldhaus (v.27, No. 2: 104-122)
- 2003** *Is Life Insurance a Human Capital Derivatives Business?* By Krzysztof Ostaszewski (v.26, No.1: 1-14)
- 2002** *Large Losses and Firm Value: Investor Response and Managerial Decisions* by Gene C. Lai, Michael J. McNamara, and Henry R. Oppenheimer (v.25, No.1: 63-84)
- 2001** *A Comparison of Large Firm Dominance in Property and Liability Insurance with Major Industries* by Edward Nissan and Regina Caveny (v.24 No. 1: 58-73)
- 2000** *Measuring the Value of an Exposure: A Capital Budgeting Approach* by Thomas A. Aiuppa and Lisa Graham (v.23, No. 1: 1-29)
- 1999** *Using Catastrophe-Linked Securities to Diversify Insurance Risk: A Financial Analysis of Cat Bonds* by Henri Loubergé, Evis Kellezi and Manfred Gilli (v.22, No. 2: 125-146)
- 1998** *Changes in Ownership Structure: Theory and Evidence from Life Insurer Demutualizations* by James M. Carson, Mark D. Forster and Michael J. McNamara (v.21, No. 1: 1-22)

- 1997** *Life Insurer Risk Characteristics and the Rating Process* by Steven W. Pot-  
tier (v.20, No. 2: 111-130)
- 1996** *Solvency Regulation Through Risk-Based Capital and Risk-Based Guar-  
anty Fund Premiums: An Analysis of Incentive Effects* by David W. Som-  
mer (v.19, No. 2: 94-106)
- 1991** *The Role of State Guaranty Funds in the Property Casualty Insurance In-  
dustry* by Fred B. Power, E. Warren Shows, and Richard L. Meyer (v.14 No. 2:  
51-72)
- 1990** *The Insurer Selection Process by Independent Insurance Agents* by Donald  
W. Hardigree and Vince Howe (v.13, No. 1: 27-46)
- 1989** *Hedging a Credited Rate for a Universal Life Policy* by Robert E. Hoyt  
(v.12, No. 2: 22-37)

## Editors of the *Journal of Insurance Issues*

(by initial masthead appearance)

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v.1, No. 1	Lester I. Tenney, <i>Arizona State University</i>

Notes: \* Interim; \*\* Name changed from *Journal of Insurance Issues and Practices*

# Western Risk & Insurance Association

## *A Look Back*

<b>Year</b>	<b>President - University Affiliation in Office</b>	<b>Annual Meeting (Site)</b>
2012	Brenda Wells - <i>East Carolina University</i>	Las Vegas, NV (Caesars Palace)
2011	Paul Thistle - <i>University of Nevada, Las Vegas</i>	Santa Barbara, CA (Fess Parker's Doubletree)
2010	Ryan B. Lee - <i>University of Calgary</i>	Napa, CA (Napa Valley Inn)
2009	L. Lee Colquitt - <i>Auburn University</i>	Las Vegas, NV (Flamingo Las Vegas)
2008	David T. Russell - <i>California State University, Northridge</i>	Kauai, Hawaii (Sheraton Kauai Resort)
2007	Patricia Born - <i>California State University, Northridge</i>	San Diego, CA (Westin Horton Plaza)
2006	Randy Dumm - <i>Florida State University</i>	Santa Barbara, CA (Fess Parker's Doubletree)
2005	William Feldhaus - <i>Georgia State University</i>	Monterey, CA (Monterey Plaza Hotel)
2004	Anne Kleffner - <i>University of Calgary</i>	Las Vegas, NV (Flamingo Las Vegas)
2003	Gene Lai - <i>Washington State University</i>	Maui, HI (Maui Prince)
2002	William L. Ferguson - <i>University of Louisiana, Lafayette</i>	San Diego, CA (Hilton San Diego Resort)
2001	Beverly J. Frickel - <i>University of Nebraska, Kearney</i>	Santa Barbara, CA (Fess Parker's Doubletree)
2000	James M Carson - <i>Illinois State University</i>	Monterey, CA (Monterey Plaza Hotel & Spa)
1999	Mark S. Dorfman - <i>Univ. of North Carolina, Charlotte</i>	Las Vegas, NV (Monte Carlo Hotel)
1998	William J. Warfel - <i>Indiana State University</i>	Kaanapali Beach, Maui, HI (Westin Maui)
1997	Michael J. McNamara - <i>University of Memphis</i>	Santa Barbara, CA (Fess Parker's Red Lion)
1996	Donald W. Hardigree - <i>University of Nevada, Las Vegas</i>	Monterey, CA (Monterey Plaza Hotel)
1995	Hamdi Bilici - <i>California State University, Long Beach</i>	Las Vegas, NV (Treasure Island Resort)
1994	Barry B. Schweig - <i>Creighton University</i>	Honolulu, HI (Ilikai Hotel)
1993	Robert A. Hershbarger - <i>Mississippi State University</i>	Newport Beach, CA (Sheraton-Newport)
1992	Milton E. Smith - <i>Brigham Young University</i>	Phoenix, AZ (Hilton Suites Hotel)
1991	Sandra G. Gustavson - <i>University of Georgia</i>	Las Vegas, NV (Alexis Park Resort)
1990	Jerry L. Jorgensen - <i>University of Utah</i>	Honolulu, HI (Ilikai Hotel)
1989	Iskandar S. Hamwi - <i>University of Southern Mississippi</i>	San Diego, CA (Omni Hotel)
1988	Patricia A. Strong - <i>California State Univ., Sacramento</i>	San Francisco, CA (Sheraton Fisherman's Wharf)
1987	Mark L. Cross - <i>University of North Texas</i>	San Antonio, TX (Hilton Palacio del Rio)
1986	Kenneth L. Pacholke - <i>Calif. State Univ., Sacramento</i>	Las Vegas, NV (Holiday Inn Casino)

1985 August Ralston - <i>Iowa State University</i>	Reno, NV (MGM Grand Hotel)
1984 John H. Thornton - <i>University of North Texas</i>	Newport Beach, CA (Sheraton-Newport)
1983 Norma L. Nielson - <i>University of Southern California</i>	Newport Beach, CA (Sheraton-Newport)
1982 Jerry D. Todd - <i>St. Mary's University, San Antonio</i>	Scottsdale, AZ (Inn Suites Hotel)
1981 Frank W. Taylor - <i>California State University, Fullerton</i>	San Diego, CA (Hotel del Coronado)
1980 Fikry S. Gahin - <i>University of Utah</i>	San Diego, CA (Hotel del Coronado)
1979 Thomas W. Spear - <i>University of Nevada, Las Vegas</i>	Lake Tahoe, NV (Sahara -Tahoe Hotel)1
1978 Thomas L. Heflin - <i>California State Univ., Sacramento</i>	Las Vegas, NV (Frontier Hotel)
1977 Lester I. Tenney - <i>Arizona State University</i>	Las Vegas, NV (Frontier Hotel)2
1976 Oscar N. Serbein - <i>Stanford University</i>	San Francisco, CA (Mark Hopkins Hotel)
1975 Lester B. Strickler - <i>Oregon State University</i>	Las Vegas, NV (Frontier Hotel)3
1974 -----no annual meeting held-----	
1973 J. Howard Widdowson - <i>Portland State University</i>	Santa Clara, CA (University of Santa Clara)
1972 Jonas E. Mittleman - <i>San Francisco State University</i>	San Francisco, CA (Hilton Hotel)3
1971 Joseph J. Launie - <i>California State Univ., Northridge</i>	Las Vegas, NV (Frontier Hotel)
1970 Alfred E. Hofflander - <i>University of Calif., Los Angeles</i>	Long Beach, CA (California State College)
1969 Nester R. Roos - <i>University of Arizona</i>	Corvallis, OR (Oregon State University)
1968 Oscar N. Serbein - <i>Stanford University</i>	Boulder, CO (Colorado University)
1966 Robert C. Goshay - <i>University of California, Berkeley</i>	Berkeley, CA (UC, Berkeley)
1964 Irving Pfeffer - <i>University of California, Los Angeles</i>	San Francisco, CA (Jack Tar Hotel)4

NOTES:

- 1 = annual meeting moved from December to current practice of being held in January of each calendar year.
- 2 = first independent meeting: December 28-30, 1976; *JJIP* authorized by unanimous vote (v. 1 #1: March, 1977 - renamed *JII*, v. 14 #1: Spring, 1991); prior meetings had been on academic year basis in August in conjunction with another group (e.g., WEA, WFA, ARIA).
- 3 = annual meeting held in June (joint meeting with III).
- 4 = Western Association of Insurance Professors (WAIP), originally the Western Association of University Professors of Insurance, organizational meeting: August 24, 1965; WRIA name adopted: June 10, 1974.

## Wednesday, January 2, 2013

3:00 PM - 5:00 PM  
WRIA Board Meeting  
*Trevi*

5:00 PM - 7:00 PM  
WRIA Registration and Welcome Reception  
Verona/Turin

## Thursday, January 3, 2013

Sessions Begin and Registration Continues  
ALL PROGRAMS IN VERONA/TURIN

**7:15 – 8:00 AM Breakfast**

**8:00 – 9:20 AM Session A**

### **Insurance Economics**

**Moderator: William Ferguson (University of Louisiana, Lafayette)**

### **Optimization of Price, Default Ratio, and Capital under the Regulatory Criterion of Maximizing Social Benefit**

Hong Mao (Shanghai Second Polytechnic University), James Carson (University of Georgia), Krzysztof Ostaszewski (Illinois State University) and Nan Zhu (Illinois State University)

### **Endogenous Information and Adverse Selection under Loss Prevention**

Richard Peter (Ludwig-Maximilians-University of Munich), Andreas Richter (Ludwig-Maximilians-University of Munich) and Paul Thistle (University of Nevada, Las Vegas)

### **Incentive Contracting With an Independent Underwriter: Does it Benefit Insurers?**

Siwei Gao (Temple University) and Jose Plehn- Dujowich (Plehn Analytics Corp.)



## **An Examination of US Life Insurer Liquidity Creation**

B. Paul Choi (Howard University), Jim Park (Indiana State University) and Chia-Ling Ho (Tamkang University)

**9:20 – 9:35 AM Coffee Break**

**9:35 – 10:55 AM Session B**

### **Risk taking and incentives**

**Moderator: Paul Thistle (University of Nevada, Las Vegas)**

### **Reserve Errors Surrounding Insurer Demutualization: An Examination of Insiders' Incentives**

David Eckles (University of Georgia), Martin Halek (University of Wisconsin), Krupa Viswanathan (Temple University) and Rongrong Zhang (Georgia Southern University)

### **Show Me the Information: When Directors' and Officers' Insurance Is Value-Added**

Shih-Chung Chang (Takming University of Science and Technology) and Yayuan Ren (Illinois State University) and Jason Yeh (The Chinese University of Hong Kong)

### **CEO Compensation and Operational Risk in the Property-Liability Insurance Industry**

Yevgeniy Davydov (Temple University) and Khalid Al Amri (Temple University)

### **Bank Diversification into the Insurance Business: Effects of Deregulation of Bank- Sales Channel at Japanese Banks**

Masaru Konishi (Hitotsubashi University), Eiji Okuyama (Chuo University) and Yukihiro Yasuda (Tokyo Keizai University)

**10:55 – 11:10 AM Coffee Break**

## **11:10 – 12:10 PM Session C**

### **Valuation**

**Moderator: Arnold Shapiro (Penn State University)**

### **Insurer Rating Changes, Stock Returns, and Performance**

Leon Chen (Minnesota State University at Mankato) and Steven Pottier (University of Georgia)

### **Reinsurance and Systemic Risk: The Impact of Reinsurer Downgrading on Property- Casualty Insurers**

Sojung Carol Park (Seoul National University) and Xiaoying Xie (California State University, Fullerton)

### **The Impact of Auditing Strategies on Insurers' Profitability and Customers' Utility**

Katja Muller (University of St. Gallen), Hato Schmeiser (University of St. Gallen) and Joel Wagner (University of St. Gallen)

**Thursday Presentation Sessions End**

**Friday, January 4, 2013**

**7:15 – 8:00 AM Breakfast**

**8:00 – 9:40 AM Session D**

**Insurance and consumers**

**Moderator: Krzysztof Ostaszewski (Illinois State University)**

**The Effect of Legalization of Marijuana on Property Casualty Insurance**

Brenda Wells (East Carolina University)

**Insurance Lessons from Germany on Insurance Disclosures Through Intermediaries to Improve Consumer Knowledge**

Christoph Schwarzbach (University of Hannover) and Harold Weston (Georgia State University)

**Novice Drivers and Experience Rating Mechanisms in Auto Insurance**

KP Sapna Isotupa (Wilfrid Laurier University), Mary Kelly (Wilfrid Laurier University) and Anne Kleffner (University of Calgary)

**Social Media and Independent Agents**

Michael McNamara (Washington State University)

**Risk Management of Financial Crisis: An Optimal Investment Strategy with Multivariate Jump Diffusion Models**

Chou-Wen Wang (National Kaohsiung First University of Science and Technology) and Hong-Chih Huang (National Chengchi University)

**9:40 – 9:55 AM Coffee Break**

## **9:55 – 11:15 AM Session E**

### **Insurance efficiency**

**Moderator: David Russell (California State University, Northridge)**

### **Characteristics of Self-Insurers for Workers' Compensation Losses: Evidence from Manufacturers in Pennsylvania**

**Mu-Sheng Chang (California State University, Northridge)**

### **Consolidation and Systemic Risk in the International Insurance Industry**

**Gregor Weiß (Technische Universität Dortmund) and Janina  
Muhlnickel (Technische Universität Dortmund)**

### **The Effect of Internationalization on Home Market Performance: Evidence from German Insurance Groups**

**Muhammed Altuntas (University of Cologne) and Gerrit Gößmann  
(University of Cologne)**

### **Economies of Scale in Independent Insurance Agencies Revisited**

**Thomas Berry-Stölzle (University of Georgia), Maggie Tang (Bank  
of China, London) and Ying Zhang (University of Georgia)**

## **11:15 – 11:30 AM Coffee Break**

## **11:30 – 12:50 PM Session F**

### **Regulation and risk management**

**Moderator: Jacqueline Volkman-Wise (Temple University)**

### **Solvency Assessment for Insurance Groups in the United States and Europe- a Comparison of Regulatory Frameworks**

**Caroline Siegel (University of St. Gallen)**

**Solvency Prediction for Property-Liability Insurance Companies:  
Evidence from the Financial Crisis**

Jannes Rauch (University of Cologne) and Sabine Wende  
(University of Cologne)

**Portfolio Optimization under Solvency II: Implicit Constraints posed  
by the Market Risk Standard Approach**

Alexander Braun (University of St. Gallen), Hato Schmeiser  
(University of St. Gallen) and Florian Schreiber (University of St.  
Gallen)

**Implementing Orsa: The Effects of Term Structure Assumptions on  
Required Capital**

Kevin Ahlgrim (Illinois State University)

**Friday Presentation Sessions End**

**1:00 – 2:15 PM: WRIA Sponsored Luncheon and  
Annual Business Meeting  
Location: Trevi**

**Saturday, January 5, 2013**

**7:15 – 8:00 AM Breakfast**

**8:00 – 9:40 AM Session G**

**Modeling/markets**

**Moderator: Martin Halek (University of Wisconsin)**

**Conceptualizing Fuzzy Random Variables**

Arnold Shapiro (Penn State University)

**Portfolio Selection for Stocks in ASX: An Application of Multiple Criteria Decision Making**

Dominic Ho-Quang (University of New South Wales) and Michael Sherris (University of New South Wales)

**An Analysis of the Effects of Geographic Aggregation on Catastrophic Risk**

Randy Dumm (Florida State University), Mark Johnson (University of Central Florida) and Charles Watson, Jr. (University of Central Florida)

**Natural Hedging of Mortality and Longevity Risk: Stimulation Approach to an Optimal Product Mix with Uncertain Interest Rates**

Verena Jager (Ludwig-Maximilians-University of Munich), Gunther Kraut (Ludwig-Maximilians-University of Munich) and Andreas Richter (Ludwig-Maximilians-University of Munich)

**Why do Insurance-Linked Exchange Traded Derivatives Fail?**

Sylvie Bouriaux (Illinois State University) and Michael J. Tomas (University of Vermont)

**9:40 – 9:55 AM Coffee Break**

## **9:55 – 10:55 AM Session H**

### **Health, Life and Retirement**

**Moderator: Peggy Hedges (University of Calgary)**

#### **Entry Deterrence when Aiming for Customers: Strategies of Heterogeneous Health Insurance Companies**

Alexander Ellert (University of Hamburg) and Oliver Urmann (University of Hamburg)

#### **Peer Envy: Measurement and Impact on Retirement Decisions**

Jeffery Boles (Temple University) and Jacqueline Volkman-Wise (Temple University)

#### **Risk Management and Payout Design of Reverse Mortgages**

Daniel Cho (University of New South Wales), Michael Sherris (University of New South Wales) and Katja Hanewald (University of New South Wales)

## **10:55 – 11:10 AM Coffee Break**

## **11:10 – 12:10 PM Session I**

### **Catastrophes and Natural Disasters**

**Moderator: Randy Dumm (Florida State University)**

#### **Determinants of Federal Natural Disaster Relief**

Patrick Maroney (Florida State University) and Charles Nyce (Florida State University)

#### **A Single Index (Market) Model for Diversified Cat Bond Portfolios**

Alexander Braun (University of St. Gallen)

#### **CAT Bond Investments by Canadian Financial Institutions: the impact on public trust**

Ryan Lee (University of Calgary) and Peggy Hedges (University of Calgary)

**WRIA 47th Annual Meeting Concludes**

# WRIA 48th Annual Meeting

Napa, California

January 5-8, 2014

Please visit WRIA or search the  
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**WRIA**  
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