



## 1993 PHILADELPHIA CHAPTER NEW CPCUS

Congratulations to the 40 new Philadelphia Chapter CPCUs who have earned their designation in 1993. Hopefully they will all become active Chapter members.

NAME	AFFILIATION
James W. Ammann	William L. Dalton Agency
Michael A. Barkasy	ECBM
David G. Bramwell	Consolidated Risk Services
Regina Stover-Burns	The Simkiss Agency
James A. Butler	CIGNA
David S. Carlson	CIGNA
Bruce D. Cohen	Johnson and Higgins
Jane Graham-Combrinck	Alexander and Alexander
Ronald J. Craig	CIGNA
Dina L. Daniele	Arkwright Mutual
Harry B. Davenport III	Colonial Penn Group
Patricia Ann Duus	Protection Mutual
John Ercolani	American Risk Association
David M. Finkelstein	General Accident
Daniel P. Fogel	Firemans Fund
John J. Gaynard	CIGNA
Peter S. Goheen	Royal Insurance
John M. Grimaldi	General Star Management
Christopher I. Johnson	Campbell Soup Co
Edward M. Jovinelly	CIGNA
John E. Karustis	Reliance
Charles R. Koerwer III	CIGNA
Kevin K. Kreiser	Frank J. Siracusa and Co.
Michael F. McMonagle Jr.	Reliance
Coleen M. Marino	Balis and Company
Kathleen Mocini Marter	Holman Enterprises
Abby Mayer	Colonial Penn
Michael K. Miller	CIGNA
Scott M. Miller	Firemans Fund
Patricia A. O'Neill	Rollins Hudig Hall
Elizabeth M. Olivieri	Aetna Life and Casualty
James J. Oulahan	The Simkiss Agency
Stephen W. Patterson	Preston Patterson Co.
Sue Richardson Piper	
John C. Pyle	PA Lumbermens Mutual
Bryan P. Schmitt	Simkiss Agency
Leonard J. Speakman	U J B Financial Corp
Michael F. Thomas	Glenn Insurance
Peter S. Toft	Fell and Moon Co.
Joseph J. Wisniewski	Society of CPCU

## October Meeting Recap Environmental Issues Discussion



By: T.C. McDonnell, CPCU

The October breakfast meeting was for the Philadelphia Chapter of the Society of CPCU and was held on October 14th at the Doubletree Hotel at Broad and Locust Streets in Philadelphia. The Hotel is the same hotel that we have used for the past several years. It was formerly known as the Hilton and prior to that the Hershey Hotel.

Our speaker was William Kronenberg III, CEO of Environmental Compliance Services (ECS). His topic was Environmental Issues. His presentation provided an update on the Environmental Market with a focus on marketing opportunities.

There are three major players in the pollution market and ECS uses heavy engineering in the selection and service to their accounts. All three of the major players have similar product offerings and there are many marketing opportunities because so many accounts have pollution exposures. The business has been profitable. Treaty Reinsurance is used to attain adequate limits and this reinsurance is still available.

ECS is dedicated to assisting the industry with insurance, safety and compliance needs through expertise in underwriting, environmental consulting and environmental claims management.



*William Kronenberg III, CPCU speaking at our October meeting on Environmental Issues. Bill is President and CEO of ECS Underwriting, Inc.*



*Some of the members at our October meeting concerning Environmental Issues.*

**FUTURE  
 ANNUAL  
 MEETING  
 SITES**

Chicago, IL	Sept. 25-28, 1994
Honolulu, HI	Oct. 8-11, 1995
New York, NY	Oct. 13-16, 1996
Dallas, TX	Oct. 12-15, 1997
San Diego, CA	Oct. 25-28, 1998
Boston, MA	Oct. 17-20, 1999
San Antonio, TX	Oct. 22-28, 2000
Seattle, WA	Oct. 21-24, 2001
Orlando, FL	Oct. 20-23 2002



## The President's Corner

by: Karen D. Willmann,  
CPCU, President

### Reflections of the Annual Meeting

Education has been my focus and this Annual Meeting was filled with golden learning opportunities. This year's theme, "Lead the Way", was launched with an excellent keynote address by Ken Blanchard, author of the "One Minute Manager" who believes in instant correction, immediate praise and empowerment of your team. These principles create successful, confident leaders from every project member. Mr. Blanchard's relaxed manner projected a sure belief in his tactics.

In addition to seminars developed and presented by each of the national interest sections, there was a series of programs on key insurance topics and a Fast Track for Agents CE credit workshops.

Each day, prestigious motivational speakers reinforced the leadership role that CPCUs must take to develop winners in our industry. Denis Wattley, author of "The Psychology of Winning" warned us "no train, no gain", reminding us that Americans can expect to change jobs 7-8 times in their life.

By far, my favorite was the lecture sponsored by the CPCU Harry J. Loman Foundation, our national insurance education scholarship endowment. The program titled "Leading with Creative Thinking" was a joyous potpourri of suggestions on how to provide a creative environment in your home or office. The speaker, Mike Vance, was the former Dean of the Disney University, a unique training facility for Walt Disney's employees. Vance is a jolly elf who encourages us to assemble a creative crew center where the juices of imagination could overflow. In today's boundryless new business organizational structures, he envisions this so-called "kitchen of the mind" as a place of intellectual adventure filled with cultural and technological equipment. Unlike M.B.O. or T.Q.M., Mike suggested leadership with caring, cooperation and empowerment where the focus is on place, people and product. He gave a reality check when he suggested that you call your mom because "she usually has 30 areas you need to grow in". Also, he encouraged us to play a Nintendo game with our children so we don't become obsolete.

The most cherished privilege I had was the moment when I represented the entire Chapter at the Award Ceremony where we were honored with wining ribbons for Philadelphia's Public Relations, Education and CPD efforts. I am delighted that so many of our chapter members came to this convention to help congratulate our new designees and I hope that we all will rise to the challenge and "Lead the Way."

## SPOUSE CORNER

*Baltimore was great...hats of to my wife*

What a wonderful way to enjoy some time away from the everyday problems at home.

The hospitality of a great waterfront city like Baltimore. The companionship of my spouse and the warmth of the insurance community. Good food, fruit of the vine, the informational meetings and fun parties. Who could want anything more? However, since it is not a perfect world, my dreams were shattered at 5:30 am each day as my CPCU spouse rose to be off to a breakfast meeting. Who eats at that time of the night/day? It's 2 more hours before the sun rises. There were also daily calls to my own office to be sure the world was not ending.

There was also a Philadelphia Chapter Party to end all parties. Congratulations to my wife, Karen, for arranging it. Somehow I ended up paying the entire bill. Did I not get up early enough? Had the CPCUs outfoxed me?

All in all, however, the time in Baltimore 1993 was great. Like so many others I now look forward to Chicago and beyond.

## National Director's Corner

by: Phillip N. Spinelli, CPCU



### Health Care Reform and the Impacts on the P/C Insurance Industry

Several months ago I watched and listened intently to President Clinton as he unveiled his long awaited plan for health care reform. His speech was eloquent and impressive and everyone seems to be of the opinion that some sort of reform has to be enacted, since it is, afterall, the politically correct thing to do. But the proposal of health care reform is worthy of extensive and substantive examination.

The prospect of eliminating waste holds great appeal to most of us and it is a worthwhile undertaking. But if one were to seek out the progenitor of the great waste creators, it would certainly be the Federal Government. So this issue of health care reform is not to be taken lightly.

Not too long ago, I read where the Federal Government was considering turning over the management and operations of federally owned dams to public utilities because they perceived that the utilities could do it more efficiently. 60 Minutes recently did a piece on the DEA whose record keeping and practices are disgraceful, let alone wasteful. The list goes on from defense to Medicare. Abuses abound. And now, the Federal Government is going to manage the health care system....Great.

For most of us the impact is going to be greater than most because it will impact, in some way, shape, or from, our livelihoods. Certainly, there will be impacts on the casualty lines of insurance from WC to Med Pay. Will WC reserves set aside to fund future liabilities be transferred from insurance companies to a health alliance? These are questions still unresolved.

The Society of CPCU is concerned in terms of the many issues which are yet to be considered not resolved. On January 26, 1994, the Society will present a continuing education videoconference, "Impact of health Care on the P/C Industry. Philadelphia will be one of the transmission downlinks. I encourage all of you to avail yourselves of this educational opportunity. The registration will be \$80.00. I can assure you that it will be worth the modest price of admission.



*Chapter Board Meetings have been well attended this year under the leadership of the 93-94 Chapter President Karen Willmann as evidenced by these two photos which were taken at the September meeting (top) and the October meeting (bottom).*



# SEPTEMBER MEETING RECAP

by: Paul R. Hertel, III, CPCU



## Insurance Trends & Predictions

The September breakfast meeting featured Michael Sneed, Chairman and CEO of Admiral Insurance Co., Kenneth J. LeStrange, Executive Vice President of American Re Managers, Inc. and Gary Mathieson, Chairman and CEO of Rollins, Hudig and Hall. This distinguished panel discussed the latest insurance trends and offered a few predictions from a carrier, reinsurer and broker perspective.

The first question posed to the panel was "How do you view the role of risk management in a future fortune 1000 company?" LeStrange responded by saying that risk management departments are under pressure to reduce costs. Along with this responsibility, risk managers are taking an expanded role in their organizations and are more highly regarded than in the past. Risk managers are still involved with insurance but are now also involved in financial planning, systems planning, environmental issues, workers compensation and working with accounting firms on reserving. Today, the career path of a risk manager has more potential and requires someone with more than just insurance knowledge.

Sneed said that he is disappointed in many risk managers. He feels that they all too often place insurance with substandard companies. Some naive underwriters in the standard market are more than happy to accept his business and, as a result, this business is taken away from surplus lines companies, where it otherwise should belong. Risk managers who leave the surplus lines market and then return can see dramatic rate increases when the market changes, whereas loyal risk managers are not as adversely affected. Sneed feels that risk managers should look at the long run and not just at short term savings.

However, Mathieson, a broker who represents risk managers, said that he can understand that price is very important to his clients. Risk managers feel that they must look at the bottom line and very often have a short term view because they must consider their own future positions within their respective organizations.

The next question posed was "What will be the impact of the Bermuda market (or the alternative market) on the conventional insurance market in the future?" Mathieson responded by saying that the alternative market was set up to help companies that could not obtain insurance in the standard market. The companies in this market want to control costs as well as control their own destiny, and the growth of the Bermuda market is merely a response to the standard market. Much new capital has flowed into Bermuda from the reinsurance side as well, and new facilities will most likely pick up traditional Lloyd's exposures due to Lloyd's own shortfall.

LeStrange felt that investors perceive Bermuda as having attractive returns, but he feels that Bermuda is not a level playing field. Their capital requirements are less stringent. The standard market cannot build as much capital as can Bermuda due to tax reasons. Thus, investors have very opportunistic views of the potential yields which can be achieved. However, once capital has been exhausted in Bermuda, due to some major catastrophe, the firms in Bermuda will be right back in their original positions.

Sneed felt that many risk managers often place their best business in Bermuda which leaves the marginal business back in the U.S. And because of the uncertainty with Lloyd's, even more business and investment capital is now placed in Bermuda. According to Sneed, Bermuda will need the capital that is placed there because the alternative market is very likely to write risks with which it is unfamiliar, thus resulting in large losses. Sneed also felt that losses in the standard insurance market will continue, and this should turn the market in the future, perhaps in 1994. However, he did feel that there are too many companies, agents and wholesalers at present, and eventually many will drop out, because there just won't be enough business left in the U.S. to support them.



*Kenneth LeStrange (l) Exec. V.P. American Re Managers, Inc. shown here speaking on insurance trends and predictions which was the topic at our September meeting. Rounding out the distinguished panel were Gary Mathieson, Chairman & CEO, Rollins, Mudie & Hall and Michael Sneed (r) Chairman & CEO, Admiral Insurance Company.*



*Some of the audience at our September kick-off meeting.*



*Janet Heydt, CPCU Chapter Scholarship Program Chairperson*

The next question was related to the National Disaster Relief Fund. According to the panel, insurance companies want to create such a fund that would only respond to certain disasters. The next disaster may wipe out 50 companies rather than only 8. Hurricane Andrew could have been much worse. Much larger disasters are all too possible. The fund should be activated when 15% of the industry's surplus has been depleted. Out of fairness, the money should come from a central source. To build such a fund, companies should be allowed to set aside tax free money. If there are no disasters for a few years, there should be enough money to build up the fund.

The following question related back to the Bermuda market. LeStrange felt that the alternative market expands and contracts in an inverse relationship according to standard market conditions. Sneed felt that insurance is now cheap, so business remains in the U.S. however, when the market tightens, business will again move into captives.

The final question addressed the impact of the new workers compensation law. Mathieson had not yet fully read the new law, but it appears that the attempt is to contain medical costs yet provide more options to employees. Rollins, Hudig and Hall is currently monitoring the new changes in order to keep clients updated.



# PHOTOS OF OUR NEW DESIGNEES, GUESTS AND CHAPTER MEMBERS



*New CPCU John Karustus at the Chapter reception in Baltimore.*



*New CPCUs Abby Mayer and Larry Devinney at the Chapter reception in Baltimore.*



*Joanne Butterworth bumped into new CPCU spouse Barb Miller (l) and Scott Miller (r). Barb is Joanne's niece and Scott is the new CPCU.*



*Phila. Chapter President Karen Willimann (l) and Greater Valley Forge Pres. Mike Trachtenberg (r) lobby new CPCU Larry Devinney to join their chapters. Larry had opted for GVF but may change his mind to opt for Phila. Stay tuned.*



*(l) New CPCUs, Dan Fogel and John Ercolini (r) at the Chapter reception.*



*Harry Cylinder, CPCU stopped in with wife Phyllis at the Chapter reception.*



*Bob Campbell (l) , past National Director with Hugh McGowan, National Director have a devil of a time with Phil Spinelli, National Director (r).*



*Pete Synnett (middle) reaches into his pocket for a secret document to discuss with his fellow cohorts in Baltimore.*



*(l) Steve Fisher, CPCU, Brandywine Chapter President and Mike Trachtenberg, CPCU, Greater Valley Forge Chapter President with Karen Willimann, CPCU Philadelphia Chapter President at the joint reception in Baltimore.*



*Walt and Joanne Butterworth at the Carnival night.*

# ATTENDING THE NATIONAL CONVENTION IN BALTIMORE



Chaptergram editor Pete Palestina (l) collects tickets for the chapter reception from potential gate crashers from the insurance institutes all in fun and intended to shake Pete up. The charge was orchestrated by Don Oakes (r).



National Director Phil Spinelli tries to explain the secret of success but only Boyd Bruce is listening.



Never at a loss for words is Bill Simonton, CPCU. Here with his wife in Baltimore.



Wes Porter, CPCU tries his luck at one of the games of chance at the Final Night Carnival.



Pete Palestina and Charles Willimann listen intently at one of the agents Fast Track Seminars at the National Convention.



Terry Carlin and Chapter President Karen Willimann at the Final Night Carnival.



This job has its ups and downs according to Karen and Charlie Willimann.



Left to right: Joe McNasby, Karen Willimann and Charlie Willimann clown around with a clown at the Final Night Carnival.



Society Executive Vice President and Chapter member Pete Synnett, CPCU all smiles at the Final Night Carnival.



Marsha DeLong, CPCU who was elected the Society's Secretary/Treasurer gave us a cover girl pose at the convention.

# The Value of Membership and Participation in the Society of CPCU

by: John C. Pyle, CPCU  
New Designee Rep  
January 1993



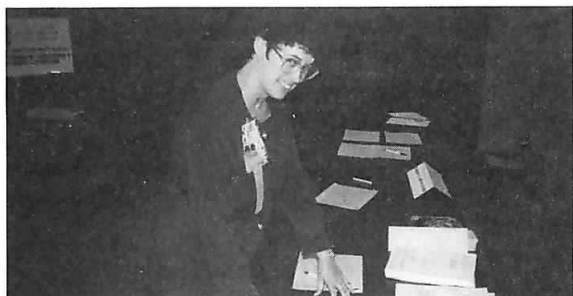
Congratulations to the Class of '93. Our efforts have paid off. After five years of hard work and dedication, 150 plus hours in the classroom and 30 hours answering some 90 essay questions, we are now officially recognized as CPCUs. We have celebrated our designation at the conferment ceremony where we stood with our fellow Designees to recite the CPCU Professional Commitment. The conferment ceremony marked our entry into a worldwide group of nearly 30,000 insurance professionals, whose commitment to education, professionalism and ethics has earned them the most prestigious designation in the Property/Casualty industry. Chartered property Casualty Underwriter (CPCU).

We all share a sense of pride and accomplishment at having earned this highly respected designation, but we have yet to realize the full benefit of our efforts. The CPCU is a mark of dedication and commitment. It identifies us as members of a select group that believes personal dedication to continuing education, ethical conduct and the highest quality of public service brings about excellence in the insurance industry. It is through our commitment to this belief that we begin to benefit both personally and professionally.

One immediate benefit is membership in the Society of CPCU, an association for CPCU designees that strives to improve the skills, professionalism and ethical awareness of its members. With various programs and publications, the Society gives members an opportunity to pursue continuing education, enhance leadership skills and keep current with issues affecting the P & C industry. Membership and active participation in The Society can benefit you in a number of ways: Get to network and interact with CPCUs from your area, take advantage of the Continuing Education programs or have a little well deserved fun at a social event sponsored by your chapter. Another benefit is the satisfaction gained through involvement in the various committees and community projects. You can participate in a fund-raiser, speak to a high school class, be a hugger at the Special Olympics or pick a small task from the "job jar."

There are many ways that active membership in your local chapter can assist with your personal and professional growth. Are you interested in seeing first hand what your chapter has to offer? You have taken the first step if you attended the New Designee meeting in November. You can still get to meet the members of your class along with the other members of the Philadelphia Chapter at the I-Day Reception on December 7th. Remember, your involvement with the CPCU program didn't end at conferment, it is just the beginning.

Again, congratulations to all the Designees of the January and June classes. As the New Designee Representative from the January class, I am looking forward to the future and the opportunity to serve as your representative and voice to the Society. If you have any questions, feel free to give me a call at 215-625-9233.



Our Chapter President Karen Willimann was busy in Baltimore. Karen works for the Society and was in charge of coordinating many of the seminar activities and events pertaining to sections. Here Karen checks some of the log sheets for signing in and out of seminars for CE credits.



Baltimore Chapter members Herb Thompson (r) Scott Kramer (m) and Joe Herron deserved a lot of credit for helping to make this years convention the success it was. They really worked hard and our hats go off to them for a job well done.

## QUOTES ON THE LIGHTER SIDE HEARD AT THE NATIONAL MEETING IN BALTIMORE

by: Pete Palestina, CPCU Editor

- Outgoing Society President Edwin Overmayer, CPCU told us a certain man was ill and given six months to live and wanted to know what he should do with his short remaining time. The doctor told him to become an insurance agent, buy a state of the art computer with data entry software and to specialize in Worker's Comp. and pollution liability. When the ill man asked why, the doctor responded "It will be the longest six months of your life!"

- According to Ken Blanchard, author of the "One Minute Manager", divorce is so complicated today. In California they say when a woman goes out with a man on a date, the question she asks herself is "Is this the kind of man I would want my children visiting?"

- Ken also was quoted saying "Moses didn't take a committee up the hill with him. If he did he would never have come down."

- The typical welcoming address at Cornell University goes like this, "Look to your right, look to your left. In four years one of you won't be here."

- To say there is not a God Creator is like saying the unabridged dictionary was created by an explosion in a print shop.

- A CEO of a company said at the company's staff meeting "Firings will continue until moral improves."

- Your editor along with Phil Spinelli and Joe McNasby drove to the Fell's Point area for Sunday dinner. We parked the car near a parking meter and Joe put two quarters in it, Phil put one in and Pete also put one in. Joe said we didn't have to do that because you get one hour per quarter and it only goes up to two hours. Phil and I were surprised as we were used to Philadelphia's 25 cents for 15 minutes. After walking around for 30 minutes we decided to go back and put another quarter in the meter so that we would have a full two hours for dinner. After I put in a quarter a street person was yelling trying to get our attention. We thought the guy was begging for money (there was a lot of this in Baltimore) but he was trying to tell us that you don't need to feed the meter because it was Sunday and parking is free on Sundays. We obviously felt doubly stupid.....feeding too much and then realizing we even wasted the first 50 cents. We gave the street person our last two quarters as we thanked him and walked away with our heads down.



Joe McNasby who resides now in Steamboat, Colorado but remains a Chapter member is shown here filling out his attendance card requesting CE credits for 26 states in which he holds a non resident license.





## From the Editor

by: Peter Palestina, CPCU

### *Predictions and Best Wishes for 1994*

This issue of the Chaptergram is going out later than usual because we wanted to include highlights of the annual convention which was held later than normal this year, so I'm trying to rush getting it to our printer hoping that it reaches you before the middle of December.

I took a look at my column from last December to see what I predicted for 1993 and if I came close on anything. To my surprise, I was correct on a couple of things such as:

- Computer and software products will cost 50% less (close enough).
- New housing starts will pick up dramatically in the spring (in my area it picked up in June so I'm close there).
- 30 municipalities and school districts will institute a personal income tax (37 or more did).
- There will be another Friday the 13th movie. (there was in September).
- Since I only made 8 predictions I didn't do too badly so I'm going to try it again for 1994 as follows:
  - This Chaptergram will reach you by December 15th.
  - The Eagles will be playing in January.
  - The Flyers will get to the Stanley Cup finals.
  - More companies will loosen the strings on writing Workers' Compensation the start of the 2nd quarter.
  - More agents and brokers in PA will attend seminars and enroll in courses due to the new continuing education requirements.
  - More businesses than even before will become self insured for Workers' Comp.
  - Some of us will receive 100 or more cable TV channels as cable companies upgrade their systems.
  - Value Vision stock (trading on the NASDAQ Small CAP) will sell for \$30 per share (current price is \$12)
  - The chapter will hold a spring social that will be the highest attended in our history.

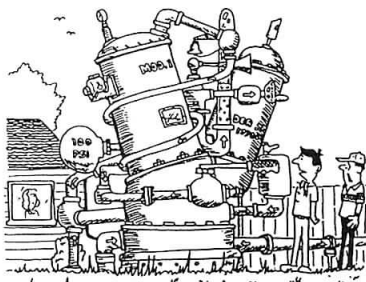
If the first and last predictions above do not come true you can blame me as I'm the one who controls them.

*Here's wishing all of you and your families the happiest of all Holiday Seasons and the best you ever had in 1994.*

## • SPECIAL NOTE •

*Franklin Award nominations are still being accepted and anxiously awaited. Please contact Jo Battisti: 215-560-2630*

### The On-Going Saga of "Seepy Seeyou"



*"I insisted on replacement under that boiler and machinery policy you sold me and this is what they replaced it with for crying out loud!!"*

## PROJECT InVEST

### Begins 2nd Year at Germantown High School

"Thank you for your warm response and support." says Anne Kopanski, Chairman of Project InVEST. "The students at Germantown High School are enthusiastic as they begin the new School Year. Project InVEST gives high school students a chance to build academic skills and see how the skills are used practically in the working world. During the Project, students form and operate model insurance agencies and an insurance company home office in the classroom. Students rotate throughout the various positions thereby experiencing many aspects of insurance business activities. A major benefit of the program," says Kopanski, "Is that students develop pride in themselves and their work."

Barbara L. McCreery, MS+ is the leader of Project InVEST at Germantown High School. Barbara became interested in InVEST as a practical way to introduce students to the world of work. She completed the INTRODUCTION TO INSURANCE --How Insurance Works" and received a Certificate of Completion. She has become an active member of NAIW of Eastern Montgomery County so that she can build better relationships with the Insurance community and gain a better understanding of the issues that face employers as well as employees.

Project InVEST is a acronym for Insurance Vocational Education Student Training, a business simulation program. The purpose of the program is to prepare individuals for careers in the insurance industry. The Program was developed by the Independent Insurance Agents of America, National Association of Insurance Women, and is currently sponsored by many contributing organizations.

Anne asked for our help in 2 ways:

"Please join the WRITE Campaign, she asks. Just give me your business card or call me at 884-2525 to" Written Responses Improve The Enrollees of Invest. Because there are two classes of students this year, members of CPCU are invited to WRITE to a student. The letter writing campaign helps the students to develop and improve critical thinking, organizational, spelling and keyboarding skills. CPCU members write to the students and are "Pen Pals" to the students. Barbara commented, "When the students get letters, their day is made. The students really appreciate the fact that someone from the insurance community cares enough to correspond and encourage them in school work. Some of our "Writers" wrote that they understand how difficult school can be and how trying repetitive things like typing drills can be. But, she added, that the students better understood that accuracy and neatness improve written work."



*Anne Kopanski, CPCU, proudly holds her award presented by Chapter President Karen Willimann, CPCU. At the September meeting Anne was the recipient of the "Leadership Recognition Award" by the National Society.*



*Chapter director Anne Kopanski, CPCU, addressed our members at the October meeting providing a "Project InVEST" update. Anne cited some deplorable physical conditions at one of the schools and requested donations of used office equipment and supplies to help the school.*

**A REPORT ON OUR  
"INTERNATIONAL INSURANCE AND RISK  
MANAGEMENT" SEMINAR OF OCTOBER 6th**

*by: Ed Levy, CPCU*

The Chapter and the Insurance Society jointly sponsored a seminar October 6 on "International Insurance and Risk Management." The Seminar was moderated by Larry Klein, with Robert A. Abramski (Vice President Property Underwriting and Global Risk Management (CIGNA), Bernard J. Mooney (International Manager Northeast Region Home Insurance Company), John B. Rand (Senior Vice President Senior Technical Advisor Multinational Resources Department of International Specialty Operations Marsh and McLennan), and Chris Eliot (Managing Director Miller North America a Major Lloyds Broker) as panelists.

The seminar stressed the importance of understanding that most countries have their own insurance laws and legal systems that are quite different than those here in the United States. Because of these differences, it was pointed out that coverage in terms of both policy form and availability, any present potential gaps in overall international programs. Therefore, a DIC program may be necessary to wrap around a local program.

Another method presented was the Controlled Master Program. This is where every local contract is written by a large company with local offices in all the countries and through a broker with correspondents in all those countries.

Some noteworthy areas of concerns and important concepts for international exposure presented to the twenty two attendees were:

**INTERDEPENDENCY** This is where the earnings at one location are effected due to loss at another location.

**CURRENCY DEVALUATION** If the value of the currency drops after the loss, the insurer pays the difference so the insured is made whole.

**COINSURANCE DEFICIENCY** If due to a change in currency value a coinsurance deficit occurs, the insurer provides the gap coverage.

**Loss of Profits** The coverage applies until business is restored, the Indemnity Period is usually 24-36 months.

**GROSS EARNINGS** The coverage is only until the building is restored.

This was an informative seminar that presented information that attendees could put to use the same day.



*Bob Pichuff, CPCU, is working to try starting a South Jersey sub-chapter. His goal is to have fifty attendees at monthly meetings and we all wish Bob much success.*

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

**PHILA. CHAPTER 1993-94 ADOPTED BUDGET**

Shirley Funkhouser, CPCU, Treasurer

<b>Category</b>	
<b>Receipts</b>	
Directory Income	1,700.00
Donations/Scholarships	650.00
Dues	22,000.00
Franklin Award	4,500.00
I-Day	0.00
Interest	350.00
Breakfast Meetings	13,000.00
Seminars	3,000.00
Spring Social	2,250.00
<b>Total Receipts</b>	<b>47,450.00</b>
<b>Disbursements</b>	
Administration	6,500.00
Annual Meeting (Baltimore)	1,800.00
Candidate Development	300.00
Career in Insurance	100.00
COLC	1,000.00
Chaptergram	8,250.00
Directory	1,500.00
Donations/Scholarships	650.00
Fire Essay Contests	1,400.00
Franklin Award	4,500.00
HJ Loman Foundation	800.00
I-Day (Reception)	600.00
ISOP Membership Dues	110.00
Meetings	13,750.00
Membership	100.00
Miscellaneous	250.00
New Designee	1,100.00
New Jersey SubChapter	250.00
Project InVEST	500.00
Public Relations	1,600.00
Research Project	100.00
Spring Social	2,250.00
<b>Total Disbursements</b>	<b>47,410.00</b>
<b>EXCESS (DEFICIT)</b>	<b>40.00</b>

**BULK RATE  
PERMIT NO. 15  
HUNTINGDON  
VALLEY, PA  
19006**