



## DECEMBER MEETING RECAP

### Drunk Driving Discussed in Pre-Holiday Meeting

BY: Bill Engler, CPCU, P.R. Chairman

As plans were underway for Holiday parties, a sobering discussion of the problem of Drunk Driving was featured at our December 10th breakfast meeting. Pennsylvania State Trooper Davis, a 21-year veteran of the force, presented a very frank view of the problem as seen from the law enforcement point of view, including some very vivid video tapes of accident scenes.

Twenty-eight thousand people die every year on our highways as a result of drunk driving, more than are killed in all murders in the county. Another way to consider this statistic is that in two years, more people are killed from drunk driving than were killed in ten years of the Vietnam War. Every 23 minutes of every day, someone dies as the result of a drunk driver.

Reacting to these statistics, the State Police have changed their attitudes toward drunk driving. No longer can the driver expect to get a "break" if stopped while driving under the influence. HE WILL BE ARRESTED. In Pennsylvania, we have an Implied Consent Law, which means that as an operator of a vehicle, you have given your consent to a test of your blood, breath, or urine. If you refuse to take the test, that fact will be used against you in court.

Pennsylvania changed its drunk-driving law in 1983 to make it stricter. First offense now brings a 48-hour mandatory imprisonment; second offense, 30 days in prison; third offense, 90 days in prison. The legal definition of "drunk" in Pennsylvania is a blood alcohol level of .10%. If your blood level is half of that (.05), your odds of getting into an accident are doubled; if the level is .10, the odds increase to seven times greater, and if the level is .15, the odds increase to 15 times greater. What is the blood alcohol level of the average person stopped? .20!

A video entitled "The Deadliest Weapon in America" was shown. Graphic results of drunk driving were presented including:

- Shelby Davis, age 43—fractured left arm, jaw, pelvis, sternum, all ribs broken, teeth knocked out, lungs punctured, bladder bruised—all through no fault of her own. The result of a head-on collision with a drunk driver.
- Vincent Tenufen, age 22—knee caps crushed, left leg severed below the knee. The result of a drunk driver hitting Tenufen on a motorcycle from the rear. He will be an amputee for the rest of his life.
- Four Teenagers in Denver, Colorado, killed when struck by a Burlington Northern train. Three had been drinking, including the driver, one had not. Why was he not behind the wheel?!
- Cecil Alexander and his wife of 41 years, returning home from a party, hit head on by a 16-year-old driver with a blood alcohol level of .25, 2½ times the legal limit. Mrs. Alexander did not survive. The driver received his second DWI citation, and spent 8 months in an Alcohol Rehabilitation Center.

- Other countries also are taking a strict stance on drunk drivers:
- Australia**—Names of drivers printed in local newspapers under the heading "Drunk and In Jail"
  - Malasia**—Driver is jailed, as well as his wife
  - South Africa**—Ten-year prison sentence
  - Turkey**—Drunk drivers driven 20 miles from town and forced to walk home
  - Finland & Sweden**—One year of hard labor
  - England**—One year jail
  - Bulgaria**—Second conviction results in execution
  - El Salvador**—First offense—Execution by firing squad

All in attendance left the meeting with a vivid awareness of the personal perils as well as the insurance industry problems caused by the drunk driver. The efforts of law enforcement officials, groups such as Mothers Against Drunk Driving, and individuals to combat this menace are to be commended and encouraged.

## Philly Chapter's 1987 "Fire Safety in the Home" Essay Contest Winners

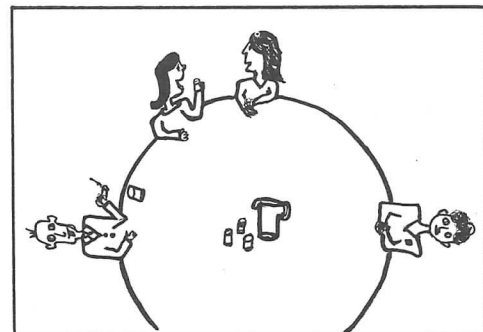


Fire Safety Essay winners ... holding their awards are the Council Rock School District's winners of the fourth annual Fire Safety Essay contest sponsored by the Philadelphia Chapter of Chartered Property and Casualty Underwriters (CPCU) are from left, first row, 1st and 2nd grade level: Melissa Gavern, 3rd place; Susan Primrose, 2nd place; Joshua Morrell, 1st place. Second row, 3rd and 4th grade level: Christie Evangelisto, 3rd place; Wendy Sutton, 2nd place; Donna Primrose, 1st place. Third row, 5th and 6th grade level: Farra D'Orazio, 3rd place; Billy Bova, 2nd place; Kristen Schanberger, 1st place. Back row: Peter Palestina, CPCU, Northampton Supervisor Chairman and Coordinator of Contest; Frank Fenton, Northampton Fire Marshall; Patricia Poprik, School Board Director; Albert Federico, President, Philadelphia Chapter of CPCU.

See story, essays and photos on page 3.



The new designees of the Philadelphia Chapter are recognized after receiving their diplomas at I-Day.



Artist's rendition of some of the members at our December meeting. (See Editor's Column.)



Al Federico, Jr.  
President

## The President's Corner

### COPING

*Does everything seem to be happening too fast?  
Is the future always bleak?  
Is your long-term direction unclear?*

*Do you seem insignificant in a chaotic world?  
Is today's information already obsolete?*

If you could separate yourself from the rest of the world like Scrooge in "A Christmas Carol" and span not only your own life but that of all humanity, we might be able to put everything into perspective if not control. Even our better historians can only focus in on short time periods rather recent in our human history. It's tough getting the BIG picture and while there is no guarantee that plotting our past will predict with accuracy our future, it may ease the pains and problems of the present. Like everything else, though, we are getting better at it—trying to look at the "whole."

In calculus, through integrals, cutting the whole into its many parts and summing them allows mathematicians to marry both worlds—infinite and finite. It allows explanation if not solution for many things but more important it provides appreciation for the fact that every part no matter how small is important. In the chaos there is symmetry and order and the fact that you don't see it is perhaps that you are not seeing the WHOLE.

What does all this have to do with insurance? PLENTY!!!! If you are astutely picking up the "points" of the past and present, the following is a potential plot of the future.

- 1 — There will be a very large number of displaced persons in virtually every field, including insurance.
- 2 — There will be many fewer companies required to provide the goods we now need, including insurance.
- 3 — Competition is now global and every attempt by countries to prevent it throughout history has failed.
- 4 — Advances in communication (the key ingredient) will continue at a rapid pace—this includes recordings of all human endeavor.
- 5 — MOST importantly, humanity will be able to better assimilate this information in a creative manner particularly through *artificial* methods bringing technology to a boil.
- 6 — Big Brother IS HERE! The irony is that in America it has manifest itself through our news media. Role playing and hiding will become very difficult if not impossible—and I'm not just talking about our politicians.

Our *flee or fight* mechanism doesn't work—hence, stress. You can't leave this earth (unless suicide or insanity are choices) and if you "fight" these things, I believe you will be bulldozed over. What can we do to gain control? (*Some*, since all is not realistic.)

- 1 — Overcome FEAR by evaluating alternative outcomes and accepting the potential negative ones. History has clearly shown that those who have succeeded did so only after surviving many failures. In fact, learning from failure is necessary.
- 2 — ACT POSITIVELY. You must be aware of your *global* surroundings and not become myopic. You can no longer separate the business world from the rest since they are being crushed together. The key word is not specialist but very good generalist. In addition, be very careful about your ethics because they are coming to mean a great deal—again. There is no place to hide.
- 3 — YOU ARE IMPORTANT. Virtually every company slogan manifests this theme. BELIEVE IT. Those companies that can work together more efficiently toward the common good, make fewer general mistakes AND can react quickly will survive.
- 4 — EDUCATE — Sorry folks, but anyone reading this that is not a teacher, student or writer with some dedicated interim goal will not have the skills to participate in the changes or, more importantly, affect them.
- 5 — KEEP PACE—This is NOT a short race so sprinting is prohibitive. Be more like the tortoise than the hare. PERSISTENCE is the required trait. Don't give up trying.
- 6 — TAKING RISK—Although most of us pride ourselves as risk-takers, it is usually with someone else's money. Following the herd may be much more dangerous than in the past. There is no safety in numbers anymore. Treat your job as if YOU were the owner.

Control of your own environment does bring contentment and well being but it *doesn't* come easy or free—and you thought the winter blahs were bad).



Art Hanebury, CPCU  
Secretary

## News From The Candidate Development Committee

BY: Art Hanebury, CPCU

The news from the Candidate Development Committee is the continued solid effort of those involved to develop new candidates. You, too, can be involved in developing candidates. Your marketplace is everyone around you who desires a rewarding, professional career.

How did you get involved in CPCU? Probably through a few kind words from a peer and/or supervisor. All these energy-filled people need is to be shown the path and the rest becomes gratifying history!

I would like to report the status of the various activities of the candidate development committees. The personal sponsorship effort continues to match new candidates with CPCU sponsors who can guide them through the hurdles of the CPCU curriculum.

The Personal Contact Campaign is gaining new vigor. More attention is being given to a year-round effort rather than the seasonal attention previously paid. Your assistance when called upon to serve will be appreciated.

Put 4/14/88 on your calendars! This is our April Breakfast Meeting during which we recognize the efforts of personal sponsors. Also, we invite candidates who have completed 6-9 parts (not an absolute criteria) of the CPCU to attend! We are scheduled to have an excellent speaker, Dr. Mariellen Whelan. Please make an effort to attend. Personal Sponsors, is your candidate going to attend?



I-Day General Session speakers were L to R: John F. O'Sullivan, managing Director, Marsh and McLennan, Inc.; Edith F. Lichota, Sr. V.P., Irving Trust Co.; and Ronald Compton, Sr. V.P., Aetna Life & Casualty Co.



Dr. Marcienne Mattleman, Director of Philadelphia Commission on Literacy, gave the welcome address at Philly I-Day.



New Designee Joseph Bauder, CPCU, receives diploma and congratulations from Institute's President Norman Baglini, PhD, CPCU, CLU, at I-Day.

# HIGHLIGHTS OF CHAPTER'S 4th ANNUAL FIRE SAFETY ESSAY CONTEST

Huge audiences gathered at two public meetings where the awards were presented to this year's winning students by Chapter President Al Federico and Coordinator Pete Palestina. Local newspapers covered both presentations, the first being held at the Council Rock School Board meeting of November 2nd and the second held before the Northampton Township Board of Supervisors on November 11th. State House Representative Roy Reinard also presented proclamations to the students and also entered the Chapter and the students into the State Registry as an acknowledgement for their fine effort in a worthy undertaking. CPCU will be well remembered for this endeavor.

Posters, charts and pictures accompanied the essays but could not be reproduced here in the Chaptergram. All essays were displayed by the Northampton Volunteer Fire Company along with the posters during the Christmas/New Year holiday season. The ceremonies at the November 11th meeting were broadcast live over the local cable television community access channel and the Chapter received a lot of publicity.

The first place essays are reproduced on this page and on the back side.

The winners and prizes were awarded to the following students:

## FIRST AND SECOND GRADE CATEGORY

### 1st Place \$100 Bond & Plaque

Joshua Morrell.....Holland Elementary

### 2nd Place Plaque

Susan Primrose.....Churchville Elementary

### 3rd Place Framed Certificate

Melissa Gavern .....Holland Elementary

## THIRD AND FOURTH GRADE CATEGORY

### 1st Place \$100 Bond & Plaque

Donna Primrose .....Churchville Elementary

### 2nd Place Plaque

Wendy Sutton.....Rolling Hills Elementary

### 3rd Place Framed Certificate

Christie Evangelisto.....Rolling Hills Elementary

## FIFTH AND SIXTH GRADE CATEGORY

### 1st Place \$100 Bond & Plaque

Kristen Schanberger.....Churchville Elementary

### 2nd Place Plaque

Billy Bova.....Churchville Elementary

### 3rd Place Framed Certificate

Farra D'Orazio.....Holland Elementary

During the meeting of November 2nd, our Chapter President Albert Federico stated, "In this era of concern over the safety of nuclear energy, it is well to realize that our society has still not mastered its oldest source—fire. It is programs such as these that help to promote awareness for safety especially in the home. We feel that in a changing technology there are new concerns for fire safety as well as reminders for existing ones. We feel that every child was a winner and the benefits for the community will be long lasting."

## Winning Entry

By Kristen Schanberger  
5th Grader Churchville Elementary School

### "FIRE PREVENTION RULES"

There are many things that everyone should always remember concerning fire safety. Here are a few of them:

First, no one should ever smoke in bed because if the smoker falls asleep in bed, the sheets will catch on fire. Then, the smoker will catch on fire. So, remember never smoke in bed!

The second thing is to practice fire drills with your family. Then, if your house catches on fire, your family will know what to do. Also, you should have a place to meet when you get out of your house. The firemen and women won't have to go into the burning house to look for you, and your family will know that everyone is safe. So, you should always have fire drills so you know what to do.

Third, don't panic if you catch on fire. Don't run because the fire will spread. Always remember—**STOP, DROP, AND ROLL!**

Fourth, never overload electrical outlets. An overloaded outlet could catch fire. To prevent that from happening, you should find another place to put the plug. Also, check the wires to make sure the covering on the wire cord is not frayed. Always remember to pull the plug with the plastic head of the cord and never touch the metal prongs.

The fifth thing is kitchen safety. Flammable things must be kept away from hot pots or toasters. Pot handles should never stick out because if someone hits the pot, they might get burned. Always remember these kitchen safety hints.

Sixth, always keep matches out of children's reach. Children are fascinated with matches and might try to light small pieces of paper. This could catch a house or a field on fire. Matches should be kept high in a cabinet where children cannot reach. Matches should not be near a hot stove or near a fireplace.

Seventh, gasoline, oil and kerosene should be kept outside your house. These fuels are dangerous in the home because if a spark occurs, they can blow up. Never put gasoline in a kerosene heater. Many explosions have occurred from this mistake. People have been hurt and homes have been ruined from this.

Eighth, while camping use a flashlight and *not* candles, matches, stove or heater because your tent or camper could catch fire. Always remember to put your campfire out. Smokey the Bear cannot be in every forest to keep his eye on campers. We must all be careful and follow fire safety rules.

Ninth, if your home catches fire, crawl under the smoke so that you don't get caught in smoke. This smoke will cause you to suffocate. Also, always use the back of your hands to feel the doors

for heat. This will let you know if there is a fire in the room beyond the door. If there is a fire, use another way to escape. Most important—**DON'T PANIC!**

The last thing is an ABC to help you remember some fire safety tips:

"Always  
Be  
Careful.  
Don't  
Ever  
Forget—Only You Can Prevent Forest Fires.  
Get  
Help  
Immediately—if fire gets away.  
Just  
Keep A  
Look out for fires.  
Make  
No fires—except  
On  
Places  
Quite  
Removed from dry leaves, brush, trash, and buildings.  
Save  
The  
U.S. forests for use and enjoyment.  
Valuable  
Woodlands supply more than 5,000 products, including  
X-ray film,  
Yew wood, and  
Zebra wood."

So, if you remember my tips you will be safer from fires. This will make me very happy. If you need more tips or if you have questions, please see your local fire department. They will be happy to answer your questions. And, please always be careful.



Awards presented to essay winners at the Northampton Township Board of Supervisors public meeting held on November 11th by Board Chairman Pete Palestina. Also presenting citations was State Representative Roy Reinard. The ceremony was also telecast live over the local cable T.V. channel.



Second Grader Joshua Morrell (left photo) and Fourth Grader Donna Primrose (right photo) each receive their first-place plaque and \$100 bond from President Federico as Fire Marshal Frank Fenton and School Board Director Patricia Poprik participate.



Second Grader Joshua Morrell (left photo) and Fourth Grader Donna Primrose (right photo) each receive their first-place plaque and \$100 bond from President Federico as Fire Marshal Frank Fenton and School Board Director Patricia Poprik participate.

## Winning Entry

By Joshua Morrell  
2nd Grader, Holland Elementary School

### "FIRE PROTECTION AT HOME"

My essay is about fire safety and fire hazards. I went to the fire station to learn about it. I made a poster to show some good things and some bad things.

Some things you can have in your house will help you if you have a fire. Everyone should have smoke detectors in their house to help them know when there is a fire. Emergency numbers should always be near the telephone. Fire extinguishers should be kept near the stove. An escape ladder is good to help you get out of a window.

Some things can be fire hazards in your house. A frayed wire can make sparks and start a fire. An overloaded outlet can cause a hot spot and a fire.

People who smoke should sit in a chair and not in a bed because they could fall asleep. And they shouldn't leave their matches where little children can get them. These things are all very dangerous.

If everybody followed these rules there would be less fires. When there is a fire, you should get out of the house and then get help. If there is a lot of smoke, you have to crawl on the floor because there is less smoke there.

I hope I never have a fire in my house, but now I know what to do to keep safe.

## Greater Valley Forge Chapter Announces Upcoming Events

Our Sister Chapter will be holding the following events on the dates noted. For further information, please contact Monty Harris, III, CPCU, at 337-0330, Ext. 74.

Date	Time	Place	Description
3/17/88	8:00 a.m.	Holiday Inn King of Prussia	Breakfast Meeting
4/5/88	TBD	American College Bryn Mawr	Workers' Comp. Seminar
4/21/88	8:00 a.m.	Holiday Inn King of Prussia	Breakfast Meeting
5/13/88	TBD	Valley Forge Hilton	I-Day
6/16/88	8:00 a.m.	Stouffer's King of Prussia	Breakfast Meeting

## Winning Entry

By Donna Primrose  
4th Grader, Churchville Elementary School

### "FIRE SAFETY PRESCRIPTIONS"

These prescriptions are for your safety against fires!  
Please follow the Directions everyday!

There are many things we can do to protect ourselves against fire in our house. Some things are so simple, we overlook them!

Just like a doctor prescribes medicine to keep you healthy, you should follow these prescriptions for a safe house!

#### Prescription for The Kitchen:

Make sure there are enough outlets for all the appliances. Overloading is an easy way to start fires. Ovens and stoves should be kept free of grease and having baking soda nearby to smolder any grease fire. If possible a fire extinguisher should be located in the kitchen. Always check to be sure all appliances are turned off.

#### R Living Room:

Fireplaces and chimneys should be cleaned and checked every few years so there is no soot buildup. Make sure you don't burn plastics or heavy cardboard. Install a smoke detector and make sure it works! It could save your life.

#### R Utility Room:

Heating systems should always be well maintained and serviced by professionals. Don't ever take a chance.

Your dryer should be kept clean; no lint. Don't put oily or greasy clothes in the dryer; they can catch on fire. How's fuse box or circuit breakers? Don't ever overload! Old wiring is a main fire hazard. It should be replaced by a professional.

#### R Bedrooms:

You should have a planned escape from your bedroom if you ever need it. Always have 2 ways out! Practice home fire drills.

Keep your house free of junk—no newspapers or trash laying around! Clean out the attic, garage or basements. Store away paint and gas where it is cool and in separate containers.

#### R Prescriptions for Kids:

Never, ever, play with matches. You should never be left alone. Know the fire department's phone numbers. Don't **even think** about smoking cigarettes.

#### R Holiday Time

When you go trick or treating, bring a flashlight—never use candles or a lighter. Your costume could catch on fire.

At Christmas time be careful with your Christmas tree. Keep it moist and make sure you turn off the lights when you go to sleep.

Use these ideas from this fire prevention kit everyday. Remember they were prescribed for you!

Learn not to burn!



Peter Palestina  
Editor

## From the Editor

### BOY DID I GOOF

I don't know how it happened, but it did. I've heard it has happened before but I never thought it could happen to me. Your editor and photographer thought he was taking pictures at the December and January meetings. The flash was working, the shutter was advancing and I thought I was also saving Chapter expenses by using the same roll of film over two meetings. Well, to make a long story short, when I opened the camera to take out the film, you guessed—no film.

Since I admit to being the first one to laugh at someone else making this blunder, I thought the least I should do is to give you a chance to laugh at me. Since I know most of you look forward to seeing pictures of our members at the meetings, I tried to save the day by publishing an artist's rendition of what some of the people look like, so that's why you see the two artist's renditions appearing in this issue. Bet you can't guess who those people are? Hey, I tried to make up for it. What can I say, I swear, it won't happen again.

Hats off to Herb Denenberg. Herb, as some of you may know, is a CPCU and I believe is still a Chapter member. Anyway, I read one of his columns in the Bucks County *Courier Times*. The article was entitled "How to Use Quality Control in Picking Insurance Agents." In one of his passages, Herb states, "Find an agent who has some credentials to prove he is disciplined and willing to systematically study his field. Try to find a life insurance agent who is a CLU, and an agent for auto and homeowners' insurance who is a CPCU."

Enjoy the *Chaptergram*, have to run now to buy some film.

P.S. Late Press Item: Eugene Fidell will be the recipient of this year's Franklin Award.



John Jud, CPCU, Director  
New Designee Rep.

## New Designees Column

BY: John Jud, Director  
and New Designee Rep.

Greetings for the New Year. I hope your holidays were safe and relaxing. I'll bet that they were

certainly more enjoyable than the recent past, without the specter of the January CPCU exam hanging over your head. Here's hoping that 1988 is your best year ever. To help it along, don't forget to pay your 1988 dues for membership in both the National and Philadelphia Chapter.

The next few months promise to be busy and rewarding ones, as regards Chapter activities, both professionally and socially.

First is the Franklin Award presentation luncheon on March 16, at the Hershey Hotel. The Franklin Award is presented annually to the individual or group for outstanding achievement and contribution to the insurance industry in the Delaware Valley.

The April breakfast meeting should be of particular interest to New Designees. Personal Sponsorship Awards will be presented to a CPCU that you have indicated was of particular help in the attainment of your designation. In addition, Mariellen Whelan, President of the Insurance Society of Philadelphia (and a prior recipient of the Franklin Award), will talk about the value of education to a successful organization. You can certainly vouch for that. Chapter officers will also be elected at the April meeting.

At the May breakfast meeting, representatives of Toastmasters International will talk about "Better Speaking Through Better Communication."

The annual Spring Fling will be held on Friday, April 29th at O'Dwyers. This year we'll have a "50s" theme. Take this opportunity to meet fellow chapter members in an informal social setting, relax, and have a good time.



Joseph McNasby, CPCU  
2nd Vice President

## News from the Program Chairman

BY: Joseph M. McNasby, CPCU

We continue to be very pleased with the attendance at our monthly breakfast meetings. We have had excellent feedback and I am personally glad to hear that everyone is satisfied with the content of the discussions.

At our joint CPCU/RIMS meeting, some 100 people braved an early morning ice storm to attend the meeting. They were rewarded with an excellent presentation given by Mr. Steve Cozen of Cozen and O'Connor.

We would like everyone to keep in mind our April Breakfast Meeting which will be held on April 14, 1988. At that time, we will be giving out the Personal Sponsorship Awards as well as recognizing those people in attendance who have completed a substantial part of the CPCU Program. We encourage each of the chapter members to invite anyone they know who is well along toward the CPCU designation so that these people might see just what takes place at a breakfast meeting.

Our speaker at the April Breakfast meeting will be Dr. Mariellen Whelan of the Insurance Society of Philadelphia (former Franklin Award winner), who will talk about the value of education to a successful organization.

Finally, we urge each of you to keep an eye out for information concerning our "Spring Fling" which we have scheduled for 4/29/88 and will involve "oldies" night. This event will be held at a center city location and will involve food, drink, a D-J playing music from the 50s and 60s with a good time to be had by all.

As Program Chairperson, I would like to thank the members of the Chapter for the continued support at the breakfast meetings and events sponsored by the Chapter.

The remaining Chapter events are as follows and will be held at the Hershey Hotel except for the Spring Fling.

Date	Time	Topic	Speaker
3/16/88	11:15	Franklin Award	To be determined
	1:45	Luncheon	Winner—Gene Fidell
4/14/88	8:30 a.m.	Value of Education to a Successful Organization	Mariellen Whelan
4/29/88	8:00 p.m.	Spring Flight "Oldies Night"	Held at O'Dwyers 30 S. 17th St. in United Engineers Bldg.
5/12/88	8:30 a.m.	Better Speaking Through Better Communication	Representative of Toastmasters Intl.
6/9/88	8:30 a.m.	Market Cycle Analysis	Bob Parnell & Bill Graham
Annual Mtg.			

## THE ON-GOING SAGA OF "SEEPY SEEYOU"



Here are the endorsements we needed to clarify the ambiguities in our new simplified policy!!!

# January CPCU/RIMS Meeting Recap

## Tort Reform and the Insurance Crisis: Myth or Reality?

BY: Bill Engler, CPCU, P.R. Chairman

"The Insurance Crisis has not solely arisen as a result of abuses inherent in the developing Tort System of the United States." With that as his premise, Stephen Cozen, senior member of the firm Cozen and O'Connor, addressed the joint CPCU—Rims meeting on January 14.

Mr. Cozen began with his definition of the Insurance "crisis," i.e. the dramatic change in availability, affordability, and adequacy of Property and Casualty Insurance over the last several years. This crisis is the direct result of huge underwriting losses in the past several years, \$21 billion in 1984 and \$25 billion in 1985. But what was the driving force behind these losses?

Many would say that they are the result of coverage written in the 1970s which was underpriced as a result of the industry's desire to maintain cash flow underwriting, obtain a steady stream of premium income, and invest that income at previously high interest rates. In other words, the crisis was one of simple economics and part of the normal insurance cycle. While this is certainly the case, another cause is the reinsurance industry. Because they are the only ones left with good solid security, reinsurers can demand their price and put limits on the underwriting capabilities of leading companies. The reinsurers are driven by forces other than those economic forces related to defects in our existing Tort systems.

This is not to suggest that there is no need for tort reform. Among the reasons cited were:

1. The increasing movement toward liability without fault which results in companies and individuals being found liable in the absence of any wrongdoing on their part.
2. The Doctrine of Joint and Several Liability and Comparative Fault Laws are undermining the basic notions of causation, shifting liability to "Deep Pocket" defendants who did not cause the underlying injury.
3. Noneconomic awards for pain and suffering, and punitive damages have grown tremendously in the last few years.
4. The transaction costs of the tort system, i.e. attorney's fees and litigation expenses, are much too high.
5. Product liability lawsuits and malpractice lawsuits have increased significantly in frequency and severity.

"The uncertainty that has been generated by rapidly changing standards of liability and causation have clearly impacted the industry by not allowing it to properly assess liability risks with any degree of confidence," said Cozen.

While expressing his complete support for Tort Reform, Cozen cited the following factors as being equally significant in the insurance crisis:

- 1) Cash flow underwriting
- 2) Inflexible long-term investments
- 3) Combined loss ratios in excess of 140
- 4) Interest rate fluctuations
- 5) Reinsurance market attitude
- 6) The courts of the United States

"The single most influential factor in the present-day insurance crisis is the continuing unwillingness of the courts to interpret insurance contracts in accordance with the intent of the parties that entered into those contracts as far back as the 1950s and 1960s," said Mr. Cozen. If the premiums were based on one intent, and the courts interpret the liability with a greatly increased intent, the industry must "lose its shirt." The most notable example of this is the asbestos litigation throughout the country.

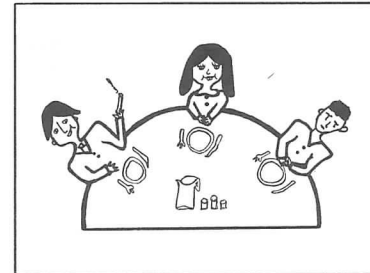
Mr. Cozen suggested the following solution in easing the crisis:

- 1) A willingness on the part of business to stick by its intention when they are adequately expressed in a written insurance contract.
- 2) A more conservative attitude, firmly grounded in proper rules of contract construction, by the courts.
- 3) A greater effort by the insurance industry to write understandable contracts which are geared more toward risk analysis and exposure than to interest rates and marketing concerns.

In conclusion, Mr. Cozen stated "The insurance industry is neither intended to be, nor should be, part of the income redistribution system of the United States. If we try to force it to be part of that system, we will surely lose it and we will be unable to compete not only in the world marketplace as businessmen, but will destroy our own marketplace at home."



Stephen A. Cozen, Esq. of the law firm of Cozen and O'Connor was the Keynote Speaker at the January 13th joint CPCU/RIMS Meeting.



Artist's rendition of some of the members at our January meeting. (See Editor's Column.)



Co-Chairman of I-Day, Pete Raymond, CPCU, addresses the luncheon crowd.



A table of new designees and guests at the I-Day luncheon.



Chapter President Al Federico addresses the new CPCUs at our hospitality suite during a break at I-Day.

## Treasurer's Report

as of December 31, 1987

BY: Ronald Vogrin, CPCU, Treasurer

Income .....	\$4,485.
Disbursements .....	9,643.
(Deficit)/Surplus .....	\$(5,158.)

### CASH BALANCE:

Checking .....	\$ 102.
Money Market .....	9,220.
TOTAL .....	\$9,322.