



CPCU CHAPTERGRAM

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

VOLUME 18, NUMBER 1

Peter F. Palestina, CPCU—Editor

SEPTEMBER, 1984

Great Time by All at Social

CPCUs and their spouses had a rip-roaring time at the June 22nd social held at the Eagle Lodge. Fifty people attended the event and almost everyone stayed to the very end.

Entertainment was provided by the Greg Anton Trio, but the best entertainment according to many eye witnesses was provided by some of our members. Pete Palestina and Phil Spinelli did an improv on Carnac the Magnificent. Pete was introduced by Phil as "Insurnac the Magnificent," the famous insurance industry soothsayer. Pete, dressed in a turbin and dangling chain (not his normal dress although some would argue that point), predicted the questions which were sealed in envelopes by giving the answers before they were opened. Pete's little skit cut up about half the audience and hopefully those CPCUs will still remain active members.

Al Federico and his wife Vi were the hit of the dance floor; the couple really livened things up. Perhaps the biggest surprise of all was our own quiet, never say boo, John Barkley, who got up with the band to sing several songs. This man has talent folks, you had to be there to believe it, the crowd went wild. There was talk of John being recruited with other CPCUs of singing talent to form our own group called "The CPCUs" to perform next year. Anyone with singing or musical talent is asked to contact Editor Pete Palestina in order to try and coordinate something for our next social. Your Chapter Officers will be working on a super social for 1985 in conjunction with the Greater Valley Forge Chapter. Stay tuned for details.



Pete Palestina does his "Insurnac the Magnificent" routine with sidekick Phil Spinelli at the June social.

Annual Chapter Business Meeting Recap: Brandon Views Industry

Lawrence G. Brandon, CPCU, AIM, ARM, Senior Vice President of the Institutes and author of the book "Sound A Clear Call," gave his views of the insurance industry and a prediction of the future to the 60 CPCUs attending the Chapter's Annual Business Meeting on June 12th.

Mr. Brandon touched on the occurrences of the 50s through the early 1980s that have changed our society, citing specifically, educational, technological, political and family changes. The age of the computer, nuclear power, baby boom and rebellion to authority were all brought into focus to view society as it is today. "There is no terminal degree," said Brandon, "the Ph.D. is out of date and is useless unless the individual has updated himself." Brandon told the audience that 6 nations have nuclear power today and that by 1990 nine more will have it and by the year 2000 thirty-five others.

"We are now heading toward more stable times . . . the period of turmoil is ending and we are in for really good times financially, especially in the stock market," said Brandon, "but we still have a long way to go socially, however." As far as the insurance industry is concerned, said Brandon, "there will be more market segmentation and targeting; the run-of-the-mill agent will be gone; continuing education is a must; greater emphasis on risk management will be seen, and insurers will have multiple distribution systems." Brandon added that "agents will survive with personal lines going to the exclusive agents and small commercial accounts going to the independent agents . . . insurance will be bought out of the home, but there will always be a need for the personal service of the agent . . . two companies will prevail (large and small) . . . the medium size company will have problems."

In conclusion Brandon said that "throughout his reserch he's heard nothing but pessimism, no one was optimistic and the only optimism was shown by the direct writers. Whether you retrench or go forward, you should always let your people know your position and plans for the future."



Dance fever at the June social.



Being sociable at the social.

The President's Corner



Philip N. Spinelli, CPCU
President

Your Officers and Directors were quite busy over the summer in planning for the 1984/85 fiscal period. The Finance Committee prepared and submitted a preliminary budget for board action at its meeting of August 3rd. The budget was approved with some modifications and appears elsewhere in this *Chaptergram*.

The Program Committee was also very active, having scheduled a program slate for the entire term. A change which I think you will find very acceptable is our move to a new site. We will be hosting our Breakfast Meetings at the Hershey Hotel or some other comparable site in the event of full bookings. I believe this is a welcome change and one which you will truly enjoy. Change, however, does not come without its costs, and the Board found it necessary to increase the cost of the breakfast. The prepaid cost for member breakfast, as you undoubtedly know from the last meeting flyer, is \$8.50.

The Chapter's P/R activities are in full swing. The Chapter again participated in the Channel 12 Fundraiser on August 19th. We believe external activities such as these are great image makers and we hope to increase our involvements.

I am hopeful, as is the entire Board, that this will be our finest year. We are going to work very hard on our programs in support of our commitments to continuing education. To that extent, we anticipate a banner year for member participation. As a reminder to those of you who will be attending the National Convention in Seattle, the Chapter will host a reception for all Chapter members, their spouses and Chapter area new designees. The site will be the Seattle Sheraton Hotel, Conference Room A, 6:00 PM to 7:30 PM. See you there . . . CIAO!



Attentive audience at the May RIMS/CPCU Joint Meeting.



Vigorous discussion at the RIMS/CPCU Meeting.



Our own Josephine Battisti gets chummy with the guys at the RIMS/CPCU meeting.

RIMS/CPCU Meeting Recap "Wither the Insurance Industry?"

Expounding on his topic "Wither the Insurance Industry?", Felix Kloman, President of Risk Planning Group, addressed the 95 CPCUs and Risk Managers attending the Annual Joint Meeting at the Downtown Club in Philadelphia.

Mr. Kloman began his remarks by discussing his predictions of 10 to 15 years ago when his topic was "Wither the Broker?". The often controversial Kloman set the stage for 10 to 15 years from now by looking at 1984. "Captives and self insurance, the hot concepts of past years, are now established, functioning well, and accepted," said Kloman. "In the next 15 years a distribution revolution will occur, and Kloman highlighted four keys as follows:

1. Risk Financing—will merge with other financial services and letters and lines of credit will be used more often to finance risks.
2. There will be stockholder demands for superior financial performance of publicly-held insurance companies with major changes in buying and selling behavior. Weaker organizations will be weeded out of the market.
3. There will be a demand for innovation and flexibility on the part of risk funding organizations.
4. The key to the future is solvency and how to measure it. The industry needs to develop new techniques and ratios.

Kloman stated that "the agency system as we know it is dead . . . it's outmoded and inefficient, serving its purpose in the early days of insurance, but not now." In conclusion, Kloman left his audience with some optimism by predicting that "our industry will survive . . . be patient . . . good times will return."



Speaker Felix Kloman addresses the May RIMS/CPCU joint meeting.

1984/85 Philadelphia Chapter Board of Directors



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1st Vice President



Pamela H. Godwin
2nd Vice President



Al Federico, Jr.
Secretary



John J. Kelly
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Raymond Lindsey
Director



Joseph McNasby
Director



Anne Sechler-Kopanski
Director



Frederick Roe
Director



Peter Palestina
Past President
Ex-officio Member

PHILADELPHIA CHAPTER Officers and Directors 1984/1985

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Director

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1983/84 Year End Financial Report June 30, 1984

	Budgeted	Actual
Income	\$ 22,200	\$ 19,142
Disbursements	27,550	21,654
Deficit	\$(5,350)	\$(2,512)
Cash Balance		\$ 72
Checking		13,883
Money Market		
TOTAL		\$ 13,955



Key to the Next Frontier

CPCU 1984
ANNUAL MEETING AND SEMINARS
OCTOBER 14 - 17 SEATTLE



From the Editor

Peter F. Palestina, CPCU
Editor

I hope everyone had a great summer, physically, mentally and financially. As promised, we are continuing to improve the quality and data contained in the *Chaptergram*. We had enough info to expand this issue to six pages. Because of space limitations I am keeping this column short this time around. Lucky you.

All kidding aside, I'm looking forward to publishing as much news as possible and encourage you to write me at 1700 Race Street, Philadelphia, PA 19103, or call 215-564-2800 with your article, news, gossip, comments or complaints. Enjoy.

A LEGEND

One night in ancient times, three horsemen were riding across a desert. As they crossed the dry bed of a river, out of the darkness a voice called, "Halt!"

They obeyed. The voice then told them to dismount, pick up a handful of pebbles, put the pebbles in their pockets and remount. The voice then said, "you have done as I commanded. Tomorrow at sun-up you will be both glad and sorry." Mystified, the horsemen rode on. When the sun rose, they reached into their pockets and found that a miracle had happened. The pebbles had been transformed into diamonds, rubies and other precious stones. They remembered the warning. They were both glad and sorry—glad they had taken some, and sorry they had not taken more.

AND THIS IS THE STORY OF INSURANCE.

1984 Philadelphia Area New Completers

Congratulations are in order to the following 65 people who have completed their CPCU courses during 1984:

Janice M. Ayers
Robert P. Barker
Charles H. Bernier
Harry R. Bittner
Robert E. Bleiler
Edward P. Brehm
Patrick T. Burke
Renell D. Burton
James S. Carey
Maureen C. Caviston
Kenneth R. Dauscher
Joann Cimorelli Dolce
Ellen B. Dutten
Kevin R. Engelke
Gloria D. Forbes
Paul W. Forbes
Joseph M. Freedman
Linda K. Frey
Kenneth R. Gant
Joseph F. Garrett
Randy C. Garrett
Joseph L. Gast
Edward G. Gibbons
Arnold J. Goldberg
John P. Gumbrecht
Richard L. Gustafson, Jr.
Joseph P. Hassett
Mallary A. Hatch
Eric P. Hein
Louis J. Millegass
Randall A. Hove
Jeffrey M. Hugo
Anita W. Johnson

Pius M. Kang
Kathleen S. Keller
Wendy H. Koch
Edward P. Kostyk
Kenneth A. Leighton, Jr.
Robert H. Lemke, III
Alfonso F. Lewey
Richard A. Litchford, III
Robert C. Macaulay, Jr.
James Wilson Mackie
Arthur J. Massi
Paula M. McClure
John A. McGillin, Jr.
Jerrie Morrison Menne
Janet M. Millin
Thomas R. Mulholland
C. David Nell
Kevin F. Patrie
Lucille A. Pinsky
Robert Walter Pote
Walter J. Potter
Ronald J. Powlick
Francis J. Preis
Barry W. Roop
Laurie B. Ross
David A. Ryzdewski
Marshall Sherman
Rovella E. Smith
George F. Segelken
Clayton E. Snyder
Priscilla F. Stephens
Clifton T. Whitehead, Jr.

Chapter Member Bruce Kelly Honored by Insurance Society of Philadelphia

We are pleased to report that Bruce L. Kelly, CPCU, ARM, has been honored for the second time in three years by the Insurance Society of Philadelphia as the outstanding contributor to his class.

Bruce is a staunch supporter of mandatory continuing education for CPCUs, and recently has had published an article in *American Agent & Broker* regarding the subject. He is currently working on a Research Project for the Philadelphia Chapter and would welcome the input of his fellow Chapter members. Bruce may be reached at 215-543-5525 or write % Tom Kelly Agency, 412 Dickinson Ave., Swarthmore, PA 19081.



Bruce Kelly and his wife Nedra.

Chapter Member Frank Arnold Named "Citizen of the Year"

Many of our members know Frank Arnold personally. He was very active in Chapter affairs and was the former Executive Director of the Insurance Society of Philadelphia until he moved to Berlin, Maryland a few years ago. Although Frank has left our geographical area he still pays Chapter dues and is a member of the Philadelphia Chapter.

Frank has been reading the *Chaptergram* and sent us a little article on himself that appeared in the *Easter Shore Times* newspaper last November.

Frank was named the Ocean Pines Citizen of the Year for 1983, and the honor was bestowed upon him at a banquet held on December 10th at the Ocean Pines Yacht Club. In reaction to the announcement that he had been named Citizen of the Year, an award given to an individual who has given selflessly of himself for the betterment of the community, Arnold said, "I have a deep commitment to Ocean Pines; in order to get something out of a community, you have to put something into it."

Congratulations to Frank from all his Chapter friends in Philadelphia and continued success.

The On-Going Saga of "Seepy Seeyou"



There are more darn package policies out today than Carter's has little liver pills.

1984/85 Chapter Officers and Directors Installed at June Business Meeting

Chapter President Phil Spinelli was once again sworn in as President at the Chapter's June 12th Business Meeting. Phil, after being installed for a second term, briefed the audience on the accomplishments of the expiring year and the goals for next year. "The past business year has been one of significant challenge punctuated by organizational and committee changes. Nevertheless, we managed to move forward," said Spinelli. Phil cited as major accomplishments: the development of written position descriptions for the various committee chairpersons ensuring continuity of committee activities, the program schedule with increased attendance, The Franklin Award Luncheon, and the Channel 12 Fundraiser.

For 1984/85 Phil expects to increase our outside activities as an expression of our professional commitment as a means to achieve greater visibility for the CPCU designation.

In a break with the tradition of all committee chairpersons verbally presenting their reports, a kit containing all written reports were passed out to those attending. This allowed for the meeting to have time to listen to guest speaker Lawrence G. Brandon, CPCU, AIM, ARM.

The 1984/85 Officers and Directors were sworn in by Boyd Bruce, Northeast Regional Vice President, who also lead the CPCU charge for all Chapter members attending. The 1984/85 Board of Directors is as follows: Philip N. Spinelli (President), Vincent D. Phillips (1st Vice President), Pamela H. Godwin (2nd Vice President), Al Federico Jr. (Secretary), John J. Kelly (Treasurer), Raymond Lindsey (Director), Joseph McNasby (Director), Frederick Roe (Director), Anne Kopanski (Director), Peter F. Palestina (Past President, Ex-officio Member).



Some of the Chapter Members at the June 12th Annual Business Meeting.



New Officers and Directors are sworn in by Regional Vice President Boyd Bruce at the June 12th Business Meeting. From left to right are: Ray Lindsey, John Kelly, Pam Godwin, Vince Phillips, Phil Spinelli, Al Federico, Joe McNasby, Anne Kopanski, Fred Roe, Boyd Bruce.



President Phil Spinelli thanks the audience at the June 12th Business Meeting after being sworn in to a second term as Chapter President

From the Boardroom

The new Board of Directors during their first meeting in August approved the 1984/85 Operating Budget. The Budget calls for the Chapter to operate at a deficit of \$4,150, with expected income of \$19,650 and disbursements of \$23,800. Last year the Chapter ended up with a \$2,512 deficit.

Meeting prices were increased and locations changed. See President's Corner and Schedule of Events columns.

It was reported that Mayor Goode will be guest speaker at "I" Day.

Director Joe McNasby reported that our research project may be up for National Society Award.

John Kelly reported that the Chapter Recognition Award will continue to be developed.

The Board approved a motion to co-sponsor with National a workshop on "Insurer/Reinsurer Insolvency."



Your Board of Directors in action at a recent Board Meeting.

Coming Up—Mark Your Calendar

Philadelphia Chapter 1984/85 Meeting Dates

- SEPTEMBER: Breakfast Meeting (Hershey Hotel)—September 13, 1984
- OCTOBER: Breakfast Meeting (Franklin Plaza Hotel)—October 5, 1984
- NOVEMBER: "I" Day (Bellevue-Stratford Hotel)—November 8, 1984
- DECEMBER: Breakfast Meeting (Hershey Hotel)—December 18, 1984
- JANUARY: CLU Joint Meeting—January 23, 1985
- FEBRUARY: Joint RIMS/CPCU Dinner—February 13, 1985
- MARCH: Franklin Award (Luncheon)—March 20, 1985
- APRIL: Breakfast Meeting (Election)—April 18, 1985
- MAY: CPCU/CPA (Dinner)—May 14, 1985
- JUNE: Spring Social—June 8, 1985
Annual Business Meeting—June 20, 1985

Philadelphia Chapter Does 2nd Channel 12 Fundraiser

What was that I saw on TV last month you ask? That's right, our Chapter completed its 2nd Channel 12 TV Fundraiser on Sunday, August 19th. Chapter CPCUs, their spouses and friends all helped to make this year's event as successful as it was last year. In addition a great time was had by all. Thanks and appreciation go to all who helped out.



Before air—being prepped.



During a break at the Telethon John Kelly discusses obscene phone call received with Joe McNasby as Chris Pitt chuckles.



During air—being encouraged.



After air—tabulating the pledges.

Fire Safety Essay Contest Update

It's official. Our Chapter is co-sponsoring a "Fire Safety in the Home" essay contest with the Council Rock School District of Bucks County. Students will be submitting their essays during the first two weeks of the Fall semester. Each school in the district will submit their top candidates to the judging panel comprised of Pete Palestina, CPCU, representing the Chapter, School Board President Patricia Poprik, and Northampton Township Fire Chief Tom Briggs. The panel will select the first, second and third place winners in each of the high school, middle school and elementary school levels. Awards will be presented during National Fire Prevention Week (October 8-12) at local ceremonies including public meetings of the School Board and Township Supervisors. Results and photos will be published in our December *Chaptergram*. Three Bucks County newspapers will be covering the story.

The Grapevine

Congratulations to our 2nd Vice President Pam Godwin, who was promoted to Vice President of Accounts Administration for the Colonial Penn.

Congratulations to William G. Arnold, who was nominated for 1984/85 National Director for the Northeast Region.

Welcome to Anthony Cimaglia, who has joined Harleysville Mutual.

Best wishes to Dale Thut of Transamerica, who is recovering from surgery. Get well soon, Dale.

Ted Kendall has retired as President of Johnson, Kendall and Johnson of Newtown. Ed Johnson will head Operations and Doug Peterson will serve as Administration and Insurance Company Relations Manager.

Welcome back to Ron Vogrin and Dan Newell. These two former Chapter members are now back in our stable and with Fireman's Fund in Philadelphia.

Good luck to retirees Wayne Watson and Walt Frasier of the Fireman's Fund.



Channel 12 Critic at Large W. Patrick Stoner discusses strategy with President Spinelli.



Al Federico and his wife Vi fuel themselves with food prior to their Fred Astaire and Ginger Rodgers imitation at the June social.

Philly "I" Day 1984

The format of Philly "I" Day to be held November 8, 1984, will feature a keynote session at 9:00 AM in the Grand Ballroom of the Bellevue-Stratford Hotel. Seminars will run from 10:30-11:30, 2:00-3:00 and 3:00-4:00. Topics for the seminars include: The Insurance Contract as Seen by the Corporate Law Department; The Insurance Underwriter as Banker; The Public's Perception of the Industry; Variable Benefits; The Modern Bank-Client or Competitor; Workers' Compensation; Risk Management—Controlling Claims; Reinsurers in the Marketplace; International Risk Management; Changing Role of Captives; Financial Guarantee Insurance; and Claims—What is and What Ought to Be. Philadelphia Mayor W. Wilson Goode is scheduled to be the keynote speaker.



Our Critic at Large, Vince Phillips, finally picks up a check.