

RISKY BUSINESS

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

EDWARD LIDDY: THE ONE DOLLAR MAN

American International Group, Inc. (AIG) announced voluntary restrictions on executive compensation that include a **\$1 salary** for its **chief executive officer**; **no 2008 annual bonuses** and **no salary increases** through 2009 for AIG's top-seven-officers; and no salary increases through **2009 for the 50 next-highest executives**, in addition to other bonus, severance and retention award restrictions.

AIG said it is also developing a funding structure to ensure that **no taxpayer dollars** are used for annual bonus or future cash performance awards for AIG's **"Senior Partners,"** the top 60 members of management.

Edward M. Liddy, AIG chairman and CEO, said AIG's senior executives recognize AIG's obligation to taxpayers. "We are extremely grateful for the assistance we have received, and we know we have an obligation to use that assistance to help AIG recover, contribute to the economy and **repay taxpayers,**" Liddy said. "This action by the senior management team demonstrates not only that we understand our obligation to **taxpayers** and **shareholders**, but also that we are committed to

to the **future success** of this organization."

Under the voluntary restrictions:

Liddy, who joined AIG on **Sept. 18**, will receive an annual base salary of **\$1 for 2008 and 2009**. His initial compensation will consist **entirely of equity grants**. He will not receive an annual bonus in those years, although he may be eligible for a **special bonus** for extraordinary performance payable in 2010. Liddy will **not be eligible** for **severance payments**.

Paula Rosput Reynolds, vice chairman and chief restructuring officer, who joined AIG in October, will receive **no salary or bonus whatsoever** in 2008. In 2009 and beyond, other than her base salary, any other compensation she receives will be tied directly to the progress of the restructuring efforts. The other five members of **AIG's top-seven-officer Leadership Group** will not receive annual bonuses for 2008 or salary increases through 2009. AIG's Senior Partners will **not earn long-term performance awards** in 2008. Furthermore, they will **not receive salary in-**

creases in 2009, and their 2008 and 2009 annual bonuses will be limited. In addition to Liddy foregoing any severance payments, there will be **restrictions on severance payments** to members of this management group, which exceed TARP severance restrictions.

"We believe these actions demonstrate that we are focused on overcoming our financial challenges so **AIG can return value to taxpayers and shareholders,**" Liddy said.



We can rebuild it, we have the technology... and tax payer's dollars.

Article adapted from Insurance Journal
Illustration by Ed Boyanoski

H. WAYNE SNIDER DISTINGUISHED GUEST LECTURER SERIES

CHRISTOPHER MALENO
PRESIDENT, REGIONAL OPERATIONS
ACE USA - NEW YORK, NY
WEDNESDAY, DECEMBER 3RD, 2008
11:40 AM - 12:30 PM: WALK AUDITORIUM



Christopher A. Maleno was appointed as President, Regional Operations for ACE USA in

January of 2007. Based in **New York City**, he has **overall responsibility** for ACE USA's **field operations**, by driving distribution strategies with brokers on a national and regional basis, as well as overseeing expansion of ACE USA's **product and marketing** strategy at the local level. In addition, Mr. Maleno has responsibility for ACE USA's focused customer segmentation model and strategies, which deliver customized products and services to large national accounts, middle market corporate risk accounts, and small commercial businesses. With more than **20 years** of diverse experience in

the insurance arena, Mr. Maleno joined ACE from **American Home**, a unit of AIG, where he served as Chief Operating Officer and Executive Vice President. His previous roles included key senior leadership positions in casualty underwriting and regional operations management at AIG and Chubb. Mr. Maleno received a Bachelor of Science degree in Finance from the University of Vermont and holds an MBA from Columbia University.



Committee Meetings PARTY!*Monday, December 1st, 2008**11:40 AM - 12:30 PM**Howard Gittis Center (SAC) 200A*

Career Development
Student Affairs
Community Affairs
Public Relations
MIS
Special Events
Math Competition

Come say farewell to your fellow committee members and celebrate your committee accomplishments with **free pizza and soda!**

RMI - Alumni Panel*Friday, December 5th, 2008**11:40 AM - 12:30 PM**Howard Gittis Center (SAC) North 217AB*

Sigma Chapter Alumni will come and speak to our members about life after graduation. Members will have the unique opportunity to pose questions to alumni and discuss the transition from student to professional life.

Matt McGurk from Innovative Captive Strategies and **Hanan Boukabza** from ACE INA will be present.

Any questions regarding this event, contact Tiffany Calhoun: Tiffany.Calhoun@temple.edu

Actuarial Science - Actuarial Projects*Friday, December 5th, 2008**11:40 AM - 12:30 PM**Howard Gittis Center (SAC) North 217C*

The “**Actuarial Project**” workshop is meant to prepare new and returning members for the upcoming future, by introducing them to types of projects that they will be asked to complete during their summer internships. Members with past internships will describe the projects that they completed, as well as offer advice for projects members may encounter in the future.

Any questions regarding this event, contact Usamah Rashid: Usamah.Rashid@temple.edu

Ronald McDonald House*Sunday, December 7th, 2008**9:00 AM - 12:00 PM**3925 Chestnut Street, Philadelphia, PA 19104*

More than **30,000** volunteers from around the world provide a network of support for **Ronald McDonald House Charities** core programs. Last year, volunteers contributed nearly **three million hours** of their time to prepare meals for families, host movie and pizza nights, clean and organize kitchen and play areas, and maintain gardens and landscaping. This event will take place at the **Philadelphia Ronald McDonald House**.

Any questions regarding this event, contact Monika Shah: Monika.Shah@temple.edu

RIMS December Meeting*Tuesday, December 9th, 2008**8:00 AM - 10:00 AM**Union League Philadelphia*

The **Delaware Valley Chapter** of **RIMS** is hosting a joint meeting with the **Philadelphia Chapter of the CPCU Society**. Come listen to **Joel Ario**, the **Insurance Commissioner** for the **Commonwealth of Pennsylvania** talk about the health of the insurance industry, the regulatory environment and what regulatory oversight changes we might see in light of the recent **financial crisis**.

Any questions regarding this event, contact Edward Boyanoski: EdB@temple.edu

A Little December History

December 15, 1792: The first life insurance policy ever to be issued in the U.S. is written in Philadelphia, Pennsylvania.

December 3, 1835: The first U.S. mutual fire insurance company issues first policy

December 1, 1843: The first chartered mutual life insurance company opens

December 21, 1929: The first group hospital insurance plan is offered, in Dallas, Texas.

December 31, 2005: The U.S. Congress passed the Terrorism Risk Insurance Extension Act of 2005 (TRIEA).

i hope u has**a great winter break...****...fun in the snow...****...and a happy new year!!****THE LAST FUN FACTS OF FALL SEMESTER 2008!**

- The oldest known recipe is one for beer
- Baloo from the Jungle Book is a Sloth bear
- Fingernails grow 4 times as fast as toenails
- The average person has 100,000 hairs on their head, each grows 5 inches per year!
- Rats multiply so quickly that in 18 months, 2 rats can have over 1 million descendents!
- Fish are the only vertebrates that outnumber birds
- Giraffes are unable to cough
- Sharks are immune to cancer
- The Earth weighs 6.6 sextillion tons
- Every minute, 30,000 - 40,000 dead skin cells fall from your body.
- A cat's jaw cannot move sideways, except for lolcats whose heads rotate 360°
- Irregardless is NOT a word
- Diamonds disappear when heated
- Bats are the only mammals that can fly
- Beavers eat their houses in the winter
- When a chipmunk's house gets too dirty, it moves... Lazy. Just clean up your room
- It would take 23 days to count to 1 million by ones, 4.6 days if you counted by fives
- 22.6% of the world is East Asian
- The Sigma Chapter is 10,230 days old
- Sound travels about four times faster in water than in air
- The longest living cells in the body are brain cells, which can live an entire lifetime.
- Armadillos, opossums, and sloths spend about 80% of their lives sleeping.
- The first coast-to-coast telephone line was established in 1914
- The tongue is the body's strongest muscle
- Honey never goes bad. Good for bears!