



CPCU

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

CHAPTERGRAM

VOLUME 22, NUMBER 4

Peter F. Palestina, CPCU-Editor

JUNE, 1989

Buxmont M.A.D.D. Receives Franklin Award

The Philadelphia Chapter of Chartered Property and Casualty Underwriters (CPCU) presented its seventh annual Franklin Award to the Buxmont Chapter of M.A.D.D. (Mothers Against Drunk Driving) March 22nd at a special luncheon held at the Hershey Hotel, Philadelphia, in honor of the occasion. Accepting the award on behalf of M.A.D.D. was Ray Branden, State Representative for the Buxmont Chapter and a resident of Northampton Township.

Philadelphia CPCU President, Raymond Lindsey, CPCU, CPA presented the award to Mr. Branden along with a \$500 check. The Franklin Award itself was first introduced in 1983 and is presented to a person or organization in recognition of outstanding achievement and contribution to the insurance industry in the Delaware Valley. In his testimony to M.A.D.D. CPCU President Lindsey cited the organization for its efforts to reduce injuries and deaths caused by drunk drivers which not only benefits the insurance industry but also benefits the community.

Founded in 1981, Buxmont was the first M.A.D.D. chapter in the state of Pennsylvania. They undertake a number of programs in their campaign against drunk drivers such as:

1. Victim services such as crisis intervention which helps lend emotional support to help victims cope with grief and anger, and victim support in providing information and referrals to state and local agencies for assistance.
2. Public awareness through educational video tapes, public service campaigns and promotion of National Drunk and Drugged Driver Awareness Week.
3. Community education through Project Graduation which works with students to promote safe prom and graduation nights and a speakers bureau whose trained speakers address civic and professional organizations as well as schools.
4. Law enforcement and legislation programs such as lobbying for enactment of laws to discourage and curtail drunk driving, providing testing equipment to local law enforcement agencies such as intoximeters, which are court approved breath analyzers and Alco Sensors, which are portable breath analyzers.

In accepting the award, Mr. Branden addressed the gathering and spoke about the "25% Program" which is designed to select one of a party of four people who will not consume alcoholic beverages the evening of an outing and who will take the responsibility for driving everyone home. The next time the group attends a function together, someone else takes their turn and so on, so that each person will be responsible and stay sober one out of every four occasions. Mr. Branden also related that more people have been killed every two years due to DUI accidents than all of the Americans killed during the Vietnam War.

The keynote speaker for the luncheon was Dr. Richard Breslin, President of Drexel University. See Dr. Breslin's quotes in a separate article.



President Raymond Lindsey, CPCU (L) presents 1989 "Franklin Award" to Ray Branden (center) representing the Buxmont Chapter of Mothers Against Drunk Driving (M.A.D.D.).



Ray Branden (L) chats with President Elect Joe McNasby, CPCU, during the Franklin Award Luncheon. In the middle is Patricia Casey who will be heading up the newly formed Philadelphia Chapter of M.A.D.D.



Ray Branden (second from left) accepted the Philadelphia Chapter of CPCU 1989 Franklin Award on behalf of M.A.D.D. (Mothers Against Drunk Driving). Also posing are past recipients, Gene Fidell (L), Dr. Mariellen Whelan (second from right) and John Topoleski, CPCU (R). The award was presented on March 22nd at the Hershey Hotel.



Ray Branden of M.A.D.D. makes a point to the audience at the Franklin Award Luncheon.



The President's Corner

Ray Lindsey, CPA, CPCU
President

Time flying has certainly taken on new meaning this past year. As I write this the year is almost over and it will be by the time you read it. It seems only a few weeks ago that I wrote the first President's Column asking you to devote some time to Chapter activities.

Since that time a number of you have agreed to work on committees and devote some time to Chapter undertakings. This is important, because the only way our Chapter can achieve its potential for serving the members and enhancing the professionalisms of the designation is by member participation. Ideas and plans for Chapter projects must be initiated and implemented by the members.

We have made progress in increasing member involvement, but we need more members participating. We need your ideas and some of your time. Become active, tell us what the Chapter should do, and help us do it.

In closing, I would like to thank those that have volunteered, the officers and Board Members for their dedication this year. The accomplishments this past year are due to their dedication and their efforts.

NOTICE - CPD FALLOUTS

According to the Society's latest data given to our chapter, the following members had the CPD expire Dec. 31, 1988 and did not file for renewal. Why not take the time now to get back on board? We will print 1989's list next issue.

Gregory Aristoff, CPCU	Anne Kopanski, CPCU
Joann Dolce, CPCU	Edward Levy, CPCU
Patrick Egan, CPCU	Richard Millham, CPCU
Gloria Forbes, CPCU	Robert Morgan, CPCU
Paul Forbes, CPCU	Vincent Phillips, CPCU
Robert Forchetti, CPCU	Robert Steere, CPCU
John Gibbons, CPCU	Andrew Stienes, CPCU
Pamela Godwin, CPCU	William Vohs, CPCU



Boyd Bruce, CPCU
National Director

National Director's Corner

I'LL BE THERE - WILL YOU?

Come to Anaheim! Why?

1. Over 21 educational seminars and workshops. Something for everyone: agent, company, claims and related services.
2. Earn credit towards your CPD Award.
3. Your friends will be there! Meet them, greet them, renew old acquaintances.
4. You will meet with industry leaders from all facets of our profession: Risk Managers, personnel lines, commercial lines, property, casualty, claims and many others.
5. Learn how problems are solved and opportunities capitalizes on in the rest of the county beyond the Delaware Valley.
6. Relax in a professional atmosphere. Expand your horizons in a non-competitive environment.
7. Bring your spouse or guest - Disneyland hospitality will prevail and besides sharing your professional activities, there will be time to join in fellowship and fun.
8. You have worked hard - you deserve a break.
9. Let's have a big turn-out from the Valley.
10. I'll be there - will you?

Put it on your calendar NOW - October 15 - 18, 1989.

IN MEMORIAM

It was with deep regret that we learned of the death of Chapter Member, William Levenson, CPCU, who passed away March 2nd. Bill was a principal with Merz-Huber Co. and lived with his wife Ethel in Broomall.

In addition to teaching insurance courses, Bill was a grader and also attended some of our Breakfast Meetings. Many of these activities were curtailed during the last couple of years because of his health. Those of us who knew Bill mourn the passing of a friend and fellow CPCU.



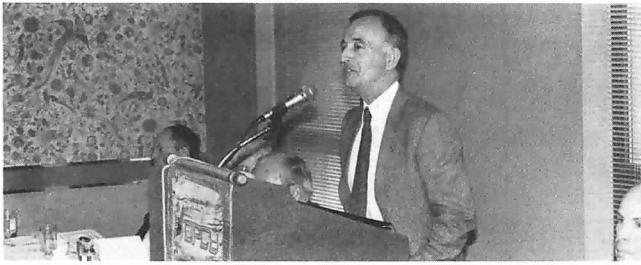
These two lovely ladies were at the Feb. joint CPCU/CLU Meeting and your editor couldn't resist taking the picture.

Congratulations to Our New Completers

Congratulations are in order to the following persons who have completed their CPCU courses in early 1989. We hope to see them at our meetings and in Anaheim at the National Convention in October.

Dolores C. Callahan
Carmen J. Chiaradonna
George C. Dorsey

Kathleen M. Hocevar
Edward F. Oxner
William F. Walsh, Jr.



Dr. Richard Breslin, President of Drexel University was the keynote speaker at the Franklin Luncheon.

Dr. Richard Breslin, President Of Drexel University, Keynote Speaker At Franklin Award Luncheon

The following quote attributed to Dr. Breslin as directed to those CPCUs attending the Franklin Award ceremonies:
A child does not lie by nature.

We have students on campus who are being told that midnight is the time when you dump things into the air because you will probably not get caught at that time.

The single greatest failing of higher education today is not enabling people to deal with biases and prejudices and not being able to overcome what happens in the home initially.

Morality is your relationship with God and with other people.

A major issue of the 80's and 90's is what's happening to latchkey kids? The kids are not getting direction.

We'd like to think that good things happen to good people and that virtue is its own reward. Not so! We have to recognize that.

People don't want to talk about justice because they say "who's going to decide the guidelines?"

Maybe there's no time in our society to be able to reflect and think through the issues that enable us to say "this is right and this is wrong".

A lot of people who are doing wrong things today don't know they're wrong.

One person can lead a revolution.

In the contemporary world we see no justification for tolerance, sometimes for pity, sometimes even for kindness. The idea of obligation to others is becoming foreign to our psyche, along with civic duty, and commitment to alleviate poverty, hunger, disease, and homelessness.

Religion and the values associated with it do not exert the force they once did in our everyday times. Consequently, the business person too often looks only for profits -- the bottom line.

It's very difficult to say let's return to the good old days because the good old days were fraught with difficulty as well. The good old days brought us lynchings, slavery and segregation.

We must develop a new ethic for our times, one that acknowledges our responsibility towards our fellow human beings rather than exploiting their gullibility and weaknesses.

We have to develop a new ethic that does not entail greed and the symbols of status but that concerning sharing and caring.

We need to ground our self respect in who we are, not what we have, and that means being a success, not just in business, but in being a human being.

Ultimately, we are called upon to recognize that the enormous gifts that we have, have been given to us and we are called to share those with others.

Ours is not to take but also to give.



Barbara Dapolito, CPCU
New Designee Rep.

New Designees Column

By: Barbara Dapolito, CPCU
New Designee Rep.

Our chapter has been asked to submit a candidate for Regional new Designee Representative. One candidate will be selected from the names put forward by the chapters in our region.

Any CPCU from the class of 1988 or 1989 is eligible. This candidate should have the ability and the willingness to speak about Society of CPCU activities, and have employer support and commitment for financial and time considerations.

Please contact me for further details at 981-5140.

Our Philadelphia Chapter is currently in the process of preparing a description of our committees, including the function of committee members and the approximate time commitments. This should make it easier for Philadelphia CPCUs to make a decision as to where their talents can best be put to use and where they can use their energies to further their interests. I know that many of you, who truly want to get involved, cannot make a commitment without a better idea of how it can fit into your professional and personal lives. We hope to have it ready by our June Breakfast Meeting.

Congratulations to our January CPCUs for a job well done. Our sincerest support and best wishes for all who will finish this June.



No one here is holding a drink at the Franklin Luncheon honoring M.A.D.D.

Avoiding Computer Shock

By: Karen D. Paleologus, CPCU

Continuing insurance education is often a privilege offered by your employer and everyone's professional duty. Computers are here to stay in our industry, but many of us are not prepared to progress into the information age without a little help.

I am a member of the first graduating class for the Associate in Automation Management Designation; AAM. This is not a hands-on, but rather a technical review of the jargon, equipment, software and management approaches that have been applied by insurance agents, carriers, and the vendors that assist all of us to cross the bridge into the information age.

Although technical advances with computers occur at lightning speeds, this broad review of computer functions gives me a basis to consider future applications which will speed the processing of my workload and ease the "future shock" we all seem to be facing today.

The ISOP (Insurance Society Of Phila.) is offering courses in this program which is co-sponsored by NAIW (National Association Of Insurance Women, International) and IIA (Insurance Institute of America). In the Phila. area we are indeed very lucky to have this and many other fine educational opportunities.

For yourself, take the time to get involved with using computers and it will spill over into a more professional insurance industry and continuing education points too!



Karen D. Paleologus, CPCU
Director



Peter C. Raymond, CPCU

Update on 1989 Philly "I-Day"

By: Peter C. Raymond, CPCU

I-Day will be Monday, November 13, 1989. It will be held at the Franklin Plaza Hotel (Vine and 16th Street, Philadelphia) for the third year.

To those of you who have not attended in the past, we extend a cordial invitation to join your fellow insurance professionals for an interesting, provocative day devoted to insurance education.

The committee has just started to put together a program. The Key Note session will center around a panel defining the problems of the industry and offering solutions to those problems. We hope to have a panel composed of a Consumer Advocate, an Insurance Commissioner, a Legislator and an Insurance Company Executive Officer.

There will also be up to eight seminars on various issues. Three will be held concurrently after the opening session and 5 will run concurrently in the afternoon.

The Lunch time program will honor the areas new CPCU designees. Last year, we recognized forty new designees and 1,000 people were in attendance.



By: Bill Engler, CPCU

April Meeting Recap

THE RENAISSANCE PERSONS OF THE 21st CENTURY

By: Bill Engler, CPCU

Who will they be? They could be today's managers according to Jean M. Hanebury, Assistant Professor of management at the Franklin P. Perdue School of Business of Salisbury State University, Salisbury, Maryland. Addressing the April chapter meeting, Professor Hanebury described those managers who can adapt new techniques for the Information Era as bringing "light" to an era of managerial darkness.

In just 10 1/2 years, we will enter a new century. That century promises an Industrial Revolution equal to the last one in the late 18th Century. Manufacturing jobs will decline by 800,000 jobs, while productivity will increase by 2-3%. Yet white collar productivity will continue to decline at an annual rate of 6%. Why? "U.S. Management - once the envy of the world - simply doesn't manage anymore".

The quality and content of business education is partly to blame. We turn out bright staff analysts but few graduates with a real understanding of line operations. The composition of our workforce is also part of the problem. Demographic projections indicate that the fastest growing segments of our population will be the least educated, while the fastest growing jobs will be those requiring the most education and skills.

Managers will have to be far more flexible to help U.S. business complete in the next century. The traditional authoritarian style of managing will give way to a consensus driven approach. Managers will have to learn how to maintain human contact in an age of high technology. They will be required to be flexible in thought while maintaining perspective and a sense of ethics. The ability to think creatively will be critical as will the ability to understand human nature.

The concept of one time training will disappear as learning will become a continuous process for life. Required courses will include basic typing to improve manual dexterity, introductory business applications, employment law, memory improvement, and project management methods.

The new managers will build and maintain a results-oriented climate where responsibility is assumed. They will develop and reinforce by example a work ethic that expects and admires high productivity and hard work. They will demonstrate a long term commitment toward quality, customer satisfaction, and increased job satisfaction for all employees.

PHILADELPHIA CHAPTER: New Officers and Directors Elected at the April 13th Business Meeting

During the April 13th meeting the following officers and directors were unanimously elected for the term beginning July 1, 1989.

- President JOSEPH M. MC NASBY, CPCU
- First Vice President ARTHUR C. HANEBURY, CPCU
- Second Vice President RONALD E. VOGRIN, CPCU
- Secretary..... BRUCE L. KELLY, CPCU
- Treasurer..... LARRY L. KLEIN, CPCU
- Director (Two Year) JOSEPHINE BATTISTI, CPCU
- Director (Two Year) BARBARA DAPOLITO, CPCU
- Director (Two Year) JACK DERRICKSON, CPCU

We have three Directors who have one year remaining on their terms: Marie Bower; Karen Paleologus; William Engler.



Past President, Al Federico, CPCU and Chairman of the Nominating Committee, calls the names of the New Officers and Directors (standing) after the membership elected them at the April Meeting.



Jean Hanebury, Asst. Professor of Management, Franklin Perdue School of Business, Salisbury State University, was the speaker at our April Meeting.



Some of the people at the April Meeting.



Deep in thought about future management training at our April 13th Meeting.



Peter Palestina
Editor

From The Editor

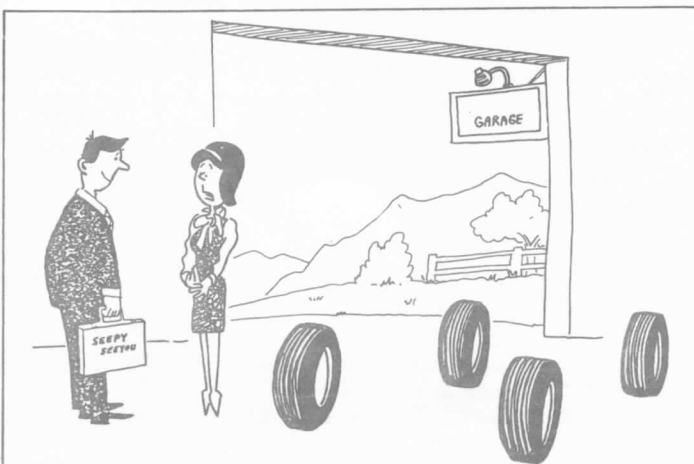
WE WILL ALWAYS BE ON A ROLLER COASTER RIDE

I was in a poetry writing mood when I sat down to write this column, so here goes my thoughts about the last decade.

In the late seventies, with a heavy punch
 The industry saw a products liability crunch
 The rates went up and no longer did we see
 Three year fixed rate policies
 But it wasn't long before interest rates took off
 And the hardened market was becoming soft
 "Throw the book away" was the sound around town
 Inflation ran rampant but the rates came tumbling down
 The public was smart and started to shop
 As the rates kept falling but the losses did not
 Free installments and cash flow plans
 Trips for agents to exotic lands
 It didn't take long, or so we are told
 Before some insurers started to fold
 Non renewals went out and rates became high
 All of a sudden the market went dry
 Reinsurers pulled out as you heard them mourn
 "No more capacity without tort reform"
 One solution thought to stem the tide
 Was to offer a change called simplified
 Aggregates imposed and policy wording was new
 New classifications and rating with claims made too
 Training and classes were held to tell
 How to understand the new CGL
 After two years we're not enthused
 The public and agents are still confused.
 Now rates are down as we make amends
 But it won't be long before they go up again
 No more rates to be published by ISO
 Where this will lead us nobody knows
 One thing never changes no matter how hard it's tried
 Stopping the roller coaster premium ride
 Maybe it was just meant to be
 A part of our complex industry
 Confusing industry? Yes it's true
 But it certainly helps if you're a CPCU.

Why not write a little poem of your own and send it to me for publication c/o The Walsh Co., 1700 Race Street, Phila., PA 19103. Until the September issue, enjoy the summer.

THE ON-GOING SAGA OF "SEEPY SEEYOU



At least it wasn't a total loss!!



Art Hanebury, CPCU
2nd Vice President

Program Chairman Reports

WHERE DO WE GO FROM HERE?

It has been my pleasure to serve as the Program Chairman for the Philadelphia Chapter during 1988-89. I believe we have supplied you with some very interesting topics as all of the breakfasts have been well attended. Of concern now certainly is what do we do in continuing our long tradition of providing good programs for the Philadelphia Chapter.

One step that we have decided to make, is to assign a chairman for programs which might be a more permanent position. I believe that this chairmanship should involve the gathering of suggested topics, making sure that we are not repetitive in our presentations and last, setting up the actual meeting arrangements so that a majority of our consistency have an opportunity to attend.

One major success of our programs as recognized by those of other CPCU chapters throughout the country is the institution of the "SEASON TICKET". If you haven't availed yourself of this opportunity I would encourage it strongly for the 1989-90 program year. We are even considering opening this season ticket to be purchased by the organization rather than an individual so that attendance from an organization can be geared to the topic scheduled for that particular meeting. Remember the tickets are transferable.

It has been a pleasure and an education to serve as Program Chairman for our chapter and I thank you for that opportunity.

See you in September!

News From The Candidate Development Committee

By: Richard A. Banyard, CPCU
Chairman



The Candidate Development Committee played a major role in the Chapter's April 13 breakfast meeting.

We invited to the meeting all area candidates, who have completed six or more of the CPCU examinations, a group that includes more than 100 individuals. We are pleased by the steady growth in our educational program, and we know that several of these people are going to be pleased to complete the examination series and join us in Anaheim this year.

I was given the opportunity to address the meeting regarding our progress in the Candidate Development area, with the following highlights:

1. We again successfully co-ordinated our educational effort with the Insurance Society of Philadelphia. Recognition was given to the teachers in the Society's classes, many of whom are members of our Chapter.
2. The Personal Sponsorship program has also had a successful year. The Insurance Society has recruited personal sponsors for candidates requesting such help, and the sponsors were also acknowledged at the meeting.
3. We also made a pitch for our Personal Contact campaign, to make panel presentations to local insurance offices. We are planning some such presentations for the near future, and will be making a major effort to revitalize this program in the coming year.

We want to take this opportunity again to thank all of you who made contributions of time and effort to these candidate development activities. The continuing strength of our program is a very good sign for the future of the Chapter

Joint CPCU/RIMS January Meeting Recap

LONDON MARKET HIGHLIGHTS JANUARY MEETING

By: Bill Engler, CPCU

Yvonne Paretzky, founder and president of Paretzky Information Network, Inc., and independent risk management and casualty firm, was the featured speaker at our January meeting. A former senior editor of *Loss Prevention and Control*, Paretzky is the author of *Guide To The Insurance Market*.

The London Market is composed of Lloyds of London the Institute of London Underwriters, and the Common Market. To become a member of a London syndicate costs \$450,000, 30% cash down. It is upon these cash deposits that the market's capacity is based. If losses exceed this capacity, they are paid from the individual's private funds; therefore, the members all tend to be very wealthy. Membership includes a growing number of Americans.

The London Market has never refused to pay a valid claim. However, you must have a valid policy. This can frequently be tricky since no names of underwriters appear on the policies, only numbers. If you don't know what the numbers mean, you don't know who is providing coverage. Finding out can be difficult because binding authority agreements are confidential. Frequently, claims are refused on policies that appear to be totally valid, with underwriters signatures, simply because of lack of knowledge of the London system.

The easiest way to avoid problems in the London Market is by getting to know your underwriter. If you know him or her personally, there is no way that any confusion or misunderstanding can arise regarding coverage.

Help is on the way in assisting with the problems of coverage identification in the fork of the London Insurance Market network (LIMN), an IBM computer network. This network will provide access to additional information necessary to clarify coverage questions.

We can expect to see retail branches of London insurers in major U.S. cities in the near future. The rationale is to get closer to potential clients in order to write the additional business that is not now finding its way to London. Be ready for another British invasion.



Yvonne Paretzky founder and president of Paretzky Information Network, Inc. was the speaker at our joint CPCU/RIMS January Meeting.



Dr. Alan Arbeter spoke at the February Joint CPCU/CLU Meeting on the AIDS Epidemic.



Chapter member Phil Spinelli (Front Middle) had a strained neck for two weeks after the January Meeting.



These Chapter members are getting information on the AIDS crisis which was the topic at the Feb. Meeting.

February Meeting Recap

AIDS IS EVERYONE'S PROBLEM

By: Larry Nelligan, CPCU

Public Relations Committee

The annual joint meeting of the CPCU and CLU chapters in February featured a sobering assessment of the AIDS epidemic by Dr. Alan Arbeter. Dr. Arbeter is Director of Pediatrics and Head of the AIDS task force at the Einstein Medical Center.

In New York City, AIDS patients occupy 1,000 hospital beds a day. With the current hospital occupancy rate at 95 -98% in New York, where do we find the resources (physicians/nurses/hospital beds) to respond to those of us who need conventional medical services such as pre and post natal care, open heart surgery and kidney transplants, etc.?

A little closer to home, here in Philadelphia between 1,600 and 1,800 people have been diagnosed as having the full blown AIDS disease. The diagnosis for those who are H.I.V. positive in the Philadelphia area is estimated to be between 10,000 to 20,000 people.

What is AIDS? AIDS is an infectious viral disease transmitted via intimate sexual contact, shared blood which has been infected, and intravenous drug use. The AIDS virus is unique in that it contains an enzyme that comes along with the virus that tells certain cells of the human body (and animals) to turn off their immune system and turn on the coating from the DNA of the virus so that these cells behave differently.

Unfortunately, the cells that the AIDS virus attaches itself to and invade, happen to be part of the immune system. In contrast to so many other viral infections (such as the Common Cold and Flu virus) which activate the immune system, the AIDS virus shuts the immune system down.

The Human Immunodeficiency Virus (H.I.V.) is the exact opposite, in that enzymes that come along with the AIDS virus change the nature of the body's immune system in that they become suppressed in their ability to ward off infection. The basic physiology of the disease is that certain cells disappear from the scene and others which cause damage proliferate and change their physical makeup.

Based on current data, it is projected that in the United States alone, between 500,000 and 1,000,000 people are HIV positive. Those who are HIV positive, but not clinically ill (they do not have the AIDS disease yet) do not manifest any apparent signs; they carry no flags or warning signs on their chests. An HIV positive person can spread the virus to others unknowingly via sexual contact and/or through sharing needles during the course of intravenous drug use.

The incubation period for someone who is HIV positive varies from several months to 10 years, during which time this person can unwittingly infect life expectancy varies from 12 to 24 months. The average hospitalizations of an AIDS patient is 2.4 hospitalizations a year or 5 hospitalizations for each AIDS patient with an average stay of between 12 to 20 days. The length of stay depends on available medical insurance and type of illness being treated.

Once having been diagnosed as having the AIDS disease, the illness leads to a continuous downward trend leading to wasting of the body and neurological abnormalities. At this time there are no known long term survivors.

Approximately 15 -20 drugs are in the active trial stage that may hold promise, however, at this time nothing looks as good as the drug AZT, which is helping to prolong life by interfering with the virus' ability to reproduce itself. AZT does not turn off the virus completely, it only slows the virus down. Also, AZT decreases the average number of hospital days, which in turn reduces society's financial burden for this devastating disease.

A recent study of college campuses revealed that between 1% and 3% of the students surveyed are H.I.V. positive. In conclusion, AIDS truly affects everyone from all walks of life

What can be done about AIDS?

1. Maintain monogamous sexual relationships.
2. Avoid intravenous drug use.
3. Vigilant testing and screening procedures of donated blood.
4. Continued research and development into the patho-physiology of the disease and possible cures.
5. Competent and compassionate medical care for those afflicted with AIDS.