

RISKY BUSINESS

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

NO END IN SIGHT FOR AIG TROUBLES

GOVERNMENT BET ON HOUSING COLLAPSE?

Well not exactly. But a March 18th Wall Street Journal article explains that some of the bailout money that the government has given AIG has been set aside to pay hedge funds that bet against the housing market.

Betting that defaults in the sub-prime mortgage market would rise, some large hedge funds bought credit swaps from investment banks like Goldman Sachs and Deutsche Bank. Wanting to minimize their own exposure, these banks would then use “a complex set of financial maneuvers to pass the risk” on to insurance companies (namely AIG). This left AIG essentially betting that the housing market would stay robust. When the housing market went south, hedge funds looked to the investment banks for payouts, who in turn looked to AIG. So as the U.S. government—and by extension, the American public—pours money into AIG, part of that money will be going to those who bet against the American public to begin with.

Information for this article was taken from an article titled “Some AIG Bailout Cash Set Aside to Pay Hedge Funds,” published in the Wall Street Journal on March 18, 2009.

BOGUS BONUSES... BOGUS LAWS?

Whether or not the federal government decides to retroactively recoup bonuses paid to AIG executives, the decision may set an important precedent. As a tax base, U.S. citizens have every right to be upset that some of their money has gone to people who helped bring our economy into recession, if not depression. Citizens across the country held demonstrations at offices of AIG, Citigroup, and Bank of America on Thursday March 19th in a display of public outrage over the situation.

Part of the issue at hand is contract law. While these bonuses were paid after AIG accepted bailout money, the contracts stipulating the bonuses had already been effective for quite some time. Critics claim that companies often renege on contractually obligated pension liabilities—why is it fair for companies to hide behind contracts now?

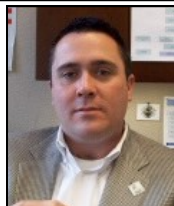
With the general public demanding action, Congress will have to act soon; but this decision could prove an important precedent in how the government can regulate business.

Information for this article was taken from an article titled “AIG Bonuses May Face 90% Tax” published in thestreet.com on March 19, 2009.

H. WAYNE SNIDER

DISTINGUISHED GUEST LECTURER SERIES

JOHN HANNAH [CLASS OF 1990]
 MANAGING DIRECTOR - MARSH
 PHILADELPHIA, PA
WEDNESDAY, MARCH 25TH, 2009
11:40 AM - 12:30 PM, ALTER HALL A031



John Hannah is a Senior Client Executive of Marsh's Philadelphia Operations. He is responsible for identifying and analyzing his clients' exposure to risk, monitoring operational changes which affect risk management needs, managing the placement of all insurance coverages, and coordinating the deployment of Marsh & McLennan Companies resources and services.

John joined Marsh in 1988 as a summer intern working in our Philadelphia office. He was hired as a full time colleague in 1990 working in the Risk

Management Casualty Department where his primary focus was handling a broad array of Risk Management clients. Examples of the types of clients he consulted include, but are not limited to, manufacturing, waste management, oil and gas, higher education, financial institutions, real estate developers, health care providers and construction contractors.

In 1998, John joined Marsh's Corporate Environmental Practice. His responsibilities included assisting Global clients with understanding and dealing with environmental liabilities. In 2000, he became a member of our Corporate Environmental leadership team, and was appointed Managing Director in 2002. John rejoined Marsh Philadelphia as the Casualty Practice Leader in March of 2003. He most recently served as the Mid Atlantic Zone Casualty leader and

was responsible for leading our efforts specific to Casualty brokerage and client service, resource deployment and all market related activities.

John holds a BBA in Risk Management and Insurance from Temple University.



UPCOMING SPEAKER:

SEAN SWEENEY
 EXECUTIVE VICE PRESIDENT AND
 CHIEF MARKETING OFFICER
**PHILADELPHIA INSURANCE
 COMPANIES**
WEDNESDAY, APRIL 1ST, 2009
11:40 AM - 12:30 PM
 ALTER HALL AUDITORIUM (A031)

BOWLING EXTRAVAGANZA TUESDAY, MARCH 24, 2009!!
SEE REVERSE SIDE FOR DETAILS

UPCOMING GAMMA EVENTS

Committee Meetings

Monday, March 23rd, 2009
Various Locations
11:40 AM - 12:30 PM

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

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

Insurance Actuary Workshop

Friday, March 27th, 2009
SAC 223
11:40 AM - 12:30 PM

The Insurance Actuary Workshop will introduce students to the career of CIGNA actuary and Gamma Iota Sigma Alumnus, Justin Somers. At this workshop, students will be able to learn about some of the day to day activities of an insurance actuary. Justin will also talk about his career path up to the present.

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

CEBS Workshop

Friday, March 27th, 2009
Speakman 112
11:40 AM - 12:30 PM

The Certified Employee Benefits Specialist designation is granted to individuals who complete eight college level courses and examinations in the areas of design and operation of employee benefit plans. The CEBS program is strongly encouraged for Risk Management majors interested in the Employee Benefits track of the major. Pizza and drinks will be served.

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

2009 RELAY FOR LIFE

For members enrolled in RMI 3682, this is the first RMI Community Service event of the semester. This year's **Relay for Life** will be held on **Friday, March 27th, 2009** in the **Student Pavilion**. The event runs from 6:00 PM on Friday night to 6:00 AM on Saturday morning. There will be both sign-in AND sign-out sheets, so members must stay the entire time to get credit!



Any questions regarding this event, contact Prathamesh Nalawade at prathamesh@temple.edu

TIME Quotes of the Week

"You would never know. He doesn't hold up a sign reading 'I'm Michael Jordan's son.'"

Bruce Weber, University of Illinois basketball coach, on his point guard, Jeff Jordan, the eldest son of legendary player Michael Jordan.

"The government has been literally sustained by beer and cigarettes."

Tendai Biti, Zimbabwe's Finance Minister, complaining that the country has become overly reliant on "sin taxes" for revenue during a deep economic crisis.

"In da locker room, snuck to post my twitt. We're playing the Celtics, tie ball game at da half. Coach wants more toughness. I gotta step up."

Milwaukee Bucks forward **Charlie Villanueva**, who was reprimanded by team officials for posting this message to his Twitter account during halftime at a recent game.

BOWLING EXTRAVAGANZA: TUESDAY, MARCH 24TH, 2009!!



Come test your bowling skills at this semester's installment of **Gamma's Bowling Extravaganza!**

- 8 private lanes for 2 1/2 hours
- Appetizer trays including **chicken fingers, mozzarella sticks, wings and potato skins**
- Tickets are \$15, must be paid **in advance!**
- Open to **everyone**, so bring your friends!

Stop by the Gamma office or contact **Melissa Pane** at melissa.pane@temple.edu for tickets!



**STRIKES BOWLING LOUNGE: 4040 LOCUST ST.
7:00PM-9:30PM**