

Chapter Link

Your connection to the Philadelphia Chapter

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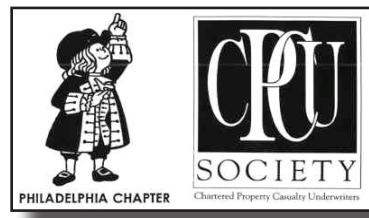


Table of Contents

- Upcoming Events: Society Annual Meeting & Seminars, Chapter September, October and November Meetings
- Your Board: You spoke, we planned! Chapter 2010-2011 Planning Meeting
- Recent Chapter Events: June Meeting, Scholarship Grant Recipients, Candidate Survey Contest, Support a Student Program
- Meet Your New Board Members: Michael Fields, Joseph Badowski, Joyce Shefsky
- Guest Writer: "Anatomy of a General Liability Claim Investigation" by Harleysville Insurance Liability Claims Supervisor Joseph Badowski, CPCU
- Member Corner: \$50 Gift Card? Share and Win Contest!

Upcoming Events

- Society Annual Meeting & Seminars: September 25th - 28th, Orlando, Florida, Keynote Speaker former U.S. Secretary of State Madeleine K. Albright
- September Meeting: Tuesday, September 21st, 8:00 AM, The Union League, Philadelphia, Topic "A View from All Sides" a panel featuring prominent local insurance executives
- October Meeting: Tuesday, October 19th, 12:00 PM, The Union League, Philadelphia, Topic "Hot Topic: Electronic Media Litigation"
- November Meeting: Tuesday, November 23rd, 5:00 PM, The Union League, Philadelphia, Topic "Leadership"

For more event details visit the chapter website: <http://philadelphia.cpcusociety.org/>

[Table of Contents](#)

2010-2011 Chapter Planning Meeting

by Theresa Gregory

It's official! Active member participation is up, a key chapter goal for 2009-2010. Your Board met in August to keep this momentum going, guided by your valuable feedback via the annual member survey.

You told us where to stay the course and what to tweak. Keep the variety of social events many said, but breakfast meetings are most convenient. How about focus on topics such as coverage and claims? But be flexible enough to put in a hot topic that crops up. Done.

Many of you also expressed interest in volunteering and will be hearing from a board member soon if you have not already. So we are off to a great start! Here's the outline of this year monthly meetings*. Stay tuned to the chapter website, mailers, and e-mails for more upcoming events. As always, let us know what you think. And let's make it another great, fun year!

September 21, 2010	Breakfast	A View from All Sides
October 19, 2010	Lunch	Hot Topic: Electronic Media Litigation
November 23, 2010	Dinner	Leadership
January 20, 2011	Lunch	The 'Next Generation' of Insurance and Risk Management Education
February 17, 2011	Breakfast	Top 20 CGL Claims Issues
March 24, 2011	Breakfast	Ethics
May 19, 2011	Breakfast	Reinsurance Hot Topics
June 16, 2011	Breakfast	Future of the Market

*Reminder: All meetings are held at the Union League in Philadelphia. Breakfast meetings start at 8am, Lunch meetings at Noon, Dinner meetings at 5pm



Recent Chapter Events: June Meeting , Scholarship Grant Recipients, Candidate Survey Contest, Support a Student Program

June Meeting



Speaker Brian O'Neill and President
Kellie Goldfien



Donna O'Brien presenting Outgoing President Kellie Goldfien with a thank you gift and certificate

June Breakfast Meeting – Ending the Year on a High Note! by Mary Ann Cook

The Philadelphia Chapter of the CPCU Society ended its 2009-2010 season with a jam-packed meeting on June 17th at the Union League. Guest Speaker Brian O'Neill, founder and Chairman of O'Neill Properties Group, a real estate and development organization that has transformed many local and regional downtown areas, including the Conshohocken and Norristown Riverfronts, spoke of the challenges of building a nationally recognized company from scratch starting over 32 years ago.

O'Neill has come along way from renovating homes in Manayunk and selling them for \$2,000 to now multi-million dollar projects. His company survived the Savings and Loan crisis, and barely survived the recent economic downturn. But by focusing on solid relationship-building business practices and by keeping his company a family-oriented business, he not only survived but thrived. Today, he encourages fellow business people and insurers to not learn lessons the hard way but to 'play fair' with one another and when a sale is made, simply to give the customer what the customer paid for and not try to renegotiate the deal after the fact. O'Neill left the audience with some thought-provoking considerations for the attendees to consider after a vibrant presentation and question and answer session.

Because the June meeting is also the Chapter's annual business meeting, several other important activities also were held at the meeting. Regional Governor Dan Jaeger swore in the new officers and board for the coming year. Mentors who helped encourage CPCUs to complete their designations were recognized, and the winners of this year's CPCU Scholarship Grant awards were presented.



The swearing in of your 2010-2011 Board of Directors. From the left, Joe Badowski, Bill Fish, Michael Fields, Anita Devan, Sam Miller, Joyce Shefsky, Larry White, Donna O'Brien (not pictured are Incoming President Mary Ann Cook and Directors John Grantland and Theresa Gregory)



President Kellie Goldfien presenting a Scholarship Grant to recipient AnnaBeth M. Fish and her father Bill Fish

Finally, outgoing President Kellie Goldfien thanked her Board of Directors and all the other volunteer leaders who supported the Chapter during the course of the year in all its meetings, activities, and networking/social events by presenting them with CPCU thank you 'totes.' Secretary Donna O'Brien in turn presented Kellie with a gift of appreciation on behalf of the Board of Directors as thanks for her year of innovative and dynamic leadership as President of the Philadelphia Chapter. Thank you, Kellie!

[Table of Contents](#)



Scholarship Grant Recipients

2010 Philadelphia Chapter CPCU Scholarship Grant Recipients by Mary Ann Cook

The Philadelphia Chapter of the CPCU Society was pleased to award its 2009-2010 Scholarship Grants for this year to five deserving students. Once again, the Scholarship Awards Committee had a number of deserving applicants from whom to choose. The committee members perform their work in a collaborative manner, reviewing the submissions on a 'blind' basis.

We are proud to award scholarship grants to this year's recipients:

- * Shane C. Davis *
- * AnnaBeth M. Fish *
- * Mark L. Hillegass *
- * Sean Lowen *
- * Colleen McCallister *

Best of luck to these young men and women as they pursue their studies!

[Table of Contents](#)



Candidate Survey Contest

We Have a Winner!

by Mary Ann Cook

Congratulations to Lauren Maerz, a risk analyst at Munich Re. Lauren is the winner of a \$25 Target Gift Card, courtesy of the Philadelphia CPCU Chapter. Lauren took the time, as so many of you did, to complete the "Candidate Outreach" survey online. The information that Lauren and the rest of you survey respondents provided will prove invaluable as we continue to develop ways to serve our members' needs and continue to develop new members along the way! Thank you!

[Table of Contents](#)



Support a Student Program

Philly Chapter 'supports' Society's Support-a-Student Program

by Mary Ann Cook

In July, CPCU Society President Doug Holtz challenged chapters to help support a new industry outreach effort designed to assist financially 25 junior and senior university insurance and risk management students to attend the CPCU Annual Meeting in Orlando, Florida.

The CPCU Society Board of Directors voted unanimously to sponsor the students for the cost of their meeting registration fees, and Doug then turned to the various chapters for support in helping to defray the cost of their travel and hotel expenses. Various levels of sponsorship were available to the chapters; from \$250 up to \$1,000, Chapters sponsoring

students in the program will receive special recognition at the annual meeting.

The Philadelphia Chapter agreed to sponsorship at the \$250 level and President Mary Ann Cook presented the check Cathy J. Karch, the Society's VP of Finance and Administration, on Wednesday, August 17th, at the CPCU Society in Malvern, PA.



President Mary Ann Cook presenting our sponsorship
check to Cathy Karch

Table of Contents



Meet Your New Board Members!



Michael Fields, CPCU

Michael D. Fields, CPCU is a Claims Director in the Long-Term Exposure and Complex Claims unit of ACE USA in Philadelphia, PA. He specializes in low frequency, high severity complex commercial general liability insurance claims. Michael is licensed in the states of Texas, Florida, South Carolina, North Carolina, Oklahoma, Connecticut, Delaware, New

Mexico and Kentucky and has completed the required annual Claims' Certification for the State of California.

Michael has a BA in Business Administration from Pennsylvania State University and is a Fellow with the Council on Litigation Management.



Joseph Badowski, CPCU

Joe has over 30 year insurance claims experience. He is a graduate of Temple University, and earned his CPCU Designation in 2009. He is currently enrolled in the ARM program, and is also attending Excelsior College for his MBA. Joe currently works for Harleysville Insurance Company in their Mid Atlantic Claims Service Center as a Liability Claims Supervisor.



Joyce Shefsky, CPCU

Joyce is currently serving as President-Elect for the Philadelphia Chapter. Her current position is Vice President of Client Services at ECBM, LP, an independent insurance broker located in West Conshohocken, PA. Previously, she was an Account Executive handling large construction clients. Through her many years in the insurance industry, Joyce has a vast array of experience with workers' compensation issues, E&O coverage and is considered a resource at her firm for CPCU candidates and complex coverages.



Guest Writer: "Anatomy of a General Liability Claim Investigation"
by Harleysville Insurance Liability Claims Supervisor Joseph Badowski, CPCU

To borrow a quote from Tom Hanks in the movie Forrest Gump, as in life, handling general liability (GL) claims is, "Like a box of chocolates. You never know what you're going to get." The GL adjuster is faced with myriad issues from coverage to risk transfer exposure, and must be able to address these issues in an organized, timely and calculated manner. In addition, the GL claim may involve technical issues that require years of education in order to understand and to formulate. To successfully handle these issues, the adjuster must develop a claims-handling protocol so that nothing is overlooked during the course of an investigation. The following will provide steps that an adjuster can follow when investigating a GL claim.

Understanding the Issues

When a claim is first assigned, there may be minimal to no valuable information that can provide an adjuster with a basis for their initial investigation of a claim. The claim may be reported with a date of loss several weeks, months or years prior to the report date. The description provided in an ACORD report of loss, or in a letter of representation, may be vague, with no specific allegations or theory of liability presented. In addition, damages being claimed may be unspecified or unclear. The first thing that needs to be done by the adjuster is to obtain an understanding of the issues involved. What exactly is being claimed? Do the damages claimed meet the definition of bodily injury or property damage as defined in the policy? The insured may have no clear idea as to why they have been placed on notice, or the allegations being made against them. The insured may have had no prior knowledge of the claim being advanced against them. It therefore becomes the responsibility of the adjuster to develop a clear understanding of the issues involved in the claim. Securing the allegations and theory of liability is the initial part of the investigation.

Know the Coverage

There are numerous types of GL claims, each involving varying degrees of complexity and exposures. They can range from premise liability, products liability and construction defect. They can involve bodily injury and property damage or both. There are issues of hold-harmless, additional insured, lease agreements, snow and ice contracts, construction contracts, chain of commerce, sewer back-up, breach of contract, and risk transfer exposure. Once the adjuster understands the issues involved, the next step is to identify and address any potential coverage issues. Oftentimes the initial coverage analysis is based on very lim-

ited information. For this reason, a timely and well-written reservation of rights letter should be issued citing the potential coverage issues, which must be perfected through further investigation. Failure to properly and timely reserve rights may result in forfeiture of any coverage defenses a carrier may have to the underlying claim. Coverage is a very sensitive issue and should not be taken lightly by the adjuster. Discussions with supervisors and senior management should be an ongoing process to insure that the correct coverage position is taken. These discussions also should result in the establishment of further investigation needed to finalize a coverage analysis.

Know the Insured's Role or Status

It is essential that the adjuster develop a clear understanding of the role or status that the insured has in a GL claim. Does the insured own or lease the premises? Is the insured a real estate management company? If so, does the insured have a real estate management agreement? Is the insured the snow and ice removal contractor? Is the insured the general contractor, or are they a subcontractor? Is the insured the manufacturer, distributor, retailer or installer of a product? Understanding the insured's role or status in a GL claim will serve as the basis for further investigation.

Learn About the Insured's Work or Service

The adjuster needs to take the time to learn about the type of work or service the insured performs, and how this work or service contributed to the alleged bodily injury or property damage. It is during this phase of the investigation when the technical aspects of the claim will need to be memorialized, and decisions made as to whether the cost of an expert will have to be incurred. An expert will not only provide vital testimony to refute allegations of negligence being made, but also will assist the adjuster in developing an understanding of the technical issues involved with the claim. These issues may involve complex scientific, engineering or architectural information, which may exceed the adjuster's educational or training levels. By interviewing the insured, and through expert testimony, the adjuster can obtain necessary information and become educated on the technical issues involved with their claim. The adjuster will need this information to provide clear understanding of the facts, and to be able to properly and accurately document their claim file.

Secure and Analyze Contracts or Lease Agreements

Analyzing contracts and lease agreements is an essential and complex part of a GL claim investigation. Although an insured may have no tort liability, an insured may have entered into a contract or lease agreement that could expose them to contractual liability. The contract or lease agreement contains vital information needed to complete a contractual liability or

risk transfer analysis. For this reason, an adjuster needs to recognize when there is a potential risk transfer exposure, and to secure copies of any applicable contracts or lease agreements. Once secured these contracts or lease agreements need to be thoroughly reviewed by the adjuster.

The analysis of any contract or lease should begin by confirming that the insured is an actual party to the contract and the role the insured assumed when entering into the contract or lease. Does the contract define the insured as the owner or tenant, general contractor or subcontractor, or indemnitee or indemnitor?

Contracts and lease agreements will provide the adjuster with information as to the duty or obligation the insured agreed to perform or undertake. Indemnification or hold-harmless wording, insurance and additional insured paragraphs will identify those duties or obligations for which the insurance policy will provide coverage. Does the indemnification or hold-harmless wording require the insured to defend and indemnify the other contracting party for their own negligence? Does the contract require the insured to name the contracting party as an additional insured on the insured's policy? Did the insured agree in the contract to provide additional insured coverage on a primary, non-contributory basis? Does the insured's policy contain the appropriate additional insured endorsement to comply with the insurance requirements of the contract?

The contracts or lease agreements also may contain waiver of subrogation wording which may apply, specifically in construction-related claims where the claimant is an actual party to the contract or lease. The waiver of subrogation provisions may prohibit subrogation when agreed to in the contract, and where there is first party coverage that is available to the contracting parties.

Secure Field Investigation

Photographs provide a visual description of the loss that helps to complete the investigation and finalize liability. The field investigation should be undertaken as soon as possible in order to preserve vital information or evidence. Accident scenes may change as efforts are made by an insured to complete a job. For instance, defects in a sidewalk may be repaired before the claim even is reported, or efforts by the insured to remediate a loss after it has occurred may result in spoilage of evidence. For these reasons it is essential that the adjuster develop a close rapport with their field investigator to insure accurate and timely flow of information. Specific instructions should be provided to the field investigator so there is a clear understanding of what is needed. The field investigator has the responsibility of communicating information that is essential to the disposition of the investigation.

Pulling It All Together

The task is often a daunting one, so the GL adjuster must be well organized and understand and follow the steps needed to complete the investigation. By following these steps, the adjuster will acquire the information they need to finalize their coverage, liability and risk transfer analysis.

- Understanding the Issues
- Know your Coverage
- Know the Insured's Role or Status
- Learn About the Insured's Work or Service
- Secure and Analyze Contracts or Lease Agreements
- Secure Field Investigation

[Table of Contents](#)



Member Corner: Share and Win Contest!

Want to win a \$50 Visa Gift Card? Have an achievement, career move, or personal news item to broadcast to your fellow Philadelphia Region CPCU's? Then share your news!

To enter just e-mail your news along with your contact information to tgregory10@gmail.com by October 15th. The first 10 submissions are eligible for the prize. We will draw the winner at our October Meeting. All news will be published in the Member Corner of the Winter Issue.

What easier way is there to share your update with 870+ CPCU's at once? Also, your participation alone will help build and foster chapter relationships and value. Thanks in advance for your support. And good luck!

Sincerely,
Theresa Gregory, CPCU
Editor

[Table of Contents](#)

