



CPCU CHAPTERGRAM

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

VOLUME 22, NUMBER 1

Peter F. Palestina, CPCU—Editor

SEPTEMBER, 1988

Program Chairman Reports on Upcoming Meetings



Art Hanebury, CPCU
2nd Vice President

SEASON TICKETS HIGHLY RECOMMENDED

You may have missed your opportunity to purchase Season Tickets for the Philadelphia Chapter Breakfast Meetings. This is your last opportunity to save \$14 on our annual ticket price while also avoiding making individual expense vouchers each month. Keep in mind that in the event you are unable to attend the meeting you can send someone in your place! I would encourage everyone to contact me as soon as possible to see if we can still make the season ticket available to you.

My reason for encouraging this season ticket is because of the excellent agenda of meetings we are expecting for the 1988-89 season. The dates for our Breakfast Meetings are as follows:

- 09/15/88 Branch Manager Panel
"The Delaware Valley Market Place"
- 11/17/88 "You've Been Had and You're Not Smiling"
- 12/15/88 Jumbo Loss Adjustments
- 01/19/89 (JT CPCU/RIMS) "We're Not in Kansas Anymore
Toto—The London Market"

We are changing our format slightly in the following two fashions:

- A. There will be a breakfast buffet served and
- B. Breakfast will be served 8:00 to 8:45 AM so that the program can get underway by 8:45!

One objective for changing the format is to make sure that the meetings end promptly so that everyone can be back to work by 10:00 AM.

Remaining topics of the season will be "Our Industry Facing Aides," "Trends in Executive Succession Inside vs. Outside Successors," and "Human Resource Management and the General Management." In addition to these topics we will have visits from Cant and Unable and various other unusual spectacles.

We are very excited about the upcoming year and hope you can find time to join us.

News from the Candidate Development Committee

BY: Art Hanebury, CPCU

1988-89 brings us a brand new Candidate Development Committee Chairperson, Richard Banyard of Sullivan-Payne Company. Rich has been in the insurance field since 1979 operating as an underwriter and reinsurance broker. Rich received his CPCU in 1982. He has been working at Sullivan-Payne Company since 1984. Rich has recently moved to our fair city and is a native of Minneapolis, Minnesota.

As of July 1, 1988 Rich took charge of coordinating and directing the activities of the CDC. He will be working closely with Mariellen Whelan of the Insurance Society of Philadelphia and Al Federico on the Personal Contact Campaign; and Mariellen on Personal Sponsorship Campaign.

I am sure you will all join me in welcoming Rich and assisting him in his efforts to continue the work of the Philadelphia Chapter Candidate Development Committee.

Going to the Annual Meeting in Cincinnati? Don't miss the Chapter's Special Reception on Monday, October 10th

Chapter members, new designees and their spouses and guests are invited to attend a reception in Cincinnati on Monday evening, October 10th from 10:00PM to 12:00 midnight in the Buckeye "B" Room of the Hyatt Regency. Wine, beer and snacks will be served. Since the Conferment Dinner as well as the alternate dinners are being held that evening from 7:00PM to 9:30PM, this will make for an opportune and convenient follow up to complete your evening. So, come socialize and meet your fellow chapter members as well as welcoming our new designees. Please be sure to check the bulletin boards at the various hotels under the "P" section (for Phila. Chapter) in order to make sure that the time and place did not change. Since this article is going to the printer in July, there is always the possibility that there could be changes due to unforeseen circumstances.



Immediate past president Al Federico (left) shown here at the June 8th ISOP Banquet in one of his last roles as President also holding in his plate the last roll.

Insurance Society of Philadelphia Held Successful Banquet Marking 87th Year

BY: Karen D. Paleologus, CPCU, Director

The Insurance Society of Philadelphia held a banquet marking its 87th year on June 8th at the Union League in Philadelphia. An excellent catered buffet dinner and live band set a festive mood. ISOP President, Dr. Mariellen Whelan, was hostess to hundreds of sponsoring members of the Society and honored guests. Many local insurance firms reserved entire tables.

Each year the Society gathers to honor students and teachers who have made outstanding contributions to the educational process in the Philadelphia area. Students are nominated by their teachers based on their grades, class participation, and assistance to other students. Over 2,000 students enrolled in courses offered by the American Institute and the Insurance Institute of America as well as workshops and other professional development programs. The society believes that education strongly benefits our consumers as well as our industry.

Upon departure a demitasse cup showing the ISOP logo was given to all in remembrance of the occasion. This event is always a good occasion to renew friendships and meet new members from all facets of the insurance field. Congratulations to Dr. Whelan for a job well done.



Ray Lindsey, CPA, CPCU
President

The President's Corner

YOUR CHAPTER NEEDS YOU!!

Your Board and committee members have been working over the summer to plan programs and other activities for the 1988-1989 year. During this process it became apparent that our Chapter has too few people doing too much individually in a Chapter that is large enough to do much more collectively. Our Chapter membership is approximately 500, and far less than 10% of the membership is active in carrying out its programs. The problems this causes affect us all:

- **Members**—Many active Chapter members are stretched too thin and trying to do too much, while inactive members miss a rewarding opportunity to work with their peers to promote CPCU and its objectives.
- **Membership**—Some segments of the membership do not have their needs and interests addressed because we either don't know what they are, or don't have the time.
- **Chapter**—The chapter cannot achieve its potential for promoting professionalism in the insurance industry, promoting CPCU and increasing awareness and visibility of the CPCU designation in our society.
- **Insurance Organizations**—A few organizations bear the brunt of nonproductive time required for CPCU activities, while others miss the benefits of having their CPCUs active in Chapter activities.

These are some of the problems facing our Chapter, but fortunately there is a simple solution to these problems. **YOU!** Will you:

- Contribute some of your time, effort and skills to a Chapter activity? It doesn't have to be a major commitment—a small one will be fine.
- Think about CPCU, the Chapter and what we should be doing? Give us your ideas for breakfast meeting programs, Chapter activities and projects.
- Come to Chapter meetings, talk to your fellow professionals and find out what is going on in other organizations and segments of the industry.

What are the benefits of doing this? Philadelphia Chapter of CPCU is one of the largest chapters in the Society, and as such has a tremendous potential for promoting professionalism, the insurance industry and CPCU. Its members are very talented, competent and personable. You will enjoy working with them and derive more than a little satisfaction in helping the Chapter achieve its potential—you might even develop some business relationships in the process.

How do you do this? It's easy. Call, write or buttonhole any member of the Board of Directors. We want volunteers, suggestions, comments and any other input you may want to give us. If you don't know the Board member's phone number or address, write to CPCU, 1315 Walnut Street, Suite 1617, Philadelphia, Pennsylvania 19107. Let us here from you. **NOW!!!**

Our Sister Chapter Reports "Greater Valley Forge I-Day" Successful Once Again

BY: John A. Limberger, CPCU

The Greater Valley Forge Chapter of the CPCU had its third annual "I-Day" on May 13, 1988. This annual affair was very successful and was attended by approximately 200 guests.

The Chapter's "I-Day" Chairman, Lawrence H. Lyons and his committee were responsible for putting together this successful day.

The Day's activities had a vibrant beginning with opening speaker, Don Tollefson, Sports Director of Action News (Channel 6—Philadelphia). His views on team work and his dedication to the underprivileged youths of the area were received with admiration and appreciation from the audience.

The panel discussion had Norman A. Baglini, President and Chief Executive Officer of the American Institute of Property and Liability Underwriters as its moderator. The panel also featured Kenneth J. Potavin, Manager of the Eastern Region ISO; Donald W. Cook, Operations Manager with State Farm Insurance Company; Patrick V. Musick, Director of the Bureau of Property and Casualty Rate and Policy Review; and Larry D. Shatoff, Vice President of TPF&C Reinsurance. The discussion was centered around "Insurance Markets in Pennsylvania—Good or Bad?" Our Luncheon Speaker was Richard H. Haayen, who is the Chairman and Chief Executive Officer of Allstate Insurance Company. His comments reiterated the difficulty experienced by most insurance agents and carriers concerning the Personal Lines market in the State of Pennsylvania.

There were fifty sponsors who helped to make this a very successful event.

The Fourth Annual "I-Day" will be held on May 12, 1989.



Channel 6 Sports Director Don Tollefson was the featured welcoming speaker at the Greater Valley Forge Chapter I-Day held on May 13th.



Greater Valley Forge I-Day luncheon speaker was Richard H. Haayen, Chairman, Allstate Insurance Co.



Panelists at Greater Valley Forge I—Day discussed the insurance market conditions in Pennsylvania. L. to R. Norman A. Baglini, Ph.D. CPCU, President Insurance Institute; Ken Potavin, Manager ISO Eastern Region; Don Cook, CPCU, Operations Manager, State Farm; Larry Shatoff, Ph.D., Vice President, TPF&C; and Pat Musick, CPCU, Director of the Bureau of Property and Casualty Rate and Policy Review.

June Meeting Recap: CHAPTER MEMBERS' PROGNOSTICATION RESULTS REVEALED

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

In September, 1987, a survey was conducted among chapter members, asking them to predict the state of the insurance market in June, 1988. The success of our ability to predict the future was revealed at the June 9 Chapter meeting. Lending their perspective to where the market actually stands were Earl Paige, Regional Vice President of AIG, and Chapter President Al Federico.

From Mr. Paige's perspective, growth is occurring in the marketplace with competition increasing. Rates have been adjusted and are now approximately where they belong. Because this is an election year, the U.S. economy will be managed to remain strong, at least until after the election. Inflation and interest rates are moving up slightly. And there is some chance for a recession in 1989. A 34% projected decrease in the growth of surplus due to tax law changes may result in a reduction in capacity, thus tightening the market. However, today the market is competitive but not outrageous. Competitive prices are within a range of 10-15% of each other, and this trend is expected to continue for the next 6-12 months.

Market Description: Stable to Soft

Mr. Federico, presenting the status of the excess and surplus market, saw a very soft property market, a complete reversal from a very tight market of one year ago. The Casualty area, likewise, is in a very soft state, especially when viewed in comparison to previous years. Professional liability is seeing the entrance of more new competitors, and existing writers are competing more heavily.

Market Description: Soft

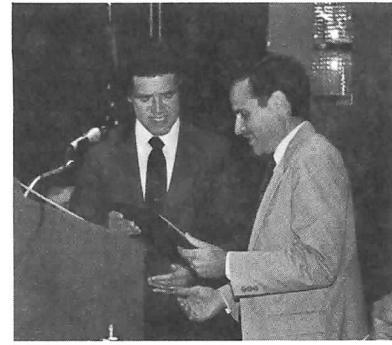
With those remarks as a point of reference, the predictions of the CPCU Chapter "experts" were revealed:

Tight Market	4%
Transitional Market	14%
Stable Market	41%
Loose Market	41%

All in all, the predictions proved to be very accurate, either a tribute to our membership's prognostication ability, or luck.



Outgoing Chapter President Al Federico turns the gavel over to Joe McNasby in trust for new President Ray Lindsey.



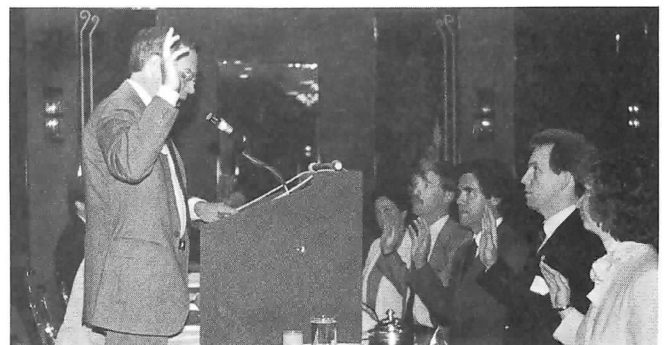
Joe presents Al a plaque in appreciation for his year as president.



Earl Paige, Reg. Vice Pres. AIG, was one of the speakers discussing the current market conditions at the June meeting.



Some of the members at our June business meeting.



At the June meeting, S. Wesley Porter, CPCU, the Society's Director of Professional Services, swears in five of the 1988 Board Members, left to right: Karen Paleologus (Director), Bruce Kelly (treasurer), Joe McNasby (First V.P.), Art Hanebury (2nd V.P.), and Marie Bower (Director).

50s and 60s Re-enacted at Spring Social

As has been the custom the last several years, it was a light turnout for the Spring Social held on Friday, April 30th. But for those that did go, a great time was had by all. Approximately 40 CPCUs, spouses and friends attended the rock & roll era social and as expected, some came as toughs, some came as nerds, and others just came any which way. While at O'Dwyer's Pub from 8:00PM to midnight we danced to everything from the lindy to the stomp. Several people won the hula hoop contest by default—seems it wasn't so easy doing it 30 years later. Al Federico did a solo rendition of "Johnny Be Good" and a last-



Competing in the hula hoop contest was one of the highlights of the evening.

minute improvised group of John Kelly and his friend, Chuck Nardelli, along with Pete Palestina and John Barkley did some A'cappella numbers. Some of the fun scenes are shown by the pictures below.

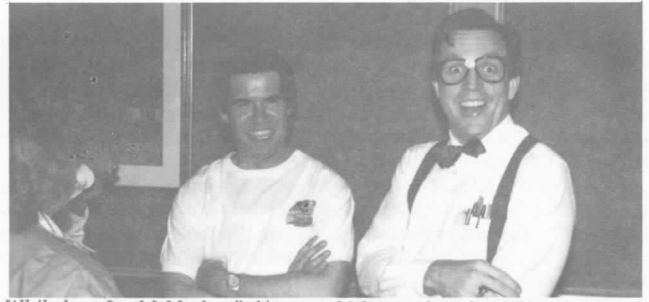
Why so many people shy away from the social lately is a mystery—it's a night out, fun, inexpensive and gives all of us a chance to socialize with fellow chapter members. So if you weren't there, shame on you. Thanks to Program Director Joe McNasby for his efforts in putting together what most of us thought was a great evening of fun.



Tough guy Pete Palestina dances with wife Joan.



No, Al Federico is not singing Mammy and Joanne Lindsey is not taking questions from the floor. I think this was the limbo or the twist?



While host Joe McNasby (left) gets a kick out of nerd Art Hanebury feeling his muscle, Art intends to cut in on Palestina.



High school letterman Charlie Willimann (right) explains to Larry Klein how to count to five while Karen Paleologus takes it all in stride.



After Art attempted to cut in, Pete politely explains how he would reconfigure Art's face if he tries it again.



During the ladies' choice number, a confused past president Phil Spinelli (left) asks another past president Don Cooke to dance.



Al Federico (right) wants to know how Ray Lindsey, Joanne Lindsey and Nancy Cook got in with modern-day garb.



Peter Palestina
Editor

From the Editor

FROM THE FRYING PAN INTO THE FIRE

Peter Palestina
Editor

When I first came into this business some 20 years ago, it was quite by accident. I had just been honorably discharged from the Marine Corps and started looking for a job while at the same time enrolling at Temple University to finish out my college education during the evenings compliments of Uncle Sam via the G.I. Bill. Prior to entering the service I had almost two years worth of college credits attempting to major in accounting. Much of this was done in the evenings while I worked during the day pressing men's suits in 120 degree factory temperatures. I decided upon exiting the military that I was not going back to the "frying pan" and instead would search for some type of accounting work, knowing full well that I would be earning about half what I could have been making at the factory. I responded to an ad of General Accident's seeking accounting trainees. After the interview and some tests I was asked if I had ever considered being an underwriter, whereupon I answered "What's an underwriter?" The interviewer handed me a pamphlet and told me to read it and call him the next day. The pamphlet described the underwriting function and the power he or she has over the insured and his agent. It sounded interesting and I told the gentleman so the next day. I also should admit that the other deciding factor was \$40 a week more for an underwriting trainee vs. accounting trainee. I did two other things next—changed my major to business administration and enrolled in Insurance 21. About a year later I enrolled in the CPCU program and after five difficult years earned my CPCU and college degree during the same year.

Did I make a mistake in choice of career? Who's to say. I'm sure all of us have speculated at one time or another, especially during the last eight years, as to whether or not we would have been more successful doing some other line of work. But I'm doing OK for myself, find the industry challenging and have made great friendships and acquaintances over the years.

When you are in this business long enough and go through several cycles, you find that companies promise things and then take them away. Agents promise volume and then don't deliver. Stability gives way to instability. Rate increases are filed, the credits are given. One year a company wants to quote or write an account only to not quote or not renew the next year. What other industry offers such an array of challenges and frustrations? As for me, I guess you can say that I jumped from the frying pan into the fire, but guess what?—I wouldn't have it any other way.

All you need is continuing education, hopefully a CPCU designation, the will to survive and a good sense of humor.

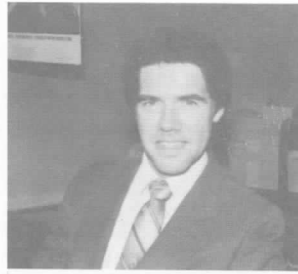
Enjoy the *Chaptergram* and hope you had a nice summer.

PHILA. CHAPTER 6/30/88 YEAR-END FINANCIAL REPORT

	BUDGETED	ACTUAL
Income	\$31,930.	\$32,200.
Disbursements.....	31,930.	26,946.
(Deficit)/Surplus	\$ 0	\$ 5,254
CASH BALANCE:		
Checking	\$ 676.	
Money Market	19,159.	
TOTAL	\$19,835.	

Chapter By-Law Amendment Approved by Membership

The results of the voting on the change in the Chapter By-Laws to add two new directors was 165 for and none against. The revision is now before the National Society Board of Directors for its approval, which is expected to take place during the Cincinnati Convention in October.



Joe McNasby, CPCU
1st Vice President

Franklin Award Search

BY: Joseph McNasby, CPCU,
Chairman of the
Franklin Award Committee

As everyone knows, the Franklin Award is given for outstanding achievement in contribution to the Insurance Industry in the Delaware Valley. The search for qualified recipients is an ongoing process conducted by a search committee which is chaired by Jo Battisti of the Pennsylvania Insurance Department.

The recipient can be an individual, group or organization whose achievements have been recognized as significant and broad based in the community. It is not necessary for the nominee to be employed by the industry or hold a CPCU designation. The Franklin Award is designed to recognize people who have made a contribution to the Property/Casualty Insurance Industry.

The fields of achievement to be evaluated in the identification of candidates can include:

- Continuing education
- Promoting insurance within the business community through civic and non-civic activities
- Achievements beyond primary professional responsibilities (i.e., voluntary work within the industry)
- Research efforts
- Innovation within the industry
- Specific achievements which benefit the industry or insuring public
- Legislative activities
- Leadership

You may obtain a Nomination Form by contacting Jo Battisti at (215) 560-2635. Once the Nomination Form has been completed, it can be returned to any Chapter officer or mailed to the Philadelphia Chapter CPCU, 1315 Walnut Street, Suite 1617, Philadelphia, PA 19107.

Periodically, a review committee, made up of past Chapter presidents, reviews the candidates nominated to see if anyone qualifies for the award.

In reviewing the nominees, we would like to think that the review committee has an opportunity to consider all qualified candidates. To that end, I urge each of you to take a couple of minutes and nominate a person or organization that you feel is deserving of the award. To make it easier for you, we will also have nomination forms available at each of the breakfast meetings during the year.

Chapter Member News

Pam Godwin, CPCU is now with National Liberty Corp. at 20 Moores Road—4th Floor, Frazer, PA 19357. Back in April, Pam accepted the position as Sr. Vice Pres., Direct Response Insurance Group (DRIG). She will be responsible for coordinating the consolidation of reporting activities with Worldwide, National Liberty and Capital Holding Corp. in Louisville, KY, the parent company. Pam was previously with Colonial Penn and is also a past president of the Chapter.

THE ON-GOING SAGA OF "SEEPY SEEYOU"



Here we go again ... We never seem to learn from our past mistakes!!!



Peter C. Raymond, CPCU

Update of Philly "I-Day"

BY: Peter C. Raymond, CPCU

Philly I-Day (Oct. 26, 1988) is falling into place nicely. It will again be held at the Franklin Plaza at 16th and Vine Sts.

Barbara Stewart of Stewart Economics is the keynote speaker. She will address the Socialization of the Insurance Industry. The theme of this year's I-Day is "Elect to Serve the Public" as a tie-in for this election year. The theme and the topic certainly go hand-in-hand. Other topics and confirmed speakers:

"White Collar Crime" (including Fraud, Arson and Medical Claims) presented by John Barracato, Director, Claim/Legal/Fire and Fraud, Aetna Life & Casualty.

"Company Insolvency—Who Pays?" This will be hosted by Diane Burkley, J.D., an attorney with the Washington D.C. firm of Pierson, Ball and Dowd. Many of you may recall Diane's feature article on this subject in the Sept. '87 CPCU Journal.

Donald Grime's subject is "Agency-Company Relationships—Where's the Handshake Gone?" Don is associated with Gibbons, Buckley, Smith, Palmer and Proud. (Media)

The remaining seminars relating to Reinsurance, Latent Health, Negotiating Skills, Personal Lines Availability/Affordability in Urban Areas, Alternative Risk Bearing Methods and a Mock Trial do not have confirmed speakers, panelists or moderators as we go to press.

The format will consist of the keynote address followed by 3 concurrent seminars in the morning. 1988 recipients of the CPCU designation will receive diplomas from Dr. Norman Baglini, President, American Institute for Property and Liability Underwriters during the luncheon.

There will be six concurrent seminars of one and one half hours duration starting at 2:00PM

The program shapes up as one which will interest all segments of the insurance industry in the Delaware Valley.

N.B. Since this issue of the *Chaptergram* goes to press in mid-July, be on the lookout for any changes in the I-Day Flyer which should be in the mail to you shortly.

May Meeting Recap: Patience, Persistence and Practice, Practice, Practice

BY: Bill Engler, CPCU



Bill Engler, CPCU
P.R. Chairman

Three members of Toastmasters International were featured at the May 17 Chapter meeting.

Fred Fleitz, a small business owner; Frank Porrini, a self-employed Commercial Art Salesman; and Dick Campbell, an Engineering Consultant, introduced the Chapter to the Toastmasters International organization, its purpose, methods and achievements.

Toastmasters International is a group of people who get together to practice public speaking—formal speeches, off-the-cuff speeches, seminars, any type of public speaking. There are 6000 clubs around the world of which 80 are located in the Philadelphia area. The largest of these is at the State Farm Insurance Company in Concordville, PA with 80 members.

Toastmaster's only goal is to help its individual members increase their communication skills. 95% of all people who join Toastmasters become accomplished public speakers, not solely for business purposes, but also as a hobby and for fun.

Why public speaking? Which of us has a great aspiration to become a public speaker? While none of us will ever become the reincarnation of Abraham Lincoln, we can learn self control, poise, and self confidence through public speaking. What makes a good public speaker? First you need the desire, the commitment for self-improvement. Next, you must learn the basics of public speaking. And while learning the basics, always remember these five principals: PATIENCE, PERSISTENCE, AND PRACTICE, PRACTICE, PRACTICE. Abraham Lincoln used to speak to the rocks in the fields, the trees, the grass in the meadows to gain the necessary confidence to present his material in the manner he desired.

The basics of good public speaking begin with the organization of the speech, including the introduction, the body, and the conclusion. Next comes the delivery skills. As Aristotle said long ago, "It is not sufficient to know *what* one ought to say, one must also know *how* to say it." Eye contact, vocal variety and gesturing are all important subtleties that add to the quality of a speech.

A typical Toastmasters International meeting consists of approximately 20 club members meeting every 6-8 weeks. A club meeting has four elements: Prepared Speaking, Evaluation, Table Topics, and Club Organization. Prepared speeches are 5-7 minute speeches on any subject chosen by the speaker. Evaluation is done by peer club members and is done in the interest of improvement and encouragement, never criticism. Table topics are 1-3 minute extemporaneous speeches on subjects chosen by other people. Club organization gives the members some training in the mechanics of handling a meeting.

The benefits derived by individuals, as they grow from timid novice to self-confident professionals, are really limitless. But the keys to success for all levels of speakers are PATIENCE, PERSISTENCE, AND PRACTICE, PRACTICE, PRACTICE.



Keynote speakers at our May 12th meeting representing the Toastmasters Club are left to right: Fred Fleitz, Frank Porrini and Richard Campbell.



Some of the members at the May 12th meeting.