

## Baglini Receives Franklin Award

Norman A. Baglini, Ph.D., CPCU, CLU, President and CEO of the American Institute for CPCU and the Insurance Institute of America, was selected to receive the annual Franklin Award by the Philadelphia Chapter of the CPCU Society. The award was presented in Philadelphia on March 21 at a special luncheon ceremony. The keynote speaker was CPCU Society President Roger W. Joyce, CPCU.

The Franklin Award was established by the Philadelphia CPCU chapter in 1983 to recognize persons who have made a contribution to the insurance industry that is both broad based and reflective of high standards. Areas of outstanding contribution designated by the chapter are continuing education, promotion of insurance, research efforts, innovation within the industry, achievements that benefit the industry, achievements outside the industry, legislative activities, and leadership.

Dr. Baglini received a bachelor's degree in insurance and an M.B.A. degree from the University of Rhode Island and holds M.A. and Ph.D. degrees in economics from Temple University in Philadelphia.

He joined the Institutes in 1973 as director of underwriting education. After a series of promotions, he was named President and Chief Executive Officer in 1987.

Before joining the Institutes, Dr. Baglini was employed by the Aetna Life & Casualty Company and Marsh and McLennan. He is the author of *Risk Management International Corporations* and *Global Risk Management* and a co-author of the early editions of two other books: *Principles of Property and Liability Underwriting* and *Insurance Company Operations*.

He holds the Chartered Property Casualty Underwriter (CPCU) designation from the American Institute for CPCU, the Chartered Life Underwriter (CLU) designation from The American College, and the Associate in Underwriting (AU) and Associate in Reinsurance (ARE) designations from the Insurance Institute of America. He has taught insurance and risk management courses at Drexel University and at Temple University in Philadelphia.

Dr. Baglini is the third member of the Institutes' staff to receive this award. Edwin S. Overman, Ph.D., CPCU, President Emeritus, was named the first recipient of the Franklin Award when it was established in 1983. George L. Head, Ph.D., CPCU, ARM, Vice President, received the award in 1986.

### Previous Franklin Award Recipients

Edwin S. Overman, Ph.D., CPCU, CLU, 1983

Mariellen Whelan, Ph.D., 1984 • Thomas Finley, 1985

George Head, Ph.D., CPCU, CLU, 1986 • John Topoleski, CPCU, 1987

Eugene Fidel, 1988 • MADD (Mothers Against Drunk Driving), 1989

H. Gordon Heile, ARM, 1990 • James H. Bryson, 1991

Robert A. Clair, AAI, 1992 • H. Wayne Snider, CPCU, CLU, 1993

Curt Weldon (U.S. Representative), 1994



All smiles Sid, Becky and Norm Baglini await the Award Presentation.



Chapter Director and Franklin Award Selection Committee Chairman Jo Battisti presents the award to Norm Baglini.



A humble Norm Baglini thanks the audience after accepting the Franklin Award.



CPCU Society President Roger W. Joyce, CPCU addresses those attending the Franklin Award ceremony.

**MORE PHOTOS ON PAGE 3**



Society regional Vice President Phil Spinelli (l) attended the Franklin Award luncheon. He is seated next to past award recipients Mariellen Whelan, Ph.D. and H. Gordon Heile.



## The President's Corner

by: Frank Mason, Jr.,  
CPCU, President

As my term as President comes to a close, I look back over the year and can say unequivocally, as usual, your Chapter has had an extremely active year. We've started to look closely at our Chapter's internal structure by setting up a Resource Committee headed by President Elect, T.C. McDonnell to automate the cataloging of our committee activities to maintain ongoing continuity within our committee structure. A report on committee activities is included under the Annual Chapter Report in this Chaptergram.

We understand the dynamics of change happening within our industry and we have tried to adapt our programs to assist our membership in coping with these changes. We've restructure our Breakfast Meeting format to appeal to a greater cross section of society membership. The number of meeting attendees is up over prior years and we will continue to offer diverse programming next year.

1995-1996 will be an even more challenging year with the continued evolution of the downsizing trends within our industry and with a large increase in membership anticipated with the 1995 class. We have 69 new completers alone in January and expect 150 new CPCU's in the Philadelphia Chapter in 1995. This will be close to a 20% increase in the Philadelphia Chapter membership. This will tax our resources but create a multitude of opportunities for the Philadelphia Chapter. It will be an opportunity to get new CPCU's actively involved in the Chapter and help chart our Chapter's course into the next century.

As we move ahead with our planning for the 1995-1996 year, a key consideration will be preparation of programming in compliance with Continuing Education Requirements for Pennsylvania Agents/Brokers under the new Pennsylvania Insurance Department mandate. As we enter into our planning sessions for the 1995-1996 year, we would like your feedback. I would appreciate if you would take the time to help us help you by developing more meaningful programs to support you.

### PLEASE TAKE A MOMENT TO ANSWER THE FOLLOWING AND RETURN TO ME:

1. WHAT CHAPTER ACTIVITY IS MOST VALUABLE TO YOU?
2. WHAT PROGRAM OR ACTIVITY CAN WE OFFER TO CREATE MORE INTEREST FOR YOU IN THE CHAPTER?
3. WHAT SUGGESTIONS CAN YOU GIVE US TO IMPROVE THE CHAPTER?
4. IN WHAT COMMITTEE CAPACITY WOULD YOU LIKE TO SERVE WITHIN THE CHAPTER (SEE COMMITTEE REPORTS IN THIS CHAPTERGRAM)?

Your Name and Phone Number (Optional)

I would appreciate your candid feedback! Mail this form to:

Frank J. Mason, CPCU, Chapter President, Philadelphia Chapter Society of CPCU  
P.O. Box 363, Wayne, PA 19087-0363

## National Director's Corner

by: Joseph E. M. Ryan,  
CPCU, CLU



## Be a Gardener of Growth

Spring has arrived and the grass is growing; flowers and trees are budding and all things that grow are reaching for warmth of the season. Those who know me will attest that I do "not" have a green thumb. I have trouble just my lawn and that's with considerable (and expensive) help from a lawn service. I hate to think of the number of azalea bushes I hastened to their demise. In short, I'm a failure at nurturing plants and bushes.

What's this all about? An analogy to the CPCU Society which is also growing and requires nurturing. The January completers for the CPCU Designation numbered 3570, and June is yet to come! This is significant growth for the Society. But how can you or I help nurture these new CPCU's? Think of "your" Chapter as the flower pot. Invite the new CPCU's to plant themselves firmly in your Chapter. Water them with friendship and invigorate them with interesting meetings, speakers and activities. Meet them, greet them and get to know them personally and professionally. By joining and mixing the new Chapter members with the seasoned members the entire Chapter is strengthened. I'm asking each member of the Philadelphia Chapter to make a personal pledge to become a gardener for growth in your Chapter; get involved, be active. Let's all grow together!

On March 17, 1995, all Society's committees and sections held their semi-annual meeting at the Hyatt Regency Hotel in Indianapolis, IN. President Roger Joyce convened the meeting at 9:00 a.m. on Saturday, March 18. He mentioned that in addition to the usual objectives there were four unusual items. One was to find an executive vice president (as you are aware, that has been accomplished). The second item is the installation of the new computer system which is currently in process. The third item is the planning for the Hawaii Annual Meeting which is going on as scheduled. And the last special item was to make plans to be sure that the large class of designees for 1995 are assimilated into the Society.

Roger mentioned that the January completers total 3,570 and the Board of Directors was asked to assure these people are encouraged to attend the meeting in Hawaii and to see that they are welcomed by their respective chapters.

Secretary-Treasurer Marsha Egan presented her report indicating a \$10,000 surplus over budget for 1994, she indicated that the Price Waterhouse audit was complimentary. Marsha also reported that the expected large class for 1995 has caused the financial forecast to increase substantially.

Executive Vice President Jim Marks presented an extensive staff report to the board and briefed them on the current developments and plans for the future.

Dr. Norman Baglini presented the report from the American Institute, asked for a moment of silence in memory of Dr. Jim Gatzka, and congratulated Executive Vice President Jim Marks on his new position. Dr. Baglini also expressed concern regarding the down turn of exams overall and the fact that fewer people are starting their CPCU studies. He expressed a need for increased activity in the candidate development area. He also announced the approval by the Institutes Board of Trustees for the establishment of the Institutes for Applied Ethics in Insurance.

### PHILA. CHAPTER OFFICERS & DIRECTORS ELECTED FOR THE 1995-96 YEAR

President	Terrence McDonnell, CPCU
First Vice President	R. Bruce Tuttle, CPCU
Second Vice President	Anne Kopanski, CPCU
Secretary	Sandra Loebs, CPCU
Treasurer	Shirley Funkhouser, CPCU
Director (Two year)	Josephine Battisti, CPCU
Director (Two year)	Hsuan-Shiang Wu, CPCU
Director (Two year)	Paul Hertel, III, CPCU

We have three Directors who have one year remaining on their terms: Ralph White, CPCU, Terrence Carlin, CPCU and Cynthia Wolkiewicz, CPCU.

# January Meeting Recap

## Group Workers Compensation Alternative

by: Sandra L. Loebs, CPCU

Group Workers Compensation Alternatives was the topic at the January 19, 1995 breakfast meeting of the Philadelphia Chapter CPCU Society - a joint CPCU and RIMS meeting held at the Doubletree Hotel at Broad and Locust Streets in Philadelphia. A panel of speakers included Bill Danylik, VP of Marketing for Managed Comp, Inc., George Knehr, Chief of the Self Insurance Division of the PA Bureau of Workers Compensation, Len Dwojeski, AVP for Workers Comp. Alternative Markets for PMA and John Bogansky, VP of the Loss Sensitive Division of Cohen-Seltzer, Inc.

### Group Self Insurance

Bill Danylik spoke about Group Self Insurance, noting the factors of classification, lack of voluntary market, industry stability and market size which are used to identify potential self insurance groups (SIGs). In forming a SIG, 5 or more homogenous members with a net worth of \$1 million, were two of the requirements. Financial stability was a key requirement because of the joint and several liability of the SIGs. Bill then went into detail about the actual SIG operation with regard to payment of premiums, new members, dividend distribution, rate deviations and the factors which influenced success, e.g., underwriting, membership requirements, administrator for the SIG, risk sharing and managed care.

### Regulatory Overview

George Knehr gave a Regulatory Overview noting 16 operating groups as of January 1995 (8 political subdivision and 8 private sector pools), comprising some 584 employers with \$39 million in total annual contributions. The private sector pools included hospitals, printing companies, home builders, nursing homes, mental health - metal retardation services, supermarkets, truckers and lumber producers and dealers. George then elaborated on the actual filing for SIG status including the group application, the membership application, audits verifying net worth of \$1 million or more, financial statements, an explanation of a homogeneity, actuarial projections (if permitted to deviate from SWIF rates), a schedule of projected contributions from each member, administrative expenses, proposed trust agreement and bylaws, policy statement on underwriting standards, asset investment, payment of dividends, etc., and report on proposed safety program.

### Group Captives

Len Dwojeski discussed the success of Group Captives, their competitive advantage and cost effectiveness as well as the reasons for forming a captive, e.g. coverage availability, underwriting profit, investment income, reinsurance and rates. Len also explained how group captives worked in combination with a fronting carrier and an excess reinsurer and factors such as stability, financial strength and cost effectiveness which make group captives successful. Len next discussed in detail the characteristics of the participant, e.g. having a long range vision, being fiscally responsible, risk conscious, as well as risk sharing, and risk retention and also the costs - both capitalization costs (owned captive versus rent-a-captive) and operational costs, dividends and deviations, and key considerations of forming a group captive.

### Workers Compensation Insured Program

John Bogansky spoke about the Group Workers Compensation Insured Program outlining the state of Pennsylvania's requirements, of 5 or more homogeneous firms, how a group experience modification will be calculated, the minimum standard premium of \$500,000 after application of the group modification, no bond or collateral required, NO joint and several liability and that SWIF (State Workmen's Insurance Fund) is the only authorized insurer. John outlined the selection criteria of firms having similar WC classifications and SIC codes, similar attitudes relative to claims management and loss control activities, and good financial strength. John also discussed the group experience modification which reduces the loss limitation charge, increases the credibility factor and reduces the weighting charge. In conclusion, available SWIF programs have policies which are written on a guaranteed cost basis, with a common expiration date, individual policies are issued to each group member, no new members are added mid term, and there is NO joint or several liability.

After several questions, the meeting was adjourned.

## A Thank You Note From Norm Baglini

March 30, 1995  
Ms. Jo Battisti, CPCU  
Pennsylvania Insurance Dept., 1400 Spring Garden St., Philadelphia, PA 19130-4064

Dear Jo:

Thank you so much for nominating me for the Benjamin Franklin Award. Thanks also for arranging a very pleasant luncheon that included Sid and Becky, along with many of my Institute and Philadelphia CPCU Society friends.

While I don't feel I deserve this honor, I humbly accept it on behalf of my colleagues here at the Institutes. The award recognizes their fine work over the years.

I will always remember your thoughtfulness and generosity.

Sincerely, Norman A. Baglini



Speakers at the January Meeting on "Group Workers Comp. Alternatives" were left to right: Bill Danylik, V.P. Managed Comp, Len Dwojeski, A.V.P., Pennsylvania Manufacturers Ins. Co., John Bogansky, ARM, V.P., Cohen-Seltzer and George Knehr, Chief, Bureau of Workers Compensation, PA Self Insurance Dept.



Some of our group attending the January Meeting on "Group Workers Comp. Alternatives".

## Poised for Change

The theme of this year's CPCU Reinsurance Symposium hosted by the Philadelphia Chapter.

The Reinsurance Section of the CPCU Society is holding an ARE diploma ceremony and seminar on June 7 and 8 in the Hotel Atop the Bellvue, Philadelphia, PA. The educational event begins later in the day at 1:00 p.m. for the ease of east coast travelers. Fees are \$298 for ARE completers and CPCU Section members; \$323 for Society non-section members; and \$348 for non-members. Expert speakers are addressing London and Bermuda perspectives on international market issues; national regulatory developments; and ceded reinsurance concerns.

This symposium will draw CPCUs and other insurance professionals from across the country.



Following the ceremony, daughter Becky proudly holds the Franklin Award flanked by mom and dad.



CPCU Society President Roger Joyce (l) and Chapter President Frank Mason, Jr. (r) pose with Jo Battisti holding the Franklin Award with recipient Norm Baglini.



# 1994-95 Annual Report to Chapter Membership

Prepared by T.C. McDonnell, CPCU

## **1994-95 CHAPTER PRESIDENT WAS FRANK J. MASON, JR.**

For the Philadelphia Chapter CPCU Society, the past year has been a very exciting one. The preliminary work that was done over the summer of 1994 help set the foundation for smooth transitions for the year. The value of the Chapter's activities is directly related to the people who chose to become involved and results have been achieved as a result of the hard work by our active members.

**Awards:** At the September 1994 Society Annual meeting in Chicago, four award ribbons were awarded to the Chapter from National. **Awards included:** The Jay W. Gleason Memorial Public Relations Award for Excellence; The Continuing Professional Development Award for Excellence; The E. Adrian Teaf Memorial Education Award and The Chapter Good Works Merit Award.

## **PUBLIC RELATIONS**

A network has been created using the other members on this committee to share Chapter News Releases with local papers. A congratulatory ad was placed in the Philadelphia Business Journal acknowledging the 1994 New Designees. This ad included all New Designees for the Philadelphia, Greater Valley Forge and the Brandywine Chapters of the CPCU Society. Arrangements were also made to have Channel 6 News coverage at the Fire Essay Awards Ceremony for the Philadelphia School District.

## **FIRE ESSAY CONTESTS**

This is a program the Chapter sponsors. Essays are written by students and winners are selected. The subject is "Fire Safety in the Home" and the winners receive awards of various types. The Council Rock School District just completed their eleventh year of participation and the Philadelphia School District has completed their second year. I had the opportunity to listen to reading of the top essays for one of the school districts and I was quite impressed by the essays themselves, as well as the value to the students, parents and teachers involved.

## **PHILLY I-DAY**

Philly I-Day was held this year on November 14, 1994 at the Wyndham Franklin Plaza. There were approximately 450 insurance professionals attending this event and 24 of the Philadelphia Chapter New Designees. The opening session was a panel discussion on the State of the Insurance Industry. The panelists were Robert T. Crawford, Jr., President Chubb and Son, Inc.; Edith F. Lichota, Principle Lichota and Associates, Inc. and Robert A Nielsen, President and COO Johnson and Higgins, Inc. The panel moderator was Edwin S. Oberman, who also presided over the conferment ceremony for our New Designees following the Luncheon. New Designees were also given a CPCU lapel pin by the Chapter.

## **SOCIAL**

A joint Spring (Summer) Social has been planned with the Brandywine Chapter. Members at both Chapters have been invited to attend a Wilmington Blue Rocks Minor League Baseball Game on June 16th. The event will be held at Fawley Stadium in Wilmington, Delaware. It may not be too late to sign up for this one.

## **OFFICER CONFERENCES**

It has been the practice for the incoming President to attend the Chapter Officers Leadership Conference in the year preceding his/her term. T.C. McDonnell attended the C.O.L.C. in Cincinnati in May. Depending upon the location, other officers have attended and found the sessions to be valuable.

## **MEMBERSHIP**

The Chapter this year had a very active membership committee. Our activities began early in the year with two members of the committee attending the one day regional Membership Workshop in Baltimore. During the year three YOUR MEMBERSHIP MATTERS columns appeared in the Chaptergram, welcoming CPCUs who transferred into the chapter, saying "good-bye" to those transferring out, quoting chapter membership statistics, listing membership benefits and providing information for address changes. At the February breakfast meeting, a short synopsis of the Membership Committee was given. In the spring we sent a special WANTED flyer to CPCUs who had not renewed membership encouraging them to join again and participate.

## **SEMINARS**

Two seminars were sponsored by the Philadelphia Chapter this year. "Additional Insureds" was held on February 16th and was scheduled to follow one of our breakfast meetings. The second seminar was "D & O Fiduciary Liability and Employment Practices" and was held on May 1st. Attempts were being made to hold another seminar on "Business Interruption" in June, but it was not able to be scheduled. It will be a subject that is examined for possible offering next year.

## **SOUTH JERSEY SUB CHAPTER**

Efforts initiated by a group of Chapter members to create a Sub Chapter are encountering problems in generating an adequate amount of interest to formalize. Problems include the fact that there is a broad geographic area involved and there are considerable increased work demands placed on the prospective officers of a SUB Chapter. Current status is ON HOLD.

## **SECTIONS COMMITTEE**

Charles R. Koerwer III heads up the Chapter, section liaison advantage, an innovative program that taps national sections resources to build local events. Sections provide access to the latest trends and developments in specialized areas. Philadelphia Chapter has offered to host symposia on such topics as reinsurance, lead poisoning, tax allocation, and redlining. Network and broaden your expertise by joining in one of 12 interest areas such as the new information Technology Section.

## **PROGRAMS Bruce Tuttle 215-574-5776**

Eight scheduled breakfast meetings were held during this fiscal year. Specifics on the meetings follow:

**September 15, 1994:** "Insurance Issues and Trends", our "View From The Top" with the following panel: Brian A. Carlin, Exec. VP and COO of Munich American Reinsurance Co.; Gerald A. Isom, President of CIGNA Property and Casualty; Curtis Pickett, President and COO of ECBM Agency.

**November 17, 1994:** Round table approach with the following topics: Executive Crime-led by Jim Proferes of Chubb; Marine Insurance-led by Bill Stifnagle, CPCU of IMU; Excess and Surplus Lines-led by Ed Levy, CPCU of DVUA; and Potpourri-led by T.C. McDonnell, CPCU of CIGNA.

**December 15th, 1994:** Globalization and Small Business-led by Jim Hutchin and Anita Cruver of Willis Corroon.

**January 19, 1995:** Joint meeting with RIMS, with the panel of: John Bogansky, ARM, VP of Cohen-Seltzer; Len Dwojeski, AVP of Pennsylvania Manufacturers Ins. Co.; William Danylik, VP of Managed Comp.; and George Knehr, Chief of the Bureau of Workers Compensation.  
**February 16, 1995:** "Solving the Additional Insured Issues"-Richard G. Rudolph, Ph.D., CPCU did a combined breakfast meeting followed by a three hour seminar on this topic.

**April 20, 1995:** "Employment Practices Liability" and "Election of Officers"-a joint meeting with the Pennsylvania Defense Institute. Speaker: Joseph G. Manta, Chairman of the Employment Law Committee of the Pennsylvania Defense Institute and Carole Lynn Proferes, AVP, Marsh and McLennan.

**May 18, 1995:** Joint meeting with the NAIW "Ethics". This was a panel discussed and the event was done jointly with four chapters of NAIW: Philadelphia, Main Line, Eastern Montgomery and South Jersey.

**June 15, 1995:** Our "Education" meeting included a discussion on Project InVest by Anne Kopanski, CPCU and a session on "Workplace Stress".

## **NEW DESIGNEES**

This year we noticed a proportional increase in the number of New Designees who attended the conferment ceremony at Philly I-Day. The current New Designee Representatives are Stephanie Ladson and Debra Paziora. Efforts were made this year to link New Designees with Officers, Directors and Committee Chairs to help assimilate them into the Chapter. Several New Designees have signed on and are actively working with committees. Looking forward to the 1995 National Conferment, we are aware of 69 New Designees after the January 1995 exam that intend to affiliate with our Chapter and expect that after the June exams are completed, that the number may reach 150.

## **PROJECT INVEST**

Through the generosity of time and donations given by CPCU members and their organizations, Project InVest continues to grow, attracting new students and enthusing continuing students. Germantown High School's InVest now boasts three classes of over forty students. The students learn business skills and insurance terms and positions. The Junior students have almost completed "INTRO" (Introduction to Insurance-How Insurance Works). Generous donations of furniture, materials and supplies have helped to transform a drab classroom into a business center. Barbara McCreery, MA, MS, says that Project InVest is attracting students and the programs generating additional business community support. The students develop stronger communication skills and readiness for work. The success of the program is generating interest from school districts in Pittsburgh, Lancaster and Allentown areas.

## **CANDIDATE DEVELOPMENT**

Over 100 letters of congratulations were forwarded to IIA program completers. The letters complimented their achievement and encouraged them to consider CPCU as a next step. Over 200 letters were sent to CPCU exam completers (6 or more). These letters contained an invitation to join the Chapter at one of our breakfast meetings at a discounted price. This same group will receive a special mailing to invite them to join us at the Social in June. Correspondence requesting Personal Sponsors has been followed up and assignments have been made to have current CPCUs support CPCUs in the making.

## **CAREERS**

We are on the Advisory Board for the Delaware County Vo-Tech Insurance and Finance Institute. Visits have been made to the nine area high schools to promote insurance education.

## **CHAPTERGRAM**

There were four issues of the Chaptergram published in this fiscal year. Issues were: September 1994, December 1994, March 1995 and June 1995. A new addition this year was a crossword puzzle based upon CPCU courses. Each issue was 8 pages long and included photos, committee articles and related information.

## **FRANKLIN AWARD**

The Chapter's Thirteenth Annual Franklin Award Ceremony was held at the Doubletree Hotel on March 21, 1995. This year's recipient of the Franklin Award was Norman A. Baglini, Ph.D., CPCU, CLU. Dr. Baglini is with the American Institute and has been instrumental in designing and developing the educational courses offered. Dr. Baglini accepted the award on behalf of himself and the staff at the Institute.

## **PHILADELPHIA CHAPTER 7/1/94-6/30/95 TERM OFFICERS AND DIRECTORS**

<i>Frank J. Mason, Jr., CPCU</i>	<i>President</i>
<i>T.C. McDonnell, CPCU</i>	<i>First Vice President</i>
<i>R. Bruce Tuttle, CPCU</i>	<i>Second Vice President</i>
<i>Shirley Funkhouser, CPCU</i>	<i>Secretary</i>
<i>Anne Kopanski, CPCU</i>	<i>Treasurer</i>
<i>Josephine Battisti, CPCU</i>	<i>Director</i>
<i>Hsuan-Shiang Wu, CPCU</i>	<i>Director</i>
<i>Paul Hertel, III, CPCU</i>	<i>Director</i>
<i>Cynthia Wolkiewicz, CPCU</i>	<i>Director</i>
<i>Terrence O. Carlin, CPCU</i>	<i>Director</i>
<i>Ralph M. White, CPCU</i>	<i>Director</i>

## **FINANCIAL YEAR END STATEMENT**

The year end financial report 7/1/94-6/30/95 will appear in the September Chaptergram.

# Philadelphia Fire Essay Contest Award Ceremony

by: Hsuan-Shiang Wu, CPCU

On March 15th, we had our award ceremony for the "Fire Safety in the Home" essay contest held for the School District of Philadelphia's 3rd, 4th and 5th grade students at the School District's Board Room. The 16 proud award winners and their parents, teachers and principals were honored guests of this happy occasion. Mr. David Hornbeck, Superintendent of the School District of Philadelphia, Mr. Harold B. Hairston, Philadelphia Fire Commissioner and Mr. Frank Mason, President of the Philadelphia Chapter CPCU took time out of their busy schedules to present the awards which included a savings bond, an award certificate and a smoke detector for each award winner. At the end of the ceremony Barney the Battery, the mascot for the Philadelphia Fire Department, made a surprise appearance and provided the children with laughter and photo opportunities.

My special thanks to Mr. Ralph White, CPCU, Dr. Catherine Balsley, the Comprehensive Health Education Curriculum Coordinator of the School District of Philadelphia and Chief Charles R. Lindsey, the City's Fire Prevention Division for judging the 60 essays submitted by the schools and selected the final winners. I also want to thank the Chapter for continued financial and moral support of this annual event. To quote Commissioner Hairston, this contest may affect the behavior of the students and their families concerning fire safety.

## THE WINNING STUDENTS ARE AS FOLLOWS:

	Grade 3	Grade 4	Grade 5
1st Place	Laura Madesky Franklin Smedley	Shaun Bryant Duckrey	Jason Logan Lingelbach
2nd Place	Kimberly Green Pennell	Channel Todd Daroff	Omar Robinson G. Washington
3rd Place	Matthew Edelman Solis Cohen	Ramona Jones Forrest	Lumiere Whitehead Julia Ward Howe
4th Place	Christopher Clahar Leidy	Carolan Paige Ellwood	Eneida Sanchez John Welsh
5th Place	Lester Hussie M. Hall Stanton	Tamika Taylor Duckrey	Lauran Swiredding Lawton



Laura Madesky, 3rd grade, 1st place winner with her mother, teacher and Barney the Battery.



Shaun Bryant, 4th grade, 1st place winner with savings bond, award certificate and smoke detector in hands.



Jason Logan, 5th grade, 1st place winner with (from left) Mr. Frank Mason, Superintendent David Hornbeck, and Commissioner Harold Hairston.



Matthew Edelman, 3rd grade, 3rd place winner reading his essay while 2nd place, Kimberly Green and 1st place Laura Madesky wait for their turn.



Adam Ortiz, 4th grade, 3rd place winner was reading his essay while 2nd place Channel Todd and 1st place Shaun Bryant wait for their turn.



Lumiere Whitehead, 5th grade, 3rd place winner was reading his essay while 2nd place Omar Robinson & 1st place Jason Logan wait for their turn.

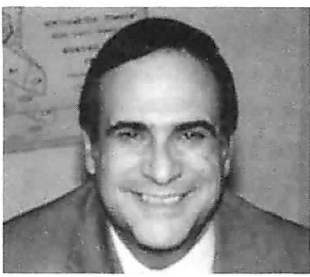


Commissioner Hairston demonstrated the correct way to check a smoke detector while Mr. Frank Mason and Superintendent David Hornbeck watched.



How nice it is to be in the courtyard on March 15!





# From the Editor

by: Peter Palestina, CPCU

## Apologies Extended

After 22 years with the same company I moved to another agency on March 20th. Questions, articles, etc that you would like to send me should be mailed to me c/o Paist & Noe, Inc., 130 Almshouse Road, Suite 103, P.O. Box 414, Richboro, PA 18954, or faxed to me at 215-364-2449. Of course, phone calls are always welcome, just dial 215-364-3000.

The transition from Posse-Walsh to Paist & Noe could not have gone more smoothly. I left on the best of terms and received full support and cooperation the likes of which are virtually unheard of in our industry. My thanks to my old employer for making this a pleasant experience and my condolences, some would say, to my new employer. So far everything has worked out wonderfully and I'm only 5 minutes away from home and that's if there's a traffic jam.

I would also like to take this opportunity to apologize to anyone who may have been offended, or thought the article in the March Chaptergram on the Winter of '94 was in poor taste. It was. The language, not mine, should have been modified or toned down a bit. The problem was that I did not proof read it prior to sending it to our printer. I was past the deadline, needed a filler, remembered how funny the article was then I first read it as an office pass around last year and simply took it out of my file and sent it off to the printer. Since I was on vacation when the normal proof copy would have been tendered I didn't have the opportunity to read it prior to final publication. If I had, it would have been modified. So although I have an excuse, I still only have myself to blame. Again, my sincere apologies to anyone who may have been offended.

On the brighter side, you should be reading this in late May/early June. The winter was mild, the spring is looking good, the garden is getting in shape, the veggies are ready to sprout and summer is just around the corner. Hopefully, the Jersey shores will have warmer ocean water temperatures this summer.. Last year was brutal, but judging by the mild winter we had vs. 1994, nature has a way of balancing everything out.

We will have a great social on June 16th at the Blue Rocks baseball game with our Brandywine Chapter associates, a large increase in chapter membership due to all of the new CPCU completers (I wonder if Hawaii had anything to do with that!) and a variety of new seminars and chapter activities beginning with our new Chapter year which starts in July. With the large increase in new members we look forward to more and more of our members taking part in Chapter activities. Our new chapter president, T.C. McDonnell, is sure to see that we have a most successful chapter year, but he can't do it alone, you need to become involved by your participation.

Enjoy the summer, be safe, stay healthy and I'll see you in September.

## Your Membership Matters

by: Sandra L. Loeb, CPCU  
Membership Chair 1994-95

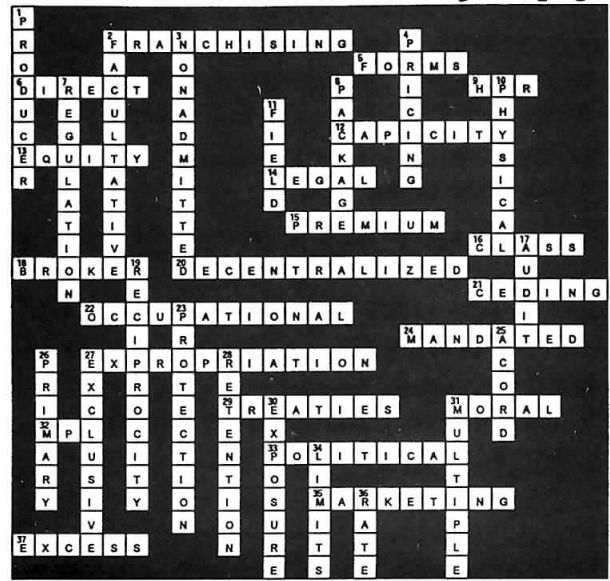


The numbers are in as of April 1995, according to CPCU Society records, the Philadelphia Chapter paid membership totals 554 representing 72% of the 765 CPCUs eligible for membership. AND that's not counting the 83 January new designees or the June new designees-to-be who receive free 1995 CPCU Society membership. In addition, the CPCU Society began a "Come on Back" national telemarketing campaign in March to contact members who were active members last year, but had not renewed their membership. So we may still add to our numbers.

In hopes of encouraging Philadelphia Chapter CPCUs who did not renew their membership by April, they will receive a WANTED-Missing Person flyer with Rewards Offered of great breakfast meetings, educational seminars, etc., created by Bernadette Fuller, who is on the Membership Committee.

And lastly, if you are moving, look for Change of Address Forms at our next breakfast meeting or write to us c/o CPCU Society, Philadelphia Chapter, P.O. Box 1499, Philadelphia, PA 19105, or call the CPCU Society Member Services at 610-251-CPCU.

## Solution to the Crossword Puzzle from page 8.



Chapter Secretary Shirley Funkhouser holds the business card bowl at a chapter meeting from which a winning name is drawn for a free future meeting breakfast.

## ANNOUNCE JOINT SPRING SOCIAL

**WHAT:** Wilmington Blue Rocks Minor League Baseball Game  
**WHEN:** Friday, June 16, 1995 Picnic, 5:30 pm Game, 7:05 pm  
**WHERE:** Fawley Stadium, Wilmington, Delaware  
[Take I-95 South to Exit 6 (Martin Luther King Blvd., 4th Avenue) and follow signs to stadium]  
**WHY:** Have fun, socialize with fellow CPCUs and their families  
**REGISTRATION DEADLINE:** June 1, 1995

Dear Chapter Member:

At the invitation of the Brandywine Chapter we have confirmed our participation in what should be a fun event for members and their families. The Blue Rocks are an exciting minor league team and they will be playing Lynchburg on June 16th.

There is a reason for the selection of this date. This is the date of the final spring CPCU Exam, and the Blue Rocks will observe CPCU Appreciation Night. The Chapters plan to invite all CPCU Exam completers.

This is planned as a family event. In case of rain, the Blue Rocks have a separate under-cover picnic facility which can serve 200 people comfortably. We have negotiated a menu that includes Hot Dogs, hamburgers, BBQ chicken, baked beans, sodas, ice cream and soda. The total price will be \$18 per person which includes reserved seating and free parking.

Tickets are to be picked up at the "Will Call" window, but further information and directions will be mailed to those who send us their registration form.

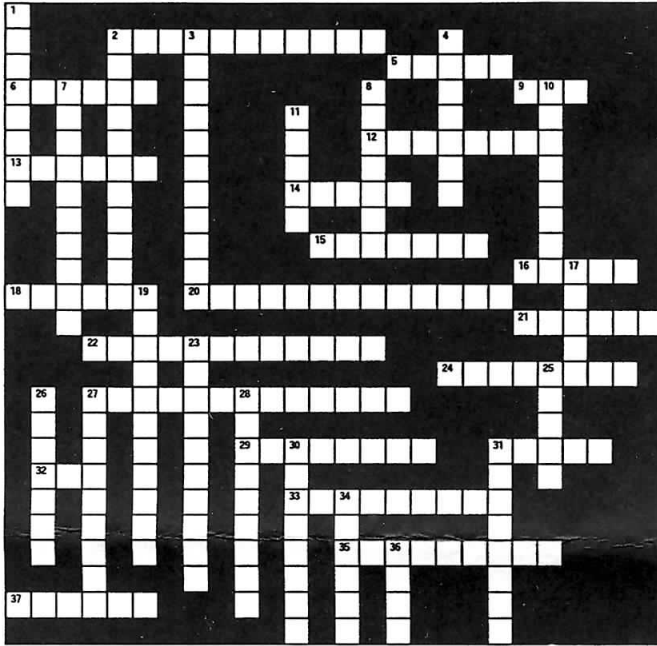
Do not miss this opportunity for a fun filled event as we are hoping for a huge turnout. Get your reservation in early so you won't be shut out.

Reservations must be received in the mail no later than Thursday June 1, 1995

After that date, call 215-627-5306 and ask for Shirley Funkhouser on last minute availability.

Please make reservations for \_\_\_ tickets at \$18 in advance for the June 16, 1995 Spring Social Baseball Game. Make your check payable to: Philadelphia Chapter Society of CPCU, PO Box 1499, Philadelphia, PA 19105-1499.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_



**ACROSS**

- 2. Agency system intended to provide services that will permit independent agents to compete with large national brokerage houses.
- 5. Filed with bureau for approved use on policy.
- 6. Alternative to agency billing.
- 9. Type of rating used for large property risks having excellent protective features.
- 12. Insurer ability to provide a large amount of insurance on a single loss exposure.
- 13. May be recognized in the unearned premium reserve as additional surplus when comparing written premium to surplus.
- 14. Department headed by insurance company general counsel.
- 15. Typically expressed as written or earned.
- 16. Type of risk compilation used to provide a basis for rating.
- 18. Represents the insured.
- 20. Expression of underwriting function when responsibility is with the branch rather than the home office.
- 21. Term used when insurer transfers part of the risk to a reinsurer.
- 22. Kind of disease covered by workers comp.
- 24. When the law dictates the rate to be sued by insurers the rates are said to be.....

- 27. Type of insurance used to protect against a taking of assets by the government in a foreign country.
- 29. Automatic arrangements for reinsurance are made through these.
- 31. Subjective characteristic of a person that may lead to this hazard.
- 32. The total amount insured that can be exposed to a peril
- 33. The type of risk referred in 32 across.
- 35. Performance of business activities that direct the flow of goods and services from producer to consumer.
- 37. Not really an umbrella policy but sometime confused as such.

**DOWN**

- 1. Another name for the agent or broker.
- 2. Type of reinsurance where the reinsurer underwrites each risk.
- 3. Surplus lines tax usually assessed on this type of insurer.
- 4. This standard consists of a procedure in which all accounts which deviate from manual premiums by more than 5 percent are monitored.
- 7. Is often a major limiting factor on underwriting.
- 8. Several lines of insurance on one policy.
- 10. Hazard having to do with the tangible

- characteristics of the property issued.
- 11. Underwriting done by producers is often referred to as.....
- 17. Managements control tool to ascertain that underwriting policy is being properly implemented in the field.
- 19. A way in which reinsurance can help to reinforce the law of large numbers by enabling an insurer to increase the number and geographic spread of its insured loss exposure.
- 23. The status of this in property insurance leads to lower rates, acceptability and increased capacity.
- 25. Most often used forms of applications for insurance.
- 26. What umbrellas cover excess of.
- 27. These agencies by their contracts can only represent one insurer.
- 28. Portion of insurance kept by the ceding company.
- 30. Increases the likelihood of a loss.
- 31. An occupancy exposure that occurs when other portions of the same fire division are owned or controlled by persons other than the insured.
- 34. Pyramiding this can cause severe capacity problems.
- 36. Used to calculate premium.

**Successful Seminar Held on Solving Additional Insured Issues**

by Cindy Wolkiewicz, CPCU



On February 16th, we turned our regular monthly breakfast meeting into a combination meeting and seminar. Despite icy roads, we had a sold-out program. Our speaker, Richard Rudolph, Ph.D., CPCU, ARM, was from the Chicago Chapter and has also recently been name a "Standards Setter".

The topic of Additional Insureds is a complex one and as many suggested the Seminar could easily be broadened into a full day. Mr. Rudolph addressed many areas relating to Additional Insureds, such as: What objective is trying to be achieved; Contractual Relationships; Hold harmless Agreements; Indemnity Statues; Broad Form Indemnification; Subrogation; Evidencing Coverage; and OCP.

This seminar will most likely be offered again next year by our chapter.



Richard Rudolph, Ph.D., CPCU, came from Chicago to speak at our February Meeting on the subject of "Solving Additional Insured Issues". The breakfast meeting was followed by the seminar on the same topic for which continuing ed credits were attainable.



Some of the crowd attending the February Meeting on "Solving Additional Insured Issues".

**PHILADELPHIA CHAPTER, CPCU**

P.O. BOX 1499

PHILADELPHIA, PA 19105

BULK RATE  
 PERMIT NO. 15  
 HUNTINGDON  
 VALLEY, PA  
 19006