

**AMERICAN BANKERS ASSOCIATION  
INSURANCE RISK MANAGEMENT CONFERENCE  
SENIOR EXECUTIVE FORUM**

**RISK MANAGEMENT  
BLASPHEMY**

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## **WILLIAM J. KELLY**

William J. Kelly is a Managing Director of J.P. Morgan and is the Chief Operating Officer of the Firm's Corporate Services Group. His responsibilities include corporate risk and insurance management and various other corporate resource areas. Before joining J.P. Morgan fourteen years ago, he was the Director of Insurance and Risk Management at Merrill Lynch.

Mr. Kelly is presently the Chairman of the International Federation of Risk and Insurance Management Associations (IFRIMA), a global body of 30 associations from over 20 countries throughout the world. He was the 1995-96 President of the Risk and Insurance Management Society (RIMS), the world's largest such organization with membership of 4,500 entities in the U.S. and Canada, employing 8,000 individual deputy members. Mr. Kelly is a member of the Risk Management Advisory Council of Allianz Insurance Company, a director of the Spencer Educational Foundation and has served as a member of the Risk Management Executive Council of Protection Mutual Insurance Company. He was also the recipient of the 1995 Matthew Lenz Risk Management Award from the New York Chapter of CPCU. He has frequently spoken on risk and insurance management at conferences throughout the world and has published many articles on these subjects.

He is a past Chairman of the Insurance Committee of the American Bankers Association (ABA), served as Chairman of the ABA's 1993 National Security and Risk Management Conference and Co-Chairman of the 1995 Monte Carlo Risk Management Forum.

Mr. Kelly began his insurance career as an underwriter with the INA in 1972 and subsequently served as an officer in the Risk Management Department of Chase Manhattan Bank, and as a Vice President of Bankers Trust Company.

Mr. Kelly holds a B.A. in English Literature from Fordham University in New York City and a Masters Degree in Business from the Fordham Graduate School of Business at Lincoln Center.

**“IN ORGANIZATIONS SUCH AS BUSINESS CORPORATIONS, FINANCIAL INSTITUTIONS, UNIVERSITIES AND GOVERNMENTS, THE RISKS TO BE MANAGED BY THE ORGANIZATION’S RISK MANAGER HAVE TRADITIONALLY BEEN THE INSURABLE ONES, WHILE EXECUTIVE MANAGEMENT IS MAINLY CONCERNED WITH “BUSINESS” RISKS, INCLUDING COMPETITIVE, OPERATIONAL, POLITICAL AND PERSONNEL UNCERTAINTIES. IN BOTH CASES THE MANAGEMENT IS DIRECTED TOWARD PRODUCING THE BEST FINANCIAL RESULT; AND IT IS EVIDENT THAT BOTH THE MANAGEMENT PROCESS AND THE OBJECTIVE ARE THE SAME THROUGHOUT THE ORGANIZATION, AND THAT ALL MANAGEMENT IS RISK MANAGEMENT.”**

**DOUGLAS BARLOW  
1907 - 1998**

**BLASPHEMY**

**THIS PAPER IS UNLIKE ANY OTHER YOU HAVE READ ABOUT RISK MANAGEMENT. IT CHALLENGES THE ARTICLES OF FAITH ON WHICH RISK MANAGEMENT WAS INITIALLY FOUNDED AND ON WHICH IT IS DEFENDED TO THIS DAY.**

**THE LEGEND OF THE ORIGINS OF RISK MANAGEMENT**

**ACCORDING TO THE ORAL TRADITION, RISK MANAGEMENT TRACES ITS BEGINNINGS TO THE MID TWENTIETH CENTURY IN THE UNITED STATES. AS THE STORY IS TOLD AND RETOLD, ONCE UPON A TIME, THE INSURANCE BUYER WAS FOUND IN THE PURCHASING DEPARTMENT. IN TELLING THE STORY, THE TERMS “INSURANCE BUYER” AND “PURCHASING” ARE SAID IN A DEPRACATING MANNER, EMPHASIZING HOW VERY FAR THE RISK MANAGER HAS COME FROM SUCH MUNDANE BEGINNINGS. THE INTENTION IS TO ENGENDER A VISION OF DIMLY LIT ROOMS, WHERE MEN WEARING GREEN EYESHADES WORKED WITH NUMBER 2 LEAD PENCILS, AMID THE SMELL OF CIGARETTE SMOKE AND THE SOUND OF RUBBER STAMPS.**

**IT WAS RISK MANAGEMENT'S DESTINY TO TRANSCEND ITS HUMBLE ORIGINS. EVENTUALLY THE UGLY DUCKLING OF INSURANCE BUYING TRANSFORMED INTO THE SWAN OF RISK MANAGEMENT; NO LONGER AN ADMINISTRATIVE, CLERICAL BACKWATER BUT A PROFESSIONAL, MANAGERIAL OASIS.**

**THE ESSENTIAL TENET OF THE NEW RISK MANAGEMENT FAITH WAS THAT IT WAS NOT INSURANCE BUYING. WHAT THEN WAS IT? RISK MANAGERS PLEDGED TO DEDICATE THEMSELVES TO RISK IDENTIFICATION, RISK EVALUATION AND RISK MITIGATION. ONLY IF THESE WEAPONS OF THE NEW FAITH FAILED AGAINST THE DIABOLICAL POWER OF CERTAIN OVERWHELMING RISKS, WOULD FUNDING EVEN BE CONSIDERED AND, IF SO, THE FIRST ALTERNATIVE WOULD BE INTERNAL. THEN, AND ONLY THEN, AFTER ALL ELSE HAD FAILED, WOULD THE NEWLY ANOINTED RISK MANAGER NEED TO DESCEND TO THE LEVEL OF COMMERCE AND TRAFFIC WITH THE UNWASHED VENDORS OF INSURANCE WARES.**

### **RISK MANAGEMENT'S EVOLUTION**

**IN THE YEARS THAT FOLLOWED, RISK MANAGERS CONTINUED TO TRY TO DEFINE A PROFESSIONAL IDENTITY DISTINGUISHED FROM**

**INSURANCE BUYING. DESPITE THE QUEST TO ESTABLISH A CONSISTANT PROFESSIONAL IDENTITY, THE JOB RESPONSIBILITIES OF RISK MANAGERS VARIED SO MUCH FROM INDUSTRY TO INDUSTRY AND EVEN BETWEEN COMPANIES IN THE SAME INDUSTRY THAT, TO A VERY REAL EXTENT, ONE OF THE ONLY ACTIVITIES COMMON TO ALL RISK MANAGERS WAS PURCHASING INSURANCE.**

**THE EVOLUTION OF THE ORGANIZATION FOUNDED BY RISK MANAGERS REFLECTS THEIR STRUGGLE TO DISTANCE THEMSELVES FROM INSURANCE BUYING. FOUNDED IN 1950, BEFORE THE METAMORPHOSIS OF THE INSURANCE PURCHASER, IT WAS KNOWN AS THE NATIONAL INSURANCE BUYERS' ASSOCIATION. FIVE YEARS LATER THE PERCEIVED EVOLUTION FROM PURCHASING TO MANAGEMENT HAD BEGUN AND THE SOCIETY'S NAME WAS CHANGED TO THE AMERICAN SOCIETY OF INSURANCE MANAGEMENT. IN 1975, THE EVOLUTION WAS COMPLETED WITH THE CHANGE IN NAME TO THE "RISK AND INSURANCE MANAGEMENT SOCIETY (RIMS)." SINCE THAT TIME, SOME HAVE SUGGESTED THAT INSURANCE BE DROPPED FROM THE NAME, SO THAT ALL TIES TO INSURANCE PURCHASING COULD BE SEVERED.**

**RIMS ITSELF CONTINUES TO WRESTLE WITH IDENTITY PROBLEMS. IT IS NOT A TRADE ASSOCIATION REPRESENTING THE INTERESTS OF A**

**PARTICULAR INDUSTRY, LIKE THE AMERICAN BANKERS ASSOCIATION. AS RIMS CORPORATE MEMBERS COME FROM EVERY INDUSTRY, INCLUDING MOST OF THE FORTUNE 1000, IT IS ALWAYS A CHALLENGE FOR THE SOCIETY TO SPEAK BROADLY WITH ONE VOICE.**

**RIMS IS ALSO NOT A PROFESSIONAL SOCIETY, LIKE THE AMERICAN INSTITUTE OF CHARTERED PROPERTY AND CASUALTY UNDERWRITERS (AICPCU). RIMS MEMBERS ARE NOT INDIVIDUALS BUT CORPORATIONS AND OTHER LEGAL ENTITIES. INDIVIDUALS ARE THE DEPUTIES OF THE CORPORATE MEMBERS AND SHARE NO COMMON, REQUIRED, PROFESSIONAL, OR ACADEMIC CERTIFICATION.**

**IN RECENT YEARS, IT HAS BECOME WIDELY RECOGNIZED THAT THE TRADITIONAL SCOPE OF RISK MANAGEMENT HAS BEEN QUITE NARROW, IGNORING A VAST ARRAY OF OPERATIONAL AND FINANCIAL RISKS FACED BY THE CORPORATION. RISK AND INSURANCE MANAGERS HAVE BEEN ENCOURAGED TO BECOME INVOLVED IN ADDRESSING A BROADER SCOPE OF OPERATIONAL AND FINANCIAL RISK AND ARE IN A POSITION TO MAKE A VALUABLE CONTRIBUTION. HOWEVER, THEY ARE USUALLY NOT THE MOST QUALIFIED TO LEAD THE PROCESS OF COMPREHENSIVELY ADDRESSING THESE OPERATIONAL AND FINANCIAL**

**RISKS. THE VERY DESIGNATION “RISK MANAGER” HAS BEEN CO-OPTED BY SPECIALISTS IN CREDIT, MARKET AND OPERATIONAL RISK.**

**OUTSOURCING**

**HAVING SPENT DECADES FERVENTLY DISTANCING THEMSELVES FROM THEIR HUMBLE PURCHASING ORIGINS, BELIEVERS IN RISK MANAGEMENT DID NOT HAVE TO CONSIDER THE PROCUREMENT FUNCTION AGAIN UNTIL THE EARLY 90’S, WHEN THE EVOLUTION OF PURCHASING RESULTED IN THE SCHISM WHICH CAME TO BE KNOWN AS “OUTSOURCING.”**

**RUMORS FLEW REGARDING A MAJOR TECHNOLOGY FIRM THAT WAS “OUTSOURCING” THE RISK AND INSURANCE MANAGEMENT FUNCTION. INSURANCE BROKERAGE FIRMS BEGAN TO FORMULATE STRATEGIES TO CAPITALIZE ON THIS NEW DEVELOPMENT. FUROR AND ACCUSATION ENSUED, UNTIL IT WAS FINALLY DISCOVERED THAT THE RISK AND INSURANCE MANAGEMENT FUNCTION ALREADY WAS OUTSOURCED.**

**THE OUTSOURCE MODEL CALLS FOR MINIMAL INTERNAL STAFF MANAGING EXTENSIVE, EXTERNAL RESOURCES. THE TYPICAL RISK AND INSURANCE MANAGEMENT UNIT HAD FOR DECADES CONSISTED OF A**

**HANDFUL OF PEOPLE MANAGING RISKS ON A GLOBAL BASIS THROUGH THE EXTENSIVE, EXTERNAL RESOURCES OF GLOBAL INSURANCE BROKERS AND COMPANIES.**

**THE TECHNOLOGY FIRM THAT OUTSOURCED RISK MANAGEMENT HAD HAD PEOPLE ALL OVER THE WORLD ARRANGING INSURANCE WITH LITTLE OR NO COORDINATION. THE HERALDED “OUTSOURCING” RESULTED IN THE CREATION OF A MORE TYPICAL STRUCTURE WITH A FEW INDIVIDUALS IN HOME OFFICE PERFORMING RISK AND INSURANCE MANAGEMENT ON A GLOBAL BASIS, THROUGH THE EXTERNAL RESOURCES OF BROKERS AND INSURERS.**

**VENDOR RELATIONSHIP MANAGEMENT**

**RISK AND INSURANCE MANAGEMENT WAS FOLLOWING THE OUTSOURCE MODEL LONG BEFORE THE WORD “OUTSOURCE” CAME INTO USE. ONLY IN RECENT YEARS HAS THE MODEL BEEN APPLIED TO OTHER INTERNAL RESOURCE AREAS WHICH HAD GROWN TO INCLUDE VERY LARGE NUMBERS OF EMPLOYEES, E.G., TECHNOLOGY, FACILITIES MANAGEMENT, FOOD SERVICES ETC. WITH THIS SHIFT TO MORE AND MORE OUTSOURCING, A NEED HAS DEVELOPED FOR INDIVIDUALS WHO CAN EFFECTIVELY MANAGE CRITICAL RESOURCES EXTERNAL TO THE**

**FIRM. THIS RECOGNITION HAS TAKEN THE FORM OF A NEW MANAGEMENT FUNCTION, VENDOR RELATIONSHIP MANAGEMENT (VRM).**

**THE MAIN PRINCIPLES OF VRM, SIMPLY STATED, ARE THAT PURCHASING POWER SHOULD BE FULLY LEVERAGED WITH AS FEW VENDORS AS POSSIBLE, WITHOUT CREATING OVERDEPENDENCY ON ANY ONE VENDOR OR VENDORS. VRM DICTATES THAT VENDORS SHOULD HAVE SUFFICIENT FINANCIAL STRENGTH AND BE ENGAGED ON THE BASIS OF APPROPRIATE CONTRACTUAL TERMS. OVERALL, THE GOAL IS TO ACHIEVE LONG TERM MUTUALLY BENEFICIAL PARTNERSHIPS WITH THOSE FURNISHING CRITICAL EXTERNAL RESOURCES ON THE MOST COST EFFECTIVE BASIS.**

**ALL OF THIS SHOULD SOUND VERY FAMILIAR TO THE RISK AND INSURANCE MANAGER, WHO IS CONSISTENTLY INVOLVED IN ALL OF THE ABOVE ACTIVITIES: CONTINUOUSLY REVIEWING THE FINANCIAL RATINGS OF INSURERS, NEVER PLACING MORE RISK WITH ANY ONE INSURER THAN IS PRUDENT RELATIVE TO THE INSURER'S ASSETS AND SURPLUS; DRAFTING CONTRACTUAL TERMS AND CONDITIONS DESIGNED TO ESTABLISH THE BASIS FOR A LONG TERM FINANCIAL PARTNERSHIP, WHILE STILL ALLOWING FLEXIBILITY; ACHIEVING ALL OF**

**THIS BY LEVERAGING AND MANAGING THE RESOURCES OF GLOBAL INTERMEDIARIES AND PROVIDERS.**

**IN MOST FIRMS, THE RISK AND INSURANCE MANAGEMENT DEPARTMENT REPRESENTS AN EXTREME EXAMPLE OF CENTRALIZED VENDOR MANAGEMENT. IN MANY FIRMS, IT IS A MATTER OF DOCUMENTED CORPORATE POLICY THAT NO INDIVIDUAL CAN DEAL WITH INSURANCE BROKERS AND INSURERS ANYWHERE IN THE WORLD EXCEPT THOSE FEW PEOPLE IN THE RISK AND INSURANCE MANAGEMENT UNIT. THIS PROVIDES A BASIS FOR MAXIMUM LEVERAGE AND MANAGEMENT OF INSURANCE PARTNERS. ALTHOUGH THIS DEGREE OF CENTRALIZED CONTROL IS NOT APPROPRIATE FOR MANY OTHER TYPES OF PURCHASING, EFFECTIVE VENDOR MANAGEMENT CALLS FOR ONE PERSON TO HAVE AN AWARENESS OF ALL SPENDING WITH VENDORS IN A GIVEN CATEGORY, IN ORDER TO ENSURE THAT VRM BEST PRACTICES ARE BEING EMPLOYED.**

**RISK MANAGERS CORRECTLY SEEK OPPORTUNITIES TO MAKE A GREATER CONTRIBUTION BY EXPANDING THEIR ABILITIES AND BECOMING INVOLVED IN THE FIRM'S EFFORTS TO ADDRESS OPERATIONAL AND FINANCIAL RISKS. BUT THEY SHOULD NOT AGAIN TOO NARROWLY LIMIT THEIR FOCUS. IN EVALUATING THE OVERALL**

**SPECTRUM OF RISKS FACED BY A CORPORATION SEVERAL FINANCIAL SERVICE FIRMS HAVE, WITH THE ASSISTANCE OF CONSULTANTS, CONCLUDED THAT THEY HAVE FIVE CORE RISK AREAS:**

- **MARKET/CREDIT**
- **REVENUE VOLATILITY**
- **OPERATING**
- **CAPITAL**
- **EXPENSE VARIABILITY**

**WHILE MARKET/CREDIT OR FINANCIAL RISK MAY BE MORE SIGNIFICANT TO A FINANCIAL SERVICE FIRM, CERTAINLY ALL CORPORATIONS SHARE THESE SAME RISKS. THE LAST CATEGORY OF RISK, EXPENSE VARIABILITY, CALLS FOR EXPENSE RISK MANAGEMENT. EXPENSE VARIABILITY RISK, BROADLY DEFINED, IS THE RISK THAT THE EXPENSE STRUCTURE OF THE FIRM DOES NOT SUPPORT THE VARIABILITY OF BUSINESS CYCLES OR THAT IT IS UNFAVORABLY AFFECTED BY VARIATIONS IN EXTERNAL ECONOMIC FACTORS. IN ADDITION TO INFRASTRUCTURE COSTS, ONE INCREASINGLY IMPORTANT PART OF THE CORPORATE EXPENSE PROFILE IS THE COST OF GOODS AND SERVICES EXTERNALLY DERIVED. THEREFORE, A CRITICAL FACTOR IN**

**EFFECTIVE EXPENSE RISK MANAGEMENT IS VENDOR RELATIONSHIP MANAGEMENT. AS RISK AND INSURANCE MANAGERS HAVE LEARNED, THE CREATION OF LONG TERM PARTNERSHIPS WITH PROVIDERS CAN GREATLY MITIGATE THE IMPACT OF MARKET CHANGES.**

**THIS LEADS US TO THE CENTRAL THESIS OF THIS PAPER AND ITS PRINCIPLE BLASPHEMY, I.E., THAT AFTER DECADES OF ATTEMPTING TO DISTANCE THEMSELVES FROM PURCHASING IN GENERAL AND INSURANCE BUYING IN PARTICULAR, THE RISK MANAGER MAY WELL BE THE INDIVIDUAL MOST NATURALLY EQUIPPED IN TERMS OF EXPERIENCE AND SKILLS TO ADDRESS EXPENSE RISK MANAGEMENT BY ASSUMING RESPONSIBILITY FOR A BROADER SPECTRUM OF CORPORATE PROCUREMENT.**

### **PURCHASING**

**DURING THE DECADES THAT RISK MANAGERS HAVE SOUGHT TO DEFINE THEIR IDENTITY BY DISTINGUISHING THEIR ROLE FROM THAT OF PURCHASING, THE PROCUREMENT FUNCTION HAS EVOLVED INTO ONE OF THE MOST CRITICAL IN THE MODERN CORPORATION.**

**IN FEBRUARY OF 1995, FORTUNE MAGAZINE CHARACTERIZED  
“PURCHASING’S NEW MUSCLE”:**

**“FOR AT&T IT’S AN EXPRESSWAY TO \$1 BILLION IN  
COST REDUCTION... IT’S THE ROUTE... CHOSEN FOR  
REVITALIZING ALLIED SIGNAL. THE THOROUGHFARE  
TO SAVINGS IS BROAD AND IT IS EXPLOITING THE  
POWER OF PURCHASING... NO WONDER PURCHASING  
HAS BEGUN TO ATTRACT SOME OF THE BEST YOUNG  
EXECUTIVES... IT’S BEGINNING TO CHANGE THE FACE  
OF AMERICAN BUSINESS.”**

**SINCE THIS ARTICLE WAS WRITTEN, ALMOST FOUR YEARS AGO,  
EXPENSE MANAGEMENT HAS BECOME AN EVEN GREATER DRIVER OF  
CHANGE IN GLOBAL BUSINESS. RECENTLY ANNOUNCED,  
UNPRECEDENTED CONSOLIDATIONS CONSISTENTLY EMPHASIZE THE  
INCREASE IN STOCKHOLDER VALUE THROUGH EXPENSE REDUCTION.**

**IN ORDER TO ASSESS THE MAGNITUDE OF THE OPPORTUNITY, THE RISK  
MANAGER SHOULD COMPARE THE TOTAL AMOUNT SPENT BY THE FIRM  
IN ALL PURCHASING IN A YEAR WITH THE TOTAL AMOUNT SPENT ON  
INSURANCE OR EVEN THE OVERALL COST OF RISK.**

**IT CAN BE ARGUED THAT THIS IS NOT A FAIR COMPARISON OF RELATIVE IMPORTANCE BECAUSE IT DOES NOT TAKE INTO ACCOUNT THE LIMITS OF THE INSURANCE BEING PURCHASED AND THE POTENTIAL BENEFIT TO BE DERIVED IN THE EVENT OF A CLAIM. THIS IS TRUE, BUT THE PAYMENT OF A CLAIM BY AN INSURER IS ON THE BASIS OF INDEMNITY, THE CLAIM PAYMENT MAKES THE INSURED WHOLE AGAIN, IT REPAIRS THE P&L. HOWEVER, THE ACHIEVEMENT OF SAVINGS THROUGH MORE EFFICIENT EXPENSE RISK MANAGEMENT IS A DIRECT BENEFIT TO THE BOTTOM LINE, ACTUALLY IMPROVING THE P&L. IN TERMS OF RELATIVE ORDERS OF MAGNITUDE, A MAJOR CAR MANUFACTURER RECENTLY ANNOUNCED AN ANTICIPATED \$1 BILLION IN SAVINGS THROUGH THE INTRODUCTION OF WEB-BASED PURCHASING.**

**ANNUALLY, SOME LARGE FIRMS WILL SPEND FROM \$100 MILLION TO OVER \$1 BILLION ON TRAVEL AND ENTERTAINMENT ALONE. THERE ARE ENORMOUS SAVINGS OPPORTUNITIES IN THIS AREA OF EXPENSE. MOST PEOPLE ALREADY HAVE EXPERIENCE WITH THE COMPLEXITY OF AIRLINE FARE STRUCTURES. ADD TO THAT THE ARCANE COMPENSATION ARRANGEMENTS AMONG AIRLINES, AGENTS, CONSOLIDATORS AND CLIENTS. UNLIKE INSURANCE, THE CLIENT FIRM MAY NEGOTIATE REBATES AND RECEIVE, IN WHOLE OR IN PART, THE**

**AGENTS' USUAL COMMISSIONS AND OVERRIDES, WHILE PAYING THE AGENT A FEE FOR SERVICE. ALTHOUGH SUCH REBATES ARE ENDEMIC IN THE TRAVEL BUSINESS, AIRLINES HAVE RECENTLY ANNOUNCED THE ELIMINATION OF CERTAIN COMMISSIONS AND OVERRIDES, PREFERRING TO OFFER TICKETS ON A NET, NET BASIS, I.E., NET OF OVERRIDES AND NET OF COMMISSION.**

**THESE COMPENSATION COMPLEXITIES IN THE RELATIVELY UNREGULATED TRAVEL ENVIRONMENT, MAKE THE MUCH DISCUSSED INSURANCE BROKER CONTINGENCY ARRANGEMENTS SEEM ALMOST QUAIN.**

**CONCLUSION**

**PROCUREMENT IS AN EXTREMELY DYNAMIC AREA WITH DRAMATIC NEW DEVELOPMENTS AND APPROACHES BEING ANNOUNCED DAILY. IF RISK MANAGERS CAN OVERCOME THEIR LONGSTANDING DISDAIN FOR "BUYING," THEY HAVE THE OPPORTUNITY TO APPLY WELL-HONED SKILLS IN THE MUCH LARGER ARENA OF EXPENSE RISK MANAGEMENT. THE RISK MANAGER CAN INTRODUCE THE TECHNIQUES OF VENDOR AND EXPENSE MANAGEMENT INTO AREAS OF SPENDING FROM WHICH SUCH DISCIPLINES HAVE BEEN SURPRISINGLY ABSENT: AREAS WHERE**

**THE FIRST AND SOMETIMES ONLY QUESTION TO VENDORS HAS BEEN  
“HOW SOON?” NOT “HOW MUCH?”**

**ONE OF THE MOST IMPORTANT DRIVERS OF CHANGE IN THE  
CORPORATE WORLD TODAY IS EXPENSE MANAGEMENT. BASED ON  
EXISTING SKILLS AND EXPERIENCE THE RISK MANAGER CLEARLY HAS  
AN EXTRAORDINARY OPPORTUNITY TO OFFER REAL LEADERSHIP.**

**WITH APOLOGIES TO MY COLLEAGUES FOR THE IRREVERENCE I MAY  
HAVE SHOWN TO OUR RISK MANAGEMENT ARTICLES OF FAITH, I  
WOULD PARAPHRASE SHAW AND REMIND THEM THAT, MANY WIDELY  
ACCEPTED TRUTHS BEGAN AS BLASPHEMIES.**

**WE OWE MUCH TO THOSE TALENTED INDIVIDUALS WHO HAVE COME  
BEFORE US, AND WHOSE EFFORTS DEFINED AND ADVANCED THE RISK  
AND INSURANCE MANAGER’S ROLE. BUT WE ALSO HAVE AN  
OBLIGATION TO THEM, OURSELVES AND OUR EMPLOYERS TO BUILD  
UPON THEIR EFFORTS AND FIND NEW WAYS OF MAKING EVEN GREATER  
CONTRIBUTIONS TO THE FIRM AND ITS SHAREHOLDERS.**