

# SRIA

---

Southern  
Risk & Insurance  
Association

---

# 2012

**46<sup>th</sup> ANNUAL MEETING**  
Hilton Savannah DeSoto  
Savannah, Georgia  
November 18-20, 2012

*Saint Joseph's University*

*Journal of Applied  
Risk Management and Insurance*

**Proud Sponsor of the  
Southern Risk and Insurance Association  
2012 Conference**

## **Call for Papers**

The *Journal of Applied Risk Management and Insurance* will begin publication in the spring of 2013. The journal seeks submissions that fit the journal's dual objectives of meeting the needs of RMI educators and helping to bridge the gap between academic research and the decision making needs of RMI industry executives.

Journal mission and objectives, submission guidelines, and a searchable Risk Management and Insurance Literature Database can be found at:

**[www.jarmiweb.org](http://www.jarmiweb.org)**

Jean L. Heck, Editor  
Brian Duperreault '69 Chair  
for Risk Management and Insurance  
Saint Joseph's University  
Philadelphia, PA 19131  
[jean.heck@sju.edu](mailto:jean.heck@sju.edu)

## Officers & Directors

### Outgoing Officers

President  
Cassandra Cole  
Florida State University

First Vice President  
Lars Powell  
University of Arkansas-Little Rock

Second Vice President  
Andre Liebenberg  
University of Mississippi

Secretary/Treasurer  
Faith Neale  
University of North Carolina—  
Charlotte

Immediate Past President  
Ryan Lee  
University of Calgary

### Directors

David Eckles (2012)  
University of Georgia

Charles Nyce (2012)  
Florida State University

Lorilee Medders (2013)  
Florida Catastrophic Storm Risk  
Management Center

Thomas Berry-Stölzle (2013)  
University of Georgia

Jim Hilliard (2014)  
University of Georgia

Joe Ruhland (2014)  
Georgia Southern University

### Incoming Officers

President  
Lars Powell  
University of Arkansas-Little Rock

First Vice President  
Andre Liebenberg  
University of Mississippi

Second Vice President  
Faith Neale  
University of North Carolina—  
Charlotte

Secretary/Treasurer  
XXXXX

Immediate Past President  
Cassandra Cole  
Florida State University

### Directors

Lorilee Medders (2013)  
Florida State University

Thomas Berry-Stölzle (2013)  
University of Georgia

Jim Hilliard (2014)  
University of Georgia

Joe Ruhland (2014)  
Georgia Southern University

XXXX (2015)  
XXXXXX

XXX (2015)  
XXXXXX

## Institutional Sponsors

Sincere appreciation is expressed to the following SRIA contributors for their financial support of this meeting:

### Diamond Sponsors

Florida State University  
Saint Joseph's University  
University of Louisiana at Lafayette

### Gold Sponsors

Appalachian State University  
Florida State University  
Miami of Ohio  
UNC Charlotte  
University of Central Arkansas  
University of Georgia  
University of Mississippi  
University of Texas at Austin  
Wilfrid Laurier University

### Silver Sponsors

## SRIA Past Presidents

Year	President - University Affiliation	Annual Meeting (Site)
2011	Ryan Lee - University of Calgary	New Orleans, LA (Hotel Monteleone)
2010	Kathleen McCullough - Florida State University	Charleston, SC (Embassy Suites)
2009	Karen Epermanis - <i>Appalachian State Univ.</i>	Orlando, FL (Lake Buena Vista Resort)
2008	Randy Dumm - <i>Florida State University</i>	Bay St. Louis, MS (Hollywood Casino)
2007	Bill Ferguson - <i>Univ. of Louisiana-Lafayette</i>	San Antonio, TX (Palacio Del Rio)
2006	L. Lee Colquitt - <i>Auburn University</i>	Hilton Head, SC (Westin Resort)
2005	David Sommer - <i>University of Georgia</i>	Orlando, FL (Lake Buena Vista Resort)
2004	John C. Bratton - <i>Univ. of Central Arkansas</i>	Charleston, SC (Renaissance Charleston)
2003	Brenda P. Wells - <i>University of North Texas</i>	Clearwater, FL (Belleview Biltmore)
2002	Patrick F. Maroney - <i>Florida State University</i>	New Orleans, LA (Chateau Sonesta)
2001	Kevin L. Eastman - <i>Florida State University</i>	Savannah, GA (Savannah Hilton)
2000	David D. Wood - <i>Appalachian Sate Univ.</i>	San Antonio, TX (La Mansion Del Rio)
1999	Carol A.B. Jordan - <i>Univ. of LA, Monroe</i>	Orlando, FL (Grosvenor Resort)
1998	Robert E. Hoyt - <i>University of Georgia</i>	Williamsburg, VA (Williamsburg Inn)
1997	Helen Doeringhaus - <i>University of SC</i>	Asheville, NC (Radisson Hotel)
1996	Jack M. Nelson - <i>College of Insurance</i>	Hilton Head, SC (Westin Resort)
1995	Larry A. Cox - <i>University of Mississippi</i>	Charleston, SC (Mills House)
1994	Harold D. Skipper, Jr. - <i>Georgia State Univ.</i>	Point Clear, AL (Marriot Grand Hotel)
1993	E.G. Miller - <i>Virginia Commonwealth Univ.</i>	New Orleans, LA (Omni Royal)
1992	Phyllis S. Myers - <i>Virginia Commonwealth University</i>	St. Petersburg Beach, FL (Don CeSar)
1991	Sandra G. Gustavson - <i>University of Georgia</i>	Williamsburg, VA (Williamsburg Inn)
1990	William R. Feldhaus - <i>Georgia State Univ.</i>	Amelia Island, FL (Plantation Resort)
1989	George B. Flanigan - <i>Univ. of North Carolina, Greensboro</i>	Nashville, TN (Sheraton Nashville)
1988	Richard B. Corbett - <i>Florida State University</i>	Charleston, SC (Omni)
1987	Joseph E. Johnson - <i>Univ. of North Carolina, Greensboro</i>	Savannah, GA (Hyatt)
1986	Bruce B. Palmer - <i>Georgia State University</i>	Tampa, FL (Harbour Island Hotel) <sup>3</sup>
1985	John H. Thornton - <i>Univ. of North Texas</i>	Orlando, FL (Hilton)
1984	Claude C. Lilly - <i>Florida State University</i>	New Orleans, LA (Hilton)
1983	James S. Trieschmann - <i>Univ. of Georgia</i>	Atlanta, GA (Hilton)
1982	Jerry D. Todd - <i>University of Texas</i>	New Orleans, LA (Hilton)
1981	Larry D. Gaunt - <i>Georgia State University</i>	Atlanta, GA (Hilton)
1980	John Lewis - <i>Florida State University</i>	New Orleans, LA (Hilton)
1979	Susan M. Phillips - <i>University of Iowa</i>	Atlanta, GA (Hilton)
1978	Robert A. Marshall - <i>Florida State University</i>	New Orleans, LA (Hilton)
1977	S. Travis Pritchett - <i>Univ. of South Carolina</i>	New Orleans, LA (Hilton)
1976	J. Finley Lee - <i>Univ. of North Carolina</i>	Atlanta, GA (Peachtree Westin)
1975	Stuart Schwarzschild - <i>Georgia State Univ.</i>	New Orleans, LA (Royal Sonesta)
1974	Robert S. Cline* - <i>University of Florida</i>	
1973	Linda P. Fletcher - <i>Louisiana State Univ.</i>	
1972	John E. Stinton - <i>University of South Carolina</i>	
1971	William W. "Bill" Dotterweich - <i>Univ. of TN</i>	
1970	E. Ray Solomon - <i>Florida State University</i>	
1969	Kenneth Black, Jr.* - <i>Georgia State Univ.</i>	Washington, DC ( ) <sup>2</sup>
1968	Kenneth Black, Jr.* - <i>Georgia State Univ.</i>	Atlanta (Dinkler Plaza) <sup>1</sup>

**NOTES:**

\* = deceased

1 = organizational meeting held during ARIA meeting (August 25, 1968).

2 = first regular meeting, held in conjunction with Southern Economics Association.

3 = first independent meeting: Nov. 24-26, 1986; prior meetings conjunction with Allied Southern Business Associations (ASBA).

## Sunday, November 18, 2012

<b>3:00-5:00 P.M.</b>	<b>DIRECTORS' &amp; OFFICERS' MEETING</b> XXXX
<b>5:00-6:00 P.M.</b>	<b>REGISTRATION &amp; WELCOME DESK</b>
<b>6:00-7:30 P.M.</b>	<b>OPENING RECEPTION</b> XXXX

## Monday November 19, 2012

<b>7:30-8:30 A.M.</b>	<b>BREAKFAST— XXX</b>
<b>8:45-10:30 A.M.</b>	<b>DOCTORAL STUDENT RESEARCH SESSION</b> XXXXX

**Moderator: xxx**

**Case Versus Bulk Reserves: An Issue of Manipulation**

Jill Bisco, Florida State University

Kathleen McCullough, Florida State University

**Performance Measures, CEO Compensation, and Mean-Variance Optimization: Evidence from the Property-Liability Insurance Industry**

Yevgeniy Davydov, Temple University

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

Muhammed Altuntas, University of Cologne

Gerrit Gößmann, University of Cologne

**Could the Global Risk Reduction Policy, the Hyogo Framework for Action 2005-2015, Hedge Catastrophic Risks Efficiently?**

Pei-Han Chen, University of Georgia

David Eckles, University of Georgia

**10:30-10:45 A.M. MORNING BREAK**

**Monday, November 19, 2012**

10:45-12:00 P.M. CONCURRENT SESSION ①

**SESSION 1A: CAPITAL STRUCTURE**

XXX

Moderator: XXX

**Changing Capital Structure with Reinsurance: Wealth and Performance Effects**

James Carson, University of Georgia  
Stephen Fier, University of Mississippi  
James Hilliard, University of Georgia

**Capital Structure Management through Pension Conversion**

James Carson, University of Georgia  
James Hilliard, University of Georgia  
Kathleen McCullough, Florida State University

**Integrated Determination of Insurer Capital, Investment, and Reinsurance Strategy**

Hong Mao, Shanghai Second Polytechnic University  
Krzysztof Ostaszewski, Illinois State University  
Wei Hao, State Farm Insurance and Illinois State University  
James Carson, University of Georgia

**SESSION 1B: LEGAL ISSUES**

XXX

Moderator: XXX

**Personal Federal Tax Issues Related to Health Care Expenditures: Time to Reassess the Current Medical Expense Deduction**

Alan Eastman, Indiana University of Pennsylvania

**Factors that Influence Court Decisions in Cases Involving Material Misrepresentations**

Kevin Gatzlaff, Ball State University

**A Review of State Statutes Concerning State Sovereign Immunity**

Cassandra Cole, Florida State University  
Chad Marzen, Florida State University

**The Market Impact of the Upholding of the Affordable Care Act by the Supreme Court**

James Hilliard, University of Georgia  
Andre Liebenberg, University of Mississippi  
Ivonne Liebenberg, University of Mississippi  
Joseph Ruhland, Georgia Southern University

**Monday, November 19, 2012**

12:15-1:45 P.M. LUNCHEON & ANNUAL BUSINESS MEETING - XXXX

2:00-3:15 P.M. CONCURRENT SESSION ②

**SESSION 2A: CATASTROPHE MODELING AND FINANCING**

XXX

Moderator: XXX

**Catastrophe Modeling for U.S. Earthquake Risks - An Empirical Study of Prediction and Sufficient Financial Resources**

Pamela Hurley, Utica College

**Revealed Information and the Demand for Mitigation Features**

Dean Gatzlaff, Florida State University  
Kathleen McCullough, Florida State University  
Lorilee Medders, Florida State University  
Charles Nyce, Florida State University

**Windstorm Mitigation Financing Options**

Patrick Maroney, Florida State University  
Lorilee Medders, Florida State University  
Charles Nyce, Florida State University

**SESSION 2B: PORTFOLIO SELECTION, SCALE ECONOMIES, AND SOCIAL BENEFIT MAXIMIZATION**

XXX

Moderator: XXX

**Portfolio Selection for Insurance Linked Securities: An Application of Multiple Criteria Decision Making**

Dominic Ho, University of New South Wales  
Michael Sherris, University of New South Wales

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

Thomas Berry-Stölzle, University of Georgia  
Maggie Tang, Bank of China

Ying Zhang, Jilin University and University of Georgia

**Optimization of price, default ratio, and capital under the regulatory criterion of maximizing social benefit**

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

**Monday, November 19, 2012**

**3:30-4:45 P.M. CONCURRENT SESSION ③**

**SESSION 3A: INSURER OPERATIONS**

**XXX**

**Moderator: XXX**

**Resisted and Denied Claims: Their Role in Earnings Management**

Jill Bisco, Florida State University

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

David Eckles, University of Georgia

Martin Halek, University of Wisconsin

Krupa Viswanathan, Temple University

Rongrong Zhang, Georgia Southern University

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

Sapna Isotupa, Wilfrid Laurier University

Mary Kelly, Wilfrid Laurier University

Anne Kleffner, University of Calgary

**SESSION 3B: CATASTROPHE RISK ISSUES**

**XXX**

**Moderator: XXX**

**Casualty Catastrophe Modeling**

Jenny Atkinson, University of Georgia

**Here today, gone tomorrow? The Efficacy of Catastrophic Bond Ratings**

Peggy Hedges, University of Calgary

Ryan Lee, University of Calgary

David Chan, University of Calgary

**Analysis of S.637, the Earthquake Insurance Affordability Act**

Lars Powell, University of Arkansas – Little Rock

**5:00-7:00 P.M. PRESIDENT'S RECEPTION**

**Tuesday, November 20, 2012**

**7:30-8:30 A.M. BREAKFAST— XXX**

**8:45-10:00 A.M. CONCURRENT SESSION ④**

**SESSION 4A: HEALTH INSURANCE**

**XXX**

**Moderator: XXX**

**The Relationship between the Markets for Health Insurance and Medical Malpractice Insurance**

Patricia Born, Florida State University

J. Bradley Karl, Florida State University

W. Kip Viscusi, Vanderbilt University

**An Empirical Analysis of the Impact of Diversification Strategies on Health Insurer Profits**

Cassandra Cole, Florida State University

Enya He, University of North Texas

J. Bradley Karl, Florida State University

**Consumer Attitudes towards Health Insurance Exchanges**

Stephen Fier, University of Mississippi

Chip Wade, Mississippi State University

**SESSION 4B: CITATIONS, MORTGAGE HEDGING, AND TITLE INSURANCE**

**XXX**

**Moderator: XXX**

**Journal of Risk and Insurance Articles 1989-2010: A Citation Analysis by Author**

Steven Pottier, University of Georgia

Jianren Xu, University of Georgia

**Hedging Mortgage Servicing Rights**

Andy Terry, University of Arkansas, Little Rock

**A Consumer's View of Title Insurance**

Martin Boyer, HEC Montreal

Martin Halek, University of Wisconsin

Chad Marzen, Florida State University

Charles Nyce, Florida State University

**Tuesday, November 20, 2012**

**10:00-10:15 A.M. MORNING BREAK**

**10:15-11:30 A.M. CONCURRENT SESSION ⑤**

**SESSION 5A: RISK  
XXX**

**Moderator: XXX**

**Risk and Return Determinants of US Insurers**

Li Zhang, St. Cloud State University  
Norma Nielson, University of Calgary  
Joe Haley, St. Cloud State University

**Risk Differences between Stock and Mutual Risk Retention Groups**

Mu-Sheng Chang, California State University, Northridge

**The Relationship between Relative Risk Aversion and the Level of Education**

J. Francois Outreville, HEC Montreal

**SESSION 5B: INSURER PERFORMANCE  
XXX**

**Moderator: XXX**

**Workers Compensation Laws and Insurer Performance**

Faith Neale, University of North Carolina – Charlotte  
David Marlett, Appalachian State University

**The Effect of Advertising Expenditure on Policy Demand**

Stephen Fier, University of Mississippi  
David Pooser, St. John's University

**The Effects of Diversification Strategy on Firm Performance**

Brandon Morris, University of Mississippi  
Stephen Fier, University of Mississippi  
Andre Liebenberg, University of Mississippi

**Tuesday, November 20, 2012**

\*\*\*\*\*

**MEETING ADJOURNS**

\*\*\*\*\*



***See you next year!***

\*\*\*\*\*

**47<sup>th</sup> SRIA Annual Meeting**

**November 17-19, 2013**

**XXX, Orlando, FL**

*Please visit us*

*on the web at:*

**<http://www.southernrisk.org>**

***SRIA*** Southern Risk and Insurance Association