



CPCU

PHILADELPHIA CHAPTER
THE SOCIETY OF CHARTERED PROPERTY
& CASUALTY UNDERWRITERS

CHAPTERGRAM

VOLUME 27 NUMBER 4

Peter F. Palestina, CPCU-Editor

June, 1994

CONGRESSMAN WELDON-*Franklin Recipient*

Franklin Award recipients are not recognized for a single heroic act but for consistent dedicated deeds throughout their careers. It is the day-in and day-out commitment to the task at hand that results in an aggregation of service. Service that benefits many in their community, workplace, and also significantly influences others.

Congressman Curt Weldon of the 7th District of Pennsylvania is the 1994 FRANKLIN AWARD honoree.

Congressman Weldon has influenced change on a national level by forming coalitions and generating support among all members of Congress. Curt recognized the need for better fire and life safety education for the members of Congress. He formed a Congressional Fire Services Caucus, bi-partisan, with over 370 members of the House and Senate. Curt's leadership has guided the Caucus to successful enactment of legislation like the Federal Fire Safety Act, increased funding for the National Fire Academy and recent Anti-Arson measures. The Benjamin Franklin Firefighters Bill of Rights and the Silver Medal Authorization have provided emergency response workers with needed education and training programs.

Curt helped to form The Congressional Fire Safety Institute, a non-profit support organization. The purpose is to bring together fire and emergency services, equipment manufacturers, the insurance industry and others to promote fire and life safety issues.

Currently, he is a co-sponsor of the Natural Disaster Preparedness Act. The act addresses how we prepare for natural disasters in hazard prone areas. The need and availability of insurance as well as mitigation and preparation methods will be covered.

Curt was not present to receive the Award as he carried out his commitment to be in Washington to vote on a crucial education bill, since one vote could make the difference. It was quite appropriate, for Dennis Lynch, the District Director to receive the Award on Congressman Weldon's behalf.

Commissioner Maleski - Keynote Speaker

"We are in a strenuous process to improve quality, introduce new laws, regulations and monitor solvency," was the opening of Commissioner's comments on the state of the insurance industry in Pennsylvania. As our keynote speaker, the Commissioner provided an overview of the Department's significant accomplishments, in the recent year. Workers Compensation rates were rolled back 6.7% in a rate decrease of October, 1993. There were over 250 Companies filing rates that resulted in approximately a \$300,000,000 savings. The dynamics of the marketplace are leading Health Insurance Reform as well as much needed health care for children and immunization programs. She noted that overall, automobile insurance works well, as NAIC has rated Pennsylvania as second lowest in the nation with rate increases of 7.3% from 1988 to 1992. The Commissioner still sees change needed in the Eastern part of the state.

The Commissioner was not aware that CPCU have a Canon of Ethics. She suggested that formal and informal peer review process, like the medical profession would lead the way to the 20th Century. Peer reviews may help us to police the industry and reduce the amount of enforcement required from the commissioners' office.

Of continuing interest to agents, Pennsylvania's single license will be completed by the end of 1994. With the advent of single licenses, Continuing Education will be implemented. A list of courses will be approved by a "to be announced" transition date which will be completed by the end of the first renewal cycle.

She congratulated Congressman Weldon for his work with disaster relief and his recent fight to secure relief for earthquake victims in Reading.



Congressman Curt Weldon proudly displays his Franklin Award in his local office.



At a post Franklin Award meeting Jo Battisti presented the Franklin Award to congressman Weldon at his local office.



Pennsylvania Insurance Commissioner, Cynthia Maleski addresses the audience at the Franklin Award luncheon.



Congressman Curt Weldon's legislative aide Dennis Lynch address the audience on behalf of the congressman who could not make the ceremony as he was voting in Washington.



Past recipients of the Franklin Award in attendance at this year's ceremony were (l to r): Eugene Fidel (1988), Robert Clair (1992), James Bryson (1991), Dr. Mariellen Whelan (1984), John Topoleski, CPCU (1987), H. Wayne Snider, CPCU, CLU (1993) and H. Gordon Heile, ARM (1990).



The President's Corner

by: Karen E. Willimann, CPCU, President

The first suggestion I had as a new designee was to take a poll. As my year as president comes to a close I turn to you to help us determine your needs. Thank you for completing and returning this form so that CPCU officers can meet your expectations.

What is the most valuable chapter activity?

- networking at meetings community outreach
- educational programs
- student mentoring/development
- other _____

What is the most convenient meeting time?

- early morning lunch
- after work other _____

How can committee work meet your schedule?

- a 3 hour job done away from home or work
- a 3 hour job done on your schedule
- a program that you develop and complete
- attend monthly advisory board meetings
- other _____

The skill I excel at is:

- calling planning
- developing research
- writing speaking
- greeting other _____

What reward is most valuable?

- mentoring/giving back networking opportunities
- making a difference learning new skills
- peer recognition

If Continuing Education Credits were available at chapter meetings I would attend often:

- Yes! I need agent/broker CE
- not applicable to me

Suggestions to improve the CPCU Chapter:

Your name and phone (optional) _____

Mail this form to: Karen Willimann, CPCU
Box 421, Westtown, PA 19395



Head table at the Franklin Award (l to r): Karen Willimann, CPCU, Chapter Pres., Jo Battisti, CPCU, Director and Chairman of the Selection Committee, PA Insurance Commissioner Cynthia Maleski, Dennis Lynch, Legislative Aide to Congressman Curt Weldon, Pat Patterson, Exec. Director of the Congressional Fire Services Institute.

National Director's Corner

by: Phillip N. Spinelli, CPCU



This will be my last National Director's article for the Chaptergram since my three year term is coming to a close. I have been fortunate to have had this opportunity to contribute to this fine quarterly publication and I wish to thank editor Peter Palestina for making this possible. I do not know of any other chapter newsletter which includes an article from their respective National Director in every issue. But then of course, not every chaptergram has an editor like Pete. In the course of my tenure, I have also had the opportunity to work with three great administrations led by Bruce Kelly, Larry Klein, and Karen Willimann. To each I say thank you.

I am especially pleased with the ongoing interest in the formation and development of the South New Jersey Sub-Chapter. It would be great to see a new chapter form, which will actually be the third emanating from the Philadelphia Chapter since my affiliation with it. I think the current Board and the New Jersey members deserve our admiration and congratulations. Please keep up the good work.

At the National level, the Society is revisiting and revising its strategic plan. The focus of the Society is to be member driven and it can only do this by constantly monitoring membership needs and evaluating how well it responds to those needs. By the time this Chaptergram is in print, the Board of Directors will have reviewed and, from my reading of the advanced copy of the proposed revision, approved the strategic plan at the mid-year board meeting. I think the Executive Committee and the National Society office, with input from all levels of membership, are to be congratulated for their continuous efforts to make the Society a truly membership driven organization. Those chapter officers who attended the Chapter Officers Leadership Conference (COLC) will also have received a presentation on the revised Strategic Plan.

A new director will be interfacing with your officers and board with the Chapter year beginning July 1, 1994. I know that this group, led by Frank Mason, will continue to achieve the excellence that has become synonymous with the Philadelphia Chapter. Good luck to all in the coming years.

SECTION LIAISON CORNER

by: Charles R. Koerwer, CPCU,
Chapter Section Liaison



Hello, I am the Section Liaison for the Philadelphia Chapter. What is a Chapter/Section Liaison?

The Chapter/Section Liaison will provide members with timely information regarding educational programs and networking opportunities for the 12 insurance industry speciality sections.

The Society's sections are:

- Agency Administration • Claims
- Consulting, Litigation & Expert Witness (New in '94)
- Excess/Surplus/Specialty Lines
- Information Technology (New in 1994)
- International Insurance • Loss Control
- Regulatory and Legislative • Reinsurance
- Risk Management • Senior CPCU • Underwriting

As a part of the liaison program, this column will be appearing quarterly in the Chaptergram. Upcoming issues will be featuring more information about the Sections.

I have recently joined the newly created Information Technology Section. I am looking forward to actively participating in the section as it will provide me with a forum to learn more about how information technology is being used throughout our industry.

I encourage you to get more involved in your area of expertise by joining a section. By joining a Society of CPCU Section you receive the national benefits of section membership - quarterly section newsletters, section membership directory, reduced registration fees to section sponsored events. Ask me (Charles Koerwer, CPCU '93 - 215-761-6678) for an application form or contact the Society of CPCU's Section Coordinator at 215-251-2741.

If you would like more information about the Chapter Liaison Program, please give me a call at 215-761-6678.

April Meeting Recap

Municipal Insurance and Pooling Comparison Self Insured vs. Conventional Methods

by: T.C. McDonnell, ARM, CPCU

The April breakfast meeting for the Philadelphia Chapter of the Society of CPCU was held on April 14th at the Doubletree Hotel at Broad and Locust Streets in Philadelphia.

The election of Officers was facilitated by Pete Palestina, CPCU, Chairman of the Nominations Committee. The slate of nominated officers was read to the group. There was a motion to accept the slate, a second and approval of the slate. Nominations from the floor were opened and none were offered. Motion was made to elect the slate, seconded and approved. Congratulations to the incoming Officers and Directors for the 1994-95 term.

The topic for the meeting was Self Insured Municipalities. The panel was assembled by Pete Palestina, CPCU wearing his hat of elected government official. Pete is also Chairman of the Board of Supervisors for Northampton Township. Participating with Pete on the panel were D. Bruce Townsend, Manager Northampton Township, Trustee Delaware Valley Workers' Compensation Trust (DVWCT) and Richard J. Lee, ARM, Trust Administrator, Delaware Valley Insurance Trust and Delaware Valley Workers' Compensation Trust.

Each of the panelists made a few remarks, that they had prepared and followed these remarks with a question and answer session. Richard Lee also distributed a 5 page handout that provided details on the organization, staffing, membership criteria and other aspects of their municipal pooling arrangements. There was obviously much too much detail provided at the sessions to totally summarize, but let me recoup some of the key points.

From Mr. Palestina: Up until about 10 years ago the insurance portion of a municipalities budget was relatively small. When the market began to harden in 1984, municipalities were hit hard with harsh premium increases, thrown into retro programs or non renewed. In 1989, 2 years into the "soft" market, the Delaware Valley Trust was formed to handle Property and Casualty. At that time the contributions from member municipalities to participate in the pool was greater than they would have had to pay for primary insurance, but it was felt that the pool was the right thing to do. Per Mr. Palestina,...."When you decide to self insure during a soft market where it is going to cost more to fund the program than what it would cost in conventional premium you are doing it for the right reasons....to control your destiny and future cost and not because you were forced into it by a hard market, lack of insurability, or outrageous insurance premiums. In 1992, the DVWCT was formed and was one the first L & I approved municipal self insured pool in W.C. in the State of PA.

From Mr. Townsend: There were many factors that precipitated the formulation of the DVWCT. There was a lot of growth occurring in Southeastern PA. Municipalities looked favorably on reducing insurance costs as a way to cut municipal budget without cutting service and cooperation between municipalities was an initiative. A group of 10 municipalities got together and looked for companies that would be willing to front for the group. They insured themselves using this method until 1987, when all of the willing fronting companies disappeared. In 1988, they searched for primary insurance as a group of municipalities and in 1992 the Trust was approved by the PA Department of Labor and Industry. One of the pluses that occurred was tort reform in 1978 and 1982 that limited liability for a municipality and set an aggregate cap for any single loss at \$500,000 unless foreseeability and prior notice were there. The DVWCT has a very small full time staff and contract for reinsurance, claims handling, actuarial review work, loss control and risk management review. They use a PPO that holds seminars and works aggressively at getting the injured workers back to work.

From Mr. Lee: Richard J. Lee, ARM is the Trust Administrator for the DVWCT and the DVIT. His talk centered around the materials that he handed out. It is obvious that he is very proud of the financial results and the caliber of the municipalities that are members. This information was also shared. Although there is a provision for municipalities to exit their program, non have done so. The original 10 has grown to 32 members. Their equity position is \$6,000,000 for DVIT and \$2,000,000 for DVWCT. There was a dividend advance credit of \$323,000 to 1994 premiums. Municipalities contribute to the trust based on rating factors that parallel those used in the insurance industry, including experience rating. They contract for most of the needed services and



Panel of Speakers at our April Meeting discussing Municipal Insurance - Self Insurance vs. Conventional. They represented the self insurance pools of DVIT and Del. Valley Workers Comp. Trust. Left to right: Pete Palestina, CPCU, Exec. V.P. Posse-Walsh, Inc., Chairman, Northampton Township Board of Supervisors and DVIT Trustee, D. Bruce Townsend, Manager, Northampton Township and Trustee Del. Valley W.C. Trust, Richard Lee, ARM, Risk Mgr. and Trust Administrator of DVIT and Del. Valley W. C. Trust.



Some of the attendees at our April Meeting learning how their local government handles their Property, Casualty and Workers' Comp. exposures.



National Director and Chapter Member Phil Spinelli, CPCU welcomes John Kelly, CPCU (l) and Al Federico, CPCU (r) to the April meeting. Seems that John and Al had not been at our meetings for some time and Phil wanted to mark this special occasion with photographic evidence of their attendance.

The following Officers and Directors were elected for the 1994-95 year:

President.....	Frank Mason, CPCU
First Vice President.....	Terrence McDonnell, CPCU
Second Vice President.....	R. Bruce Tuttle, CPCU
Secretary.....	Shirley Funkhouser, CPCU
Treasurer.....	Ann Kopanski, CPCU
Director (Two Year).....	Ralph White, CPCU
Director (Two Year).....	Terrence Carlin, CPCU
Director (Two Year).....	Cynthia Wolkiewicz, CPCU
Director (One Year).....	Paul Hertel, III, CPCU

We have two Directors who have one year remaining on their terms: Josephine Battisti, CPCU and Hsuan-Shiang Wu, CPCU. The recent resignation of Tom Krall created the one year vacancy.

are very selective in reviewing new members. Mr. Lee also indicated that the PRIMA Pooling Section is presently working on criteria. They believe that current member rates are 3 to 5% below conventional insurers and other pools.

Several questions were posed and answered and the panelists also made themselves available after the meeting for additional questions.

1993-94 Annual Report to Chapter Membership

Prepared by Frank J. Mason, CPCU

1993-94 CHAPTER PRESIDENT - KAREN E. WILLIMANN, CPCU

For the Philadelphia Chapter, the past year has been a very exciting one. The preliminary work that was done over the spring and summer of 1993 set the foundation for strong and smooth functioning committees over the course of the year. The value of the Chapter's activities is tied directly to the quality of the committees that make up the Chapter. We believe that each of our committees have reflected their hard work by their award submissions. We are pleased to be able to expand our committee work by adding these new activities: Scholarship committee, a second Fire Essay award program and our South Jersey Sub Chapter activities.

AWARDS

At the October 1993 Society annual meeting in Baltimore we received 3 awards for the 1992-93 term including CPD, Public Relations Excellence award and Education.

PUBLIC RELATIONS

The Chapter has an active public relations committee under the direction of Chairperson Karen E. Willimann, CPCU. The committee not only prepared press releases for Chapter activities, but has also worked diligently during the year to develop additional areas where we can increase the Chapter's public visibility. They are in the process of setting up liaisons in the different communities within our overall Chapter area. These liaisons will provide Chapter activity information to many of the local papers and have public service articles printed. The committee was successful in providing press releases on Back to School Safety and Health Care Reform.

FIRE ESSAY CONTESTS

We sponsored our tenth annual Fire Safety Essay Contest with the Council Rock School District and also started our first year with the Philadelphia School District. The essays were written during National Fire Prevention Week in October. The awards were presented at Council Rock by Pete Palestina, CPCU and Karen Willimann, CPCU in November. Karen, Pete along with Hsuan-Shiang Wu, CPCU and Ralph White, CPCU were on hand to present the Philadelphia awards in April.

PHILLY I-DAY

The Chapter participated with several other professional organizations including the Independent Insurance Agents of Phila. and Suburbs and the Insurance Society of Philadelphia in Philly I-Day which was attended by more than 750 people on December 7, 1993. Rob Jones, CPCU was co-Chairman representing the Chapter. The "Keynote Address" was a panel discussion on: "Who Is Willing And Able to Share Risk?" moderated by Edwin S. Overman, Ph.D, CPCU, President Emeritus, Insurance Institutes. The panelists were Thomas A. Caldwell, Dir. Corporate Insurance, American Cyanide Co., Patrick G. Ryan, Chairman, AON Corp. Robert M. Steinberg, Chairman and CEO, Reliance Insurance Co.

SOCIAL

The Chapter is planning to reactivate some type of social event jointly with the Greater Valley Forge Chapter to be held in late summer of 1994. The current plan calls for a picnic type atmosphere with spouse and children and games arranged for challenges between the Chapters for an annual trophy. The function is being coordinated by Pete Palestina, CPCU, T.C. McDonnell, CPCU and Bruce Tuttle, CPCU.

EDUCATION

The Chapter supports the educational efforts of the Insurance Society of Philadelphia with the overwhelming majority of teachers and many graders being CPCU members of the Chapter. Through ISOP, courses are given at many different satellite locations and involve classes for CPCU, IIA, and workshops.. The Chapter has qualified for the E. Adrian Teaf Memorial Award.

OFFICER CONFERENCES

It was our intent to get active members who are relatively new involved early on so that they many be exposed to a variety of ideas that would be beneficial to the Chapter throughout their involvement. It is also beneficial for them to have a good understanding of Chapter operations. Our Chapter sent Frank Mason, CPCU to the conference in Orlando in May 1993.

MEMBERSHIP

The Chapter this year had a very active membership committee under the direction of Sandra Loeb, CPCU and assisted by Bernadette Fuller, CPCU. We began our activities early in the year assigning non-member CPCU's residing in our area to individuals within the Board of Directors so that they might make personal contact. We then developed a series of letters that were addressed to different groups. Consequently, we mailed over 150 letters to these non-members. Our

objectives were to secure more members for the Chapter and also to get a better handle on the non-members who decided against joining. We were interested in learning how many of those people might have been retired, moved away from the area or for whatever other reason, would no longer be considered as a prospective member. For those in particular who are retired, we made them aware of the Seniors Section as a further attempt to get them involved

RESEARCH

The research committee is under the direction of Anne Kopanski, CPCU. A survey done by the PIA will be examined to see if its results can be used as a follow up to the Chapter's 1992 survey.

SEMINARS

The Seminars committee headed by Cynthia Wolkiewicz, CPCU presented the following seminars: International Insurance and Risk Management (10/6/93), Impact of Health Care Reform on the Property and Casualty Industry (1/26/94) and Reviewing Additional Insured Endorsements (5/20/94). Other planned seminars include Mastering the Wind Peril and two yet to be named seminars for the 1994-95 year.

SOUTH JERSEY SUB CHAPTER

In the fall of 1993, Bob Achuff, CPCU spearheaded a drive to form a separate South Jersey Sub Chapter. A number of start up meetings were held with assistance from the Philadelphia Chapter. A committee was formed and an initial meeting was conducted on October 7, 1993 with a breakfast meeting which included a business meeting to discuss Chapter formation an speaker Jeff Lejfer of ECS, Inc. who spoke on environmental issues. After a snow date cancellation on 1/22/94, a second formal meeting was conducted on 4/19/94 with a round table meeting on the subject of New Jersey Workers Compensation Law-January 1994 Changes. Joseph Di Martino, Exec. Dir. of the NJ Workers Compensation Bureau was the guest speaker. The Sub Chapter plans to continue organizing meetings throughout 1994-95 and consider forming its own Chapter over the next few years. The Philadelphia Chapter is sponsoring all activities and lending support to the Chapter formation effort.

PROGRAMS

The Chapter had eight regular meetings during the year held at the Doubletree Hotel in Philadelphia. The following is a listing of the dates, topics and speakers:

Topic: View From The Top

9/9/93

Gary Mathieson, Chairman, CEO, Rollins, Hudig, Hall (Phila),
Michael J. Sneed, Admiral Insurance Co.,
Kenneth J. Strange, EVP, American-RE Managers

Topic: Environmental Issues

10/14/93

William Kronenberg III, CEO, ECS, Inc.

Topic: PA Work Comp. Law-Reform or More Regulation

11/10/93

Tim Wisecarver, Pres., PA & DE Compensation Rating Bureau,
Bruce Hockman, Pres., PMA
Ed Howard, Esq., VP, Lomax Group, former PA St. Senator

Topic: Arson Investigation-Determining the Myth

1/13/94

Lawrence J. Dove,
Lawrence J. Dove Associates

Topic: Choosing Occupation-All Health Programs & Treating Injured Workers

2/17/94

D. David M. Spratt, Medical Dir., OHP, Osteopathic Medical Center

Topic: Municipal Insurance and Pooling Comparisons Self Insured vs. Conventional Methods

4/14/94

Peter Palestina, CPCU, EVP, Posse-Walsh, Inc.
D. Bruce Townsend, Twp., Mgr., Northampton Township,
Richard Lee, ARM, Risk Mgr. & Trust Admin., Delaware Valley Workers Comp. Trust and DVIT

Topic: Leadership

5/12/94

Joanna Mahonem, CPCU, Reg. Dir., NAIW

Topic: Annual Business Meeting - Education

6/16/94

Not determined at press time.

Our average attendance was 60 to 65. With a season ticket base of 37 we have established a sound base to grow each year. However, we were slightly down in the number of average attendees which may be an industry wide problem due to the nature of the economy and the cut back in expenses of many employers in the Philadelphia area.

NEW DESIGNEES

The New Designee Committee was comprised of Paul Hertel, III, CPCU, Virginia Cameron, CPCU, John Pyle, CPCU and Patricia O'Neill, CPCU all of whom were 1993 recipients of the CPCU designation. The Committee sent congratulation letters to January and June completers and invited each completer to the New Designee November breakfast meeting. That meeting was moderated by Paul Hertel on the subject of PA Workers Compensation and was attended by 8 New Designees. The Committee also hosted an I-Day reception for New Designees. This was attended by 20 New Designees with each New Designee choosing from the "job jar" enabling them to participate in Chapter committee activities to familiarize them with CPCU Chapter activities.

CANDIDATE DEVELOPMENT

This year the Chapter had a very strong Candidate Development Committee under the Direction of Shirley Funkhouser, CPCU. This Committee has applied for the Edwin S. Overman Candidate Development Award for Excellence.

Activities competed as of this report include:

1. Invitation to 277 completers of 6 or more parts of the CPCU series to attend a Chapter meeting.
2. Corporate sponsorship made to CIGNA and the Insurance Women of Atlantic County on behalf of CPCU/IIA.
3. Congratulation cards mailed to 87 IIA completers of the December 1993 exams.
4. Solicited personal sponsors of CPCU candidates through our Chaptergram.

CAREER DAY

We have given several talks at Careers in Insurance Days at high school and colleges. We even have a prepared program for elementary schools students developed by Pete Palestina, CPCU, that utilizes coloring books, the Seepy Seeyou cartoon character and real money to emphasize claim payments, premium, commissions, profits and losses. The Insurance Society of Philadelphia has a program with the Philadelphia School District where certain students are selected for inclusion in a very worthwhile educational program that is sponsored by the members of the Insurance Society.

CHAPTERGRAM

Peter F. Palestina, CPCU, is the Editor of our Chaptergram and has served in that capacity since 1983. There were 4 Chaptergrams published in fiscal 1994 (September 1993, December 1993, March 1994 and June 1994). Each issue contained articles on Chapter meetings and a variety of other information on activities and interest to Chapter members. The Chaptergram continues to expand and improve with each issue and we look forward to next year beginning with the September 1994 issue. Future issues are expected to continue on a quarterly basis. We would like to give special thanks to Pete for his efforts in making our Chaptergram one of the best as it is often used as a model by other Chapters throughout the Society.

FRANKLIN AWARD

Chairperson Josephine Battisti, CPCU and Pete Palestina, CPCU comprised this years Franklin Award Selection Committee. Several new nominations were received and the committee reviewed numerous submissions. The 12th annual Franklin Award Luncheon was held on March 10, 1994. It was an outstanding success in having 190 people in attendance at the Doubletree Hotel. We believe this is due in part to the ever increasing prestige of the award as recognized by the insurance community. Additionally, the caliber of recipients had maintained and helped the prestige of the Franklin Award grow. This years success is partly due to the name, personality and activities of the recipient, Congressman Curt Weldon. The luncheon keynote speaker was Cynthia Maleski, Insurance Commissioner of the Commonwealth of PA.

PHILADELPHIA CHAPTER 7/1/93 - 6/30/94 TERM OFFICERS AND DIRECTORS

President.....Karen E. Willimann, CPCU
First Vice Pres.Frank J. Mason, CPCU
2nd Vice Pres.T.C. McDonnell, CPCU
SecretaryR. Bruce Tuttle, CPCU
TreasurerShirley Funkhouser, CPCU
DirectorJosephine Battisti, CPCU
DirectorHsuan-Shiang Wu, CPCU
Director.....Terrence O. Carlin, CPCU
DirectorAnne Kopanski, CPCU
Director.....Ralph White, CPCU (effective 9/93)
Antonio Ramirez, CPCU (resigned 9/93)
DirectorPaul Hertel III, CPCU (effective 3/94)
Thomas Krall, CPCU (resigned 3/94)

FINANCIAL YEAR END STATEMENT

The year end financial report 7/1/93-6/30/94 will appear in the September Chaptergram.

Philadelphia Fire Essay Award Ceremony

by: Karen Willimann, CPCU, Chapter president

Award winning Phila. students were beaming with pride as they read their fire safety essays on Tuesday, April 12 at the Central East Regional office. The ceremony was hosted by superintendent Dr. Ruben Flores who selected this high risk district to benefit from the fire prevention education. Dr. Catherine Balsley, Curriculum Coordinator, came up with the idea of giving smoke detectors to all contest participants.

Theresa Lemme, superintendent of the School District of Phila. was on hand to provide a warm welcome to Chief Charles Lindsay of the Phila. Fire Department's Fire Prevention Division and Phila. Chapter CPCU participants, Hsuan-Shiang Wu, CPCU risk manager for the Phila. School Board and Ralph White, CPCU of Reliance Loss Control. After the presentation of U.S. Savings Bonds and certificates, Mr. Battery, mascot of the fire department made an appearance, to the delight of all.

Congratulations to the winning students:



Fire Safety winner Ivelis Ocasio holds her smoke detector and certificate with proud parents.



Shiang Wu, CPCU (l) And Karen Willimann, CPCU (r) pose with Charles Lindsay, acting deputy chief fire prevention div. Phila. fire dept. and winning student Ivelis Ocasio and her mom.

The winning students and prizes are as follows:

1st Place - \$100.00 Savings Bond

2nd Place - \$50.00 Savings Bond

3rd - Place - \$50.00 Savings Bond

1st Place

3rd Grade - Stephen Clark - Hackett

4th Grade - Christopher Walls - Elkin

5th Grade - Ivelis Ocasio - Stetson

2nd Place

3rd Grade - Jacquelyn Herrmann - McClure

4th Grade - Stephen Toliver - McClure

5th Grade - Janette Repach - Conwell

3rd Place

3rd Grade - Nicole Miller - Cayuga

4th Grade - Robert Griffin - McClure

5th Grade - Joseph Holt - Conwell



A winner, his mom and some of guests at the April 12th function.



Karen Willimann, CPCU (l) and Shiang Wu, CPCU (r) pose with winning students Stephen Toliver and Ivelis Ocasio.



From (l) to (r) Shiang Wu, CPCU, Phila. School Central East Region Supt. Ruben Flores, Karen Willimann, CPCU and Pete Palestina, CPCU at the April 12th Awards Ceremony. Pete arrived late. See photo below of his damaged car and the Editor's column for further explanation.





From the Editor

by: Peter Palestina, CPCU

When What to My Wondering Eyes Should Appear But a Pick-Up Truck with No Driver There!!

Shiang Wu called me on April 7th to ask if I could attend the award ceremony on April 12th for the presentation of our fire safety awards in Philadelphia's Central East unit located at 7th and Somerset. I had a couple of conflicts but was able to reshuffle my agenda so that I could be there with Shiang, Karen Willimann and Ralph White. Besides, who better to take the pictures than our Chaptergram editor.

The morning of the 12th started on the wrong foot. I was to be at the school by 9:30 am so I didn't have to leave my house until 8:30 or so, which is about 1 1/2 hours later than I would normally leave to go to work. Of course this messed up my wife's agenda since she has to be up early to get the kids off to school. Consequently, she rushed me out of the bathroom and complained I was "screwing up her schedule". Tired of the complaining, I hurried up and left the house earlier than needed.

As I headed toward I-95 it started raining and once on 95 it was bumper to bumper. I thought to myself, it's a good thing I left early and perhaps my wife rushing me out was a good omen...WRONG!! I exited at Allegheny and proceeded west. As I was approaching G Street going around 25 MPH I saw a pick-up truck heading toward my direction and lane coming from the eastbound side. It appeared that the truck was almost, but not quite, going to turn in front of me. Only problem was that there was no place for the truck to go. The next 5 seconds were brutal. Second 5 was beeping my horn, second 4 was realizing that no one was driving the truck, second 3 was slamming my brakes, second 2 was throwing my gear in reverse, second 1 was stepping on the gas pedal to go backward, second 0 -- impact. I needed about 2 more feet to miss the collision.

A nearby motorist was kind enough to call the police while I got out of my car to inspect the damages in addition to trying to comprehend why a runaway truck ran away. At this point, I got back in my car, used the car phone to call the school to let them know I would arrive later, if at all, and spotted my camera which I was going to use to take photos of the kids. With camera in hand I snapped a couple of shots of my car kissing the truck. Then I looked down the street and saw a crowd gathering so I walked in their direction. When I got here I discovered that a van hit the truck that hit me while it was parked causing it to roll down Allegheny. The man who had driven the car was allegedly on drugs and was trying to throw vials of heroin down the sewer before the police arrived. All of this is going on while residents of the neighborhood were yelling at the man and another person who had been in his vehicle.

When the police arrived and the neighbors were shouting "drugs...they threw it down the sewer", they searched the sewer, the van and the driver. Meanwhile, the owner of the truck that hit me told me he didn't have insurance even though he bought the truck two weeks earlier. He also just recently moved to the neighborhood. Other police arrived and it seems that my car was hit in police district 25, while the originating accident took place in district 24 so there was some discussion among the police as to who should handle the investigation and paperwork. After 15 minutes we discovered that the van had been stolen (or taken without permission) from an automobile service garage. There was no license plate but it did have a temporary permit issued in new Jersey. Apparently, the vehicle was at the Phila. garage for servicing. The passenger however, was an employee of the garage so I don't know how the final verdict will come down: i.e., stolen vehicle or used without permission.

The police found drug vials and proceeded to cuff the driver, and I believe the employee, and arrested them. After 1 1/2 hours spent at the scene, the police told me that I might be able to look at their report if I stop at the precinct in about an hour. I then called the school and was told the ceremony was still going on but almost over. Since I was only 10 minutes away I decided to go - besides, I still had one roll of film left. The section of the city is not the greatest for parking, but at this point I figured my smashed up Lincoln would fit right in with some of the other junkers surrounding the school.



Dennis Lynch accepts the Franklin Award for Congressman Curt Weldon from Chapter Director Jo Battisti.

Southern New Jersey April Meeting Recap

by: Bob Achuff, CPCU

A talk presented to the South Jersey Sub Chapter on 4/19/94 by Compensation Rating & Inspection Bureau Executive Director Joseph S. DiMartino proved enlightening to South Jersey agents in attendance. Mr. DiMartino stressed that the focus of the WC Plan is to depopulate. Ironically, Ohio Casualty Insurance Group, which combines refusal to write new Workers Comp. business with non-renewal of Workers Comp. policies generating under \$5,000 in premium regardless of experience, had a representative at the meeting.

A handout provided by the speaker providing state rate comparisons for several classes of business proved that New Jersey rates are considerably lower than the national average, which presents a strong selling point for a producer. Also noted is that New Jersey's maximum weekly benefit is comparable to the rest of the nation.

Mr. DiMartino also stressed the importance of obtaining accurate payroll information when presenting new business, thus avoiding audit problems. Correct classification is another important point when applying to the plan. A good employer/employee relationship was suggested as an incentive for encouraging injured employees to return to work.

When I arrived at the school the ceremony was over but there were some kids and parents still there. We took a few pictures with Shiang, Karen, officials, kids and parents (see photographs) so the day wasn't a total loss. I'm sorry I missed the major activities as I could tell by the smiles on the kids and their parents that this ceremony, meant a lot to them.

After receiving condolences from Karen, Shiang and Ralph, I headed to the police station where I was informed that they still did not know the true identity of the responsible driver but that he was charged with driving under the influence, vehicle theft and auto accident. I had to cancel my other two appointments and spend the rest of the day going to a body shop for an estimate, developing the pictures and completing a claim report. You can imagine how frustrating it was to put down in writing the details of this accident.

This might make a great CPCU part 4 or 6 exam question. Who will ultimately be responsible or pay for my damage? The car that hit me had no insurance but since his vehicle was parked he is not likely liable. The owner of the van driven by the guilty party who stole it will not likely be liable. Probably no hope in collecting from the driver who caused it all. Maybe the garage from where it was allegedly stolen has some liability depending on the circumstances surrounding the employee passenger. Well, anyway, I'm resigned to eating my \$500 deductible and hoping my car looks as good as before the accident after it's repaired. It took four days for my insurance company to contact me and all they said was that someone will be contacting me to look at the car.

Instead of sulking about this I'm going to take a positive outlook. Thank God no one was injured, I had a camera to take pictures, I was still able to get to the school, my wife owes me one for rushing me, I have an unusual story to tell - and a sort of funny one at that - and since I didn't know what to write for his column, I got a timely story.

FEBRUARY MEETING RECAP

IMPORTANCE OF SELECTING QUALITY OCCUPATIONAL HEALTH CARE PROVIDERS IN CONTROLLING WORKERS' COMP. COSTS

by: Albert Wagner, CIGNA Loss Control services, Breakfast Meeting Participant

The February business meeting was high-lighted by a presentation by guest speaker D. David M. Spratt, medical director of the Occupational Health Program at Osteopathic Medical Center. Dr. Spratt addressed the chapter on the importance of identifying and selecting quality occupational health care providers who will assist employers in their efforts to control workers' compensation costs while providing proper levels of care for injured workers.

While Dr. Spratt provided materials and information on Osteopathic's program and services at the conclusion of his talk, his presentation discussed occupational health care providers generically. His primary focus was to list and describe the criteria that can and should be used to evaluate occupational health care providers. He introduced and fleshed out his Six C's for a Quality Provider: Competence • Comprehensive Care • Convenience • Cost Containment • Case Management • Communication

While each of these subdivisions, Dr. Spratt provided suggestions appropriate to insurers and insureds on how to evaluate the quality of potential care providers.

COMPETENCE of the professional staff is largely a function of: credentials, experience, references from other companies, the quality of the medical records, and, what Dr. Spratt calls, "the Mind of the Thing"; whether the care provider "buys into" the concepts of occupational medicine. Dr. Spratt summarizes those concepts as: "the worker is the patient - and the company is a customer." This is a mind set that not all medical providers have, but one that is critical if "Return to Work" and other medical cost containment programs are to have any chance of success.

CREENTIALS include board certification and involvement of physicians and nurses in national and local organizations associated with occupational health care. Dr. Spratt pointed out that only two organizations, the AMA and AOA (American Medical and Osteopathic Associations), certify doctors. He reminded the attendees that the issue is not just the certifications, but how they are used, and how the qualifications are distributed throughout the entire staff. Are all the qualifications focused in just a few individuals? Are the most experienced and qualified people seeing patients initially?

EXPERIENCE can be evaluated by: how long the medical entity has been in business, how long the senior physicians have been there, and whether occupational medicine is the major activity at the site. The needs of occupational medicine are different from a GP practice. Another consideration is high turnover in the professional staff. A medical practice is like any other business venture in that turnover can be an indicator of underlying problems.

COMPANY REFERENCES is a matter of verifying who is doing business with the health care provider and checking to see whether the clients are satisfied with the service.

MEDICAL RECORD QUALITY is a reflection and indicator of the mind set and experience level of the health care provider. Are records accurate, thorough, and completed in a timely manner? Are they legible and concise? It helps identify and separate those providers with an occupational focus from the general

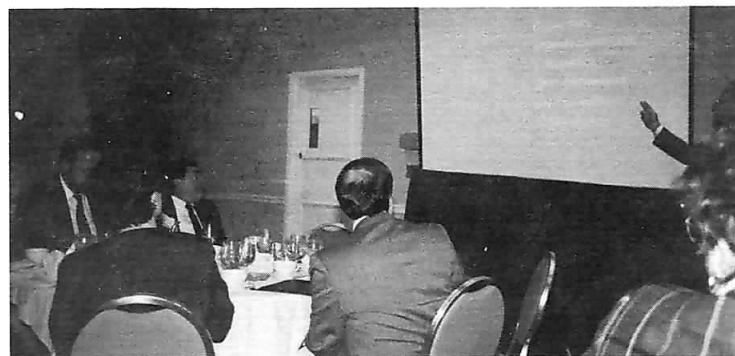
practitioners. In general practice the nature of the medical relationship is quite different. As Dr. Spratt says, "GP's tend to do business with people who like them." The doctor/patient relationship is a gradual, self-selecting process in which patients who, for whatever reason, don't like the doctor find reasons not to return. The relationship becomes non-adversarial and less formal. This is reflected in the records, which tend to take on a note-hand format. Occupational health care providers, by contrast, document and thoroughly describe conditions, establish and document baselines because they must support or justify a treatment or prognosis for a client company or WC Insurer.

"Do the physicians visit the job site?" Dr. Spratt could not emphasize enough the importance of getting everyone - the care provider, the employer, and the insurer - "all on the same page." For effective cost containment, treatment, and rehabilitative care to take place, the physician must understand the "real world" exposures of the work site - "he needs to see what's out there." Once that is done, he can determine the mechanisms of the injury, or whether it was biomechanically possible for the injury to take place in the manner described.

While Dr. Spratt did not specifically say it, he more than implied that the days of the "traditional company doctor", a GP from the area who treats occasional occupational injuries and perhaps does the annual and preplacement/post-offer physicals, are drawing to a close. The need for effective cost containment coupled with effective worker care is reshaping the way medical care is delivered.



Dr. D. David Spratt, Medical Director of the Occupational Health Program at Osteopathic Medical Center addresses our membership at the February meeting.



Dr. Spratt points to a visual aid at the February meeting where he discussed the importance of selecting quality health care providers to control workers' comp costs.

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