Opinions

EDITORIAL

Risk manager needed in FIO

IT’S HARD TO FAULT the Treasury Department’s property/casualty industry choices to serve on the new Federal Advisory Committee on Insurance. Nevertheless, we believe the lineup is missing someone who represents risk management.

That’s not meant as criticism of the industry representatives by the administration at all. In fact, we believe that the industry itself has excellent representatives in Brian Duperreault, president and CEO of Marsh & McLennan Cos. Inc.; John Degan, senior adviser to the CEO of Chubb Corp.; Christopher Manfield, senior vp and general counsel of Liberty Mutual Group Inc.; and Sean McGovern, director and general counsel of Lloyd’s North America.

And we certainly welcome the decision to name Scott E. Harrington, a nationally recognized risk management and insurance scholar at the University of Pennsylvania’s Wharton School, to the committee.

We believe all of those appointees will provide critical expertise to the Federal Insurance Office as it deals with industry issues both domestic and international. But we also believe the consumers of commercial insurance—risk managers—ought to have a place on the panel as well.

In part, risk managers would bring yet another perspective to the panel, which is intended to give advice to the FIO. Their firsthand knowledge of risks and the markets that respond to those challenges could be invaluable to federal authorities.

We think that’s particularly true given the fact that about half of the committee’s seats are being filled by regulators. We’ve long been concerned that the administration displays a little too much bias toward regulators as it staffs government panels, something we noted as the administration spent months trying to fill the last voting spot on the Financial Stability Oversight Council this year.

A risk manager would bring an independent voice to the committee and could provide some counterweight to regulators’ arguments. We believe that voice won’t be there when the committee first meets. But an appointment to the committee is a lifetime job—members serve two-year terms and may be reappointed for a second two-year term.

We hope that when the first vacancy occurs, a risk manager be seriously considered for service on the panel.

LETTERS

Business Insurance welcomes letters to the editor. The section is intended to be a forum for readers’ opinions and comments. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters.

Please send your letters to:
Letters to the Editor, Business Insurance, 360 N. Michigan Ave., Chicago, Ill. 60601-3806
Fax: 312-280-3174; email: gsouther@businessinsurance.com

SCHILLERSTROM

NOPE. THE PASSWORD IS DEFINITELY NOT “RISK MANAGER”!

COMMENTS

Risk, opportunity in social media

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