

From the Chairman's Desk

by Anthony E. Fienberg, CPCU, ARe, RPLU



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First of all, thank you fellow CPCUs and International Insurance Interest Group Committee members for allowing me the opportunity to influence the direction of this interest group. My tenure will coincide with a new set of challenges for the Society as a whole and most probably our industry, as related to the word "international." Aside from those insurance professionals who are part of a foreign-owned subsidiary, whose clients/suppliers/bosses are not in their own country, who actually travel abroad for business or who do not work in their country of birth, the closest link most CPCUs might think they have to "international" will be when they go on an exotic vacation. Wrong.

Business is becoming more and more cross-border, with influences on business models and competition, not to mention supply chains, interest rates,

and client-buying patterns. You may not think you are connected to worldwide trends, but ask some of the European single-country-exposed companies who became casualties of the American sub-prime crisis how isolated they feel. When I meet insurance professionals in the United States (including CPCUs) and tell them I work in Paris, the usual response is: "Oh, I don't work internationally." Think again.

As a lazy fan of popular culture, I was curious as to what the rest of the world thought "international insurance" meant, so I went to Google and typed in those words. To my shock, there was basically a bunch of web sites about selling travel insurance, except for a group of insurance supervisors, a broker in Washington, a reinsurer, and an institute providing temporary claims services.

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Oh yes, there was also an institute and a society, but aside from an interesting country facts page, concentrating on individual needs, the only value proposition was the club's interests and self-promotion. What does "international" mean? Is it just cross-border, or is it more complex? Going a step further, what does "international insurance" mean? Is it just covering business transacted across borders and the associated risks, or does it require a broader consideration? What do you think?

Either way, as the American Institute for CPCU, the CPCU Society's sister organization that administers the CPCU exams and other associated designations, continues to push for growth outside the traditional pool of American exam takers, to countries as far as Russia, India, and China, we will have to start thinking about how "international insurance" applies to CPCUs, and in what ways. New challenges were mentioned above, which include demographics, of both the Society itself and the insurance industry as a whole. It also is the fact that the world is just getting smaller and information is moving faster. The world is changing and business is doing so too: either we move with the trend, or we will be left behind.

Someone taught me a few years ago that the best managers know their numbers. So let's have a quick look at those from "international insurance." There were U.S. \$636 billion of non-life (the rough equivalent to property and casualty) premiums written in the United States in 2006, which now makes up just over 42 percent of the total across the world, according to Swiss Re's Sigma (4/2007). Inflation-adjusted growth was at 1 percent, versus 1.5 percent from a global perspective, but that must take into account that the latter is weighed down by non-developing countries. Guess what inflation-adjusted growth was in Central Europe? Over 9 percent. Now guess what it was in Southeast Asia? More than 14 percent. The world is where the action is. Let's look at the global situation from another angle, according to the



International Information Institute: of the top five insurers or top five reinsurers in the world, how many are based in the United States? Surprise, the answer is two, or 20 percent of some of the major influential insurance-based organizations. The world is where the action is.

As an American-born-and-bred insurance professional living abroad for the last 12 years, I would like to help the Society and other CPCUs rise to the challenge

that being/becoming "international" entails. It is not necessarily that hard, but it takes awareness, and that is what I hope to accomplish with your help. Please contact me at afienberg@nassau.eu with any ideas you may have and I look forward to working with you to achieve our goals of becoming an organization sustainable far beyond the twenty-first century. ■



Calling All Scribes

The International Insurance Interest Group publishes this quarterly newsletter and welcomes article submissions from all sources concerning topics of interest! For example, please tell us about your country-specific knowledge, personal experiences in working internationally, or dealing with worldwide trade matters. As we all face challenges to operate competitively in a global economy, this publication also represents an excellent opportunity to gain some publicity for both yourself and your respective organization!

If you would like to submit an article for publication, please contact IQ editor, Mickey Brown, at mickey.brown@marsh.com.

Working Abroad in the Insurance Industry: A Challenge with Opportunities

by Diederik Sutorius

Diederik Sutorius studied, after graduation and military service in 1979, corporate law. He collected his first insurance experience within the Bloemers Nassau Group in the Netherlands. He was within the Bloemers Nassau Group, among other things, responsible for the development of the Dutch D&O Pool. In 1996, it was also due to his initiative that the VOV GmbH, as a management company for underwriting D&O risks in Germany on behalf of various insurance companies, was founded. Since 1996 Diederik Sutorius is CEO of the VOV GmbH in Cologne, Germany.

Working in another country in the insurance industry is an experience that I can recommend strongly. It broadens your view on several business issues, gives you a more objective view on your home country, and can be a personal enrichment as well.

Of course, it makes a big difference if one is appointed to start up a new operation, or one is inserted in an existing organization abroad. I will describe our experiences in setting up a German directors and officers pool, as we did 11 years ago, and give my opinion on some factors that are most important to be successful abroad.

Starting Up

Nassau—a Dutch-based insurance company and specialist in niche products like directors and officers liability insurance and professional indemnity insurance—planned 15 years ago about starting a directors and officers operation in Germany. We believed the German directors and officers liability insurance market was undeveloped and held an estimated potential premium income of €750 million for this type of business.

At that time, directors and officers liability insurance was not a topic of interest in Germany primarily because the economy was more or less a “closed shop.” Most German corporations were entwined because of shares held reciprocal in each other’s company. This principle of reciprocity led board members to believe there was no need to buy directors and officers insurance. It was unthinkable that someone would hold a board member liable, apart from fraud. Furthermore, insurance for these types of risks are complicated, and all company wordings had to be approved by the German insurance supervisory authorities. Directors and officers contracts became a problem because the only approved wordings contained an exclusion of wrongful acts committed by

the directors or officers. Hence, in the beginning, the estimated premium was only approximately €20 million—generated by companies who bought directors and officers liability insurance because of their subsidiaries in the United States.

So, we concluded 15 years ago that it didn’t make sense to start a German operation, and decided to monitor further developments in this insurance marketplace. Two years later the situation changed as Germany implemented European insurance legislation. One of the consequences of this EU directive was that the German insurance authorities were no longer allowed to pre-approve policy wordings, an important development since the wrongful acts exclusion was no longer made compulsory.

For us, the moment had come to make our move, and we concluded that an alliance with German insurance companies was the best way to start. They could benefit from our know-how in respect of underwriting and claims handling, and we obtained access to German clients. Because our target group was defined as the middle market, we approached 15 insurance companies with clients that matched our target groups. After consultation and the necessary preparations, we founded the German D&O Pool (VOV) in 1996, and I went to Cologne to manage the Pool. Last year we celebrated our tenth anniversary. The Pool has a capacity of €25 million, and an alliance consists of the following insurance companies: AachenMünchener, Condor, Continentale, Generali, Gothaer, Nassau, and Nürnberger.

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Working Abroad in the Insurance Industry: A Challenge with Opportunities

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Working Abroad

Although a lot of people think that the Dutch are similar to the Germans because they are neighbors, the differences are far more profound. For example, the method of how to transfer money was completely different. I have learned a lot during the past 11 years, and suggest that if you are going abroad—*independent from country*—you can be successful if you comply with the following factors:

Language

You have to speak the language of the country you are working, fluently. Although I thought my German was quite good, it took five years to feel really comfortable. Understanding the more subtle meaning of certain words is of utmost importance in situations where you are negotiating. Fluently speaking is far more important than good skills in writing.

Open Minded

It is a challenge to get a profound understanding and feeling of political, social, and legal issues. This is quite important because you will be able to

build your own opinion—*independent from consultants or lawyers*—on certain issues. You will be able to make the very important difference of what is common and what is uncommon. In Germany, for example, we are now confronted with a new insurance contract law that replaces the old law that had been in place for 100 years! As there are several ways to comply with the new regulations, in understanding both the political issues and the legal implications, you could choose the best way to avoid complications and find acceptable solutions.

An open mind also implies that you can adapt local practices and improve them by combining with your home country experience. This is a challenge where you can make a lot of “profit.” It is like welding together two parts. For example, in case of a D&O claim, the insurer has to act fast in favor of the insured, as the way a claim is handled during the first six weeks is most relevant. Since German judges are overloaded with trials, and a trial could last for several years, it is worth resolving the problem by alternative dispute resolution. But mediation is still uncommon in Germany and unfortunately seen as suspect. Based on our experience in the Netherlands we implemented a kind of neutral early evaluation in some cases while giving this procedure a common German name.

Think and Act Local

You have to adapt insurance products to local standards. A few years ago some of the improvements in our wording were not accepted by the local brokers because they were uncommon to local German standards. Acting local means also you have to behave well-mannered according to local standards. For example, if you have an appointment: be there on time. Do not take a seat before the host is seated. And last but not least: be trustworthy. If you make promises, keep them.

The Rules of the Game

When you think local, you will probably understand the rules of the insurance game. It is fascinating to see how different the rules can be when comparing the insurance business in the Netherlands and Germany. The rules are defined by the market and, if you have two completely different markets, you will have also different rules. For industrial risks, the Netherlands is traditionally a broker market. In Germany the distribution is more divided, as most of the insurers use general agents to sell their products, but there are also brokers bringing in business. Also in Germany some of the insurers—especially on bigger accounts—deal directly with the company or its captive broker. These differences result in different rules as to how the game is played.

Working abroad is an interesting challenge. It presents many opportunities if you respect the local folklore and try to mix all different cultural experiences to create a new drink—which could be a magic potion after all. ■



The Director Exposure: Think Global, Act Local

by Jim Gervang



Jim Gervang is vice president, corporate director international risk services of ABD Insurance & Financial Services—A Wells Fargo Company located in Redwood City, CA. Gervang is responsible for developing, implementing, and directing all international services and resources required by ABD's property and casualty clients. He manages ABD's relationships with worldwide broker network partners and other international brokers.

Local, admitted general liability and employers liability policies have been arranged in countries outside of the United States as part of master insurance programs for many years. However, there has been very little thought given to arranging local, admitted directors and officers (D&O) liability coverage as part of global D&O programs in countries outside of the United States.

In recent years, local officers and managers in a number of countries have attempted to raise this as an issue. As a consequence of SOX and heightened internal controls for U.S. companies, it may be time for such firms to begin considering admitted D&O policies for some of their subsidiaries outside of the United States.

In some countries directors' and officers' assets may be frozen if they are sued and there is not a local, admitted D&O policy in place. Brazil is one such example. Recent regulatory changes there have made directors and officers personally liable for their actions as executives of their company. The regulations confirm that a non-admitted policy, such as a global D&O policy written out of the United States, cannot be used as collateral for a suit brought against a director in Brazil.

In other countries, such as France and Italy, directors, officers, and managers have greater exposures based on their local systems and laws than these same level employees in many other countries. These local executives and managers often raise concerns about being covered under only a U.S.-based policy.

In France, the responsibilities of directors, officers, and managers have become more open to question and are becoming more visible. These people are being held to a higher standard of personal responsibility and may even be held personally responsible for actions of their employees.

The exposure for directors in Italy has also increased in recent years due to legislation relating to the responsibility of directors in that country. Many of these individuals outside the United States are not comfortable that they, and their personal assets, are being adequately protected by a non-admitted D&O policy.

Several global insurance carriers are beginning to raise this need/issue, and are looking to address it in some of their insurance product offerings.

Regulations have been established that insurance premium taxes for EU-based policies need to be allocated and paid based on exposures in each country, not just the country where the policy is issued. Since the original ruling on this issue in 2001, there have been concerns raised that this type of tax liability exposure may expand beyond policies written within the EU to global policies written out of the United States. For the most part, this aspect remains unaddressed—but the exposure is still lurking under the surface. Insurance companies are now beginning to discuss the situation.

If this concept is indeed applied to U.S.-based policies, the premiums and tax liabilities would need to be reasonably and fairly allocated by country of risk on master DIC/DIL policies for all lines (not just D&O, E&O, general liability and property). Such an undertaking will create additional administration by U.S. multinational risk managers and their brokers.

Furthermore, there may be tax liability issues on local policies that are currently being arranged as part of master programs and priced as "minimum premium" policies. It could possibly be argued by local tax authorities that these minimum premiums, and subsequent tax liabilities, are not being properly allocated relative to the risk/exposure base—either arbitrarily too high or too low in a given country. ■

China Products Liability Issues

by Mickey Brown, CPCU, ARM



Mickey Brown, CPCU, ARM, is a senior vice president at Marsh USA Inc. in Atlanta, GA. He is a graduate of Loyola College (Baltimore) with more than 20 years of experience in international finance, mergers and acquisitions, risk management, and commercial insurance brokerage.

In September 2007, Marsh and Holland & Knight hosted a seminar on "China Products Liability Issues" attended by insurance and finance executives from the southeastern United States.

With its strategic advantages, including labor costs and available land, China has been the destination of choice for many global manufacturing operations. The China marketplace has evolved from low-value-added production and assembly operations to higher-end, technology-based sectors. A challenge for manufacturers in China is to ensure that product quality meets the regulations in local jurisdictions as well as those more stringent safety standards set in countries where products are distributed, such as the United States and European Union.

According to both the United States and European Union equivalents of the Consumer Product Safety Commission, the majority of product recalls from imported goods came from China. (See Figures 1 and 2.) Recent news headlines

have been dominated by reports of recalls of Chinese-made products, including toys, jewelry, toothpaste, seafood, pet food, cell-phone batteries, tires, and various products containing lead-based paint. These incidents present serious public relations and financial consequences for those effected organizations.

As lawsuits may be filed against all companies involved in the products distribution chains, liability can attach even when sellers or distributors do not themselves render the product defective, regardless of whether they are in a position to prevent defects from occurring. Also, blaming a faulty component or ingredient supplier will offer little recourse as manufacturers and distributors can be held strictly liable for the products they introduce to many countries. Moreover, for settlements or judgments executed outside of China, there is no credit given by the Chinese courts, which could potentially better enable subrogation against local Chinese suppliers.

Figure 1
Product Recall: Country of Origin

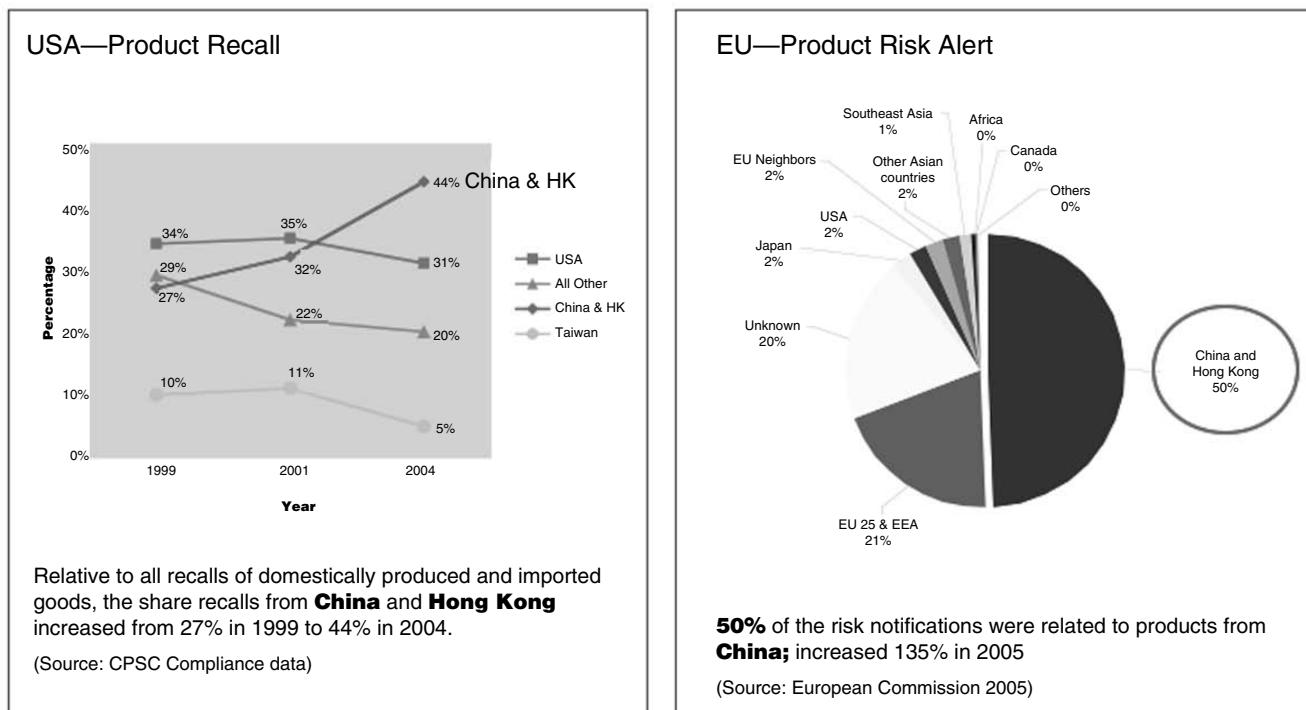
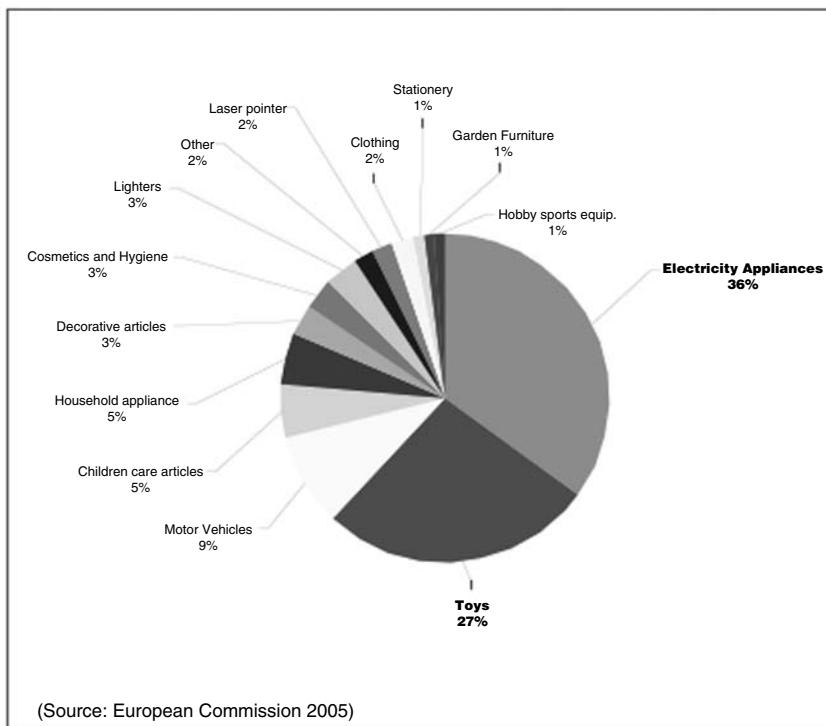


Figure 2
Product Recall, Major Industries—Europe



In China, product quality enforcement responsibilities are allocated among many Chinese agencies, depending on the type of products. Coordination among the various agencies has historically been poor but is improving under Vice Premier Wu Li. The China Administration for Quality Supervision, Inspection, and Quarantine (AQSIQ) is leading the coordination effort and initiating programs aimed at improving product quality and safety, with a focus on imported and exported products.

From a local insurance perspective, products liability coverage in China is still in its infancy. As consumers in China are not inclined to pursue compensation for injuries as a result of a defective product, many suppliers either have no coverage or cannot obtain insurance for

claims filed outside of China. It is also not unusual for suppliers to shut down operations abruptly after significant product quality or defect problems.

As the insurance market evolves, a comprehensive risk management program is vital with respect to product design and safety. Contractual protections should include warranties, indemnities, and hold-harmless provisions. Proper labeling, warnings, records retention, and quality audits in working with suppliers are imperative to ensure that products meet specifications. Regular on-site plant inspections and products testing should be performed by manufacturers and distributors alike. Tracking systems should clearly trace both raw materials and products from supplier to manufacturer to distribution to end

consumers. In closing, it is imperative to effectively plan for products liability crises resulting from Chinese operations.

For a complete copy of all presentation materials, please contact mickey.brown@marsh.com. ■

The Kidnapping Industry: A Reality in the Developing World

by Ana Paula Menezes, CPCU



Ana Paula Menezes, CPCU, is a senior underwriter with Professional Indemnity Agency (PIA), a HCC company in Mount Kisco, NY. Prior to joining PIA, she has worked for AIG, UBS, and Bear Stearns. Menezes is a member of the CPCU Society's Boston Chapter; and a member of the Association of Professional Insurance Women (APIW). She has an M.B.A. in finance and management from the Leonard N. Stern School of Business at New York University, and a bachelor's degree in international relations.

By definition, kidnapping means to seize and detain a person unlawfully for ransom. Although the word "kidnap" may be used loosely in developed economies to describe parental custodial abductions, kidnapping for ransom in lesser developed countries is a growing problem for families and businesses. Kidnapping can also be a reliable source of income for criminals in many developing states. Such countries are encumbered by weak legal and judicial

systems that act to fuel this criminal activity. The likelihood of being caught and punished is remote. Compounding this problem is the involvement of the police themselves in kidnappings. The lack of penal consequences for kidnappers in these societies has transformed the act of kidnapping into a criminal industry unto itself. The large amounts of ransom sought by kidnappers in developing economies only reinforces the lure for these criminals in jurisdictions where the average income is a fraction of that found in developed economies.

Most kidnappings go unreported. In fact, it is estimated that less than 25 percent of all kidnappings are reported to the authorities. Mexico provides an illustrative example, as the government decided to stop publishing kidnapping figures since it was perceived to harm its tourism industry, which serves as the country's largest employer. Also, kidnap victims and their families are often reluctant to report abductions out of fear that corrupt police officers may be involved in the abductions or inept authorities may kill the victim along with the kidnappers in a rescue attempt.

In Latin America, Mexico has shown a steady increase in kidnappings whereas Colombia, that was once considered the kidnap capital of the world, has seen a sharp decline, as the government of President Alvaro Uribe has taken a harder line with Colombia's guerilla groups previously responsible for many of the kidnappings. Not surprisingly, there is emerging evidence that Colombia's well-practiced kidnappers have simply crossed the porous Venezuelan border to abduct that country's citizens.

As the kidnapping industry has grown, there has been a wide range in the type of kidnappings being perpetrated. Some of these include:

- **Quicknapping or Express Kidnapping**—These happen most frequently in large cities like Mexico

City and Sao Paulo. It occurs when a criminal abducts someone in his or her car often while waiting at a red light. Then he or she takes the victim to an ATM machine and proceeds to withdraw the daily maximum allowed. These criminals have also been known to keep the victim overnight so that they can withdraw the daily maximum the next day as well. Rogue taxi cab drivers are also known to often be involved in this type of kidnapping.

- **Fake Kidnapping**—In this type of kidnapping, calls are made at random to telephone numbers from a phone directory. Criminals then use crying women to call these numbers, and then they take the phone and threaten to kill the women if a ransom is not paid immediately. As the victim caller is led to believe that one of his or her family members has been kidnapped, he or she readily agrees to pay the ransom despite the fact he or she is unwittingly a victim of fraud, and family members were never in harm's way. The fact that the risk of being kidnapped is an everyday reality enables such a fraud to succeed. Unbelievably these calls have been known to even have been made by criminals inside prisons as collect calls. In fake kidnappings, the ransom demanded is small so that the transaction can be done quickly.
- **Copy Cats**—For example, in late 2004, a trend emerged in Brazil when a mother of a soccer player was snatched from a family barbecue. A ransom was subsequently paid and she was released after some five weeks in captivity. Shortly thereafter there were nine other cases of family members of soccer players being kidnapped in Brazil. As these players often receive astronomical contracts to play abroad, however most of the player's family remains in their native countries, thus becoming an easy target for these criminals.

In terms of illustrating where the kidnapping industry has been thriving, an independent study in 2005 conducted by a risk management firm concluded that seven out of the 10 kidnap hotspots in the world were in Latin America: Mexico—ranked 1; Colombia—2, Brazil—3, Haiti—4, Venezuela—6; Trinidad and Tobago—8; and Argentina—10. Nigeria is another country where the kidnapping industry has proved an expensive one. The guerrilla group known as MEND (Movement for the Emancipation of the Niger Delta) has destroyed nearly 25 percent of Nigeria's oil-producing capacity, consequently helping to push up fuel prices worldwide. In response to this growing threat, multi-national oil companies in Nigeria have scaled back their operations because of the high risk of their employees being kidnapped.

Thankfully there is insurance for kidnap and ransom, known as K&R insurance, which not only covers ransom but also extortion against property damage or bodily injury and illegal detention. In addition to providing peace of mind to many "at-risk" individuals who live in or

travel to these hotspots, the K&R policy provides access to services that dispatches a crisis management professional to help negotiate the victim's release. This feature of the K&R policy is fundamental because having a crisis management professional handle the situation can make the difference between life and death of the victim.

Without professional crisis management services victimized families often make tactical errors in their responses to demands. When the first ransom demand is made, the counteroffer of the family is very important to guarantee the safety of the victim. If this offer is too low, the kidnappers might, in rare instances, threaten to inflict bodily harm to show the family that they mean "business." On the other hand, if the family accepts the amount requested, two things might happen: one—when the ransom is paid the criminals might not release the victim and simply say thanks for the down payment and now they want much more, or two—they release the victim and the whole family remains as a target because the criminals know there is more money to be made.

Professional Indemnity Agency (PIA) has been underwriting K&R since 1979. The coverage is very broad covering medical expenses (plastic surgery in cases that an ear or a finger was sent as proof of life), psychiatric treatment, lost income, legal liability, and most importantly consulting fees, which are unlimited. The coverage is worldwide. Families and multi-nationals are the most frequent holders of the policies.

PIA has retained the services of Corporate Risk International (CRI) as its exclusive consultant to manage and respond to any incident relating to kidnappings, extortions, or illegal detention. Since 1993, CRI has managed more than 437 cases worldwide with the most recent cases being seen in Iraq and Venezuela. Please do not hesitate to contact me at (914) 242-7893 or via e-mail: amenezes@piaint.com for further information. ■

International Profile of the 2007 CPCU Class

The CPCU designation continues to gain momentum and diversification on an international basis. In reviewing the 2007 CPCU program class, honored at the recent AICPCU Conferment Ceremony in Hawaii, there were designees coming from the following countries and commonwealths outside of the United States: Antigua, Barbados, Bermuda, Canada, China, Germany, India, Japan, Korea, Kuwait, Mexico, Qatar, Saudi Arabia, Switzerland, Sierra Leone, Singapore, Trinidad, United Arab Emirates, United Kingdom, and the West Indies.

These designees come from a wide variety of job functions in their respective countries, including: claims, underwriting, reinsurance, risk management, loss control, sales,



Thousands of people—including new designees, CPCU Society members, and their guests—packed into an enormous hall at the Hawaii Convention Center for the CPCU Society Opening Session and AICPCU Conferment Ceremony on Saturday, September 8.

marketing, information technology, and various other administrative functions. Exam activity continues to grow in countries outside of the United States, especially in Bermuda, China, India, and

Korea. The rapid pace of globalization is stimulating a new generation of CPCUs that will contribute to the dynamic landscape of the insurance marketplace and international commerce! ■

The IGR (International Governor's Report)

by Anthony L. Cabot, CPCU, ARM



Anthony L. Cabot, CPCU, ARM, is the country manager for XL Insurance in Milan, Italy. He has held various positions within the XL Group, including sales and marketing manager in Los Angeles and client relationship manager—East Coast.

Cabot is a member of CPCU Society's Board of Governors, a long-time member of the International Insurance Interest Group Committee, and a founding member of the CPCU Society's Europe Chapter. He is a representative to the United Nations Environmental Program Financial Initiative and the Insurance Working Group, which promotes the Principles of Sustainable Insurance (people, planet, and profit).

Cabot is also an active member of the Italian Academic and Risk Management Association, and a guest lecturer at the University of Verona for its master's in risk management program.

In this first of what will be a regular feature of the International Insurance Interest Group's quarterly newsletter, I am happy to give the inaugural IGR (International Governor's Report). The IGR will briefly overview activities that the Society is promoting in recognition of the ever-expanding influence of the CPCU designation in the world.

The word "national" is being removed from the Society's lexicon to better reflect the reach of the Society and eliminate any potential confusion over where the international members of the Society stand.



The Korea Chapter of the CPCU Society was approved as the newest chapter of the Society. The international reach of the Society is really starting to take shape with chapters in Europe, Japan, South Korea, and Bermuda. A fledgling group has begun the process of forming in Saudi Arabia; and hundreds of CPCU exams have been given in India and China.

The Society's updated "strategic vision" includes a strong element of diversity, including diversity with an international flavor.

The Society is working very hard to increase membership and participation in the interest groups. There are several projects on the Board's agenda to make it easier to participate and obtain the benefits of membership in an interest group. More information on these initiatives will soon be available.

The Board has added the United Nations Environmental Program Insurance Working Group to the agenda. It was agreed to establish a small committee to evaluate the issues of sustainability, social, environmental, and corporate governance matters as outlined in the UN report "Insuring for Sustainability." I hope that we will be able to generate some genuine interest in this global initiative.

In closing this first "Governor's Report" I must say the Board's increasing recognition that the Society needs to be global in its scope is an important first step in developing content, services, and professional opportunities for current and future CPCUs . . . wherever they may be on this planet! ■

Global Insurance

by David L. Bickelhaupt, Ph.D., CPCU

David L. Bickelhaupt, Ph.D., CPCU, is emeritus professor of insurance, Fisher College of Business, at the Ohio State University, where he taught undergraduate and graduate courses on insurance and risk management for 30 years. He also taught at the Wharton School of the University of Pennsylvania, Skidmore College, Georgia State University, and the University of Arizona. He received his B.S. and Ph.D. degrees from the University of Pennsylvania, and his M.S. from Columbia University.

Editor's note: The author told us that the idea for describing globalization is similar to how he recently read that someone asked the question "What is the truest definition of 'globalization'?" and answered it by saying it is "Princess Diana's death,"—because she is an English princess, married to an Egyptian boyfriend, who crashes in a French tunnel, driving a German car, with a Dutch engine, etc., etc.



Did you ever think of how insurance is so international in scope, and how it is a perfect example today of the trend toward globalization? The next time you buy your car, home, life, or health insurance, think of it this way:

Your insurance company probably:

- is insuring cars from Sweden and Italy
- is insuring homes built by Mexicans and Greeks
- is insuring the lives of Belgians and Sicilians
- is insuring the health of Australians and Israelites
- has a president from Scotland, and stockholders from China
- buys stocks from Turkey, and bonds from France
- is part of an international conglomerate such as AIG or Aetna
- is insured by reinsurance companies from Switzerland and Germany
- operates branch offices in Canada and the United Kingdom
- is represented by agents in the Netherlands and Japan
- hires claims representatives from Norway and Costa Rica
- employs people in the home office from Russia and Peru
- pays bills through banks in Argentina and Egypt
- buys computers from Korea
- and uses microchips from Taiwan! ■

Mark Your Calendar!

April 2–5, 2008 • Orlando, FL

CPCU Society's 2008 Leadership Summit

Witness Leadership in Action!

Plan to be a part of this distinguished gathering of CPCU Society leaders and insurance industry professionals. Open to all volunteer leaders.

This unique event will feature:

- Society business meetings.
- A brand-new leadership development schedule with greater flexibility and convenience.
- New specialized chapter leader workshops.
- CPCU Society Center for Leadership courses (previously known as NLI), including new courses designed for chapters and interest group leaders. Open to all Society members.

Visit www.cpcusociety.org in early 2008 for the latest information.

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