

AMERICAN RISK AND INSURANCE ASSOCIATION 1991 ANNUAL MEETING

**SAN DIEGO, CALIFORNIA
AUGUST 18-21, 1991**

PRELIMINARY PROGRAM

SATURDAY, AUGUST 17

1:00-3:00 PM Strategic Planning Committee

4:00-7:00 PM Board of Directors Meeting

SUNDAY, AUGUST 18

8:00 AM Board of Directors Meeting

1:00-6:00 PM Registration

4:00-6:00 PM Innovation in Instruction Award Winner Presentation
Moderator: Sandra G. Gustavson, University of Georgia

6:30-7:30 PM Reception - Sponsored by

MONDAY, AUGUST 19

7:30-8:30 AM Breakfast - Sponsored by

8:45-10:15 AM **PLENARY SESSION I**
"Solvency Issues"
Moderator: Patricia Cheshier, California State
University-Sacramento
Panel: To be arranged

10:15-10:30 AM Coffee Break - Sponsored by

10:30-Noon

CONCURRENT SESSIONS I**Session A - Economic Theory of Insurance**

Moderator: Jack Nelson, The College of Insurance

1. "Non-Nested Hypothesis Tests in Insurance Application to Frequency and Severity Distributions"

J. David Cummins, Univ. of Penn & Huebner Foundation

Paul D. Thistle, University of Pennsylvania

2. "Reinsurance and Taxes: A Contingent Claims Approach"

James R. Garven, University of Texas at Austin

Henri Louberge, University of Geneva

3. "Adverse Selection Commitment and Renegotiation: Applications to Insurance Markets"

Neil Doherty, University of Pennsylvania

George Dionne, University of Montreal

Session B - Risk Management Issues

Moderator: Tapin Sinha, Bond University

1. "The Effect of Substantial Losses Upon Firm Value: Insured vs. Uninsured Losses"

Gene Lai, University of Rhode Island

Henry Oppenheimer, University of Rhode Island

Mike McNamara, University of Rhode Island

2. "Determinants of Corporate Insurance Purchases: Empirical Evidence"

Ho Khang, University of Georgia

Robert E. Hoyt, University of Georgia

3. "Optimal Retention Decision Strategies Using Risk Adjusted Cost"

Peter Mikolaj, Indiana State University

John Cozzolina, Pace University

Session C - Auto Insurance Issues

Moderator: Willis Rokes, University of Nebraska-Omaha

1. "Uninsured Motorists and Price Elasticity of Demand for Auto Insurance"

Mary A. Weiss, Temple University

2. "Deregulation and Competition in Automobile Insurance"

Sharon Tennyson, University of Pennsylvania

3. "A Hedonic Price Analysis of No-Fault Insurance"

Robert Puelz, Memphis State University

Session D - Life Insurance Issues

Moderator: Larry Cox, University of Georgia

1. "An Econometric Analysis of Changes in the Demand

for Life Insurance Policy Loans"

Robert E. Hoyt, University of Georgia

James M. Carson, University of Georgia

2. "Legal Operating and Tax Issues in the Administration of Life Insurance Accelerated Benefits"

Richard B. Corbett, Florida State University

3. "Use of Life Insurance to Provide Income for Surviving Spouse"

Norma L. Nielson, Oregon State University

Session E - Finance Issues

Moderator: John Thornton, University of North Texas

1. "Reinsurance and the Firm Value (Theory and Evidence)"

Keun-Ock Lew

2. "Determinants of Large Loss Impacts on Stocks Prices"

Gilles Bernier, Laval University

Jean-Marc Suret, Laval University

3. "Insurance Education and the Science Paradigm"

Mark S. Dorfman, University of Alabama-
Little Rock

Noon-1:30 PM Lunch - On Your Own

1:30-3:00 PM **PLENARY SESSION II**

"Insurance Issues and Education in Asia - 1991"

Moderator: Kailin Tuan, Temple University

Panel: Yasushi Morimiya, Meiji University, Japan

Kyung-Lyong Lee, Sogang University, Korea

Ming-Cho Sung, Ming Chuan College of Management, Taiwan

Maizon Omar, The Malaysian Insurance Institute, Malaysia

3:00-3:15 PM Coffee Break

3:15-4:45 PM **CONCURRENT SESSIONS II**

Session A - Tax Issues

Moderator: Robert Hershbarger, Mississippi State University

1. "Determinants of Interstate Differences in Insurance Tax Intensity"

Martin F. Grace, Georgia State University

Harold D. Skipper, Jr., Georgia State University

Discussant: Robert B. Corbett, Florida State University

2. "Stock Price Evidence of Tax Incidence: Did the Tax Reform Act of 1986 Cause Windfall Gains or Losses for Shareholders of Property-Casualty Insurers?"

Robert A. Walker, Georgetown University

Discussant: Arthur M. B. Hogan, George Mason University

3. "Tax Avoidance Patterns in Property and Liability Insurance"

Emilio Venezian, Rutgers University

P.V. Viswanath, Rutgers University

Discussant: Peter Mikolaj, Indiana State University

Session B - Insurance Company Issues

Moderator: Gilles Bernier, Laval University

1. "Characteristics of Target Insurance Companies"

Allen Seward, Baylor University

2. "An Empirical Comparison of Stock and Mutual Property-Liability Insurers"

Richard PonArul, California State University

3. "A Note on Portfolio Selection by Insurance Companies and Optimal Participating Insurance Policies"

Christian Gollier, Institut Supérieur Des Affaires

Serge Wibaut, Institut Supérieur Des Affaires

4. "Economic Analysis of the Development of Universal Life Insurance in the 1980s"

D. Han Chang, Pennsylvania State University

Session C - Health Insurance Issues

Moderator: Mark Browne, University of Georgia

1. "Medical Group Performance under Medicare Capitated Programs"

Joan Kruegar, University of Southern California

Joseph Mack, Unified Medical Grp. Assoc.

Discussant: Khurshid Ahmad, Wright State University

2. "Health Insurance Premium Variation for Small Employers: Potential for Reduction through Regulation"

James W. Mays, Actuarial Research Corporation

Cathi M. Callahan, Actuarial Research Corporation

Discussant: Joan T. Schmit, University of Wisconsin

3. "Minimum Health Insurance Benefits for Employer Plans"

Deborah Chollet, Georgia State University

Discussant: Greg Niehaus, University of South Carolina

Session D - Malpractice and Detoxification Issues

Moderator: James Garvin, University of Texas at Austin

1. "An Empirical Investigation of Performance Differences Across Firm-Type for Medical Malpractice Insurers"
Jan M. Ambrose, LaSalle University
2. "A Public Reaction to Physician Malpractice and Risk Management Implications"
Joan M. Lally, University of Utah
Susan A. Chesteen, University of Utah
Fikry S. Gahin, University of Utah
3. "Factors Associated with Success in Alcohol Detoxification: A Logit Analysis"
Arnold H. Raphaelson, Temple University
Charles P. Hall, Jr., Temple University
Arthur Alterman, University of Pennsylvania
Jack L. VanderHei, Temple University

Session E - Miscellaneous Issues

Moderator: Mark Dorfman, University of Arkansas

1. "Improving the Inequitable Treatment of Women under the Social Security Benefits System"
Joseph D. Haley, Texas Southern University
2. "Income Replacement Needs of Retirees"
Bruce A. Palmer, Georgia State University
3. "Optimal Allocations to Health Care Flexible Spending Accounts"
Steve Klein, Rider College
Anne Carroll, Rider College
4. "The Choice of Wage/Pension Contract as a Signal of Worker Quality"
Vickie Bajtelsmit, Haddonfield, New Jersey

5:15-5:45 PM Annual Business Meeting

6:00-7:30 PM Reception

TUESDAY, AUGUST 20

7:30-8:30 AM Breakfast - Sponsored by

8:45-10:15 AM **PLENARY SESSION III**
 "Environmental Risk and Insurance Issues in the 1990's"
 Moderator: Robert Witt, University of Texas at Austin
 Panel: Eugene R. Anderson, Esquire, Anderson, Kill,
 Olivk & Oshinsky, P.C.

Barry L. Bunshoft, Esquire, Hancock, Rother & Bunshoft
 James L. Kimble, Esquire, Senior Council,
 Environmental Area, American Insurance
 Association

10:15-10:30 AM Coffee Break - Sponsored by

10:30-Noon CONCURRENT SESSION III

Session A - Solvency Issues

Moderator: Ann Butler, Florida State University

1. "Determinants of Financial Solvency: An Empirical Evaluation of the Property-Liability Insurance Industry"

Joan Lamm-Tennant, Villanova University

Laura Stark, University of Texas

Lynne Stokes, University of Texas

2. "Reconsidering Solvency Surveillance in the Property-Liability Insurance Industry"

David Cather, University of Pennsylvania

3. "Guaranty Fund Assessments: Who Bears the Burden?"

James Barrese, College of Insurance

Jack M. Nelson, College of Insurance

Session B - Doctoral Dissertations

Moderator: Joe Johnson, University of North
 Carolina-Greensboro

1. "Risk Aversion, Reference Points, Loss Dimensions and Insurance Purchasing Behavior"

Arthur T. Cox, University of Northern Iowa

2. "The Impact of Regulation on the Property-Liability Insurance Industry: The Case of Guaranty Funds"

Soon-Jae Lee, Ohio State University

3. "The Effect of Health Insurance Deductibles and Copayments within Episodes of Medical Care"

James A. Ligon, University of Pennsylvania

4. "The Effects of Cost Inefficiencies on the Competitive Viability of the U.S. Insurance Industry"

Lisa A. Gardner, Georgia State University

Session C - Insurance Company Management Issues

Moderator: Imre Karafiath, University of North Texas

1. "Adverse Selection in the Individual Medical Expense Insurance Market"

Mark Browne, University of Georgia

Helen Doerpinghaus, University of South Carolina

2. "Measuring Risk Aversion Using State Level Data"
Tapin Sinha, Bond University
3. "Vertical Integration and Efficiency in the Property-Liability Industry"
Laureen Regan

Session D - Liability Insurance Issues

Moderator: William Warfel, Indiana State University

1. "An Economic Evaluation of the Commercial Liability Insurance Crisis Under Uncertainty"
Robert C. Witt, University of Texas
Gene C. Lai, University of Rhode Island
2. "Who Are The Recipients of Those Large Products Awards? An Analysis of Plaintiff Status in Product Liability Cases"
Joan T. Schmit, University of Wisconsin
Daniel K. Kaiser, University of Wisconsin
3. "Hazardous Waste and Other Long Tailed Liabilities: The Achilles Heel of Property - Liability Insurance Industry"
Dan R. Anderson, University of Wisconsin

Session E - Insurance Management Issues

Moderator: Arnold Raphaelson, Temple University

1. "Subrogation—Use and Misuse Against Insured"
Willis Rokes, University of Nebraska—Omaha
2. "An Examination of Ethical Behavior Among Insurance Sales Agents"
Donald W. Hardigree, University of Nevada, Las Vegas
Vince Howe, University of North Carolina-Wilmington
K. Douglas Hoffman, University of North Carolina-Wilmington
3. "Agency Theory, Junk Bonds, and Life Insurers"
Brenda F. Powell, University of Georgia
Larry A. Cox, University of Georgia

12:15–2:00 PM

PAST PRESIDENTS' LUNCHEON

Presiding: Sandra G. Gustavson, University of Georgia
Presentation of Awards

Incoming Presidential Address: Scott E. Harrington,
University of South Carolina

2:15–4:00 PM

CONCURRENT SESSIONS IV

Session A - Economic and Financial Models

Moderator: Steven Cassidy, Howard University

1. "Efficiency of the Insurance Stock Price Generating Process"

Paul Gronewoller, University of Wyoming

Jorge Urrutia, Loyola University of Chicago

Discussant: Albert L. Auxier, The University of Tennessee at Knoxville

2. "Ownership Considerations in a New Legal Structure of Life Insurance Company"

Michel Gendron, Laval University - Quebec

Discussant: Joan Lamm-Tennant, Villanova University

3. "Second Best Insurance Contracts in an Incomplete Market"

Harris Schlesinger, University of Alabama

Christian Gollier, Groupe HEC

Discussant: Neil Doherty, University of Pennsylvania

Session B - Health and Life Insurance Issues

Moderator: John Cozzolino, Pace University

1. "An Analysis of the Impact of the FASB Rules for Accruing Port-Retirement Health Care Benefit Liabilities"

Mike McNamara, University of Rhode Island

Henry Oppenheimer, University of Rhode Island

2. "Increases in Risk and the Demand for Insurance"

George Dionne, Universite de Montreal

Y. Alarie, Universite de Montreal

L. Eeckhoudt, Universitaires Catholiques de Mons

3. "Tie-In Arrangements of Life-Insurance and Savings: An Economical Rationale"

Itzhak Venezia, University of California, Los Angeles

Session C - Insurance Issues (Markets, Debt & Claims)

Moderator: Barry Schweig, Creighton University

1. "Layers in Liability Insurance Markets"

Lawrence Berger, University of Pennsylvania

J. David Cummins, University of Pennsylvania

Sharon Tennyson, University of Pennsylvania

Discussant: Gene C. Lai, University of Rhode Island

2. "The Impact of Debt Decisions of a Firm on its Optimum Risk Management Policies"

Dongsae Cho, Old Dominion University

Discussant: Narendra K. Rustagi, Howard University

3. "Determinants of General Damages for Massachusetts Automobile Bodily Injury Liability Claims"

Richard A. Derrig, Auto Insurers Bureau of
Massachusetts

Herbert I. Weisberg, Correlation Research, Inc.

Discussant:

Session D - Insurance Futures

Moderator: Carol Jordan

1. "The Economics of Insurance Futures"

Greg Niehaus, University of South Carolina

Steve Mann, University of South Carolina

2. "Impact of the Insurance Futures Contract on the
Cash Insurance Market"

Alfred E. Hofflander, Univ. of California, Los
Angeles

Blaine F. Nye, Stanford Consulting Group

Jane D. Nettesheim, Stanford Consulting Group

3. "Diffusion - Jump Process and Optimal Futures
Hedge"

Jack Changs,

Jean Loo, California State University, LA

4. "Reinsurance Futures and Hedging Insurance Price
Risk"

Samuel H. Cox, Michigan State University

Robert G. Schwebach, University of

Nebraska-Lincoln

Session E - Regulation Issues

Moderator: Fikry S. Gahin, University of Utah

1. "Regulating Title Insurance Rates: Expense Forecast-
ing and Limitation Issues"

Jerry D. Todd, St. Mary's University

2. "A Date Estimation Event Parameter Model: A Reex-
amination of the Market Reaction to Proposition 103"

Arthur M.B. Hogan, George Mason University

Timothy F. Sugrue, George Mason University

3. "Cross-Subsidization and Efficiency in Markets with
Strict Price Regulation"

Martin F. Grace, Georgia State University

4. "Age-Adjusted Incidence of Tax Exclusion for
Employer Sponsored Health Insurance"

James W. Mays, Actuarial Research

Corporation

Karen Wheeler Garrett, Actuarial Research

Corporation.

Moderator: Rick Schroath, Kent State University

Panel: 1. "Investment Discrimination Based on Cash Flow Data"

Albert Auxier, University of Tennessee

2. "Cash-Value Insurance as a Zero Beta Portfolio"

Robert C. Hutchins, San Diego State University

Anthony C. Cherin, San Diego State University

3. "Investor Preference for Insured Corporations"

Art Cox, University of North Iowa

A. F. Thompson, University of North Iowa

4. "An Analysis of Abnormal Performance in International Diversification of Insurers"

Pervaiz Alam, Kent State University

Ran Barniv, Kent State University

Rick Schroath, Kent State University

Table B - Miscellaneous Issues

Moderator: To be arranged

Panel 1. "A Comparison of Retiree Health Benefits at Independent and Public Colleges"

Craig E. Daniels, Eastern Connecticut State University

Janet D. Daniels, Bryant College

2. "Pension Plan Conversion Study"

Richard Cook, Philadelphia College of Pharmacy & Science

3. "A Citational Analysis of JIIP Articles in the 1980's"

Kenneth W. Hollman, MTSU

Joe H. Murrey, Jr., University of Mississippi

Sami M. Abbais, Cumberland University

4. "A Market Implication for American Life Insurance Company"

Chwen-Chi Liu, Feng Chin University

Table C - Liability Issues

Moderator: Steven Cassidy, Howard University

Panel: 1. "The Evolution of and Current Issues in the Pollution Liability Insurance Market"

Linda L. Golden, University of Texas

2. "An Analysis of the Proposed Federal Earthquake Insurance Program: Is It a Viable Way to Address the Earthquake Exposure?"

- William Warfel, Indiana State University
3. "100% Reserve Requirements, Risk Exposure and the Performance of the Banking System"
Joseph D. Haley, Texas Southern University
 4. "Insurance Industry Reaction to Hazardous Waste Products"
Steven Cassidy, Howard University
Barry Diskin, Florida State University
Patrick Maroney, Florida State University

Table D - Miscellaneous Issues

Moderator: Robert A. Hershbarger, Mississippi State University

- Panel: 1. "Evaluation of Information Systems for Independent Agencies"
Tom Aiuppa, University of Wisconsin-La Crosse
Bill Wehrs, University of Wisconsin-La Crosse
2. "Understanding Truckers Regulated by the California Public Utilities Commission"
J. J. Launie, California State University-Northridge
 3. "Hedging: An Alternative to Reinsurance"
Deana Nance, Louisiana Tech University
Harvey W. Rubin, Louisiana Tech University
 4. "The Financial Institution Bond: The Coverage and the Market"
Robert A. Hershbarger, Mississippi State University
Ronald K. Miller, Oklahoma State University

Table E - Insurance in China and Southeast Asia

Moderator:

- Panel: 1. "A Market Implication for American Life Insurance Company"
Chew-Chi Liu, Feng Chin University
2. "Insurance Issues in the Phillipines"
Milagros Z. Lacson, Insurance Institute for Asia and the Pacific
 3. "Insurance Issues in China"
Pangfei Yan, Wuhan University

WEDNESDAY, AUGUST 21

7:30–8:30 AM Breakfast - Sponsored by

8:45–10:15 AM **PLENARY SESSION IV**
“Health Insurance Issues”

Moderator: Helen Doeringhaus, University of South Carolina

Panel: Lenn Hannon, Oregon State Senator

Nancy Taylor - Minority Health Policy Director,
 Senate Committee on Labor and Human
 Resources

To be arranged

10:15–10:30 AM Coffee Break

10:30–Noon **CONCURRENT SESSIONS V**

Session A - Life and Health Insurance Company Issues

Moderator: Robert Puelz, Memphis State University

1. “The Trading Profile of Life Insurance Company
 Equity Portfolio Managers as they Respond to
 Significant Corporate Restructuring Announcements”
 Reinhold P. Lamb, Univ. of North Carolina at
 Charlotte

2. “The Effect of Major Policy Changes Regarding
 Stockholder Dividends on Insurer Firm Value”
 John H. Thornton, University of North Texas
 Imre Karafiath, University of North Texas
 Michael Impson, University of North Texas

3. “The Effect of ESOP Implementation on the Value of
 Large Publicly–Held Firms: Do Firm Characteristics
 or Endogenous Events Change the Results?”
 Stanley R. Adamson, Southwest Missouri State
 University

Session B - Property and Liability Insurance Issues

Moderator: D. Han Chang, Penn State University

1. “Implications of Insurance and Liability Rules in the
 Development of Risky Technology”
 Ann Butler, Florida State University

2. “Oil Pollution Liability Under the Oil Pollution Act
 of 1990 and California’s Oil Spill Legislation”
 Patricia S. Cheshier, CSU

3. “Use of Density Functions for Ratemaking”
 Narendra K. Rustagi, Howard University

Session C - Health Insurance and Pension Issues

Moderator: To be arranged

1. "Small Businesses without Health Insurance: Results of a Florida Survey"

Nancy Sutton-Bell, Florida State University

Joseph A. Fields, University of Connecticut

2. "A Chance Constrained Program Approach to Pension Plan Management"

Patrick L. Brockett, University of Texas

Abraham Charnes,

Li Sun,

3. "Agency Costs & Organizational Structure in Health Maintenance Organization"

Robert B. Drennan, Temple University

Session D - Miscellaneous Issues

Moderator: Donald W. Hardigree, University of Nevada-Las Vegas

1. "An Analysis of the Insurance Managers' Incentives Influencing Discretionary Accounting Choices"

Joan Lamm-Tennant, Villanova University

Theresa Rollins, Villanova University

2. "The Expected Post 1992 Structure of the European Insurance Industry"

Arthur M. B. Hogan, George Mason University

Joseph E. Johnson, University of North

Carolina-Greensboro

3. "Community Care of the Elderly in Great Britain: Analysis and Evaluation"

Khurshid Ahmad, Wright State University

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