



New Mexico State Insurance and Financial Services Center

2007 FALL SEMESTER REPORT TO STAKEHOLDERS

MOUNTAIN STATES INSURANCE GROUP ENDOWED CHAIR ACTIVITIES

On December 4, 2007 Al Berryman made a presentation to the Legislative task force studying the issue of adding farm and ranch employees for workers' compensation in New Mexico. The presentation included the history and philosophy of workers' compensation, Farm Employees Liability coverage, the importance of agriculture to New Mexico, an economic profile of agriculture to the state and the actual costs of workers compensation insurance for farms and ranches in New Mexico. We have been invited to give a similar presentation to the Farm Bureau in Las Cruces in February.

Our role in these types of activities is not to advocate a particular position, but rather to present the facts in an objective manner and be able to provide answers to questions on insurance matters. Because of the Mountain States Insurance Chair, New Mexico is unique among the states in the Rocky Mountain area in being able to provide objective information from a major university. We welcome the opportunity to do this on insurance issues that affect the state and region.

Research activities of Tim Query include an article titled "Service Quality in Private Passenger Automobile Insurance" that is forthcoming in the fall issue of the Journal of Insurance Issues (actual publication is running about 3 months behind for JII). This is a journal that only publishes two issues a year, so the acceptance rate for submitted articles is very low. Also, an article titled "The Role of Liberal Education Courses within Risk Management Education: Competitive or Complementary?" was published in the fall issue of the Journal of Risk Education. An invited article titled "The Yin and Yang of an Aging Work Force" is forthcoming in the URMIA Journal, a publication of the University Risk Management and Insurance Association.

Working papers include an examination of the effect of CEPA, a border agreement between Hong Kong and China, on the Hong Kong insurance industry; Al and Tim will also likely submit a paper discussing the complexities of providing workers compensation to the farm and ranch industry, much of it based on the research involving the New Mexico Legislature Memorandum, to an industry publication this spring. The Hong Kong-CEPA working paper was presented at the Southern Risk and Insurance Association annual conference in San Antonio last November.



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PROGRAM SIZE

The number of students who are now officially in the insurance program increased from 19 to 31 during the fall semester. We graduated four so we will start the spring with 26. We actively recruit students to the program by visiting classes and discussing the insurance industry. We have also placed advertisements in La Voz and the monthly publication of the Professional Independent Insurance Agents of Colorado.

NEW GRADUATES JOIN THE INDUSTRY

We had three graduates join the insurance industry:
Jared Kauffman – Kauffman Insurance, sales – Littleton
Scott Nick – Northwestern Mutual Life, sale, Las Cruces
Adam Robey –State Farm, claims – Las Cruces

Another graduate with a minor in insurance, Siju Shabazz, is an alternate to represent the United States in the Beijing Olympics and plans on a professional career in boxing. Apparently we failed to teach “Risk Avoidance” in our classes.

GAMMA IOTA SIGMA

The insurance students at NMSU recently chartered a new chapter of Gamma Iota Sigma at NMSU. GIS is a professional fraternity for insurance, risk management and actuarial science. There are 40 chapters in the United States, but only four in the western United States.

Two students from Temple University and a representative of GIS from Dallas attended the inaugural ceremony. Temple University is one of the largest insurance programs in the United States with about 400 students in the program and gave us some good tips on how to have a successful chapter. This will give our students a better understanding of how large and diverse the insurance industry really is and provide a sense of community among our students. There are also numerous opportunities for the NMSU chapter to interact with chapters at other universities, which will demonstrate the popularity of this area of study throughout the country, and provide valuable contacts as these students pursue their professional careers.

ACADEMIC PROGRESS

During the fall semester we had three classes in insurance, Principles of Insurance, Commercial Property and Casualty, and Business Risk Management. These classes had 35, 12 and 5 students for a total of 52 students. Unfortunately, we had to turn students away in the Principles class because of a lack of space. Due to remodeling of buildings on campus we have a shortage of



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classroom space and could not get a larger classroom. Due to a printing error the Business Risk Management class was not shown in the regular schedule of classes which resulting in low enrollment. However, the small class size enabled the students to do an actual risk analysis of a local business, the historical La Posta restaurant in Mesilla, as a class project. In addition, we were able to take a field trip to JDW Insurance in El Paso, which was well received by the students.

We are offering two insurance classes in the spring semester, Principles of Insurance and Life, Health & Employee Benefits. We plan to offer two sections of the Principles of Insurance class in the fall, one of which will likely be online. In addition we will be having two other insurance classes.

RISK MANAGER IN RESIDENCE

The Insurance and Financial Services Center hosted Dan Kugler, Assistant Treasurer and Director of Risk Management for Snap-on, Inc. as the “Risk Manager in Residence” in late November. Dan is also a past president of the Risk and Insurance Management Society (RIMS), and was selected Risk Manager of the Year in 2002. He spoke to all of the insurance classes, as well as a couple of business law classes. We also provided a lunch where our Insurance students were able to interact with Dan in a casual environment. In addition, the Finance Club and the Association of Latino Finance and Accounting student organizations co-hosted an evening presentation. Dan was very interested in the program here, and is in the process of providing a way to contact all RIMS members in New Mexico and surrounding states. The Risk Manager in Residence program is fully funded by a grant provided by the Spencer Educational Foundation.

2008 SUMMER INTERNSHIPS

We currently have 10 insurance students who are looking for summer internships. The biggest contribution you can make to our industry is to host an intern and show them what a great service that we provide. These students are interested in learning. Please contact Al Berryman if you are interested in having an intern for this summer.

STUDENTS CURRENTLY WORKING IN INSURANCE

We currently have 10 students working in local insurance agencies, gaining experience while they continue their education. The majority of our students work while attending school. Thanks to the following for helping these students:



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Burke Insurance Farmers Insurance Northwestern Mutual Life State Farm Insurance
Pat Campbell Insurance Leavitt Group Southwest

For more information on the Insurance Studies Program at NMSU contact:

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Thank you to our major contributors who have made this program possible:

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