

## April Meeting Recap: Legislator Roy Reinard Addresses Chapter

Over 60 Chapter members and guests attended the April 12th meeting to elect Chapter Officers and Directors for 1984/85 and hear Legislator Roy Reinard discuss the planned October 1, 1984 No-Fault revision and other current legislative activities in the works.

On the subject of No-Fault reform, Mr. Reinard explained the events leading up to the final bill. Throughout the various hearings on the alternatives, Reinard explained that the insurers wanted a cap on benefits while the trial lawyers were with the threshold as they were not interested in increasing the \$750 or in a verbal threshold for that matter. Reinard indicated that his primary concerns were "the problems of double dipping and the stacking of limits."

No-Fault reform in Pennsylvania has been an ongoing problem and 107 attempts were previously made by Legislators in one form or another and none of them were ever passed, most dying in Committee.

The new system "is designed to provide basic minimum protection for accident victims at lower cost without restricting the right to sue," said Reinard. Mr. Reinard then highlighted some of the mechanics of the revision as follows:

**Mandatory Insurance**—Insurance will no longer be mandatory in the strict sense as the former provisions which made it a crime to own a vehicle without insurance are repealed. A vehicle owner will now be required to show financial responsibility at the time of registration for \$15,000/\$30,000 BI and \$5,000 PD. This may be demonstrated in three ways, purchase of insurance, designated as a self insurer under Section 1787 by filing with PENNDOT the proper evidence, and self certification under rules and regulations yet to be developed.

**First Party Benefits**—The amount of required coverage is much reduced. Every policy or self insurer will be required to provide to eligible claimants the following minimum mandatory benefits:

- \$10,000 medical and rehabilitative expenses
- \$5,000 for income loss
- \$1,500 for funeral expenses.

In addition, insurers are required to make available for purchase policies with higher limits of first party coverage as follows:

1. Medical benefits up to at least \$100,000
2. Income loss up to at least \$2,500 per month up to \$50,000 max.
3. Accidental death benefits up to \$25,000
4. Funeral benefits up to \$2,500
5. A combined income and medical expense benefit of \$250,000 along with \$25,000 accidental death benefit and \$2,500 funeral benefit.



The Honorable Roy Reinard, 178th Legislative District, addresses Chapter at the April 12th meeting.

Benefits from other sources are co-ordinated in Section 1719 to prevent duplication. Worker's Comp. is always primary and auto insurance is excess over Worker's Comp. but always primary to group or private health or disability plans.

**Claims for First Party Benefits**—An insured person collects as follows:

1. A named insured recovers from their own policy
2. If not a named insured but a resident relative they collect from the named insured's policy
3. The occupant of a vehicle who is neither a named insured under 1 above, or insured under 2 above, recovers from the insurance on the vehicle
4. A pedestrian not falling under 1 or 2 above recovers from any vehicle involved in the accident except a properly parked uninvolved vehicle.

**Uninsured and Underinsured Motorist's Coverage**—All policies must include the coverage and in the same limits as the BI limit unless the insured selects lower limits to a minimum required of \$15,000/\$30,000.

**Catastrophic Loss Trust Fund**—Once a victim's medical expenses exceed \$100,000 they may make claim to this fund for payment of all medical expenses up to \$50,000 per year, with a lifetime aggregate max. of \$1,000,000. Benefits from the CAT fund are primary to any other source of benefits except Worker's Compensation. The fund is funded by a \$5 annual charge on all registered vehicles collected by insurance companies.

**Tort Claims**—There will be no restriction on the right to sue nor will there any longer be a threshold. Also, there is no right of subrogation in auto cases for Work Comp. first party benefits or group health coverages.

**Other Notes**—An insurer may not surcharge an insured for a moving violation under Section 1793 (2), and under Section 1795, a company or its agents shall be immune from civil or criminal liability for supplying information to law enforcement agencies concerning fraudulent claims.



President Phil Spinelli and Program Chairman Vince Phillips flank Roy Reinard after the April 12th Meeting.

## New Designees

The Chapter wishes to congratulate five new designees, all of whom passed their last required exam in January and will receive their designation at the national convention in Seattle during the month of October, along with the many other Philadelphia area candidates expecting to complete their final exams in June. We hope these individuals will become involved in our Chapter and look forward to seeing them at our monthly meetings. The five new designees are:

Kenneth R. Dauscher  
Wendy H. Koch

Ronald J. Powlick  
George F. Segelken

Priscilla F. Stephens

# The President's Corner



Philip N. Spinelli, CPCU  
President

June has arrived and that signals in the end of the Chapter's fiscal period. Interesting how time flies when you're having fun or perhaps the rapid movement of time is merely a function of maturity. But nonetheless, here we are looking back at what has been a very interesting experience, one which I will be fortunate enough to repeat next year. Those of you who have served as an officer or director on the Board know of the vigorous demands to which one is exposed for this volunteer service. It ain't easy but it is gratifying.

Our accomplishments during the term were, I believe, significant. A primary focus was to enhance our organizational structure so that a continuity could be established for future boards. This has been accomplished by the establishment of a permanent presence for the coordination of all Chapter functions and by the establishment of written definitions of committee responsibilities. In the future, new committee chairpersons can move forward without duplicative actions.

Another area where we are positioning ourselves to be more effective will be in community service. We believe this is an area which can be a positive image maker for the CPCU designation. We have a good framework in place. Our challenge next year will be to implement and I feel confident of a high degree of success.

Obviously, a successful chapter can best be judged by the involvement of its membership. Ours is no different. We will need additional support next year in the areas of public relations, programs, I-Day and research programs. And certainly, we need contributors to our fine Chaptergram and sponsors for our candidate development sponsorship program. If you are interested, please contact any of the committee chairpersons.

I-Day—Fred Roe—574-9530  
Programs—Pam Godwin—988-5450  
Chaptergram—Pete Palestina—564-2800  
Candidate Development—Joe McNasby—567-6300  
Research—John Kelly—561-5700  
Public Relations—Vince Phillips—928-4592

Many thanks for your continuing support. Have a safe and carefree summer and we all look forward to a productive 1984/85 term. Ciao!



Is Joe McNasby telling Pam Godwin a dirty joke? Judging from Al Woodward's face he very well may be.

## A Message on Candidate Development By Joseph M. McNasby, CPCU

As Candidate Development Co-ordinator for the Philadelphia Chapter, it was truly a pleasure for me to be able to present the very first sponsorship awards in existence. The awards were presented at the April breakfast meeting to Mr. Al P. Woodward (nominated by Mr. William J. Phelan, III), and to Mr. Edward Moore (nominated by Mr. Wearn D. Heinz).

The sponsorship program is very special to the Society. How many of you are CPCUs today because someone was there to give you support when you needed it most?

We would like to congratulate Mr. Woodward and Mr. Moore on a job well done. In addition, we would like to express our sincere thanks to those who did the nominating for sharing with us the importance of the sponsor to them.



At our April 12th meeting Director Joe McNasby presents Sponsorship Award to Ed Moore. Al Woodward standing at left also received the award.



Key to the Next Frontier  
CPCU 1984  
ANNUAL MEETING AND SEMINARS  
OCTOBER 14 - 17 SEATTLE

## Chapter Research Report Submitted

Joe McNasby, CPCU, Hugh Bishop, CPCU, Anne Sechler Kopanski, CPCU, and Dr. Mariellen Whelan have put together a report on the CPCU sponsorship program entitled "Sponsorship Program—Some Ideas or Practical Application on a Local Level."

The report was forwarded to National for consideration as a research project and hopefully may also be of interest to other Chapters.

## From the Editor

The summertime is upon us, a time for rest, relaxation, outdoor recreation activity, or is it? Seems like last summer just ended and the winter flew by and that grass has to be cut again unless you're a lucky city slicker without a lawn.

Has anyone noticed how the years seem to go by faster than usual lately? I have. Never before have I seen a three year period go by in such a quick fashion. At first I attributed it to just getting older but then I realized that a large part of it had to do with the state of our industry. Just about three years ago we saw the beginning of a loose market the likes of which were never seen before—\$300,000 premiums became \$100,000 or lower. I saw a BOP policy written for a \$100 minimum premium for broader coverage and higher limits than the \$7,000 or so premium that insured paid while insured under their previous SMP. I'm sure you all heard similar horror stories. Companies have developed new and innovative coverages and products. Worker's Compensation rates were deviated, cash flow programs were proposed, loss experience thrown out the window, accounts were marketed with more and more agents, brokers, and companies and the odds of landing the account became greater and greater, not to mention the odds of retaining the business. Companies offered underwriting programs to agents, better profit sharing contracts, bonus commissions, producer support and other incentives too numerous to mention. The computer has become an instrumental part of our business and at the same time a frustrating part. Should we get one? Which one? Do you feel like you are working harder and enjoying it less? When will it end? Now we have a new No-Fault revision in Pa. which takes effect on Oct. 1, 1984, and many of us will have to know and be prepared for the many options.

All indications now seem to be in place for price increases. Automobile, Property and General Liability rates have increased at least once during the past several months and it sure seems to me that we will see even more shopping when last year's policies come up for renewal. This will undoubtedly cause even more frustration. It is no wonder that time flies by so quickly, as we have so much more to do and so little time to do it in.

We as CPCU's have an advantage in that we have attained through our studies the basic tools needed to understand our business and to deal with it. The advantage of being a CPCU is only a partial one unless you take the opportunity to keep up with all that is happening and what will happen in years to come. What better way to do this than to get involved in Chapter affairs. Our monthly meetings afford members and their guests the opportunity to hear speakers address current topics and exchange ideas at a minimal cost which includes breakfast, yet many of us choose not to attend. Perhaps they think that holding the CPCU designation is all that is needed for them to be successful, perhaps they are too busy and don't have the time, or perhaps they simply don't care.

I will leave you with this message and prediction: Our industry will continue to see change and survive, but only those who develop expertise, keep abreast of what is happening, and sharpen their skills will do well; those that do not will fall by the wayside, stagnate, or will be in another industry. Do yourself and your pocketbook a favor, starting this coming September come out to your Chapter's meetings, attend seminars, get involved in Chapter activities and educate yourself in any way you can. The time will still fly by quickly but at least you will make better use of it and hopefully make more money while you're at it.

Pete Palestina, CPCU, Editor

## The Grapevine

Congratulations to our Chapter Auditor Harry J. Solimeo, CPCU, who was elected to Vice President of the Philadelphia Contributionship.

Congratulations to 2nd Vice President Vince Phillips, CPCU, who was promoted to Philadelphia Territorial National Accounts Manager of the Firemans Fund Insurance Co.

Congratulations to Bernard J. Giangiulio, Jr., CPCU, CLU, who was elected President of the H.A. Thompson Co.

Congratulations to John M. Griffin, CPCU, who was promoted to Resident Vice President of the Phila. office of C&F Underwriters.

Dr. G. William Glendenning, CPCU, has developed and presented for the Professional Insurance Agents Association, "Personal Lines Coverage Schools." The two day programs are designed for agency personnel to solidify their understanding of personal lines coverages. These programs were offered in March and May and are scheduled for the Baltimore and Pittsburgh areas in the fall. For further info on these courses contact the Education Dept. of PIA at 717-737-9341.

## Coming Up

Tuesday, June 12—Chapter's Annual Business Meeting, 8:30 A.M., Philadelphia Centre Hotel. Reports for the year 1983/1984 will be given and the new Officers and Directors for 1984/85 will be sworn in. For last minute reservations, contact Rick Marthins at 215-735-5947. Cost of this meeting including the breakfast is only \$2 and is subsidized by the Chapter. Because of this the meeting is open to CPCU's only—no guests.

Friday, June 22—Annual Chapter Spring Social. Evening Dinner Dance at the Eagle Lodge. Golfing available during the afternoon, guests are welcome. For last minute reservations contact Rick Marthins at 215-735-5947. Cost—\$25 per person. Music will be provided by the "Greg Anton Trio."

September Meeting—Date, place and speaker to be announced.

October, 14-18—Annual National Meeting Seattle.

Thursday, November 8—Philly "I" Day, Bellevue-Stratford Hotel.



Moderator Mr. Synott preps audience for the April Professional Liability Workshop.

## The On-Going Saga of "Seepy Seeyou"



## From the Boardroom

A Chapter member recognition study is being conducted in order to devise a systematic program whereby Chapter members who participate in Chapter activities such as attending meetings and seminars, serving on various committees, writing *Chaptergram* articles or articles published in insurance periodicals, CPCU teaching or grading, candidate sponsorship, etc., may be recognized for their achievement or contribution. The present Committee is comprised of John Kelly, Bruce Kelly and Pete Palestina. Chapter members will hear more about this at a later date upon completion of the Committee's report.

The Board is looking into the possibility of sponsoring an award program in conjunction with area schools for students writing the best essays on the subject of fire prevention or one of similar nature. The award is likely to be in the form of U.S. Savings Bonds and presented during National Fire Prevention Week. The mechanics still have to be worked out and the concept is now only in the planning stage. More on this later.

Various requests have been made from other Chapters asking us for copies of last year's four research projects. In addition, requests were received from our own members and individuals and groups throughout the country. The latest request came from California.

We received a letter of acknowledgment from James W. Hamilton, CPCU, Exec. Vice President of the Society of CPCU for our Loman Foundation contribution. The chapter has contributed \$500 annually for the last several years.



President Spinelli with Walt Butterworth and others during the luncheon break at the April 9th seminar.

### Treasurer's Report As of April 19, 1984

Income	\$ 15,386
Disbursements	15,485
Deficit	\$ ( 99)
Cash Balance	
Checking	\$ 125
Money Market	16,356
TOTAL	\$ 16,481



Larry Klein, CPCU introduces panelists Pete Synott (Moderator) Gene Pratter, Thomas Sheehan, Paul Mahaffey and Myron Steves, at the Chapter's April 9th seminar on Professional Liability.

## Chapter "Professional Liability" Workshop a Success

The April 9th Workshop on "Professional Liability" sponsored by the Chapter was well attended and successful. Although there were 54 registrants, only 13 were Phila. Chapter members, which was a disappointment. Twenty-six of the 54 were CPCUs, and many of the registrants were from the New York and Maryland areas. Sixty-two percent were agents or brokers, and some even came from as far away as Texas, Wisconsin and Georgia.

The speakers were as follows:

- Paul A. Synott, Jr., CPCU, CLU, ARM, Deputy Commissioner of Virginia acted as moderator
- Gene E. K. Pratter, JD of Duane, Morris and Heckscher Law Firm
- Thomas F. Sheehan, JD, CPCU, CLU, President of Thomas F. Sheehan, Inc.
- Paul F. Mahaffey, CPCU, Vice Pres. of Professional Liability Underwriting Managers of Minneapolis
- Myron F. Steves, Jr., CPCU, partner in Myron F. Steves & Co., Houston.

The panelists each spoke in the area of their expertise covering the spectrum of professional liability on lawyers, architects, engineers, D&O Accountants and the medical profession. Both coverages and exposures to suit were covered. A luncheon was held and after the afternoon presentations were concluded a vigorous question and answer period ensued.

As an added bonus, Tom Sheehan passed out copies of his book entitled "The Liabilities of Directors and Officers: With Practical Solutions for Their Discharge."



Some of the attendees at the April 9th seminar.