



CPCU

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

CHAPTERGRAM

VOLUME 25, NUMBER 3

Peter F. Palestina, CPCU-Editor

March, 1992



Some of our member volunteers at the Channel 12 Telethon Fundraiser

PHILADELPHIA CHAPTER TALENT BANK - INTEREST INQUIRY

A Board of Directors meeting was called December 12, 1991 to follow the December breakfast meeting at the Hilton Hotel on Broad and Locust Streets. During the meeting, one of the Directors suggested that it might be beneficial for the Chapter to develop a talent bank of Philadelphia Chapter members who are in the Philadelphia area, not presently employed, and are seeking employment in the insurance community. The expectation would be that resumes might be gathered centrally and be made available to other Chapter members, whose companies may be looking to hire insurance professionals. There is a considerable amount of talent within our chapter and some of our members may be out of work due to a layoff or they may have transferred recently with their spouse into the area or for a number of the reasons.

In order for the talent bank to work, prospective employers would have to be willing to make an inquiry to the Philadelphia Chapter to determine if there might be acceptable candidates for their open positions. Additionally, a task force would have to be created to receive and catalog the resumes and we would have to make it easy for potential hiring organizations to access the talent bank.

I am interested in receiving input from those of you who are reading this and feel strongly about the issue one way or the other. If you'd like to respond, would you please answer the following questions:

- 1) I strongly support the idea because _____

_____ OR
I strongly resist the idea because _____

- 2) I am currently seeking a position _____
_____ OR
I feel that my company would make use of the Bank, when seeking to hire insurance professionals _____
- 3) I have e had experience in job placement and I'd like to be on the task force to help other Chapter members find meaningful employment _____
_____ OR
I have not had experience in job placement, but I'd like to be on the task force to help other Chapter members find meaningful employment _____

If you would like to respond, please send your response to:
T.C. McDonnell, ARM, CPCU • Cigna Loss Control Services - 09 TLP
1601 Chestnut Street • P.O. Box 7716 • Philadelphia, PA 19192-2097

A REPORT ON OUR WHY FUNDRAISER

By: Shirley Funkhouser, CPCU
WHYY Fundraising Chairperson



On the night of Tuesday, December 10 nearly forty of our chapter members along with supporters from the Philadelphia Chapter of CLU and ChFC, the American College and Society of CLU and ChFC participated in WHYY's December TV12 fundraiser. Perhaps you saw some of our familiar faces on TV answering the phones that evening between episodes of *Are You Being Served* or *The Spirit of Christmas*. Our President, Bruce Kelly, had a live on-air interview, representing our profession well.

In fact the evening was quite profitable for WHYY. We helped raise \$58,723, exceeding last year's contribution by almost \$7,000!

Those who participated not only made a contribution to our community, but had an opportunity to see some behind the scenes TV activity. It was an enjoyable evening.

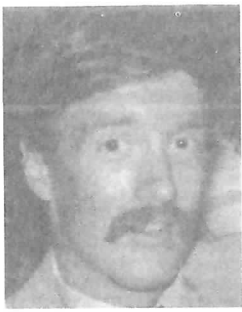
Thank you to all the chapter members who talk time from their busy schedules to do some good will for our community and our profession. Hope to see more of you next year.



The beef's still not here at the December meeting. In fact, we didn't even get eggs as pointed out here by Pete Palestina. Could it be his article in the December Chaptergram was disregarded by Karen Paleologus, our program chairperson?



Ah! Here's the beef, well bacon anyway, and eggs also exclaim Tom Krall, Bill Wier and Al Federico at our January meeting. These gentlemen were our original complainers at the September meeting and were highlighted in our last Chaptergram. Karen finally gave in. Just goes to show the power of the press.



The PRESIDENT'S CORNER

by: Bruce L. Kelly, CPCU, CLU
President

SPEAK YOUR MIND

By the time you read this, we may have already participated in the Call For Action Program. This is the type of opportunity that we, as an industry in general, and CPCU's in particular, should not pass up. It gives us the chance to inform the consumer, as well as have the public associate faces, or at least voices, with the industry. Part of our industry's problems have to do with the fact that we are reluctant to talk to the public about insurance issues of concern to them whereas many of our so-called opponents have no such reluctance. So as a result we are treated with contempt, if not even stronger emotions. But we can't have it both ways. If we aren't willing to have meaningful and honest dialogue with the public then we can't expect the public to perceive our industry as anything other than a faceless, greedy giant whose only concern is with the bottom line. After all, we are a service industry which means we exist to serve our clients not the other way around. Many people in our industry complain that we aren't treated "fairly" by the press and the public but unless some people in our industry are willing to step forward and tell the public about the hows and whys of our industry then we will always be at or near the bottom of public opinion polls.

I realize that company policy may prohibit some people from participating in certain public forums such as Call For Action. But if you are not subject to such constraints make yourself available for such opportunities. After all, who is better prepared to inform the public than a CPCU? We are supposed to be the "cream of the crop." Right? Well, exercise your First Amendment rights and speak out!

New Designee Column

by: Antonio Ramirez, CPCU
New Designee Representative



In his December Chaptergram column, our Chapter president Bruce L. Kelly, CPCU, CLU extended an invitation to all Philadelphia Chapter members to get involved in Chapter/Society activities. I would like to join Bruce in extending this invitation to all 1991 New Designees.

As New Designee Representative, one of my primary responsibilities is to be a source of information on Chapter/Society issues. If you need information on how to get involved, please contact me. You should soon receive the New Designee Newsletter which will provide a list of the members of the Board of Directors, what they do, and how you can help them. They will be more than glad to let you know how to get involved.

Another way to get involved is to pick a job from the job jar. If you have already picked a job, pick another one. If you have not picked a job yet, please pick one and you will receive a pewter CPCU lapel pin when you do so.

The key is to get involved. Become an active member of the Philadelphia Chapter. You will be glad you did.

National Director's Corner

Philip N. Spinelli, CPCU
National Director
East Central Region



National Service

The Philadelphia Chapter is making a contribution to the National Society through the participation of some of our members in various committees. I think it is appropriate to recognize these CPCU's for their contributions to the Society and to the insurance industry, which is the ultimate benefactor of the Society's professional education objectives. Anne Kopanski chairs the Candidate Development Committee and a past president, Walt Butterworth is Chairman of the Curriculum Liaison Committee. Other past presidents active at the national level include Joe McNasby, Candidate Development, Art Hanebury, Chapter Affairs, Boyd Bruce, Ethics Committee and Senior Section and yours truly as National Director. Other active members are Ed Levy, Budget and Finance, Rudolph Trosin, Class Section, and Janet Rickards, Risk Management Section. I hope I haven't missed anyone.

Philadelphia will also be the site in late April of the Chapter Officers Leadership Conference and the Philadelphia Chapter will be a host chapter. So as a Chapter, we are making our mark this year and perhaps we can build on this momentum and have an even greater participation level next year. Let me or your Chapter Officers know if you are interested in national service.

WORKER'S COMPENSATION REFORM?

by: Philip N. Spinelli, CPCU

Well the Pennsylvania Governor and his political allies are it again in terms of insurance legislation. Governor Casey's W.C. reform program was introduced and passed by the House of Representatives as H.B. 2140, and as of this writing, is awaiting Senate action. According to Casey and his supporters, the proposed W.C. and Insurance Cost Containment Act would:

- 1-Establish competitive W.C. rates.
- 2-CAP medical fees at 113% of fees paid by Medicare.
- 3-Place renewed emphasis on workplace safety.
- 4-Allow small businesses, farmers, and government units to qualify for group self-insurance status.
- 5-Establish a self-insurers guaranty fund.

The governor and his supporters are projecting premium reductions of 10 to 20% by forcing companies to compete and forcing employers to establish worker safety committees. Governor Casey is excited about the notion of rescinding immediately the proposal by the "Insurance Cartel" to raise rates.

I guess we need to keep an open mind about W.C. reform. Certainly, any attempt to manage medical fees and encourage worker safety are steps in the right direction. But I'm not sure I follow all of the Governor's reasoning, especially since we don't have the specifics and there are some questions which do create some good faith doubts.

• What exactly does he mean with establishing competitive rates? Are we going to use rating bureau loss costs or does the reference to the "Insurance Cartel" indicate no accumulation nor combining of statistics? Will we go to file and use or stay with prior approval? Is the insurance department staffed to handle the individual company rate filings? If not, who pays for the increase in personnel? Will there be a CAP on rate increases or will insurers be free to charge a rate consistent with their risk taking experience?

• Is there actuarial basis for the 113% Medicare rate CAP in terms of the 10 to 20% rate reduction. Is the reduction proposal off of current rate levels? How about changes in the the indemnity award process as an opportunity to contain costs? Will Comp as a sole no-fault remedy be reinforced or will the continued growth in attorney involvement persist? What about system abuses? If they watched 20/20 on January 3rd, I'm sure they might conclude that the present entitlement attitudes need to be changed.

DECEMBER MEETING RECAP

by: Barry Tarnef, CPCU

The December meeting was held at the Hilton Hotel on Broad & Locust Streets in Philadelphia.

The topic was "Effective and Efficient Claims Service" handled by John Cucinotta, CPCU of CIGNA Property and Casualty Companies, assisted by Ian Stuart, Esq., an attorney practicing in both Pennsylvania and New Jersey.

The significant points of the presentation were as follows:

Mr. Cucinotta led off the discussion by emphasizing that although we are surrounded by, and rely on electronics such as personal computers, telephones and fax machines, they cannot replace the personal touch or face-to-face as required in the claims process. He suggested that the trend of the 80's involving taking field adjusters out of their cars and arming them with telephones and PCs so they could reach more people and handle more claims has got to change.

Computers and like equipment are clearly beneficial supports but total automation's asking for trouble: claims handling is a personal business and insurers need to "get human" again.

Mr. Cucinotta went on to compare insurers with doctors and the shift from the personal and trusting relationship to today's business-like approach.

His four (4) elements of a successful claims operation are:

- time
- communication
- key people
- decision-making

He provided some detail on each. A claimant awaiting contact from an insurer is a time bomb. The industry must ensure that calls be returned in a timely fashion. This first contact is critical. It is a clear indication to the claimant that his file is being worked on and can go a long way in allaying concerns.

The "time" factor is closely related to communication. Since 97% of all lawsuits are settled before trial, effective communication, i.e., talking about issues, can save time and money. Precisely, the two things that stand between disagreement and agreement.

Mr. Cucinotta again stressed the importance of face-to-face meetings. Logical discussions usually take the place of harsh words and posturing so prevalent in correspondence and phone conversations.

Many opportunities are lost when no attempt to settle is made. He illustrated this by a personal experience involving a trip and fall which resulted in a fractured hip but was settled amicably in two (2) days.

In Mr. Cucinotta's words, key people are those that can help close a file. They include the "inside" adjuster, the independent adjuster, attorney, doctors and other technical experts. The professional must not only have the ability to evaluate facts of the case but be able to communicate them in a way that the layperson can understand.

Decision-making was the last of the four critical success factors. Mr. Cucinotta's showed a short clip from a "Fistful of Dollars", the spaghetti western, he paraphrased Eli Wallach in the movie who admonished a dying man be just gunned down that if you plan to shoot, shoot, don't talk. Mr. Cucinotta's exhorted the audience to also be decisive. Obtain the facts and determine if you have enough to make a decision, if not, contact someone who can give you the information you need. Some claims personnel expend a great deal of effort in investigation and fact gathering but forget to make a decision. The party awaiting the decision can assist by asking - what facts are needed.

Mr. Cucinotta's final point was that doctors, attorneys, and insurers are continually pointing fingers at each other for their part in the problems surrounding claims settlement. He believes that each group can and must make improvements as the solution does not rest with any one of the parties.

Ian Stuart started by asserting that although timely contact and communication are indeed critical, it is even more important to make the right contacts and right decisions. Claims people should forget about meeting contact and closure goals and concentrate on quality of the product. They need to know what is going on so that problems/issues that deserve special attention can be recognized quickly.

Mr. Stuart feels the skill and training in claims handling has not been emphasized over the last ten (10) years. He walked us through a real world, fairly simple claims that escalated into a major one due to lack of attention to the details of the claim and the various defenses available to the insurer.

A young girl suffered and hurt her knee when she fell in a retail store. Because of poor diagnosis a fracture was not detected and this led to erosion of the joint and eventual replacement of the knee was required. The insurer ended up paying for the entire loss when, in fact, the company was only responsible for a small portion of the final judgment. Mr. Stuart thinks that this is but one example when a person without training overlooked a critical item. There also is a move to push claims into convenient groups so they can be batch processed.

After close of the formal remarks, Messrs. Cucinotta and Stuart fielded some questions from the audience.

Mr. Stuart addressed an inquiry relative to the subpoena process, specifically in Pennsylvania. According to him, filing a complaint is a notice of claim and summons which is a notice of intent to file a complaint protects the statute of limitations.

An insurer can sit on a summons without default and can issue a "rule to compel a file complaint" of the claimant. However, once this complainant is filed, and no action is taken by the insurer within the 10 day rule, then default can occur. Once a default has been entered, it is extremely difficult to set it aside.

When asked what steps can be taken to reduce the cost of claims to the industry and society, in general, Mr. Stuart responded with:

- recognizing the problem or issue at hand and coping with it and
- direct, hands-on-participation by people who know what they are doing.

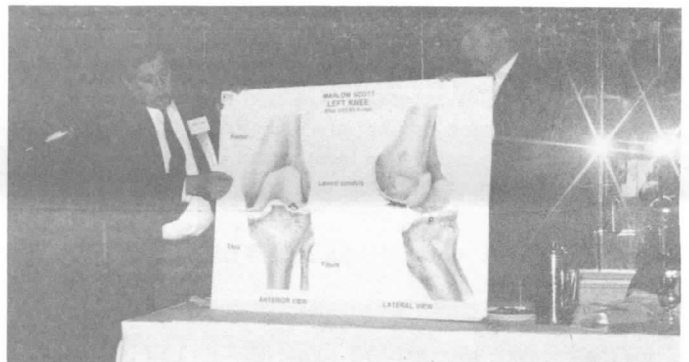
In a separate but related question, Mr. Cucinotta indicated that the best way to train people is to augment textbooks, seminars and CPCU and related curriculums with on-the-job training. Optimally, the inside claims person would spend time with adjusters and with people who handle specific tasks such as structured settlements.



First speaker addressing our December audience, John Cucinotta, CPCU, Cigna, on the topic of efficient claims service.



Second speaker at the December meeting was Ian Stuart, Esq.



Speaker Ian Stuart, Esq. (left) makes his point with visual aid from a "cause" defense case depicting a fracture at our December meeting.



Some of our members at the December meeting listen to words of wisdom on claims service.

BURNING ISSUES DRAW A CROWD AT PHILLY I-DAY

By: Terry Carlin, CPCU I-Day Co-Chairman

This years Philly I-Day subject, Catastrophic Fire Losses, drew over 900 people to the annual insurance function. A dramatic opening session was followed by six seminars, some featuring specific issues on large fire losses and a couple on industry wide topics. With the industry still feeling the effects of a slumping marketplace, the turnout was considered excellent.

Joseph A. Gerber, Esq. from Cozen and O'Connor started the day with some spectacular film footage and excellent graphs. Material from fires in Los Angeles and South America were supplemented by computer graphics illustrating how fire spreads through a high rise building. Life safety, devastating property damage and the difficulties fighting high rise fires was well represented on our opening session.

Four seminars designed to follow up the General Session were equally well presented and gave the participants first hand knowledge of insurance issues surrounding high rise fires. Joseph Rizzo for GAB Services gave a thorough analysis of claims, coverage and adjusting catastrophe losses. Concurrent with this program was Kenneth Maher's seminars on Catastrophe Planning and Business Resumption. Maher's first hand knowledge of the Meridian Building fire gave his seminar sessions some insightful information on how to plan for and handle a major disaster. As the risk manager for Meridian, he provided an in depth analysis of how to mitigate losses as well as establish a basic contingency plan for such a loss.

Duncan Balantyne gave a detailed review of the current state of affairs of Workers Compensation in Pennsylvania. He and Thomas Cook provided a unique analysis of problems plaguing the Workers Compensation system nationwide. Meanwhile, Richard Kolsky provided an entertaining and very informative presentation of marketing insurance products. As a well known insurance marketing consultant, he provided insight on contemporary issues to be considered developing market strategy for insurance companies to utilize in order to succeed in the 90's.

At lunch we honored almost forty new designees who are now members of our Philadelphia Chapter. Bradford Mitchell, Chairman of Harleysville and a Member of the American Institutes Board of Trustees, gave a warm congratulatory speech to the designees. The diploma presentation by Bruce Kelly and Mr. Mitchell capped off another very successful I-Day in Philadelphia. Next year's Philly I-Day will soon begin with Tom Callahan and Shirley Funkhouser representing our Chapter. Anyone interested in contributing to this highly successful function is encouraged to contact Tom, Shirley or any board member of the Philadelphia Chapter. Other sponsoring organizations include the Independent Insurance Agents, RIMS, and the Insurance Society of Philadelphia.



Joseph A. Gerber, Esq. of Cozen and O'Connor kicked off Philly I-Day with his remarks on insurance issues.



At I-Day diploma presentation ceremonies, New CPCU Tony Ramirez is congratulated by ceremony official Brad Mitchell representing the institutes Board of Trustees. Also on hand was Chapter President Bruce Kelly.



Our new CPCUs standing in recognition at the I-Day luncheon ceremonies.



Chapter president Bruce Kelly addresses some of our new CPCUs at the chapters I-Day reception.



Joe Rizzo of General Business Services attempts to answer an I-Day audience question on contingent business interruption related to high rise fires.

New Designees Welcomed To Participate In Chapter Activities

By: T.C. McDonnell, CPCU

In conjunction with Philly I-Day, the chapter hosted a reception for our New Designees. Terry Carlin CPCU invited the New Designees and Chapter Officers, Committee Chairpersons and Directors to the reception. The reception was well attended and several chapter past presidents were in attendance. Bruce Kelly, CPCU and current President, Philadelphia Chapter Society of CPCU, called the group together and congratulated them on their achievement and also introduced the Chapter representatives in attendance. He also encouraged them to become active in the chapter. Bruce then introduced Terry Carlin CPCU, who covered the logistics for the conferment activity that took place during lunch. Thirty-two New Designees were attended. T.C. McDonnell, CPCU introduced them to the Job Jar and Frank Menna, CPCU who will take over the New Designee Committee Chair. Frank Menna CPCU, 1990 New Designee Representative, will be replaced by Tony Ramirez, CPCU as 1991 New Designee Representative. The New Designee Representative acts as liaison between the Board of Directors and the New Designees. There will be a New Designee Committee formed to assure that they are involved in Chapter communications and activities.

Frank Menna CPCU went on to explain that if the New Designees were willing to draw a job out of the Job Jar and perform that job, the Chapter would express their congratulations by bestowing a CPCU pewter lapel pin. Cynthia Gantz and Bruce Tuttle assisted in the job assignment process and some of the New Designees drew two jobs. The jobs are one way to help the New Designees become involved in the Chapter Activities. Because I-Day occurred the week after the National CPCU convention, not all of the New Designees were at I-Day. Tony Ramirez CPCU, 1991 New Designee Representative will be taking the Job Jar to the breakfast meetings to enable the New Designees, who did not attend I-Day to select a job and receive their lapel pin from the Chapter. The caliber of the New Designees was obvious to all that met them and our Chapter is indeed fortunate to have them affiliated with us. Periodic articles on New Designee activities will be created by Tony Ramirez CPCU and Frank Menna CPCU and will appear in future Chaptergrams.



Mindell Woehr, President Woehr Associates, keynote speaker at our January meeting, fields questions on the topic of Employee Selection Process and Testing.



Some of the Chapter members and guests at our January meeting dealing with Employee Selection and Testing.

JOB JAR VOLUNTEERS

These new Chapter members volunteered chapter tasks by picking a secret mission from the job jar presented at our reception by coordinators Debbi Alston, Bruce Tuttle and Frank Menna.



Bernadette Fuller and Dave Madara



Maria Spiegle and Marianne DeRosier



Barry Tarnif and Frances Reh

JANUARY MEETING RECAP:

WORKFORCE 2000-TRENDS & TECHNIQUES

by: Antonio Ramirez, CPCU

Workforce 2000/Trends and Techniques was the topic of our January breakfast meeting. Mindell S. Woehr, president of Woehr Associates, began her discussion of the topic with a statement of fact: these are difficult times for people in the workforce.

Mrs Woehr went on to explain that the industries that are surviving are the ones that put employees first. These firms spend money in their employee selection and training processes. As a result, they have the best people to offer their clients. Given that customer satisfaction via selecting, training and retaining the best people is key, how do you hire, treat and train your staff?

The search:

Check out what's available and narrow down your choices from there. Do not start your search with preconceived notions.

Require resumes:

Calls are too time consuming. Prepare a list of absolute qualifications the candidate must have. This will help you with your first cut. Advertise for people with the necessary qualifications. Balance what you need with what you can offer.

The interview:

Start the interview by giving and receiving information. Through this exchange you should put the person at ease. Establish a level playing field; you do not have to show power. Do not intimidate. Find a commonality of interest; let them know you a little as a person.

Conduct the interview in a private, quiet place. You must protect their right to privacy.

Watch for non-verbal messages. You can usually tell how sincere a candidate is by watching them. Watch for restless people.

Remember that the way you come across is as important as the questions you ask. Do not oversell the company.

• continued on page 7 •

HERE ARE THE 1991 "FIRE SAFETY" ESSAY CONTEST WINNERS

1st & 2nd Grade Categories



1st Place Winner:
Kelly Noone, Hillcrest Elementary

3rd & 4th Grade Categories

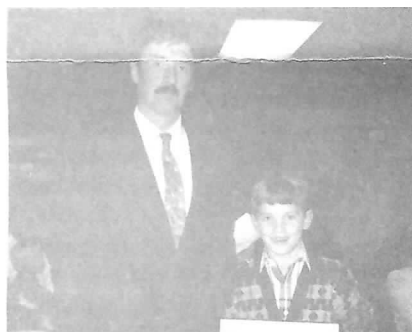


1st Place Winner:
Jody Sutton, Hillcrest Elementary

5th & 6th Grade Categories



1st Place Winner:
Susan Primrose, Churchville Elementary



2nd Place Winner:
Billy Primrose, Churchville Elementary



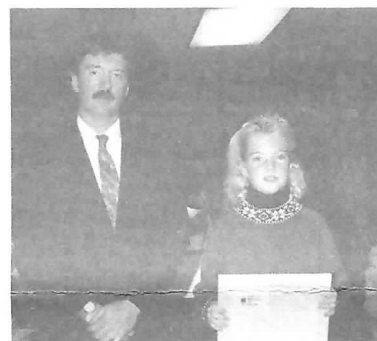
2nd Place Winner:
Mary Primrose, Churchville Elementary



2nd Place Winner:
Melynda Feeney, Churchville Elementary



3rd Place Winner:
Jennifer Kirkpatrick, Holland Elementary



3rd Place Winner:
Erin Noone, Hillcrest Elementary



3rd Place Winner:
Brooke Rosenthal, Churchville Elementary



A final round of applause for the nine winners of the Fire Safety Essay Contest at the Northampton township public meeting.



Chapter contest co-ordinator Pete Palestina in his capacity as chairman of the Board of Supervisors of Northampton Township congratulates one of the Fire Essay Contest Winners at the townships public meeting while Chapter President Bruce Kelly announces the winners.



FROM THE EDITOR

by: Peter Palestina, CPCU Editor

SOFT MARKET OR CRAZY MARKET?

Now a days you can't really figure what type of market this is. On one hand it appears as soft as ever and yet it also seems as though I'm trying to service my clients in a hard market. During the last several months I experienced the following situations from some of our company underwriters:

- We are not writing any New Worker's Comp.
- We do not want to renew worker's comp if less than \$5,000.
- We do not want to renew worker's comp period, please place in state fund.
- We really don't want to write large auto fleets.
- We really don't want to write worker's comp if the premium exceeds 30% of the account premium.
- We don't want private passenger type vehicles on the fleet.
- We don't want to write account premiums under \$25,000.
- We don't want to write the products and even though you don't want products we can't write the G.L. anyway because the class includes products.
- If we don't get a financial statement we're not going to quote the renewal even though we had it for four years with no losses.
- Will you be shopping the renewal?
- This is our best price but.....
- We are reducing your commissions.
- How can we write more business in your office?
- How come we're losing so many renewals?
- Hi! How's it going?

Give me a break and figure it out for yourself!!

To me, the above sounds like an indication of a hard market, yet I continue to see business go out the door at ridiculous pricing. Let's face reality; if an agent can't keep the entire account with the incumbent, or if a new company will not write certain lines, they cannot expect to keep or write much business because that client is going to find someone who will if his agent can't do the job. One of the easiest ways to lose customers is to make them feel uncomfortable with your capabilities as to taking care of their needs. Once you become suspect you open the door to competing brokers. So for all you underwriters out there, if you have a good piece of business don't let it go out the door, especially if you had the account for a number of years and made money. An agents loyalty to the company only goes so far. As business goes out the door, so do the jobs that go with servicing that lost business.

I say this is a "crazy market". Shall we all try to put some sanity into it?

Treasurer's Report: as of 12/31/91

by: Frank J. Mason Jr., CPCU, Treasurer

| | BUDGETED | YEAR TO DATE ACTUAL |
|------------------------|------------------|------------------------|
| Income..... | \$ 42,800 | \$ 6,526 |
| Disbursements | 40,000 | 10,957 |
| (Deficit)/Surplus..... | \$ 1,900 | \$ (4,431) |
| CASH BALANCE: | | |
| Checking | \$ 17,026 | |
| Money Market..... | 3,439 | |
| TOTAL..... | \$ 20,465 | |

Worker's Comp Reform? *(continued from page 2)*

• How will workplace safety be monitored and enforced. Will the State need to hire enforcement personnel? Who pays for this? Will there be penalties for non-compliance?

• What about the self insurer guaranty fund, how will it be funded and managed? Who pays if it goes bust? Another JUA situation? Maybe I've asked too many questions and then maybe not enough. Do we use the auto insurance reform as a model? I hope not. Wouldn't it be nice if true reform could occur with genuine participation and commitment from employer groups, labor leaders, industry leaders, politicians, lawyers, and the medical profession instead of pulling solutions out of a hat.

Incidentally, H.B. 2140 was sponsored in the House by a representative from ELK County, where I am told that on a clear day, you can see people.

SUPERINTENDENT OF SCHOOLS SENDS THANKS ON FIRE SAFETY ESSAY CONTEST

November 14, 1991

Mr. Peter F. Palestina, CPCU, Contest Chairman

Dear Peter:

Simply a brief note to thank you for your efforts in planning and organizing the "Fire Safety in the Home" essay contest. Over the years this has been a wonderful educational program for our students. Each year I sit in the audience and watch our students and parents beam with pride and appreciations they receive their individual awards. Thank you for making all of this possible. I have forwarded the personal letters of commendation that you sent to me to each building principal for delivery to our students. Again, many thanks for your efforts.

Respectfully,

David P. Blatt, Superintendent of Schools



Pete Palestina and Bruce Kelly pose with Council Rock School President Joan Kinney (right) and the nine winning students of our 1991 Fire Safety Essay Contest.

The On-Going Saga of "Seepy Seeyou"



January Meeting Recap *(continued from page 5)*

Always let a person down with dignity. There are practical as well as humanistic reasons for this.

Other Interview Warnings:

1. Do not dominate the conversation
2. Do not jump to conclusions too early
3. Do not telegraph the right answer
4. Try and ask the same questions of everyone
5. Do not ask questions that you can not ask everyone

Testing:

You can get a lot more useful information about a candidate from testing than from references. Testing can provide valuable insight into a candidate's basic intelligence and analytical skills and personality. Although testing is not a perfect science, it can increase the quality level of candidates.

The search for the best staff can be very difficult. Mrs. Woehr gave our January meeting attendees guidelines that can increase the effectiveness of this search and ultimately enhance the quality of their people.



NOVEMBER MEETING RECAP: WORKER'S COMP ISSUES

By: T.C. McDonnell, CPCU

The November breakfast meeting was held November 14th at the Hilton Hotel on Broad and Locust Streets. The meeting was well attended with quite a few walk ins, who had not preregistered. Last minute logistical changes were made to accommodate these additional members. Karen Paleologus, Program Chairperson, was very pleased with the turnout. The topic of the meeting was Workers Compensation. The speakers were Timothy Wisecarver, President PA Comp Rating Bureau, Charles Suitch, Sr. V.P. PA Comp Rating Bureau and H. Gordon Heile, Dir. Risk Management Frank B. Hall.

Each of the speakers made some opening remarks. These remarks were followed by a panel questions and answer period. Some of the opening remarks were:

1) An explanation of some of the functions of the bureau and how they are funded.

2) The fact that the rate increase for the last several years has been averaging 32% and the estimating increase for 1992 is projected to be 52%.

3) The annual combined ratio averages 118% nationwide. The PA combined ratio was 136% in 1990, 131% in 1989 and 124% in 1988. There are some possible actions in the works like some sort of change in the rating system to promote "open rating" or "competitive rating". This is unlikely to fix anything given the losses sustained.

4) People attempting to place comp insurance are finding that monoline comp is almost gone and even when placing other coverages with comp, there is still a lot of difficulty.

5) The self insurance market account of about 20% of the market in PA. There is no flurry of new applications to qualify as self insurers. There is approximately \$400m in benefits paid by self insurers. There are some pretty strict criteria that must be met to qualify as self insurers. There are some pretty strict criteria that must be met to qualify as a self insurer.

6) One of the speakers was convinced that legislative reform was necessary and suggested that the Society of CPCU had in it's membership the majority of the players in the workers compensation arena and should perhaps formulate a Political Action Committee.

There were a number of interesting questions posed to and answered by the panel. One question was posed concerning 24 hour coverage and the

author of the question indicated that several other speakers that he had listened to opted not to respond. The 24 hour concept is that one policy would cover medical treatment for any injury regardless of whether it occurred on or off the job. Our panel responded. The response was that, although several carriers had promoted the concept, there was presently no product that delivered this coverage. The medical expense portion is a lot easier to cover than the wage compensation. Also the rating issues between 24 hour coverage for an office worker vs. an Ironworker, who has more exposure are difficult to work out.

In summary, this author feels that there are many, many problems and no easy answers that all parties involved can agree upon. No insurance carrier will be willing to or can afford to sustain an underwriting loss for an extended period of time.

COLC TO BE HELD IN PHILADELPHIA A FEW WORDS ABOUT COLC'S

by: Iles Wauhup, CPCU

This year's Chapter Officers Leadership Conference (COLC) for the Eastern Region of the Society will be held April 30 through May 2 at the Guest Quarter suite, 4101 Island Avenue, Philadelphia, PA. These conferences are convened in the spring of each year by the Society's Regional Vice Presidents with invitees including all chapter officers and National Directors. The western regions will meet in Denver May 14 through 16.

Regional Advisory Board meetings, which were established in 1970, were the forerunner of the CPCU's, which date to 1987. Their purpose is to give chapters a direct voice in Society's affairs, better coordinate CPCU activities within geographic areas, and improve communication between the chapters and Malvern. A prime objective is to provide guidance and leadership to new chapter officers through idea exchange with experienced officers.

The program at this year's conference will offer workshops on Candidate Development, Education, Membership, Retention, Research Projects, Leadership and Chapter Management, among others. There is also a session without agenda where participants raise issues relating to chapters and the Society, not covered by another workshop. How best to utilize the society staff and its resources (the Malvern connection) will be a useful workshop for those chapter officers who occasionally wonder how all their projects can be completed.

• 8 •

PHILADELPHIA CHAPTER, CPCU
P.O. BOX 1499
PHILADELPHIA, PA 19105

BULK RATE
PERMIT NO. 15
HUNTINGDON
VALLEY, PA
19006