



CPCU CHAPTERGRAM

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

VOLUME 24 NUMBER 3

Peter F. Palestina, CPCU-Editor

March, 1991



JANUARY MEETING RECAP DIRECTORS & OFFICERS LIABILITY

By: Deborah Alston, CPCU
Public Relations' Committee

Mr. Arthur H. Miller was the guest speaker at the January breakfast meeting. Mr. Miller, a partner with the Philadelphia law firm of Blank, Rome, Comisky and McCauley, spoke very informatively on the topic of liabilities of corporate directors and officers.

There are generally two categories into which the liabilities of directors and officers fall. The first is their liability to the corporation. A fiduciary relationship exists between directors and officers and the corporation that they serve which includes two distinct duties, the duty of care and the duty of loyalty. The duty of care stipulates that directors and officers must exercise due care and diligence in the management of the corporation affairs. The duty of loyalty requires that they discharge their responsibilities with fidelity to the corporation. Consequently, any violation of these fiduciary responsibilities could result in their being personally liable to the corporation and its shareholders.

Directors and officers are afforded some consideration for errors under the business judgment rule. This is a rule of judicial review which provides that if a director or officer makes good faith business decisions, which they honestly believe are in the best interest of the corporation, and the outcome is unfavorable, they are not liable for errors in judgment. The business judgement rule was created because it was recognized that directors and officers are not infallible, it would be difficult to get competent people to serve as directors and officers without some protection against errors in judgment and business decisions frequently involve risk. The rule has four requirements. There must be a business decision which requires action on the part of the director, disinterestedness, due care and good faith.

The liabilities of the corporation itself is the second major category of directors and officers liability. Under the federal security laws directors may be personally liable for their own conduct or for the conduct of their corporation. Six separate acts comprise the federal securities laws which were designed to protect the public and investors through prohibitions against fraudulent and manipulative practices and disclosure practices. These laws are administered and interpreted by the Securities and Exchange Commission (SEC). The two primary laws are the Securities Act of 1933, which regulates the offer and sale of securities by corporations to the public, and the Securities Exchange Act of 1934 which regulates the periodic disclosure requirements of public companies, proxy solicitation, takeover conduct, and the conduct of market professionals.

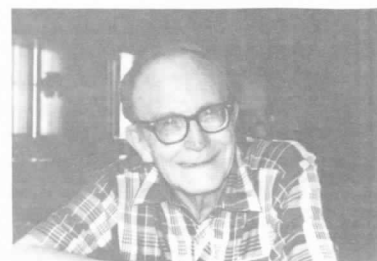
There are three types of liabilities addressed by the securities laws; criminal liability, SEC Civil liability and private actions. Various sections of the two acts provide that any individual who "willfully" violates provisions of the acts or who "willfully and knowingly" makes misleading statements of material fact can be fined and/or imprisoned.

Under both acts the SEC is granted civil enforcement authority with respect to violations of the acts. Enforcement can be taken in the form of injunctive relief or money penalties. Provisions under both acts also provide private litigants the right to bring civil actions for violations of the statutes.

A comprehensive outline entitled "Selected Liabilities of Corporate Directors and Officers" was distributed at the meeting. Anyone who desires a copy of the outline or additional information should contact Mr. Miller at Blank, Rome, Comisky & McCauley, Four Penn Center Plaza, Philadelphia, PA 19103.

BOB HEDGES IS LOOKING FOR SOME OUTSPOKEN CPCU's

Bob A. Hedges, Ph D, CPCU, CLU
Careers in Insurance Program
Chairman



At Philly I-Day 1990, William Bailey of The Insurance Information Institute gave a great address on the insurance industry's need to engage in a grass roots campaign to tell the good things the industry and the people in it do. He exhorted everyone to help do so.

Your Chapter is working on arranging presentations to high school classes in Economics or Business. Can you help—help make presentations, or help make contacts? Call Bob Hedges at 215-646-6057 day or evening, weekday or weekend. Thanks for your help.

Treasurer's Report

as of 1/9/91

By: William W. Engler, CPCU, Treasurer Income

	BUDGETED	YEAR TO DATE ACTUAL
Income.....	\$ 43,100	\$ 8,712
Disbursements.....	49,040	14,624
(Deficit)/Surplus.....	(\$ 5,940)	(\$ 5,912)
CASH BALANCE:		
Checking.....	\$ 6,693	
Money Market..	10,756	
TOTAL.....	\$ 17,449	



Arthur H. Miller, ESQ. was the speaker at our January meeting.



Some of the crowd at our January meeting where the topic was D & O liability.



The President's Corner

It's Half-Time

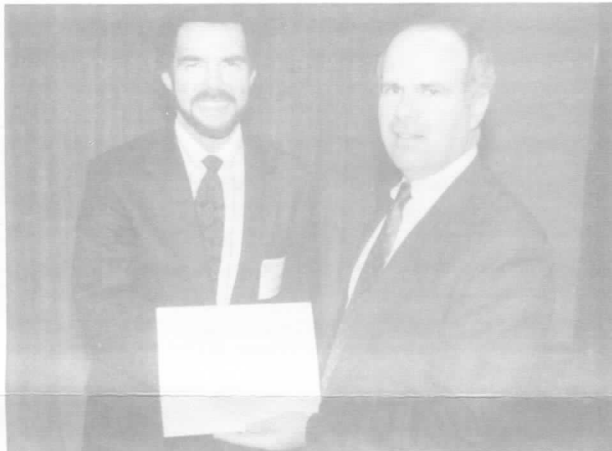
Art Hanebury, CPCU President

I was just reviewing my calendar for 1991 and realized that we are already more than half way through the fiscal year for the Philadelphia Chapter. It is amazing how fast time flies when you're having fun!

As I look back at what has just occurred in preparation and evaluation for what we plan in the future, I think everyone should be pleased with the performance of our Chapter. Our breakfast meetings have been excellent, with regular high attendance. We have participated with many other professional organizations, there are more designees participating as part of the Philadelphia Chapter in a meaningful way than ever before, research papers are underway and we have what constitutes a real effort in public relations.

This should get us excited for the remaining portion of 1990-1991 fiscal year. We look forward to having at least two seminars, one of them on loss control. Continued efforts for excellent presentations at our breakfast meetings. There will be a Franklin Award presentation on March 14, 1991. The Chaptergram will be receiving articles from brand new authors, our membership percentages are blossoming and people continue to pursue the CPD designation. From a grass-roots perspective then, I must feel confident that our CPCU organization is making every effort to make a professional, visible and consistent picture for the insuring public and the media.

Keep up the good work and hang on for a great ride!



Larry Klein receiving certificate for organizing our 1989 seminars.



T.C. McDonnell receiving certificate for his work as the chapters 1989 New Designee Representative.



National Director's Corner

National Activities For Spring 1991

*Robert M. Campbell,
CPCU National Director
East Central Region*

Your National Committee's Officers and Directors will be meeting in Chicago March 14-16, 1991, to deal with current agenda and planning for your Society's future. I am representing members of your Chapter, and would like your thoughts and ideas.

The next major undertaking is what we call is COLC's. These are our Chapter Officer Leadership Conferences which occur April 12 and 13, 1991, in Charlotte, North Carolina. Your Chapter leaders will be attending a two day meeting keyed to effective chapter leadership with a varied menu of critical topics directed towards continued success for your Chapter.

These are opportunities for National to hear from you, and act on your concerns. Please do not hesitate to advise me what your concerns might be.

Looking forward to hearing from you. If you would like to contact me, write c/o The PMA Group, P.O. Box 604, Lemoyne, PA 17043-0604!

SYNTHETIC L-TRYPTOPHAN, THE NEXT MANIFESTATION THEORY PROBLEM

By: Linda Martin, CPCU

As a new designee, I was "invited" to get acquainted with the "Job Jar" and drew a slip of paper asking me to write an article for the next chaptergram.

I have decided to write about a growing medical issue - from our point of view in various facets of the insurance industry - which could affect us from a claims standpoint. The subject is L-Tryptophan, a synthetic amino acid which is combined with binders to make tablets or capsules and sold over-the-counter as a nutritional supplement, a muscle builder, and sold for such conditions as insomnia, PMS and depression.

Synthetic L-Tryptophan was banned by the Food and Drug Administration (FDA) in March of 1990, which caused a nationwide recall of any product containing any percentage of the substance. It has been found to cause a condition known as Eosinophilia-Myalgia Syndrome (EMS), a blood disorder that causes severe muscle pain, neurological damage and in the most severe cases, paralysis or death.

All synthetic L-Tryptophan used in the United States has been manufactured in Japan and exported to this country. To date, the L-Tryptophan used by EMS patients has been strongly linked to one manufacturer, K.K. Showadenko Corporation. The American Showa Denko Corporation has been found to have limited resources and low insurance limits. For this reason (among others) wholesalers and retailers in our country who have handled and/or sold the product are being rapidly brought into any suits being filed by claimants suffering with EMS.

Although the product has been recalled, there are most likely limited amounts of it still on the shelf and/or being taken by uninformed consumers. Since products liability coverage is triggered by the occurrence of bodily injury, and the condition takes varying periods of time to manifest itself, many insureds are finding themselves named in lawsuits and liable as the claims continue to be reported.

Insureds typically exposed are those who in any way imported, processed, packaged, distributed or sold synthetic L-Tryptophan. (NOTE: Naturally occurring Tryptophan has NOT been found to be a problem, but very few products include the natural variety). Typical retailers could include health food stores, drug stores, department, grocery or sporting goods stores.

The problem is real, the suits are being filed and large numbers of claims are being reported. Several insurance companies have set up special claims handling units for the increasing number of these serious and problem-specific claims. Many are underwriting the above-mentioned classes of business with more care, asking more and definitive questions before agreeing to bind coverage.

I am sure we will all be hearing more about the L-Tryptophan issue, unfortunately as the claims come in and the serious nature of the problem mounts. As insurance professionals, we should do our best to be informed, and maintain an awareness of potential liabilities.

MORE ON THE "FIRE SAFETY" ESSAY CONTEST

Written by fifth and sixth grade category winner
(The essay was accompanied by a model house displaying hazards)

Fire Safety For Babysitters

By: Julie Hershman - Grade 5

Being a babysitter is a very important job. Along with taking care of the children, you must be able to handle emergencies. Sometimes very important decisions must be made. You are responsible for the safety and lives of children, that's why you *have* to know about fire safety.

When you arrive at your babysitting job, make sure that important phone numbers including the Fire Department and where the parents can be reached are written down. Ask if the parents have practiced a home fire escape plan with their children, review it with them and find out where the meeting place is outside the house. Find two ways out of every room and know the location of all exit doors.

If there is a fire when you're in charge (if you smell smoke, see flames, or hear the smoke alarm), get everybody out and stay out. If necessary, crawl low under the smoke with the children. Go to the meeting place and make sure everybody is there.

Take the children to the neighbors and use their phone to call the fire department. Give the complete address and don't hang up until you're told to. It's a scary thought, but if you had to decide to leave the children in the home while you get help because it was too dangerous, tell them that the children are still in the house and where they are. Then call the children's parents.

There are other emergencies that can come up. If clothes catch on fire stop, drop and roll to smother the fire until it goes out. If anyone gets burnt run cool water on the burned skin immediately for about ten minutes. Get help quickly if the burn starts to blister.

Of course, you can plan ahead for safety. If there are matches or lighters around the house, make sure they're out of the reach of small children.





If you were given permission to cook for the children, make sure you turn the pot handle inward to prevent dangerous spills. Never put anything metal in a microwave. If something catches on fire in a microwave, shut the door and push the "stop" switch. Roll your sleeves up if they are loose fitting and don't [put towels near the range.

To protect the children, always close the bedroom doors, this also means you *must* listen more carefully for the children.

Children should not touch or go near space heaters. Make sure the space heaters are not close to furniture or drapes.

Supervise the children closely. Have a safe and fun job; remember a babysitter is a *very important person!*

Written by third and fourth grade category winner
(The essay was accompanied by a game board, shown below)

STOP, DROP & MOVE AHEAD ONE SPACE!	6 What do you do if your clothes catch on fire?	7 What do you do before you open a door in a fire?	8 If the door is hot what should you do?	STAY LOW AND GO ONE MORE.
5 Name a firework safety tip.	 			9 Can you use an elevator during a fire?
4 What information should you give when calling the fire department?	<h2 style="margin: 0;">THE INTENTION IS PREVENTION!</h2>			10 What is the best way to cool a burn?
3 Name a safety rule for the kitchen stove.	<h3 style="margin: 0;">A Fire Safety Game For Kids.</h3>			11 What should you do when leaving a building during a fire?
2 What should you do with cigarettes when done?	<p style="margin: 0;">By: <i>Christan Kelly</i> Hillcrest Elementary School Fourth Grade Teacher: <i>Mrs. Gallo</i></p>			MOVE AHEAD ONE SPACE!
1 What is the best way to get away from a smoky place?	 			12 Should you ever hide during a fire?
▲ START	Congratulations! You Win the Fire Safety Game!	14 Name a safety rule for electric space heaters.	13 What should you do when your brother or sister is playing with matches?	Fire Safety's in YOUR hands! Move ahead one space.

The answers to my game are on the next page.

I hope you enjoyed my Fire Safety Game. Here are some additional tips: 1. don't put in too many plugs in one outlet. 2. during a fire STAY LOW AND GO! 3. Don't put electrical things near or on water. 4. always put camp fires out when you are leaving the camp site 5. plan a way to get out of a fire and to an exit 6. make sure you have a meeting place and 7. check your fire alarm's batteries every month. Don't forget, THE INTENTION IS PREVENTION!

KIDS WRITE LETTERS OF APPRECIATION

Holland, PA 18966
Mr. Peter Palestina, CPCU
47 Lynford Road, Richboro, PA 18954

November 25, 1990

Dear Mr. Palestina,
Thank you for my second place award for the Fire Safety in the Home" essay contest. It was a great honor to receive this award. My plaque is hanging in my room where I can always look at it. I hope my essay helped kids learn more about fire safety. Thank You.

Sincerely, Patrick Knowles, Holland Elementary, 6th grade.

Dear Mr. Palestina,

I wanted to thank you for your part in sponsoring the "Fire Safety" contest. I cannot believe all the awards and media recognition I have received.

The contest made me very proud of myself. My parents and family are very proud of me, too!

Thank you for the copies that you sent me.

I can't wait to enter again next year.

Sincerely, Michael Cianni

A REPORT ON OUR CHANNEL 12 FUNDRAISER

By: Art Hanebury, CPCU President

By all measurements the WHY? effort by all of the organizations participating was a success. We had 104 participants. WHY? informs us that we were responsible for collecting \$50,831 of donations while on the air. Hopefully those funds were solicited somewhat from the insurance organizations participating and certainly the general insurance community.

The organizations who participated are as follows:

Philadelphia Chapter CPCU
 Greater Valley Forge Chapter CPCU
 Brandywine Valley Chapter CPCU
 The American Institute
 The Society of CPCU
 CLU, ChFC Philadelphia Chapter
 The American College
 The American Society of CLU, ChFC

WHY? also tells us that in fact we were the largest single group ever to go on the air for them and we had those die hards who stuck with it the whole time. My personal thanks has to go to each of the organizations coordinators without whose help we certainly could not have done as an effective job as was obviously accomplished. Probably the most beneficial and positive news I can tell you about the WHY? event is that we intend to do it again during December 1991. Phil Rondeau, CPCU of Travelers has taken responsibility for the organization of the event and we look forward to your participation in 1991.

GREATER VALLEY FORGE CHAPTER ANNOUNCES OFFICERS, DIRECTORS, & COMMITTEE CHAIRPERSONS 1990-91

Our Sister Chapter - Greater Valley Forge has announced the following officers, directors and chairpersons for 1990-91:

Officers

President.....	Paul McShane, CPCU
1st Vice-President.....	Dick Felts, CPCU
2nd Vice President.....	Carol Fitzsimmons, CPCU
Secretary.....	Christina Madden, CPCU
Treasurer.....	Ernie Martino, CPCU

Directors

Dick Althouse, CPCU	•	Bill Gildea, CPCU
Steve Horner, CPCU	•	Mike Trachtenberg, CPCU

President Emeritus

John Raimondo, CPCU

Committee Chairpersons

New Designees.....	Jeff McQuiston, CPCU
Public Relations.....	Art Blanche, CPCU
Research.....	Tony Biacchi, CPCU
Candidate Development.....	Dick Felts, CPCU
Programs.....	Dick Althouse, CPCU
Membership.....	Ernie Martino, CPCU
I-Day.....	Mike Trachtenberg, CPCU
Education.....	Steve Horner, CPCU
Newsletter.....	Carol Fitzsimmons, CPCU
Visibility Project.....	Bill Gildea, CPCU



Pete Palestina receiving certificate for Chaptergram and Fire Safety Essay Contest Chairmanships during 1989.

New Programs at the Institute

The new Associate in Reinsurance (ARe) designation program is off to a fine start. It is the first formal national education program in reinsurance. It was developed jointly by the Institutes, the reinsurance section of the Society of CPCU and the Broker and Reinsurance Markets Associates (BRMA). The audience is professionals in both the reinsurance and insurance business because it addresses the needs of buyers and sellers of reinsurance.

Four courses lead to the designation. We are half way there since CPCU 5 and 8 are required. The remaining courses are ARe 141, Principles of Reinsurance and ARe 142, Reinsurance Practice. A new reinsurance text, *Principles of Reinsurance* was published by IIA and forms the core of ARe 141.

January 1991 and each January thereafter will be the examination schedule. If you would like additional information, contact the Institute's Field Services Department, 720 Providence Road, Malvern, PA 19355-0770, 644-2100 ext. 7518.

Karen Burger, CPCU, CPIW

USING CPCU AND IIA EXAMS TO MEET CEC REQUIREMENTS

Although many individuals in the insurance business participate voluntarily in continuing education activities, some are required to earn continuing education credits (CEC) to maintain their agent's or broker's licenses. Currently, more than 20 states require agents and brokers to earn a minimum number of continuing education credits per year, or over a period of years, to remain licensed.

Passing CPCU and IIA examinations has been approved by most state insurance departments as a way to earn continuing education credits. Each state has its own set of requirements about which courses are approved for credit, the amount of credit granted per exam, how many credits are required over what period of time, and what type of verification of participation is required.

If you are interested in obtaining a certificate to verify completion of CPCU or IIA exams, you can:

- Call the Field Services staff at (215) 644-2100, ext. 8528; or
- Complete and send in the Request for Transcript or Continuing Education Certification form found in the *Key Information* booklet;
- Make your request in writing to Field Services, including your social security number, the course(s) you want to use for CEC credit, and the state(s) for which you need a certificate.

There is no fee for this service.

The following five states will accept a photocopy of the Institutes' grade report to verify CEC credit: Illinois, Kansas, Minnesota, Texas, and Washington.

Answers to the Intention Is Prevention Game Board On Page 5.

1. It is best to crawl out of a smoky place, there is no smoke close to the floor and smoke rises. 2a. Make sure they are cold or wet b. Remember, never smoke in bed. If you fall asleep, you could start a fire. 3a. Keep pot handles turned inward. b. Keep paper away from the burner. c. Never play with the burners. 4. Name, address of fire, location of fire in home, phone number & leave the place of the fire BEFORE you call for help. 5a. Stay away from fireworks b. Watch them from a distance. 6. Stop, drop and roll 7. Feel the door and see if it's hot. 8a. Seal all cracks with wet towels b. Shut off anything electric c. Go to window and wait to be rescued. 9a. Absolutely not! The wires could burn and the elevator would stop b. Always use the stairs 10a. Cool water stops more skin damage and makes burn hurt less. 11a. Move quietly and quickly b. Don't stop to get anything. 12 No Way! Don't hide in closets or under beds 13. Take them away and then tell your parents. 14a. Never leave the heater with a small child b. Keep away from curtains, and paper c. Keep pets away. d. Unplug when leaving.



DECEMBER MEETING RECAP

CPCU'S AND CLU'S MEET TO DISCUSS ETHICS

By Chris Wrobel, CPCU

The Chapter's December breakfast meeting was held during Ethics Awareness Week. The meeting was co-sponsored by the Philadelphia Chapters of the Society of CPCU and the American Society of CLU and ChFC. The CPCUs and CLUs gathered to hear a panel discussion on ethics by a representative of the accounting industry, the life insurance business, a national insurance broker, and the clergy. Moderating the discussion was Dr. Norman Baghini, president and CEO of the Diocese.

From the accounting industry was Richard H. Bertholdt, CPA. Mr. Bertholdt, a Partner at Pricewaterhouse, works within his company's Insurance Services Group and is well-versed in the stringent ethical standards of the American Institute of Certified Public Accountants. Paul J. Shevlin, CLU,

Shevlin holds a Ph.D. in Business Administration from the University of Pennsylvania and is the immediate past president of the General Agents and Managers Conference. Representing national brokerage was MacBrien S. Thompson, CPCU, CLU. Mr. Thompson, a graduate of the University of Pennsylvania's Wharton School, is a Managing Director of Marsh and McLennan in Philadelphia. And Stephen Godsall Myers, D.D., offered ethical insights from the perspectives of both the legal profession and the clergy. Mr. Godsall-Myers was an associate in a Philadelphia law firm before completing his pastoral studies and taking his present position at the Catholic Church in West Chester.

The panelists addressed such areas as the importance of the work environment in encouraging ethical behavior; the ethical dilemmas arising in relationships with clients and underwriters; the challenges of ethical standards; and the importance of individual values.

"Every company has to set a benchmark for ethics standards," said Mr. Thompson. "It is the environment created by the firm, its work structure, that will either encourage or discourage ethical behavior; an environment in which ethics is emphasized tends to weed out unethical individuals. And top management must set the tone and the necessary policies and controls," added Mr. Bertholdt. Policies should be specific, understandable, and enforced through education programs. On-the-job training is also important in teaching ethical behavior, stated Mr. Godsall-Myers. "Law schools and professional codes of ethics can only teach broad ethical standards. The day-to-day ethics of what is right and what is wrong must be learned within the system."

A great deal of the discussion centered around the questions of who actually is the practitioner's client, and what ethical obligations are owed to that client. According to Mr. Bertholdt, the relationships between the accountant

and the client have become increasingly complex. The Sarbanes-Oxley Act, which has drawn increased scrutiny to public companies, and the Dodd-Frank Act, which has drawn increased scrutiny to the insurance industry, has also directed his attention to the accounting industry. Among proposed legislation are requirements that accountants report discoveries of a client's illegal acts to the SEC, and requirements that discoveries of questionable activities be disclosed to the public. The question for the accountant, said Mr. Bertholdt, should not be whether or not the client is the employing firm or the public, but rather, to what degree are loyalties owed to each. Current trends suggest that the greatest loyalties are owed the public.

The same appears to be true in the life insurance business, according to Mr. Shevlin. But the insurance buyer's dilemma comes first. "Always place yourself in the shoes of the buyer," advised Mr. Shevlin. Ask yourself, "What would I do in this situation?" If a client discloses information that may be material to the application, always let the client know that you are going to tell the insurer. If the client disagrees, then don't continue with the transaction. Added Mr. Shevlin, if material information is withheld, the life insurer will eventually find out anyway. Similar ethical dilemmas in the property-casualty industry were addressed by Mr. Thompson. He feels that the most common ethical breach is misrepresentation in the application to the underwriter. Often conflicts will arise when an insurance buyer relates confidential information to the producer. Said Mr. Thompson, the producer must decide if that information is material, and if so must make the disclosure to the underwriter. "But what if the underwriter does not ask about a specific item of information?" asked a member of the audience. "It doesn't matter," said

Mr. Thompson. "If you know you have information that is material to the underwriting process, you should disclose it. It's not your job to guess what the underwriter is going to ask about."

So, what are the ethical standards for the insurance industry? Mr. Shevlin said that the industry has a long history of ethical standards, and that the industry is now facing a new set of challenges.

At the meeting, the speakers discussed the importance of ethics in the insurance industry, and the challenges of ethical standards in a complex and competitive market.

The meeting was a success, and the speakers provided valuable insights into the ethical challenges of the insurance industry. The meeting was well-attended and provided a great opportunity for the industry to discuss these important issues.

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WE ARE THE 1%
CONTEST WINNER

HE HUNT
FOR AWAY

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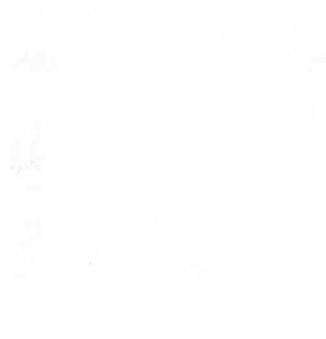


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FROM THE EDITOR

Going First Class

Peter Palestina, CPCU Editor

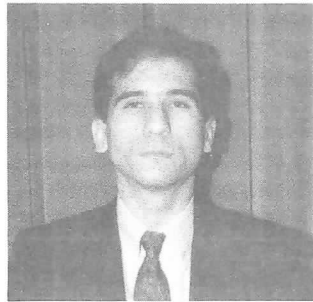
We must apologize for the late arrival of our December issue. You should have received it in early December, but many of you did not receive it until as late as mid January. In an effort to save on expenses we mailed the December issue bulk rate instead of the usual first class. We were told by the postal service that it could take anywhere from four days to thirty days to deliver. Well it looks like we got the short end of the stick. Anyway since the Chaptergram does to press 45 days prior to the anticipated mailing date (it's Jan. 15th as I write this column), it's bad enough you get late news (we publish quarterly), we can't afford to get it to you even later. The board has decided to go back to first class mailing, at least for now. So you should be reading this around the first week of March.

Those oldies but goodies appearing in the June Chaptergram were such a hit that I decided to update the charts with segment number two. Here goes:

DO YOU KNOW THE WAY TO SAN JOSE - AAS's
I SAW HER STANDING THERE - THE EYEWITNESSES
ONLY YOU - THE NAMED INSURED
TELL IT LIKE IT IS - THE SIMPLIFIEDS
TIME WON'T LET ME - PROOFS OF LOSS
TRAINS AND BOATS AND PLANES - THE TRANSIT UNDERWRITERS
WIPEOUT - THE CHAPTER ELEVENS
IN THE MIDNIGHT HOUR - THE INCEPTIONS
LAST DATE - THE EXPIRATIONS
LIGHT MY FIRE - THE ARSONISTS
NEVER GONNA GIVE YOU UP - THE PERTETUAL POLICIES
SHOP AROUND - THE BOTTOM LINES
25 OR 6 TO 4 - THE LINE GUIDES
YOU HAVEN'T DONE NOTHIN' - THE DEFENSE COUNSELS
AROUND THE WORLD - THE AIG'S
HERE'S THAT RAINY DAY - THE SPECIAL EVENTS
ON THE STREET WHERE YOU LIVE - THE REDLINERS
THAT'S ALL - THE POLICY LIMITS
DANKE SCHOEN - THE DEEP POCKETS
SOMETHINGS GOTTA GIVE - THE ARBITRATORS
YOU DO SOMETHING TO ME - THE CLAIMANTS
ALL THE WAY - THE SUPREME COURTS
CALL ME IRRESPONSIBLE - THE E & O'S
AIR THAT I BREATHE - THE EIL'S
IT'S THE SAME OLD SONG - RALPH NADER
SLIP SLIDIN' AWAY - THE TRIP & FALLS
WHOLE LOTTA SHAKIN' GOIN' ON - THE EARTHQUAKES
THE LIMBO - THE RESERVATION OF RIGHTS
TAKE ME AS I AM - THE SALVAGERS



T.C. McDonnell (l) passes the volunteer job chit-jar to Frank Menna our 1990/91 New Designee Representative. Frank will encourage our latest CPCU's to reach into the jar and perform the task requested. Good Luck.



New Designees Column

Dip Your Hand Into The "Job Jar"

*By: Frank Menna, CPCU
New Designee Representative*

In the comic strip "Hi and Lois," Hi will occasionally dip into a "job jar" which will contain various household chores requiring attention. These would include tasks from fixing a squeaky door to cleaning out the attic. Well, New Designees of the Philadelphia Chapter, we have a "job jar" for you. In it are varied opportunities for you to make valuable contributions to the chapter efforts. Further, you will attain personal satisfaction and have chances to meet other insurance industry professionals. The "jobs" typically take no more than a couple of hours.

Here is an example of 1990 new designees who have partaken of the "job jar":

- *Cindy Wolkiewicz, Cohen-Seltzer* will sponsor a future CPCU.
- *Bill Weir, Swett & Crawford* will notify his local newspaper and develop a contact for Chapter News Releases.
- *Bill Jungreis, CIGNA* will speak at a "Careers in Insurance Program" at a local high school.
- *Chris Wroble, Crum & Forster* has agreed to write an article for this Chaptergram.

Get the idea? There are over fifty 1990 New Designees in the Philadelphia Chapter. Our objective is to get everyone to dip their hand into the "job jar". About 30 of us have already "drawn" a job and have received a CPCU lapel pin, compliments of our Chapter.

How do you get involved? There are a couple of ways. After each Breakfast Meeting, we will be waiting in a designated location with the "job jar" and anxious to sign you up. As an alternative, please feel free to call me at 609-488-3217. Let's call it "telejob." You will be asked to pick a number from one through five which will correspond to a particular job on the list.

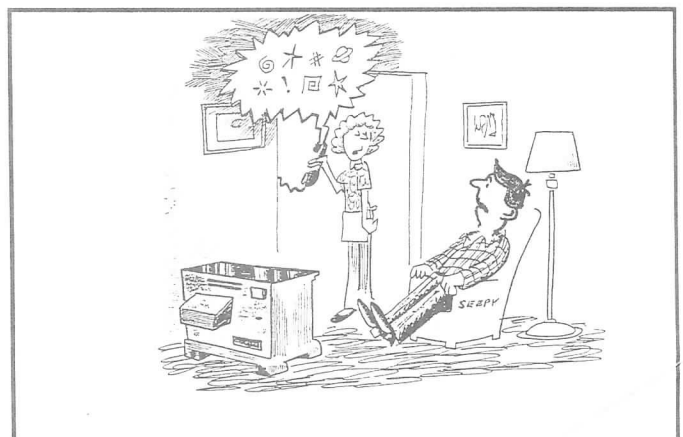
We are anxious to see all of you have your own pewter CPCU pin. New designees who have chosen jobs have received their pins. For those who have not - the pins await.

We also wish to highlight the initiative of several New Designees who have agreed to serve on the New Designee Committee for 1990. These are *Gregory Rowan, Atochem North America, Elaine White, CIGNA, and Sue Zankowski, Reliance*. We hope to hear from you soon!

VALLEY FORGE CHAPTER I-DAY • MAY 10, 1991

The Greater Valley Forge Chapter has slated May 10, 1991 for their I-Day. The topic will be insurance fraud. The speakers will represent government, special fraud investigation units, and insurance company and the consumer. More details will follow as the program becomes finalized.

THE ON-GOING SAGA OF "SEEPY SEEYOU"



I think Mom got that non-renewal notice you sent her!!

NOVEMBER MEETING RECAP: PERSONAL FINANCIAL MANAGEMENT

By: *Ed McAndrews, CPCU*
Public Relations Chairman



The topic of our November meeting was Personal Financial Management. Our guest speaker was John H. Stehman, CPA, CFP, of Price Waterhouse here in Philadelphia. John's practice is primarily devoted to assisting high income professionals and others in arranging their finances to achieve specific objectives. He has many years of practical experience and is well qualified on this subject.

John pointed out that we all must deal with many different specialists in creating a suitable financial program. To provide for retirement, education of children, asset management and other needs, we must rely on bankers, investment advisors, insurance agents and others. The role of a Financial Counselor is to act as an intermediary between these specialists and ourselves to offer us independent guidance in deciding how to tailor an array of products to meet our unique circumstances.

No matter what level of income we may have, there are five key principles to follow to achieve financial security and independence:

1. Pay Yourself First - Provide an adequate income flow to cover expected expenses.
2. Control Discretionary Expenses - Avoid credit cards whenever possible and be sure to check the interest rate on any deferred purchases
3. Establish a Good Insurance Program - This may include Disability Income if not provided by an employer.
4. Maintain an Adequate Emergency Fund - Many experts believe that three to six months of income is needed to protect against unexpected job loss, etc.
5. Establish a Sound Investment Program - Consult a qualified professional counselor or planner and determine your needs and financial strategies.

The most fundamental building block of a sound program is a budget. John made it clear that almost all of us are used to preparing and working from budgets in our businesses but almost never bother to create one for personal use. Instead, we "wing it" and pray that our income and expenditures balance out and, if we're lucky, provide a modest surplus for savings.

In fact, only 5% of working people will find themselves financially independent at age 65 when they may expect to retire. This prospect alone ought to provide sufficient motivation for us to prepare a personal budget, and, more importantly, stick to it.

John was a very capable and personable speaker. Also, he graciously provided copies of an excellent book, *The Price-Waterhouse Book of Personal Financial Planning*. We are indebted to John for his timely advice and guidance.

QUOTES TO PONDER - *Complements of Northwest Ohio Chapter*

- "The nice thing about teamwork is that you always have others on your side."
- Margaret Carty
- "The game of life is a game of boomerangs. Our thoughts, deeds and words return to us sooner or later with outstanding accuracy."
- Florence Scovel Shinn
- "About the only thing ever lost by politeness is a seat on a crowded bus."
- The Irish Digest
- "If you keep on saying things are going to be bad, you have a good chance of being a prophet." - Issac Bashevis Singer
- "If at first you don't succeed, you are running about average."
- M.H. Anderson

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Some of the CPCU's at our November 15th meeting.



Beth Groves and Vince Menello at our November 15th meeting. Both are current students in the CPCU program.



John Stehman, CPA, CFP of Price-Waterhouse holds a five dollar bill which he gave to some lucky CPCU at our November 15th Meeting to prove a point. John Spoke on financial planning and the latest tax law changes.



Past President Joe McNasby congratulates and presents awards to: Tod Cunningham, Michelle Rawleigh and James Floyd at our Nov. meeting for their assistance in our Chapter's research project entitled "Crisis In Your Back Yard."