



# CPCU

PHILADELPHIA CHAPTER  
THE SOCIETY OF CHARTERED PROPERTY  
& CASUALTY UNDERWRITERS

# CHAPTERGRAM

VOLUME 23, NUMBER 3

Peter F. Palestina, CPCU-Editor

MARCH, 1990

## H. Gordon Heile Selected As Franklin Award Recipient

The Philadelphia Chapter has selected H. Gordon Heile, ARM, to be the recipient of its prestigious Franklin Award. Gordie is director of Risk Management for Asplundh Tree Expert Company.

Gordie will accept the award at the luncheon planned at The Hershey Hotel on Thursday, March 8th.

The reception will begin at 11:15 A.M. with lunch at noon. A flyer will be sent out toward the end of February.

The special guest speaker will be The National RIMS President, Ronald W. Stasch, ARM, CPCU.



*Dr. Dan Ziegler discusses stress management at the January Meeting.*



*Are these CPCUs and CLUs managing their stress properly?*



*These people at the January Meeting certainly appear to be unstressing themselves.*

## January Meeting Recap

### MANAGING STRESS BEFORE IT MANAGES YOU

By: *Ed McAndrews, CPCU*  
*Public Relations Chairman*



Those attending our January Breakfast Meeting were pleased to hear a speaker whose wit and professional manner made them glad to have risen early to attend the joint meeting with the Philadelphia Chapter of Chartered Life Underwriters (CLU).

Our speaker was Dr. Dan Ziegler, Dean of the Graduate School of Liberal Arts and Sciences and Professor of Psychology at Villanova University. Dr. Ziegler is a licensed psychologist with a practice in stress management; he has extensive experience as a teacher and has co-authored a leading text in the psychology of personality.

Stress is "the non-specific response of the body to any demand" as defined by the leading authority on the subject, Dr. Hans Selye, a Canadian scientist. "Non-specific" refers to the fact that stress produces a generalized response effecting various bodily systems, blood-pressure, digestion, and so on. To say that it effects the body is to say that it is not primarily a mental or emotional response but rather a physical one. A demand is a stressor, anything coming from outside the body that elicits stress, e.g., a difficult client, financial problems, etc.

Stress management uses psychological principles to control stress. The process begins with rational analysis.

There are four well defined levels of stress:

1. Increase in heart rate, pulse and blood pressure, palms perspire, etc.
2. Irritability, anxiety, tension, inability to concentrate, restlessness and diminished sexual drive.
3. Headaches, stomach aches, heavy perspiration, random behavior, chest pain, insomnia and loss of sexual drive.
4. Ulcers, stroke, alcoholism, drug addiction, psychotic breaks with reality, heart attacks and suicide.

There are five steps to take to reduce stress:

1. Identify the source of the stress: precisely what it is that is bothering you.
2. Decide to do something about the source of the stress. Recognize that no matter how desperate a situation may seem, that you can do something about it.
3. Choose an appropriate course of action. Make a list of alternatives and list the pluses and minuses of each.
4. Take positive action. Once you decide to do something about the problem, do not procrastinate.

A professional in stress management assists in the above process when the individual has attempted to deal with stress without positive results. Nowadays, psychologists deal with people "where they are" and try to get them back on track with rational, analytical techniques rather than with extensive investigation into their past problems and background.

Simple suggestions for dealing with routine stress are to make sure that you always set aside time to do something that you find truly relaxing and enjoyable. Watching a silly sit-com on TV will help some at the end of a busy day. At work, try to delegate tasks that can be done by others and don't get caught up in thinking that you must do everything yourself. No one can.

Aerobic exercise three times a week for twenty minutes at a time has been shown over and over to be effective in combatting the effects of stress.

Dr. Ziegler made a strong case for applying the basic decision making techniques that we all have to managing the problem of stress. Also, stress is ever present and is not all bad. In fact, we can use stress in a healthy way by turning problems into challenges and dealing with them as they come up instead of letting them build up and become unmanageable like a stack of unpaid bills.



Joseph M. McNasby, CPCU  
President

## The President's Corner

### LOOKING BACK AT THE 80'S

### LOOKING FORWARD TO THE 90'S

This is my first article of the new decade - the 1990's. It is a time when you take time to reflect on all that's taken place in your life during the past ten years and then try to project what all might be in store during the next ten years.

First, let me assure you that at the end of the next ten years I won't be reflecting on the whole century just passed. No, a ten year period is an interesting period. For most of us, important changes may, or may not, have occurred during any given year. However, when you look at the past decade, it's hard to imagine any of us escaping several major changes.

In 1980, the Phillies won the World Series. In 1989 you couldn't give Phillies tickets away in September. In 1980, who would have dreamed that the Berlin Wall would come tumbling down? How many of us live in the same house as we did in 1980? How many have changed jobs? In 1980 I was still coaching my oldest boy in Little League. Now he attends Colorado State College.

All these changes can really be intimidating. With all the changes, you need some things to stay the same - like a security blanket. That's where we are really lucky - we're in the insurance business - we still have our cycles to hold on to. In any event, when you look to the next decade, you're sure there are going to be many more changes. It's a time for hope.

I sincerely hope that most of the changes in the next decade will be positive ones for each of us. Maybe by 1999 a September Phillies ticket will mean something!

### CHAPTER'S NEWLY FORMED CONTINUING EDUCATION COMMITTEE TO OFFER HELPFUL ASSISTANCE IN CPD AND CE LICENSING REQUIREMENTS

We have begun a new committee in our Chapter specifically to assist our members in the area of continuing education. Our goal is to help you obtain your CPD (Continuing Professional Development) designation from the Society of CPCU. While doing so, we noticed that many licensed agents & brokers are facing a paper nightmare trying to maintain their licenses in the wake of continuing education requirements. These two situations go hand in hand with us.

Please call Elayne Markey, CPCU at Palley Simon (215) 884-2100 with your questions on education. She contacted the National Society and has a supply of CPD applications. Find out how many points you already have from: grading, teaching, speaking, meetings, membership, as well as information on many of the courses and workshops offered by the Insurance Society, IIA, CPCU, IIR, Pictoral, etc. She has information on the educational requirements for agents in several states. Let our newest asset help you meet your professional goals.



Peter T. Standbridge discussing auto insurance at Philly I-Day. Left to right: Neil Doherty, John Cantrill and Peter Stanbridge.

## National Director's Corner

Guess what book I received for Christmas! I am suggesting we apply one of its ideas to our industry as CPCUs. The idea, "Anything not worth doing is worth not doing well". Think about it and all the things we don't do in our everyday professional activities:

Not accepting a risk and doing it well is a real challenge these days, and anytime turning down a claimant and doing it so well that it doesn't lead to suit.

Think what the impact might be on our image of CPCUs in an industry in need of a better image.

The idea comes from Elias Schwartz, alias harko lama, as shared by Robert Fulghum in the book entitled, "All I Really Need to Know I Learned In Kindergarten or Uncommon Thoughts On Common things".



Robert M. Campbell, CPCU  
National Director



## New Designees Column

By: T.C. McDonnell, CPCU  
New Designee Rep.

Congratulations to all of the Phila. Chapter 1989 CPCU Designees. I've been congratulated by people inside and outside of this insurance industry for my attainment of the CPCU designation, and I'm sure each of you have had similar experiences. I'll never forget the first time I was introduced as a speaker after getting my CPCU. The conference coordinator said "And now I'd like to introduce T.C. McDonnell, ARM, CPCU . . ." It sure made me feel good to finally be a completer.

I guess over the last several months, I've realized that becoming a CPCU is only a first step. There is a lot of work that needs to be done. Much effort is needed to better educate the public. Public relations work is needed to convince "America" that insurance professionals are really the 'GOOD GUYS'. I've also realized that you don't become a "PROFESSIONAL" by completing a series of tests. A "PROFESSIONAL" needs to live and work with extremely high ethical standards and a sincere concern for the well being of others. I believe that true professionals will become active members of our Chapter.

I've seen a number of you at the Chapter Breakfast meetings. I hope all of you will find the time to join us because there are a lot of fine people, who are fellow CPCUs, that you can meet at these meetings.

I've already attended several monthly board meetings as one of my responsibilities as a New Designee Representative - Phila. Chapter. I can assure you that the Phila. Chapter board members and our committee chairpersons are committed to the National Society's goal of promoting visibility. Almost all of our Chapter committees could use help from us; since we are the largest graduating class and we also represent a significant percent of "ACTIVE" members of this Chapter.

We are discussing the possibility of having a special New Designee meeting after our April 12, 1990 Breakfast Meeting. This would include short (5 min.) presentations by committee chairpersons on their committee purpose, accomplishments, and work in progress. After the presentations, we hope to have time for each of you to further discuss details with the chairperson of any committee that peaks your interest. Your personal involvement will provide you with new contacts with fellow CPCUs and should enable the completion of significantly more positive accomplishments toward betterment of the image of our insurance industry, the Society of CPCU and our Chapter. When all arrangements are set, you will receive a special invitation to this Breakfast Meeting. If you'd like to contact me for any reason, I can be reached at: T.C. McDonnell, ARM, CPCU c/o CIGNA, 1600 Arch St. LCS-12T, Phila., PA 19103, (215) 523-5043 / Fax: (215) 523-4164.

# It Was Our Most Successful Philly "I-Day" Ever

**THIS ARTICLE COMPLIMENTS OF DR. MARIELLEN WHELAN, PRESIDENT, INSURANCE SOCIETY OF PHILADELPHIA WHO WAS ALSO I-DAY CO-CHAIRPERSON**

## Insurance '90 A New Proposition

More than 1200 people were welcomed to Philly I Day at the Franklin Plaza Hotel on November 13, 1989 by H. Gordon Heile, Risk Manager, Asplundh Tree Experts and Co-Chairman of Philly I Day. Norman Baglini, President of The Insurance Institutes of America, introduced and moderated a consumer, regulator, legislator panel that addressed issues of concern to the industry and its consumers.

George Idelson, Editor of "The Consumer Affairs Letter" applauded recent collaborative efforts of consumers and the insurance industry to promote safer conditions for driving. He said that part of the insurance industry image problem is that the industry acts out of character. Consumers view insurance as a public utility providing a required service. When that service is not available or very expensive consumers revolt because the utility is not serving the public well.

Stephen F. Freind, Pennsylvania State Representative, focused his remarks on the Casey-Freind Auto Insurance Bill and its potential for reducing insurance premiums significantly by limiting the conditions for suits.

Constance Foster, Pennsylvania Insurance Commissioner, discussed Auto Insurance and she commented on a wide range of subjects including Workers' Compensation and Pennsylvania's Continuing Education requirements.

Eight seminars were offered during the day including Auto Insurance, Ethics, Financial Analysis of Insurance Companies, Workers' Compensation, Claim Handling, Press Interviews, Value of Insurance Products and Policy Interpretation.

Sixty two CPCUs, guest of Philly I Day, were honored at the luncheon for completing their CPCU designation. Norman A. Baglini, Ph.D., CPCU, CLU, President of The Insurance Institute of America and Richard L. Katten, CPCU, President of the Society of CPCU conferred the designation.



*(Left to right) Chapter President, Joe McNasby, National Society President Richard Katten, National Director Bob Campbell and Regional Vice President Marsha DeLong pose here at the Chapter's I-Day hospitality suite.*



*New CPCU Barbara Bertha (Top) and Barbara Brown (Bottom) receive congratulations from Society President Richard Katten during the I-Day Luncheon Presentation.*



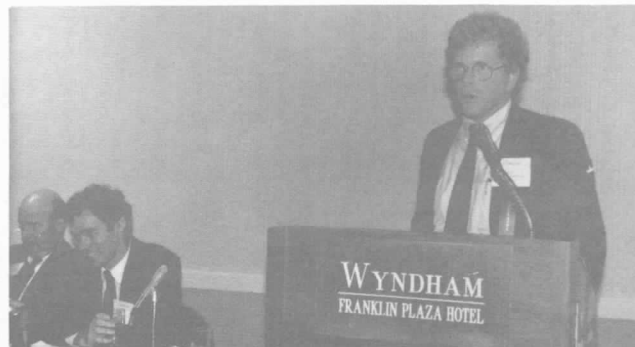
*Rudy Franklin asks a question at the I-Day Opening Session.*



*H. Gordie Heile (L) I-Day Co-Chairman welcomes the crowd to I-Day as he prepares to introduce the opening session panelists (left to right) Norm Baglini, Ph.D., CPCU, CLU, George Idelson, Insurance Commissioner Constance Foster and PA House Rep. Stephen Freind.*



*PA State Representative Stephen Freind fields a question on automobile reform at I-Day.*



*John Cantrill (R) as moderator of the "How Did The Automobile Get Us Here?" seminar is about to introduce I-Day panelists Neil Doherty, Ph.D. of The University of Pennsylvania and Peter Standbridge, Executive Vice President, Kemper Insurance Co.*

# HIGHLIGHTS OF CHAPTER'S 6th ANNUAL FIRE SAFETY ESSAY CONTEST

Before a large audience at two public meetings, the awards were presented to this year's winning students by Chapter President Joe McNasby, and Coordinator Pete Palestina. Local newspapers covered both presentations, the first being held at the Council Rock School Board meeting of November 6th, and the second held before the Northampton Township Board of Supervisors on November 8th. State House Representative Roy Reinard also presented proclamations to the students and also entered the Chapter and the students into the State Registry as an acknowledgement for their fine effort in a worthy undertaking.

Posters, charts and pictures accompanied the essays but could not be reproduced herein the Chaptergram. The essays were displayed at the Northampton Administration Building along with the posters through the Christmas / New Year holiday season. The ceremonies at the November 8th meeting were broadcast live over local cable television. The essay of Donna Primrose appears on the next page. Donna has won her category 4 consecutive years.

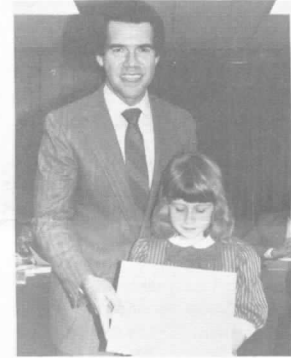
## 1ST AND 2ND GRADE LEVEL WINNERS



1st Place - Mary Primrose  
Churchville Elementary



2nd Place - Jody Sutton  
Hillcrest Elementary



3rd Place - Cynthia Forck  
Chancellor Street Elementary

## 3RD AND 4TH GRADE LEVEL WINNERS



1st Place - Daniel Rock  
Rolling Hills Elementary



2nd Place - Susan Primrose  
Churchville Elementary



3rd Place - Heather Clamper  
Rolling Hills Elementary

## 5TH AND 6TH GRADE LEVEL WINNERS



1st Place - Donna Primrose  
Churchville Elementary



2nd Place - Angela Dunham  
Richboro Elementary



3rd Place - Stephanie Ross  
Churchville Elementary



**The Following Essay Won Our 1st Place Prize For The 5th and 6th Grade Categories. Donna Has Won 1st Place In Her Category Four Consecutive Years. This Year The Following Essay Was Accompanied By A Large Poster Depicting A Juke Box With Various Records Playing On Words Of Old Rock & Roll Tunes Tailored To Fire Safety.**

**FIRE SAFETY IN THE HOME**

**"Oldies, but Goodies"**

By: Donna Primrose, 6th Grade  
Churchville Elementary

*You know, some things never change. Home safety fire prevention tips will make you and your home, oldies but goodies, that will last a lifetime. Remember your safety songs, your lyrics for life, they are classics.*

*"Sounds You Can Live With", and instrumental by the smoke detectors. They are fire safety while you sleep. Your house should have one on each level. Have the batteries checked frequently.*

*With the holiday season, who knows who will be coming to visit, so now is the time to have your fireplace and chimney cleaned. You should only burn wood, not paper. Be sure you don't store ashes, get rid of them in safe containers. Use a protective screen. Also, never store gasoline, or kerosene, and never use it in a fireplace.*

*Do you remember the oldie, but goodies "Don't Leave Me On"? You should always unplug your appliances after you are done using them. Never leave the kitchen while you have something on the stove. Turn pot handles in, and watch your sleeves while you cook. If something in your microwave catches fire, shut the door, and push the "off" button. If you do have a grease fire, smother it with baking soda, never water. Remember to turn off the iron, and the washer and dryer before you leave your house.*

*If you ever have to "Get Out Of Your Place", do you know which route to take? Always plan home fire drills with two ways out. Have a meeting place outside, and stay there until all members of your family are safe. You should have fire stickers to spot where children's rooms are. Practice your fire drills with your family a few times a year. You should sleep with your doors closed. If there is a fire check your door; if it's cool open to check for smoke. Crawl low and get out. If it feels warm, keep the door shut, do not panic! Exit out another way safely.*

*"Baby, Don't Forget My Number!" Keep all emergency numbers by the phone. Teach them to your family in case a fire starts. If there is a fire get out! Call the fire department from a neighbor's house.*

*"This Ones For The Children." Teach them to stay away from matches and lighters. Be sure they are out of their reach. Keep children, furniture, and curtains away from space heaters. Be careful with children especially during holiday times. Do not leave candles burning, blow them out before you leave the room. Before buying a set of lights, look*

*for the fire safety labels from a testing laboratory. Replace all old sets. Do not leave children home unattended. Teach your children to STOP where you are, DROP to the ground, and ROLL to smother the flames, if their clothes ever catch on fire.*

*Just remember big fires start small, learn to save all. You, your family, and your home are all precious. Keep them oldies, and goodies.*

**THE FOLLOWING PICTURE AND PRESS RELEASE APPEARED IN SEVERAL PUBLICATIONS DURING NOVEMBER.**



Holding their awards are the Council Rock School District winners of the sixth annual Fire Safety Essay Contest sponsored by the Philadelphia Chapter of Chartered Property and Casualty Underwriters (CPCU) are from left, first row, 1st and 2nd grade level: Mary Primrose (1st place), Jody Sutton (2nd place), Cynthia Forck (3rd place). Second row, 3rd and 4th grade level: Daniel Rock (1st place), Susan Primrose (2nd place), Heather Clamper (3rd place). Third row, 5th and 6th grade level: Donna Primrose (1st place), Angela Dunham (2nd place), Stephanie Ross (3rd place). Back row: Peter Palestina, Northampton Supervisor and contest coordinator, Joseph McNasby, President of the Philadelphia Chapter of CPCU, Frank Fenton, Northampton Fire Marshal.

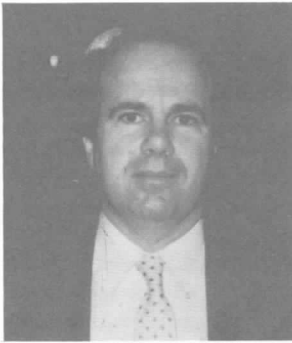
First place finishers received a \$100 savings bond and a plaque, second place finishers received a plaque and third place finishers received a framed Certificate of Commendation. The students also received Citations from the Northampton Township Board of Supervisors and PA State Representative Roy Reinard.

The awards were presented at the Council Rock School Board public meeting of November 6th and the Northampton Supervisors public meeting of November 8th.

The essays were written during National Fire Prevention Week.



During the Northampton Township public meeting Pete Palestina, CPCU and Township Supervisor (L) reads the Township Proclamation to the public. Next to Pete (left to right) are Joe McNasby, CPCU, President of the Philadelphia Chapter of CPCU, State Representative Roy Reinard III, and Northampton Fire Marshal Frank Fenton.



Larry L. Klein, CPCU  
Treasurer And Seminar Chairman

## CPCU Updates

From: Larry L. Klein, CPCU

### CHAPTER SPONSORED "BUSINESS INCOME" SEMINAR SLATED FOR SPRING

The Philadelphia Chapter is one of the first in the country to sponsor the newly created "CPCU Update" program which

was designed with the educational needs of today's professionals in mind.

A seminar entitled: "Business Income Exposures and Their Treatment", will be presented late this spring. This special seminar provides workshop materials complete with a short essay exam created and graded by the "AIPLU" leading to 10 credits under section A-7 of the CPCU program for Continuing Professional Development (CPD).

In today's professional environment, many agents are looking toward the Philadelphia Chapter Society of CPCU to provide informative seminars that also grant Continuing Education Credits which are required for licensed agents and brokers in several states. Applications will be filed for this seminar in all states where such a requirement exists.

Please look for your mailer and respond early to participate in this exciting new program.



Chapter President Joe McNasby welcomes our new CPCUs at the Chapters hospitality suite at I-Day. Joe encouraged all to become actively involved.



Some more of the Chapters new CPCUs board members and dignitaries at the I-Day hospitality Suite.



Table of new CPCUs and guests at the I-Day Luncheon.

## An Operating Theme For 1990 Chosen By Society President Richard L. Katten, CPCU

### CPCU Visibility— It Begins with You

The Society operating theme for 1990 will be "CPCU VISIBILITY - IT BEGINS WITH YOU". This theme was chosen by Society President Richard L. Katten, CPCU, to increase visibility of the designation. Katten is calling on each Society member to tell others about the CPCU commitment to professionalism.

"I call on all my fellow CPCUs to rally together as we enter the 1990s. The year ahead will be one of positive action and new opportunities as we face the intense challenge of changing public perception of our industry", Katten said. "Our collective professional image has suffered during the 1980s, and we need to work to change that image and regain the public's trust."

Each member will be encouraged to take advantage of chapter activities that reach business groups, consumers, and students. CPCUs are encouraged to speak publicly, write letters, and become active in other local organizations and politics in order to educate consumers and decision makers about the insurance industry.

"We must educate people about the many ways insurance protects their lives and property, and the major impact it has on our economy", Katten said. "As leaders in our industry, each CPCU has a responsibility, a duty, and an obligation to promote the public's understanding of insurance by taking advantage of contacts within the community and speaking out".

The National Society will provide support and resources for individual and chapter visibility efforts. The Society's national newsletter, *CPCU News*, will publish a regular column offering ways for CPCUs to make themselves heard. A national speakers bureau will be developed so that chapters can call on top speakers in our industry, and a Chapter Public Relations Coordinator will be added to the Society staff to work closely with chapter public relations chairmen.

The Society is also expanding educational opportunities with new programs and workshops which will increase CPCU visibility among groups both inside and outside the insurance industry. And national advertising this year will include a campaign to target Certified Public Accountants as part of a plan to increase awareness of the CPCU program among professionals outside of the insurance industry.

"We as CPCUs must renew our commitment to professionalism by taking responsible action to promote our industry as an essential and honorable profession", Katten said. " 'CPCU Visibility - It Begins With You' emphasizes the role we each must play in the constant effort to increase understanding and confidence in our profession".



Table of new designees and guests at the I-Day Luncheon.



Peter Palestina, CPCU  
Editor

## From The Editor

### MANAGING STRESS IS LIKE RISK MANAGEMENT

I just returned from the Chapter's January 11th Breakfast Meeting where the topic was "Stress Management". The meeting was longer than usual as we typically conclude by around 9:30, but it was arranged in two sessions so that those that needed to leave at 9:30 could do so, while those that wanted to stay for a question and answer period simply took a five minute break. I knew the deadline for putting this Chaptergram together for the printer was today and thought it would be best for me to leave at 9:30 to be better able to put this issue to bed. Just thinking about this caused me great stress, so I decided to stay. All kidding aside, this was one of the best meetings I have ever attended. Speaker Psychologist Daniel Ziegler, Ph.D. of Villanova University was dynamic, entertaining, informative and gave us much to think about in handling stressful situations.

Since our Public Relation Columnist for that meeting, Ed McAndrews, CPCU, has written a report elsewhere in this issue I won't take away from his story here except to pass on Ziegler's five step process to help manage stress because not only does it bear repeating, but it's amazingly similar to the risk management process:

1. Identify the source of the stress - what precisely is bothering you?
2. Decide to do something about the source of the stress.
3. Choose an appropriate course of action after analyzing what will happen given the alternative choices.
4. Take positive action - make sure you do it.
5. Evaluate the effectiveness of your action. If things are better, fine. If it's not, go back over the first four steps. If that doesn't work, it's time to see a psychiatrist.

Enjoy the spring and if you would like anything published send it to me at the Posse-Walsh, Inc. 1700 Race Street, Phila. PA 19103 or fax it to me at: (215) 564-0569.

## Some Quotes To Ponder

THE QUOTES SHOWN BELOW WERE TAKEN FROM THE NORTHWEST OHIO CHAPTERGRAM AND YOUR EDITOR THOUGHT YOU MIGHT ENJOY READING THEM.

*"It's easy to get the players. Getting them to play together, that's the hard part"* - - Casey Stengel

*"What you do not want done to yourself, do not do to others"* - - Confucius

*"Quality is not an act. It is a habit."* - - Aristotle

*"Experience is what enables you to recognize a mistake when you make it again."* - - Earl Wilson

*"Life is not a 'brief candle'. It is a splendid torch that I want to burn as brightly as possible before handing it on to future generations."* - - George Bernard Shaw

*"Men grow in stature only as they daily rededicate themselves to a noble faith."* - - Dwight Eisenhower

Note: TO ALL PHILADELPHIA CPCU CHAPTER MEMBERS

From: Ronald E. Vogrin, CPCU Program Chairman

The primary purpose of the CPCU Breakfast meetings is to promote education within the Chapter. The speakers are chosen on the basis of their knowledge of the topics. The topics are to be timely and of interest to the members of the Chapter.

If a member or a guest of a member has a problem with a speaker as respects content, delivery, opinion, etc., the local Philadelphia Chapter of CPCU recommends that the member or guest correspond directly to the speaker. The views and opinions of the speakers are in no way to be construed as the position held by the Philadelphia Chapter of CPCU and/or its board.

We want to continue to provide the best breakfast speakers available at the time, and we welcome members input as to our topics both future and past.

### 1989/90 APPROVED BUDGET

Category/Description	Budget
<b>INCOME</b>	
Directory	\$ 1,500.00
Dues	13,920.00
Franklin Award	3,750.00
I-Day	3,250.00
Interest	700.00
Meetings	10,000.00
Seminars	2,500.00
Spring Social	2,000.00
<b>TOTAL INCOME</b>	<b>\$ 37,620.00</b>
<b>EXPENSES</b>	
Annual Meeting	2,500.00
Candidate Development	750.00
Careers In Insurance	200.00
Chap. Officers Conference	1,900.00
Chaptergram Postage	1,200.00
Chaptergram	6,500.00
Directory	1,500.00
Fire Essay Contest	400.00
Franklin Award	4,650.00
H.J. Loman Foundation	500.00
I-Day	1,000.00
ISOP	600.00
Meetings Expense	9,500.00
Miscellaneous	1,000.00
Palu Services	3,200.00
Postage & Printing	3,000.00
Public Relations	2,000.00
Research Projects	250.00
Spring Social	2,000.00
<b>TOTAL EXPENSES</b>	<b>\$42,650.00</b>
<b>DEFICIT</b>	<b>\$ (-5,030.00)</b>

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



It was left over from last summer Seepy, but don't worry, we just bought Products Liability Insurance.

## December Meeting Recap:

### ENVIRONMENTAL LIABILITY AND TRENDS TOWARD COVERAGE

By: *Larry Nelligan, CPCU*  
*Public Relations Committee*



*Larry Nelligan, CPCU*  
*Public Relations Committee*

Mr. Adrian J. Gordon, J.D. wrapped up 1989 as our featured speaker for the December Meeting. Mr. Gordon is an attorney specializing in Environmental Impairment Liability (E.I.L.) for the firms Wilson, Elser, Moskowitz, Edelman and Dicker.

The issue of toxic wastes and its attendant liability is a very serious issue confronting our society. Wishful thinking and/or ignoring the problem will not resolve it or make it go away.

In order to put the issue of environmental claims in perspective, it has the real potential of making the Savings & Loan crisis dim in comparison.

The problem of E.I.L. has, for the most part, fallen squarely on the shoulders of the Insurance and American Manufacturing Industry as a result of Judicial Activism. Judicial Activism being defined as the process of stretching, altering or perverting a change in the constitution in order to achieve a socially desirable objective in accord with the judges' viewpoint.

In 1972, the first pollution exclusion was written into the C.G.L. Policy. It was intended to **exclude** losses that were **NON-SUDDEN** or **GRADUAL**, occurring over a prolonged period of time. The intent was to cover only those losses that were **SUDDEN** and **ACCIDENTAL**.

The courts interpreted the '72 Pollution Exclusion as a "restatement of the definition of occurrence" which is defined as an accident, including continuous or repeated exposure to the same harmful condition.

What exactly is the trend towards coverage? What triggers coverage? Is there a duty to defend? Do clean up costs constitute damage under C.G.L.?

These are all good questions and there is no one answer that we can all agree upon, let alone reach a broad consensus upon. The courts are all over the board. The Federal Courts often differ from the state and appellate courts in terms of what the law is and how it should be interpreted. Bottom line is that Judicial decisions are continually evolving/changing.

As an example of the differing methods of resolving the Environmental Liability Crisis (read - who will pay for the cost of cleaning up polluted land and water) various courts have issued the following opinions concerning liability:

- **EXPOSURE THEORY** - The injury occurs at the time of exposure and thus the insurer providing coverage at the time of the exposure is liable.
- **MANIFESTATION THEORY** - Injury occurs when the disease or injury manifests itself or when the disease becomes capable of medical diagnosis. Insurer providing coverage at that time should respond.
- **TRIPLE TRIGGER THEORY** - All insurers providing coverage from time of exposure through the time of manifestation should provide coverage.

What is the actual scope of the problem and is it being overblown? There are estimates of from 2500 to 5000 hazardous waste sites that could be included on the E.P.A. National Priorities list of sites that require clean-up action. Since Super-Fund legislation was enacted in 1980, the E.P.A. has succeeded in cleaning up approximately eight sites, one of which in the northern Pennsylvania area has found its way back on the list.

The clean up may take 10-15 years to complete and requires 20

years of monitoring. Essentially what we are doing is cleaning up site "A" by moving it to site "B". When site "B" starts to leak and/or contaminates the ground water, we move it to site "C". In essence, what we have is a very sophisticated and exceedingly expensive shell game.

It will cost American Industry and the Insurance Industry an exorbitant amount of money to resolve the issue of toxic wastes.

Presently, we are relying on the courts to allocate responsibility/liability. The transactional costs of this approach are unacceptably high in terms of legal fees (which do not help resolve the central issue) and lengthy delays in implementing a solution.

While the legal community is more than willing to help us resolve this issue equitably, they are also insisting on their share of the pie for their services.

In the final analysis, the most cost effective manner in addressing the environmental liability issue is to develop a cooperative approach between American Industry and the Insurance Industry. The greatest amount of progress achieved to date has been accomplished in a teamwork manner rather than on an adversarial basis in a court of law.



Adrian Gordon of Wilson, Elser, Moskowitz, Edelman & Dicker was the speaker at the Dec. 14th meeting.



Some of the chapter members listening to Adrian Gordon talking about environmental claims at our December meeting.



"To ask a question or not to ask a question" seems to be the question contemplated by Larry Nelligan at our December Meeting.