

As seen the week of:

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World



During their recent trip to London, students of insurance and risk management from Indiana State University toured the headquarters of several market participants, including the Lloyd's of London building, left, and the Swiss Re Tower.

Trips bring London market home to insurance students

Programs abroad offer exposure to the industry

By MARA LAZDINS

As students at U.S. colleges and universities prepare to start their fall semesters, some who are studying risk management and insurance are looking forward to field trips to London, where they'll learn about one of the world's most important insurance markets.

Several schools have programs abroad to

expose insurance majors to various facets of the insurance industry.

During spring break this year, for example, students in a class on "International Insurance: The Lloyd's Market" at Indiana State University in Terre Haute, Ind., didn't head for the beach. Instead, they spent the week exploring Lloyd's and the London market.

ISU Professor Mary Ann Boose took 11

students to London, the second such trip for ISU's Insurance & Risk Management Program, according to Dr. Boose. A third trip is currently being planned for 2006, during ISU's spring break.

In Dr. Boose's elective Insurance 449 course, students studied the financial elements of insurance, claims and aspects of the surplus lines market. They also covered material from the Associate in Surplus Lines Insurance professional designation. Visiting Lloyd's was helpful in this regard, because most of the U.S. business placed at Lloyd's is written on a surplus lines basis.

In addition, students heard from principal consultant Bill McGannon of Risky Business, a privately owned risk management firm for small businesses in Calgary, Alberta. Mr. McGannon, formerly of NOVA Corp., a Calgary-based petrochemical company, came to speak to students and helped establish connections with the industry in London. He had previously worked with students at the University of Calgary to establish a course similar to the one offered at ISU. Mr. McGannon met Dr. Boose at an American Risk & Insurance Assn. conference, where she approached him about coming to Indiana to speak with her students.

"I shared with them how the market works and the amount of personal contact that is so important," Mr. McGannon said. "I told them you have to be as honest as you can be, that it takes a long time to gain the trust of the market and told them about the fact that the market measures you very carefully."

Dr. Boose said Mr. McGannon introduced contacts who provided valuable information and networking to her students.

"In this course, we connect with the insurance and risk management community," Dr. Boose said. "We're always trying to do something that's relevant to today's industry."

Other U.S. colleges and universities also have sent students to London this past year. They include the School of Risk Management, Insurance & Actuarial Science at St.

John's University in New York; and the Katie School of Insurance & Financial Services at Illinois State University at Normal, Ill.

Anticipating lessons

The goal of the trip, according to Dr. Boose, was for students to see the London market and to help them learn more about surplus lines insurance, as well as to give them a cultural experience.

"All of these students will go into the industry. These are their career aspirations," she said. "They won't all have positions where they have contact with the London market, but this will help them see how the market works. You learn by doing more than by listening."

On the trip, students spent time at several insurance companies, where they went on tours and attended seminars. At Newman, Martin & Buchan Ltd., a Lloyd's broker that specializes in energy, marine and reinsurance, students met with its director, Simon Pringle, who briefed them on the industry and the functions of a broker.

At the London offices of actuarial consulting firm Tillinghast, students learned about Lloyd's reconstruction and renewal plan, which reorganized the market after a series of huge losses in the late 1980s. David Powell, a head actuary for Tillinghast, spoke about the financial reconstruction of Lloyd's and its success as a market.

The students also toured Swiss Re International, the London operations of the Zurich, Switzerland-based reinsurance giant. There, students learned about nonadmitted markets and risk management for the petrochemical industry.

Alan Taylor, claims manager for energy onshore for Swiss Re, spoke about the ramifications of the March 23 explosion at a British Petroleum refinery in Texas City, Texas—the accident occurred while the students were on their trip—and explained to students about losses and how they could be avoided.



Students can gain self-insurance from their travel experience to London.

Students said they enjoyed their visit at Swiss Re, commenting that it communicated to them a variety of issues from different perspectives of the industry.

"Swiss Re was my favorite. They brought in underwriters, risk managers, all different people from the insurance world," said Hallee Cork, a junior math education major with a minor in insurance at Indiana State. "Each person spoke about what they did, and they gave a great presentation."

"I researched Swiss Re and did a project that I presented to the class," said Jocelyn Gohman, a junior insurance and risk management major in Dr. Boose's class. "I expected to learn a lot, but I didn't know what to expect from the companies we were going to. Swiss Re went through a lot of preparation for us; once we were there, they gave us a lot of information we could use in the future."

The trip culminated with a visit to Lloyd's. Tours at Lloyd's are not open to the public and are conducted on a controlled basis. Dr. Boose said the students were fortunate to take the tour and attend seminars.

Students also viewed some of Lloyd's historic elements, such as the Adam room, a conference room that has been dismantled and reassembled throughout several moves, and the Lutine bell, a recovered ship's bell that tolls significant news. In recent years, the bell has been rung to signal the Sept. 11, 2001, terrorist attacks and the December 2004 Indian Ocean tsunami.

Throughout the course of the trip, students took extensive notes during the briefings and gained information useful for their schooling as well as their future careers.

"I really got a sense of how everything works together and how business is done elsewhere," Ms. Gohman said. "I was surprised at the amount of things that are the same in insurance. Things we learned in class, we heard about while we were here and it linked them together for me very well."

Inspiring careers

Dr. Boose said she hoped students would learn more about the insurance industry and would also be more excited about their ca-



Some schools offering programs in insurance and risk management have turned to Lloyd's and the London market as a hands-on classroom.

reer aspirations as a result of the trip.

"I want students to say, 'Insurance is exciting!' I want to attract and prepare students for the industry through this experience," Dr. Boose said.

ISU's Insurance & Risk Management program focuses on connection with the industry and gives students a variety of opportunities to work for, visit and learn from insurance companies in the real world.

"There is a lot of personal involvement in planning for students while they're here," said Ronald Green, dean of the School of Business at ISU. "We're pleased with our ability to work individually with students to get a jumpstart on their careers before they leave."

Dr. Green assisted in organizing the trip and in seeking financial aid. Students paid most of their travel costs, he said, but ISU was able to supplement their payments through the Networks Financial Institute at Indiana State University, an outreach effort funded by the Indianapolis-based Lilly Endowment, Inc. NFI prepares students for careers in the financial services industry.

Not only do these students get a headstart on their career plans from the opportunities the program offers but they also gain self-insurance and are able to further develop personal goals from experiences such as the trip to London, said Dr. Boose.

"I want students to develop confidence to accept different cultures and different environments; this is my personal goal," she said. "My business goal is that in their careers they will have confidence that they understand what surplus lines markets are, that they are less naïve and more knowledgeable about how the industry works."