



CPCU

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

CHAPTERGRAM

VOLUME 23, NUMBER 2

Peter F. Palestina, CPCU-Editor

DECEMBER, 1989

October Meeting Recap

PROPOSITION 103: IS IT MOVING EAST?

By: *Ed McAndrews, CPCU*
Public Relations Chairman



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Public Relations Chairman

The featured speaker at our October meeting was Mr. Henry Hager, President of the Insurance Federation of Pennsylvania. Mr. Hager is an attorney who has held many important posts in state government. In his current role, he is often called upon to represent the insurance industry viewpoint with regard to legislative action on insurance issues.

There is no doubt that California style insurance "reform" is having an impact in Pennsylvania and throughout the country. In Pennsylvania, however, the Constitution does not provide for a popular referendum to enact statutes as was the case with Proposition 103 in California.

The Pennsylvania House has already passed a number of bills and sent them on to the Senate for consideration. Among them are:

HB 426 which would require all motorists in the state to carry insurance ID cards at all times while operating a motor vehicle. This could create a tremendous administrative burden to carriers to keep the cards current at all times especially since many policies are billed monthly or quarterly.

It also would require a 25% across the board rate rollback and create a new position for a "Consumer Advocate" with a right to intervene on all matters brought before the state Insurance Department. In New Jersey, where such a position has been created, it has added years in some instances for action on rate increase by insurance carriers.

HB 1523 would allow the Insurance Commissioner the authority to set rates on various lines of insurance.

HB 1524 would allow the Insurance Commissioner to call at any time for any and all data from insurance carriers which he may prescribe and the precise method of data collection and maintenance.

HB 765 would require various rate reductions for auto physical damage coverage including automatic rate reductions as an auto ages, a 10% reduction for the installation of an anti-theft device, a 15% rate reduction for the use of seat belts and a 20% to 30% reduction for the installation of air bags. If a person qualified for all the possible reductions, their rates could be reduced by as much as 55% for physical damage coverage.

HB 1672 would give the Insurance Department on site access to all data and records maintained by insurance carriers doing business in the state. There would be no requirement to petition the Court for a subpoena and show cause as to the need to examine such records.

It would also provide for treble damages to be awarded in suits against insurance carriers in certain situations creating the specter of another flood of litigation on top of the already crowded docket of personal injury litigation in jurisdictions such as Philadelphia.

This bill also contains provisions for plain language in insurance contracts. This is a worthy goal but ignores the years of litigation which has led to most of the policy language now in existence and would create great uncertainty in the interpretation of insurance contracts for all parties concerned.

The Senate has passed Bill 67 concerning "workplace safety". It would allow injured parties the right to sue their employers under certain circumstances and greatly increase employer's potential exposure to loss from work related injuries.

Bills have also been introduced that would abolish all territorial and age rating on auto insurance. there is no indication of what

criteria would be established in their place to make rating equitable based on projected exposure to loss.

A major battle in the legislature in the coming session will be between the "Casey-Friend" plan, HB 431, and an opposing plan developed by the Senate. Unfortunately, the Casey-Friend plan has been called a No Fault type plan and has received some backing from insurance industry executives who have not looked past this description at the strengths and weaknesses of the plan.

Any plan which suggest a cap of some kind on insurance rates without regard to the solvency and profitability of insurance carriers writing the coverage is by its nature short sighted and could lead to availability problems in the future. When carriers foresee no opportunity for profitable return on their investment, they will "vote with their feet" and leave the state to seek markets where they can earn a profit.

There are a limited number of well informed legislators and regulators who have bravely tried to influence insurance legislation to maintain a rational insurance climate in the face of loud political clamoring to make insurance more affordable.

In a participatory democracy, the loudest voice is usually the one that is heard. A single incident involving poor claim handling or unfair pricing or service can circulate quickly in Harrisburg and defeat the efforts of this small group to keep the dialogue focused on the issues and away from the emotion of the moment. Carriers must realize that in many instances they are their own worst enemies in creating favorable public opinion.

Insurance professionals are urged to write their state legislators, and to meet with them, to help inform their judgment on insurance legislation. In Mr. Hager's opinion, they want to do the right thing but are mostly uninformed on the technical aspects of insurance matters. If we do not join in the current dialogue on the insurance which is capturing so much public attention, the issues will be resolved without us but it will be too late to complain about the results.



Henry G. Hager, President & CEO of The Insurance Federation Of Pennsylvania, Inc. was the keynote speaker at our Oct. 12th meeting. Mr. Hager spoke on the issue "Is proposition 103 moving east?"

Philadelphia Chapter Receives Three Awards

The chapter received three awards during a special luncheon at the NATIONAL meetings in Anaheim. The awards were as follows:

- Jay Gleason Memorial Public Relations Basic Award.
- Continuing Professional Development Award For Excellence.
- E. Adrian Teaf Memorial Education Award.

In addition, our chapter was a finalist in the coveted President's award for jumbo chapters (those chapters whose membership totals more than 300). Sooner or later Philly chapter is going to win this award which has eluded us for years. With a little help from you, our members, by your involvement and participation, perhaps we can win it in 1990.



Joseph M. McNasby, CPCU
President

The President's Corner

GIVE SOMEONE A HELPING HAND

Now that I've been in the insurance business for longer than I care to admit, I frequently look back to certain individuals who have had a great impact on my career.

With my involvement in CPCU, I've been exposed to programs such as "Each One Reach One" and the "Personal Contact" campaign. The purpose of these programs has to do with encouraging someone to accept the challenge to become a professional.

These campaigns or programs are highlighted to remind people that they can make a difference in someone's career. I was fortunate to cross paths with people who didn't need such a reminder (since none existed in the "old days"). They just saw a young guy who needed some direction or an opportunity and they provided it at the right time.

Providing direction isn't a full-time job. It can be a few words of encouragement when times are tough. Helping an individual to understand that over the long haul there are going to be tough times and during those times, *friends can make the difference*. Friends offer encouragement at just the right time. They can also provide challenge so that ultimate goals are not lost sight of.

Each of us come in contact with younger people, new in the business on a regular basis. They are the future professionals of our Industry, with direction, encouragement and challenge from a friend.

They are where we were however many years ago.

Remember those that helped you and take the opportunity to give someone a helping hand.

News From The Candidate Development Committee

By: Frank J. Mason, Jr., CPCU, Chairman

As your new Candidate Development Committee Chairman, I am excited about continuing the challenge of accelerating the growth in our activities to promote candidate participation in the CPCU Program. I would like to highlight two such activities and request your support in promoting these programs:

1. **Personal Contact Program:** The purpose of this program is to work with Insurance Companies and Insurance Agencies/Brokers in the Philadelphia area to create an awareness of the CPCU Program for interested personnel in these organizations, provide information on courses and resources available, and promote the organization's financial support and commitment of CPCU.

With the help of the Insurance Society of Philadelphia, we have developed dynamic "teams" to conduct meetings which reinforce the employees awareness of its organizations' commitment to insurance education and the CPCU Program. We are now in the process of finalizing our Fall 1989 and Spring 1990 Schedule.

I will be contacting many organizations throughout the Philadelphia area seeking their support to participate in our Personal Contact Program. I encourage you to discuss this program within your organization and would be happy to answer any questions or coordinate a meeting date within your organization. Please contact me at (215) 567-6300.

We will feature articles in future Chaptergrams on the Personal Contact Program conducted in various organizations throughout Philadelphia.

2. **Personal Sponsorship Program:** We have an on-going program to assist CPCU candidates by providing a sponsor to individually counsel the candidate through the matriculation process of CPCU. The number of candidates requesting sponsors is rising dramatically, we need your help to volunteer to serve as a sponsor. You will be asked to sponsor no more than one or two candidates. If you are interested, please contact me at (215) 567-6300.

Remember your organization's commitment to education is a commitment to the professional growth and professional achievement of all its employees. Thank you for your support of the Candidate Development Committee activities.

National Director's Corner

A MESSAGE TO THE CLASS OF '89

Class of 1989, this is your first official Chaptergram which outlines many opportunities to get and stay involved in your Chapter. Share your enthusiasm and ideas. . . **WE NEED YOU.** . . volunteer to serve on committees. Anaheim is behind us, and the message continues to be . . . **VISIBILITY OF CPCU . . .**

There are many programs available to assist you and your Chapter in attaining more visibility. Among those are: the dynamic "Choice, Chance, Control Program" for high schools, the excellent brochure and program on careers in insurance. Speakers bureaus, and extensive public relations assistance from National that encourage members to speak out on issues effecting the public and our industry. What we've been told by the membership is that you and I want visibility in three broad areas: (1) from our employers, (2) from the business and professional leaders outside of insurance, and (3) from members of the public at large.

National is going to develop programs to assist us all in this undertaking, but I would like to hear from any of you as to what you are doing, how it is going, and what we at National can do to assist you in achieving your efforts along the lines of visibility.

One final suggestion is that when you are speaking out on issues as an individual, don't hesitate to contact Jim Marks, Director of Communications at Malvern, (215) 251-2738. He and his staff have developed some excellent topical responses to current insurance issues.

I look forward to representing your Chapter over the next three years as National Director. I congratulate you all on the excellent job you've done in the past. I hope we can do a lot for each other in improving the visibility of CPCU. If you would like to contact me, write c/o The PMA Group, P.O. Box 604, Lemoyne, PA 17043-0604!



Robert M. Campbell, CPCU
National Director

Membership Committee Report

By: Jack Derrickson, CPCU
Director



Jack Derrickson, CPCU
Director

Almost 75% of all CPCUs in the Philadelphia area are paid members of our chapter. While this is a respectable number, we can do better.

From my personal observation, I can assure you that our monthly breakfast meetings have been unusually stimulating and informative. You who have attended the meetings of recent years can confirm their interest and value. You who have not been in attendance lately, owe it to yourselves to attend the forthcoming breakfast meetings. So as to conserve your business time, they start at 8:00 A.M. and are over by 9:30 A.M. Subject matter includes prime problems of the industry, but also covers matters of general interest. Subjects as diverse as AIDS and Computers were presented at recent meetings. Attendance at any of our breakfast meetings can prove to be a pleasant experience.

In the Philadelphia area are 173 CPCUs who have let their membership slide. Your Membership Committee, composed of the entire membership of the Board of Directors, intends to contact these errant colleagues so that they may have the opportunity to participate in our dynamic meetings and other chapter activity.



Boyd Bruce, CPCU

A Report From The Senior Circle

By: Boyd Bruce, CPCU

I debated calling this a report from the Senior Corner, but that would imply that seniors are stuck in a corner and that's just not true. After listening to 75 seniors at the Three Decades Plus breakfast (at 7:15 in the morning) in Anaheim, you become convinced that life begins at retirement. Almost to a man (or woman) this group was just as busy today as when they received their CPCU designation - but they were enjoying it more. The stress is gone and the second cup of coffee smells and tastes better. The trains and highways aren't quite as crowded when we do our things. There were attendees at this breakfast from as far back as 1945 - Gerald Myers, past President of the Society and still active in a host of things.

For this reason we are starting a new CPCU section for Senior CPCUs. Our target audience will be CPCUs who have had the designation for 30 years, or are age 55, or are retired (I even know a CIGNA new designee in 1989 who is already eligible to join). Three of our objectives will be:

To develop a talent bank for services of members who want consulting work, or part time duties with a host of insurance organizations, claims, administration, underwriting - think of the potential!

To develop seminars and symposiums on topics of interest - tax planning, estates, agency mergers and coping with medical insurance.

Travel.

We are already planning a trip to Williamsburg, VA after the Washington D.C. annual meeting next year. We will have applications for this section at our December meeting. If you want to know more, call me at (215) 251-CPCU - that's my Loman number where I do volunteer duties two days a week, or (215) 446-9586 - that's home, but I'm not there too often.

We had over 30 Philadelphia area CPCUs in Anaheim, a record number. Literally dozens of new designees - too many to count. Seven past Presidents of the Philadelphia Chapter were on hand going back to such seniors as Lou Sigel. Yes, life starts at retirement!!



New Society President Richard Katten addresses convention after taking office.



Former National Director Boyd Bruce dances with wife Joyce at the final night dinner dance.

Word Of Wisdom Heard At The Anaheim National Meeting

The following quotes were heard at the various seminars during the National Meeting in Anaheim. It's nice to have a sense of humor, it's almost a prerequisite for employment in our industry.

Most Humorous:

The best managers in the 1990's will be those with poor memories. Little alligators are cute at first, but they eat and get mean and get big . . . remember, there is no such thing as a little federal intervention.

The doctrine of relative filth . . . you're not so bad as long as there is somebody worse than you.

There are 3 kinds of people in this world, those that make things happen, those that watch things happen, and those that don't know what happened

In order to stop the crazy price cutting, we have to do away with the LCS Credit (lie, cheat and steal credit).

Most Serious:

The fact that I can't do everything will not prevent me from doing all that I can do.

Ancient Chinese proverb: Tell me I forget, show me I remember, involve me I understand.

Some Stats On This Year's Convention

This year's new designee class and number of CPCUs attending the annual meetings and seminars in Anaheim was the largest ever, more than 4,000 attended. This includes more than 2,200 new designees. Philly Chapters new designee class was well represented as 51 of 62 new designees attended and of those new designees attending, 37 of them took a guest.

In addition to the 51 new designees, 54 Chapter members also attended and 26 of them brought a guest. All in all, a total of 168 Philly Chapter related people attended (not including children).

1989 Philadelphia Area New CPCUs

Congratulations are in order to the following 62 people who have earned their CPCU designations in 1989. Hopefully they will all become active Chapter members.

EDMUND	ACQUESTA	KEVIN W.	KULLMAN
DEBORAH L.	ALSTON	THOMAS J.	LOUGHERY
GREGORY R.	BENNETT	FRANK R.	MAINA
BARBARA A.	BERTHA	MICHAEL E.	MC DEVITT
ARNVID N.	BJORKE	TERRENCE C.	MC DONNELL
AUSTIN J.	BOWLES	GEORGE J.	MILLER
MOIRA A.	BOYLAN	JAMES P.	MURPHY
BARBARA J.	BROWN	KATHLEEN B.	NESTOR
ROBERT L.	BRYAN	JAY S.	NEYER
CHARLES J.	BUTLER	JOANNE T.	OBOSNENKO
DOLORES C.	CALLAHAN	JOHN W.	OWEN
TERRI L.	CHALMERS	EDWARD F.	OXNER
CARMEN J.	CHIARADONNA	MARTIN J.	PURCELL
GARY W.	CLINGEMPEEL	RICHARD B.	RAUP
VINCENT P.	DEAN	DALE W.	RENNER
GEORGE C.	DORSEY	JOHN T.	RIGAUT
GREGORY T.	DOYLE	ANTOINETTE	SALOMETO
ALBERT J.	DURSO	ALAN LEE	SALTIEL
MARY M.	EVANS	CAROLYN A.	SHAFFER
ROGER C.	FELL	MARK L.	SHOCKLEY
HILTON H.	GIESEKE	NATALIE L.	SIMONS
JAMES L.	GLATTHORN	RICHARD J.	SOBOTA
ROBERT S.	GREENBERG	DIANNE F.	SPRAGUE
JAMES L.	HAHN	RICHARD C.	STAF
MICHAEL J.	HANNAN	JOHN J.	STEINDL
WILLIAM E.	HELMIG	PETER N.	STOLL, JR.
KATHLEEN M.	HOCEVAR	ANTHONY G.	TOMASSETTI
DAVID K.	JONES	WILLIAM R.	VIRGILIO
CLARE M.	KELLY	VINCENT J.	VIVA
THOMAS F.	KELLY	WILLIAM F.	WALSH, JR.
ROBERT C.	KEYSER	RAY A.	WEBB



George Miller (L) Deborah Alston (C) Roger Fell (R)



John Rigaut (2nd From L) and Ray Webb (R) with respective spouses Eleanor (L) and Madeleine (2nd from R).



T.C. McDonnell (L) with regular member Ann Sechler.

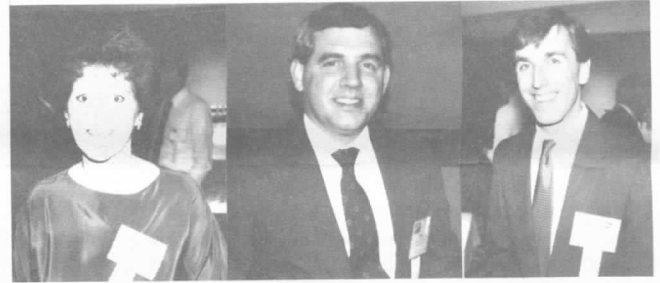
Our New And Old CPCUs In Anaheim Enjoying The Convention



Rick Hand (L) Richard Staff (R)



Bob Bryan



Moira Boylan

Richard Sobota

Ed Oxner



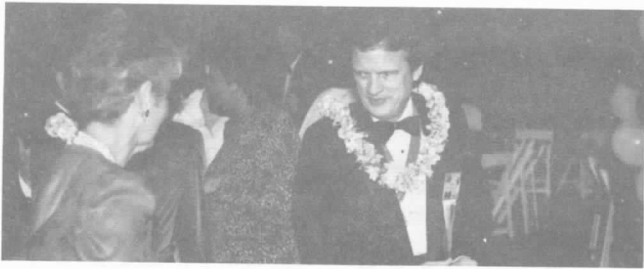
(L) Regular member Harry Niemann with new designee Matt Scott.



Deborah Alston (L) Barbara Brown (R)



Al Durso (L) Carmen Chiaradonna (R)



At top outgoing National Society President Gerald Stephens dances at the final night dinner dance while new President Richard Katten does the same in picture below with Marsha DeLong



Chapter members and past presidents Iles Wauhup (L) and Phil Spinelli (R) flank Dr. Mariellan Whelan, Pres. ISOP at the National Societies welcome reception. Dr. Whelan was an honored guest to the convention.



National Director, Bob Campbell (L) and his wife chat with Chapter President Joe McNasby.



Philadelphia Chapter current and past presidents at Anaheim, left to right: Bill Arnold, Joe McNasby, Iles Wauhup, Boyd Bruce, Pete Palestina, Lou Sigel, Walt Butterworth and Phil Spinelli.



Dale Renner (L) Joe Moddy (R) GVF Chapter



National Exec. V.P., Pete Synott keeping law and order at Disneyland, holding Pete Palestina's rifle, for more about the rifle, see the editors column.



Chapter President, Joe McNasby welcomes our new designees at the Chapter's hospitality suite in Anaheim.



New Desingee, Barbara Bertha (middle) rocks it up on the dance floor.



Charlie Willimann and Karen Paleologus pose with Society President Richard Katten.

President's Report On National Meeting

By: *Joe McNasby, CPCU*
President

I must admit that this was the first time I've been to the annual meeting in quite a few years.

I was very impressed with the quality and organization of the annual event. The Orange Empire Chapter is to be commended for their dedication and commitment to making the meeting the success it was.

In giving my overview of the event, I'd like to comment on the educational aspects as well as the social aspects.

From the educational standpoint, the various seminars were top drawer and full of timely topics (including an earthquake seminar scheduled the day after the San Francisco quake). They say timing is everything - it was full.

The theme of managing now for the 1990's helped everyone to focus on topics of people - image - politics and, the role each will play in the nineties.

Other educational advantages included points toward "Continuing Professional Development" and the credit hours toward various states continuing education requirements for licensing. As you know, Delaware has continuing education requirements already and, both PA and NJ are scheduled to begin before long.

From the social standpoint, it's always great to get together with friends away from the shop. Meeting people from different parts of the country and comparing notes is a big benefit.

The entertainment built into the program was a Dinner Dance at the Spruce Goose, Disneyland - all presented a great time for the entire family.

I called the office from Disneyland to see what was going on. At first they didn't believe I was calling from Disneyland until the steam locomotive came right by me and gave a big toot. It had to be Disneyland or the home shopping channel on cable TV.

My wife and my daughter are also doing short articles on their impressions of the event as spouse and child.

I'm going to make a strong effort to attend the annual meeting every year.

I hope to see some new faces from the Philadelphia Chapter in D.C. next year.

I've saved the best for last - what a crop of new designees! The Philadelphia Chapter hosted a reception for our designees which gave me an opportunity to meet many of them. I definitely believe that they intend to get involved and to make the most of their accomplishment.

We all want to congratulate the class of 1989.

Joseph McNasby, CPCU
Age 31 - Yeah that's the ticket!



Chapter President McNasby (L) displays Chapter awards while Phil Spinelli displays plaque he received as a Committee Chairman.

The National Meeting - A Spouse's Perspective

By: *Lynne McNasby*

Since this was my first CPCU Convention since 1974 (the year my husband Joe became a designee I was really anticipating all the fun I would have visiting California for the first time. I wasn't disappointed.

After adjusting to the three hours time difference, we decided to see the sights. We drove down the coast to San Diego. We had to leave early on Sunday morning because Joe had to be at a seminar by 3:30. San Diego is everything we were told it would be - a town with a warm, dry climate with mountains to the east and the Pacific to the west. In between we found people biking, roller skating, jogging or just walking the beaches.

On Monday, my daughter and I took the tour to Laguna Beach. Much to our surprise, we also stopped for lunch in San Juan Capistrano and visited the Spanish Mission where the swallows return to from their 6,000 mile flight from Argentina every year on the same date. Unfortunately, we didn't see one swallow - but we saw hundreds of pigeons. Yes, I said pigeons. We then finished the day with a stop at Laguna Beach. Some people decided to do a little shopping, but we wanted to take advantage of the beautiful beach.

On Tuesday, Joe, Meghan and I went to Disneyland for the afternoon. I think we went on almost everything in the park. By the end of the day, my feet were really tired. We enjoyed ourselves to exhaustion.

On Wednesday, Meghan and I went on the tour to Universal Studios. If I think Meghan was looking forward to this most of all. Neither of us were disappointed. We saw how special effects were created for the Star Wars movies, we visited the back lots of a variety of street settings, we saw King Kong in action, we visited the beach where Jaws was filmed, we rode past the Psycho mansion and much, much more.

The grand finale of our trip was the dinner at the Spruce Goose. The decorations were unbelievable, the food was superb and the band made you want to dance all night. Unfortunately, everything had to end. But I look forward to the 1990 meeting in Washington, D.C.

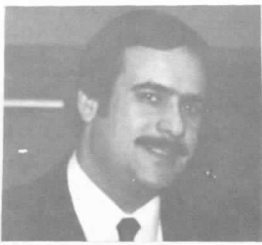


Chapter President Joe McNasby and family being taken for a ride.

What I Liked Best About California

By: *Meghan McNasby, Age 11*

I liked the Universal Studio Tour best, because everything was so interesting. I really liked King Kong because he kept shaking our tour cart. I also liked this bridge that we went on! It fell apart while we were on it. It was so cool! After it fell apart it put itself right back together. After we were out of the stage we went to see Jaws, but before we did that we watched a man get eaten by him. Then Jaws attacked our cart. We were prepared for him though. Right after that we had to go through a river. The river opened up just like it did in the movie "The Ten Commandments". My second favorite was Disneyland! I was going to go on Splash Mountain but it had mechanical problems, and if you wanted to go on it you had to wait 45 minutes. I did go on Space Mountain though, plus I made some friends and had a great time!



Peter Palestina
Editor

From The Editor

CAN'T TAKE A HINT

I'm writing this column on my flight from Las Vegas to Philly and will finish it when I get home. I should have known I'd be in trouble stopping in Vegas on the way back from the National Seminars in

Anaheim, I mean the signs were all there. I left Philadelphia for Anaheim on Friday the 13th. For two days the weather was partly cloudy and the high temperature was only about 72 degrees while the Philly area saw sun and 80's (I thought it was supposed to be the other way around). By the time the temperature got to the upper 70's and sunny the seminars were in session and I diligently attended them, resisting the temptation of sunning by the pool. The problem with the seminars was that I attended the ones offering the most CE credits in states where I hold a license rather than the ones I would have preferred to attend.

Finally, we had an afternoon off and I got to visit Disneyland. However, the one ride I was really interested in (a waterslide with a 510 foot drop) was closed momentarily and I didn't want to wait around until they were ready to operate it. As the afternoon progressed and I couldn't find that ideal gift to bring back to my six year old son, I finally stumbled across a shop that sold wild west frontier items. My associate recommended the toy pistol which only cost \$8.00 but for only \$4.00 more I could get a rifle, which is what I decided on. By the time I got back to my hotel I realized that the rifle would not fit in my suitcase and I wasn't about to carry it on the plane. I'm too embarrassed to tell you how I finally got it home. Then I received a phone call about an hour later, from a newspaper reporter back home, inquiring what I thought about the earthquake that occurred one half hour earlier. I had just returned from Disneyland shortly before the call and since I hadn't turned on the television I had not known an earthquake struck San Francisco, but I explained that I was 800 miles away and felt no tremors. I asked her to accept my apologies for not being able to give her a scoop. After hanging up I wondered why my wife hadn't called out of concern for my safety, so I called her to let her know I was OK anyway. She explained that she knew Anaheim was far removed from Frisco and that since I always harp about her long distance calls and reflective phone bills, she thought I would get mad if she wasted a call to California - was that a hint?

The next day I attended a seminar on "Dealing With Ethics and Professionalism". I wrote the following question on the pass-out card: "One of the greatest abuses of professionalism and ethics that agents and underwriters are exposed to is the intentional withholding, by either the insured or a competing agent, of the true claims experience of an account. In order to stop this abuse, would it not be practical for insurers to establish a central claims experience center funded by participating carriers where they would report the experience by account for each commercial insured? Then, it's all there for everyone to see, thereby making each carrier compete on an even keel and we wouldn't see as much of the ridiculous price cutting. Yes, it would be costly, but this would be more than offset by better underwriting results." After discussion of mostly employee drinking problems and padding of expense account situations, most of the questions were taken from the floor and centered on the aforementioned areas. With only five minutes left and assuming they were not going to get to the card questions, I went to the microphone and verbally asked the question. I never got an answer or an opinion and the session was concluded.

Later that day was the final night dinner dance where we first toured the Queen Mary and then had to debark to the area enclosing the Spruce Goose for our dinner. While a mass of humanity (about 4,000 people) stood like sand trying to funnel out of an hourglass, smart me and my associate thought we could make better time going through the various decks and mazes of the ship. Well, we got off later than the sand people and arrived later than expected for the dinner. Later, when I went back to my hotel room and undressed, I noticed that one of my 14K gold cufflinks was missing from my right sleeve. My wife had given these links to me on our 15th anniversary. I had already lost one from my right sleeve exactly one year ago to the day and my wife was nice enough to spend a tidy

sum in surprising me last September, on our 20th anniversary, with a matching replacement. Yes, it's the same one I lost in Anaheim.

The plane from Anaheim to Vegas was late in taking off and arriving (it had nothing to do with the rifle). By the time I arrived at the hotel it was too late to enjoy the 82 degree sun. However, I was in time to enjoy steak and lobster plus a show for only \$12.95. The only problem was that I had an obstructed view seat and therefore saw virtually none of the show. On the way to the show however, I passed a slot machine, inserted a quarter and out came 400 quarters and thought wow, my luck is finally changing and I could hardly wait to get to the gaming tables after the show. After the show, I remembered that I forgot to call home to let my wife know I had arrived safely, so I called whereupon she proceeded to explain that she had fainted earlier that day and my father had to carry her to the couch (I wonder if the cufflink fiasco caused it). She assured me not to worry and to stay the two days and have a good time. I should have gone home then and there, but like a dummy, I stayed and dropped a nice sum at the blackjack table.

Most of the remaining time in Vegas was spent looking for souvenirs to take home to the wife and kids, mom and dad and seeking cheap meals. Did you ever spend eight hours over a two day period looking for gifts? Everyone liked their gifts. Unfortunately, the cowboy boots I gave my son were too small - anybody out there need a toddler size 12?

One thing I forgot to mention, I read one of those gambling magazines and my horoscope for gambling the evening I lost said "Best time for you is 7:00 p.m. to 9:00 p.m., avoid all other times". Unfortunately I read it after losing the money. It was 7:30 when I put the quarter in the slot machine, but it was after 9:00 when I sat down for blackjack. If only I had read that earlier! Whoever wrote the article would make a great actuary in our industry. So, as you can see, all signs indicated stay away from Vegas. I didn't even mention about the 180 point stock market drop-another disaster.

On a serious note, in spite of the above, I had a great time, met fellow CPCUs, learned some new ideas, met new acquaintances and was fortunate that I could have been in San Francisco but for an earlier change in plans. There is always a positive if you look hard enough. My heart went out to those who lost lives, loved ones and property in the quake area and I will always remember that no matter how bad things are going, there are always those who are far less fortunate.

Until next issue, enjoy the holidays and best wishes for a happy and healthy New Year.

A New Concept Sells - Corporate Season Tickets

This year the Philadelphia CPCU Chapter introduced a new ticket concept - Corporate Season Tickets. Let me give you a run down of the results. We sold 53 Season Tickets to 25 Corporations. A list of those buying the tickets is to be found elsewhere in this Newsletter. In addition to the 53 Corporates, the Chapter sold 19 Individual Season Tickets bringing the total Season Tickets to 72. The Philadelphia Chapter CPCU thanks all of the Season Ticket holders for their support. We hope you enjoy our breakfast programs for the 1989-1990 season.

THE ON-GOING SAGA OF "SEEPY SEEYOU"



Sorry Seepy, these guys are from Pricebusters and they just gave me a renewal quote that was half as much as yours!!!

September Meeting Recap

MANAGING WORKERS' COMPENSATION COSTS

By: Larry Nelligan, CPCU
Public Relations Committee

Mr. Richard Harburgh, J.D. was the featured speaker at our September meeting. His topic centered on the challenges confronting Employers in controlling Workers' Compensation costs.

Workers' Compensation Act 306 F (Pennsylvania) provides for reasonable medical and surgical care from any duly licensed practitioner of the healing arts. What this boils down to is that the Employers in Pennsylvania are responsible for unlimited (time and amount) medical costs, including travel to and from the provider, for employees injured arising out of and in the course of their employment. Duly licensed practitioners is interpreted to include not only Medical Doctors, but also Chiropractors, Psychiatrists, Psychologists and Therapists, etc.

Since the inception of the Workers' Compensation statutes, up to the early 70's, there had been limits of gradually increasing coverage with respect to time and amount. This contrasts with Employers' present obligation under W.C. Act 306 F whereby they have unlimited financial responsibilities with respect to medical costs on a time and amount basis.

The courts have interpreted W.C. Act 306 F very liberally. As an example, the courts have interpreted Medical Supplies not only as supplies applied to the body of the injured workers directly; but also to include modifications to the household such as ramps, widening of doorways, or even modifications to an automobile. A conventional understanding of Medical Supplies would generally not include the above. Again, these supplies are furnished to injured employees without limitation of either time or amount.

During the last two decades Workers' Compensation costs have continued to climb, fueled in part by the burden of skyrocketing medical care costs.

In terms of the employee's choice of medical care, there is a provision in W.C. Act 306 F that stipulates that if the Employer shall post a list of five (5) physicians, the employee is required to visit one of these physicians during the first fourteen (14) days of his/her treatment. If an employee seeks alternative medical care from other than the Employer's physicians, the courts interpretation of W.C. Act 306 F still obligates the Employer to pay for the physician of choice by the employee. After the first fourteen (14) days, W.C. Act 306 F makes it clear that the employee has free choice of physicians for which the Employer will be responsible simply by reason of certain reports being made. Therefore, the Employer has very little (if any) medical control based on the posting of physicians.

Is there any kind of a cost saving feature with regard to the Employer's obligation? Act 306 F conditions medical coverage upon being reasonable and necessary and provides that if there is a question about reasonableness/frequency/necessity, the Employer is free to petition to seek a ruling on these issues. However, under the same section of Act 306 F, such a petition does not operate to in any way avoid the Employers continuing obligation to make payment of medical costs. Is there in fact, any remedy for the Employer in controlling Workers' Compensation medical care costs? If the Employer is successful in its petition and it is determined that it is not responsible for the medical, can the Employer obtain reimbursement from the claimant? Unfortunately, the court does not indicate how you are going to get your money from the claimant. Again, is this a right without a remedy?

If a claimant does not cooperate and/or chooses to delay, the ability of the Employer to control medical costs is severely comprised and will not be achieved by relying on legal technicalities.

In order for the Employer to achieve a modicum of medical control/cost containment, it will be necessary to establish a cooperative effort between the employee/employer in getting prompt and competent medical care with the emphasis of returning the employee to his/her previous job utilizing the best care available.

It should be noted that the vast majority of claims are brought by perfectly legitimate claimants who are motivated to return to their productive lives as soon as possible.

Under W.C. Act 306 F, the optimum course for an Employer in gaining medical cost control is for the Employer to work closely with the physicians and in encouraging the employee to use the doctors who have been posted. This should be done not because the Employer is forcing the employees to do so, but because these are the doctors who will give them the best medical care available and help them return to work.

The second major factor contributing to burgeoning Workers'

Compensation costs is the "Vocational" issue. This may be the largest single problem facing Workers' Compensation today. In contrast to Medical Care costs which are carefully covered under the Workers' Compensation Act; Vocational is not covered at all. The origin of the Vocational issue stems from the presumption prior to 1968 that an employee who was partially injured, but who nevertheless was able to engage in general light work on an uninterrupted basis, was that he/she could find work if they sought it. Therefore, they would be entitled to no more than partial disability benefits. Presently, this is no longer the case as the Employer now has the ongoing responsibility for arranging alternative suitable work in the vicinity of the employee's residence.

Truly, the challenge facing Employers in controlling Workers' Compensation costs are challenging indeed.

Finally, it should be noted that under Pennsylvania law, Workers' Compensation is the exclusive remedy for employees injured arising out of and in the course of their employment.



Guest speaker, Richard Harburgh of Swartz, Campbell And Detweiler fields a question at the Sept. 14th Meeting.



Intent CPCUs listen to Richard Harburgh's address on managing work comp. medical and vocational costs at the Sept. Meeting.

A Special Thanks To Some Special Corporations

PROGRAM CHAIRMAN RON VOGRIN, CPCU ON BEHALF OF THE CHAPTER WOULD LIKE TO ACKNOWLEDGE THANKS TO THE FOLLOWING ORGANIZATIONS THAT PURCHASED OUR NEWLY INTRODUCED "CORPORATE SEASON TICKETS". THE CHAPTER APPRECIATES THEIR SUPPORT.

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