

Editor's Note: The views and opinions of the authors of the articles appearing in the Chaptergram are his or her own and not necessarily shared by the officers and members of the CPCU Society and the Philadelphia chapter.

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SEPTEMBER MEETING RECAP "VIEW FROM THE TOP"

BY: LILLY COWAN, CPCU

A panel of four property casualty insurance company leaders offered their perspectives on the major trends affecting the industry at the Philadelphia Chapter's September 21, 1999, breakfast meeting. This year's panel included representatives from a variety of national and regional companies.

Chapter President, Pete Palestina, introduced the featured speakers. They were (in order of presentation): John W. Smithson, Chairman and CEO, PMA Insurance, Robert C. Olsman, President and CEO, Reliance Insurance Company, Seth D. Freudberg, President and CEO, United National Insurance, and Howard C. Stevens, President, Penn Mutual Insurance.

SMITHSON (PMA):

Smithson began his remarks with a brief overview of his company, noting that it is engaged in nearly all lines of business, including regional p & c commercial insurance, reinsurance (in top 20) and excess and surplus. Then he discussed his views of the following major trends:

Consolidation within insurance industry - This is occurring in all areas but especially in reinsurance; agents and brokers segments have already consolidated.

Consolidation in banking and insurance services - Federal legislation (HR 10, etc.) known as "financial services modernization" is being considered by Congress and will probably be enacted into law within the next year. The intent is to eliminate many of the regulatory barriers among banks, securities firms and insurance. In the immediate future, he doubts that any banks will buy insurance companies but that trend will continue once legislation is passed.

Convergence - This refers to new financial products being applied along with traditional risk transfer mechanisms as additional tools in the risk management process. Examples: securitized products, "Acts of God" lines, swaps and options.

Pricing and other survival issues - It will be difficult for the marketplace to generate higher pricing than currently exists until capital levels drop significantly. Many people have been trying to identify a single event that would change the dynamics of this situation, but doubts that a single event is sufficient to bring about a change.

He emphasized this statistic: Publicly traded insurance companies had a market capitalization of approximately \$500 billion 18 months ago; since then this value has declined by \$115 billion. In other words, investor value in insurance stocks has lost \$115 billion. (Hurricane Andrew's cost was "only" \$25 billion.) This has put pressure on those publicly traded companies for merger and acquisition activity.

The truly tough question to answer is, "What effect will this trend have on insurance company pricing policy?" Sooner or later, he concluded, investors and insurance company management would have to deal with the weak returns being generated and failing capitalization levels that currently exist.

OLSMAN (RELIANCE):

Recalling his appearance several years ago for the Chapter on this same topic, Olsman said that he had focused on the need for behavioral change, at the transaction level between underwriters and producers. In contrast, today he would describe his comments as "A View from the Swamp". He discussed the challenges confronting the industry.

Revenue inadequacy - Despite the healthiest economy that our nation has enjoyed in a century, the P&C insurance industry is growing at just a 1-2% rate, with commercial lines flat or even down 1-2%. Underwriting cash flow has been negative for years, and continues so. This means that the income we take in is not enough to cover operating expenses, commissions and paid losses. This problem will become worse over the next few years, he predicted.

Consolidation - He expects this trend to continue at agency, brokerage and company levels. The real issue, however, is whether this is creating better enterprises? Meaning: more efficient, more effective, and able to grow earnings?

Technology/Information Systems - It has given us more processing effectiveness, quicker real time information on which to base decisions. He noted that all management information is "backed up online" at his company.

Regulation - This seems to be evolving into the 20th century, moving toward all commercial lines totally de-regulated. (He cited Workers' Comp changes.)

Catastrophe response - In his view, the industry does an "outstanding job" in helping clients in this area. Claims professionals deserve a "hats off" for their efforts.

People Talent - The challenge is to recruit and develop new talent for the industry.

Olsman also sees the following "Opportunities" to improve.

Pricing - Although he sees some increases, prices have a long way to go to make up for many years of decline. "There is something like a 20-30 point gap in where prices are today and where they need to be for us to earn a 15% rate of return.

The industry must sustain rate increases "for more than 10 minutes". To accomplish this, we need trust and respect among all parties to the transaction, underwriters willing to be firm, and producers taking on a new role, other than merely messenger of bad news.



Some of the members and associates listening to a "View from the Top".

Claims management - Cost cutting is not enough. We need to address ways to improve meeting customer expectations, set reserves, and appropriately settle claims. This will require serious behavioral change.

People (perhaps the "greatest opportunity") - Admitting that his perspective is "gloomy," Olsman believes that all these challenges are within the capability of people to solve. Finally, he suggested that the industry should raise its standards for "human capital."

FREUDBERG (UNITED NATIONAL):

Jokingly, Freudberg summarized the previous remarks (by Olsman) as, "We are a group of extremely nice people who have absolutely no way of making any money." Then he said his own remarks could be called "A View from the Bottom of the Swamp."

Briefly, he described UNI as primarily a surplus lines company, which also owns two admitting carrier. Handling mostly niche and specialty programs, it is the largest independently owned surplus lines insurer in U.S.

Too much capital - "There is more capital in our business than available premium dollars for us to sell." He is not optimistic about this trend and doesn't see any way out.

Consolidation - The most dramatic area is "the giant brokers buying giant brokers." This has resulted in firms with incredible power and outcomes.

Internet - It is going to be a dominant factor, because it is an easy way to distribute especially personal lines.

Also, it provides greater access to market information, so the lowest prices will be charged. It will "revolutionize" the insurance market.

Banks and insurance - This is another piece of extra capacity coming into the marketplace.

Y2K - He considers the recent lawsuits ("sue and labor" argument) as merely foreshadowing of potentially large insurance losses. If a huge economic negative comes out of Y2K, there will be pressures on the insurance industry to finance it. This has been the pattern for every giant problem in our economy.

Freudberg admitted to little balance in his perspective. He is negative because it is a tough time to be in this business. But he still loves his work and is "having fun."

STEVENS (PENN MUTUAL)

Stevens' company (no connection to Penn Mutual Life) writes 50% personal, 40% small commercial, 10% farm. Premium has grown 28% over the past five years and surplus has increased 300%.

Issues that are not problematic for this company: finding good people; loss ratios; buying reinsurance; new business. He agreed that the industry needs to recruit "a higher level of talent" than the past.

The problem trends affecting his company (and other mutuals): business retention; increasing expense ratios; lack of new underwriters. He would like to find more underwriters "who can take a rate, tailor it to a marginal risk and make it profitable."

He predicted that the market is going to harden in the fourth quarter this year. With reinsurer consolidation, companies will want to have their reinsurance in place before December of 1999, due to uncertainty related to the Y2K issue.

A lively Question and Answer session followed.



More of the 120 or so at the September meeting.

OUR DISTINGUISHED PANELISTS WHO GAVE THEIR "VIEW FROM THE TOP" AT OUR SEPTEMBER KICK-OFF MEETING.



John Smithson, CPCU
Chairman & CEO
PMA Insurance



Robert Olsman
President & CEO
Reliance Insurance Co.



Seth Freudberg, CPCU
President & CEO
United National Group



Howard Stevens
President
Penn Mutual
Insurance Co.



Candidate Recruitment and Development 1999-2000

BY: VAL ULLMAN-KATZ, CPCU

The Candidate Recruitment and Development Committee earned the Overman Award for Excellence for the 1998-1999 year! Many thanks to Rita Hoffstein for her participation and efforts! This year we hope to unfold our Candidate and Sponsor Program. This program is designed to facilitate CPCU Candidates by teaming them with a CPCU Chapter member who can help guide the candidate through the exam series, offering emotional and professional encouragement. We will hold an Evening of Test Tips for our candidates and work on inviting our candidates to our Chapter Breakfast Meetings. Your participation is encouraged. If you are interested please contact Val Katz at 215-761-3876 or complete the form below.

SPONSOR A CPCU CANDIDATE

What is a Sponsor?

A Sponsor is a current CPCU who is willing to share his/her experiences as a CPCU Candidate. Advice is given on how to sequence exams, how to prepare for the exams, self-study or class. Sponsors are most valuable if a candidate "stubs a toe" providing encouragement and a push to continue.

What time commitment is involved?

As much or as little as you can. A phone call periodically, maybe a business lunch to discuss strategy and a congratulatory note or call once an exam is completed.

Why should I be a Sponsor?

Every CPCU should work on proliferating the importance of an insurance education for insurance professionals. We need to support continual growth of the CPCU ranks, providing for successors committed to the ideals of CPCU.

Thoughts, ideas, suggestions on how to be a Sponsor, contact Val Ullman-Katz, CPCU via e-mail: valraykz@erols.com.



Chapter Welcomes Regional Governor

SCOTT BROWN, CPCU

Scott Brown, CPCU is the Regional Governor for our Chapter among other Chapters in the geographical area. As you may recall, the Society, at the October annual meeting in Boston, changed the structure of Society governance via Directors to that of Governors. Scott's column will appear here in future issues of the Chaptergram. We welcome Scott's input and wish him success in his role as Regional Governor.

1999-2000 Membership Committee

The following Chapter members comprise our Membership Committee. Feel free to contact them if you experience any membership difficulties or have membership questions about the Society and our Chapter. If you would like to help serve on this Committee contact Pat Rakowski, CPCU, Committee Chairperson at 215-864-1193.

name	company	phone	fax
Courtney Algeo	PMA	610-962-4935	610-962-4940
Christine Dimmig	State Farm	610-650-3441	610-650-3443
Denise Forbes	Fireman's Fund	215-928-3541	215-928-4538
Jim Jones	ACE-INA	215-761-3368	215-761-5575
Pat Rakowski	Reliance Insurance	215-864-1193	215-864-4053
Dave Shepherd	Price Waterhouse	215-575-5672	215-575-5066
Don Sutton	Reliance Insurance	215-864-4766	215-864-4053
Rina Williams	SMG	215-592-6623	215-592-6699
Mary Wong	Towers Perrin	215-963-7767	215-963-7873

Thanks to our 1999-2000 Season Ticket Purchasers

The Chapter wishes to acknowledge and thank the following 25 firms for the purchase of one or more either full or partial season tickets to our meetings. These employers know the value of allowing their people to attend the Chapter meetings and/or become involved in Chapter affairs. They are one of the reasons why the Philadelphia Chapter is vibrant and successful and we thank them for their support.

Paist and Noe, Inc.	PA Lumbermens Mutual Insurance
Graham Company	AAA Mid-Atlantic
Insurance Services Office	AIG
Keystone Insurance	Amato and Associates
AAA Mid-Atlantic	Reinsurance Solutions International
Palley Simon Associates	Philadelphia Contributionship
Wharton/Delaware Valley	Cohen-Seltzer, Inc.
ACE - USA	SMG
PMA Re	Ernst and Young
ACE USA - SRF	Guy Carpenter
Brown and Brown of PA	AICPCU
E.W. Blanch Co.	Delaware Valley Insurance Trust
	Reliance National

The Candidate Development and Recruitment Committee
Cordially invites you to participate in the Candidate-Sponsor Program!

Candidates

Need to discuss test strategy? What course is best to take? What order?
Just need a professional shoulder to ask advice?

CPCUS

Are you interested in mentoring a growing insurance professional?
Are you interested in continuing the proud CPCU tradition?

If you answer "Yes" to any of these questions, please fill out the form
attached below and the Candidate Development and Recruitment
Committee will match a Candidate and CPCU.

Let's keep the CPCU tradition alive!

Name _____
Address _____
Telephone Number _____
Fax Number _____
E-mail Address _____
Candidate _____
Anticipated CPCU Completion Date _____
CPCU Year Completed _____

Return to: Val Ullman-Katz, MBA, CPCU
26 Windsor Mews, Cherry Hill, NJ 08002, e-mail: valraykz@erols.com

October Meeting Recap

"A View from the Middle"

BY: KATHLEEN FRENZEL, CPCU

Our October meeting done jointly with the IAA of Philadelphia and suburbs, was a follow up of our September meeting "View from the Top" panel discussion. This month, with 94 in attendance, we had a panel of agents and brokers ranging from extra large, to large, to small. We even had Excess and Surplus Lines broker. WOW!

The panel was comprised of:

- Robert Amoroso, President, Marsh USA, Inc.
- John Cantrill, President, Cantrill, Clark and Hays, Inc.
- Al Federico, Jr., CPCU, President, Federico & Associates
- William Kanehann, COO, Mellon-Clair Odell

Growth, expansion and innovation seem to be the buzzwords of today.

Each of the gentlemen gave their perspective on their side of the house and what they believe the future holds in store. The one word that was the main stream of each presentation was "Change, Change, and More Changes". In fact, change is occurring so rapidly in all aspects of our industry that sometimes we are not sure where to go or how fast.

Consolidation and merging is taking root in all industries such as accounting, medical, communication and entertainment. It was mentioned that one of the reasons for this is modern technology. Remember the days of no fax machines, carbon paper and when mail had no competition?

It seemed to be the consensus that the Internet appears to be the "toy of the decade", so much so, that now the small people can get on line and comparison shop for their insurance needs. Al mentioned that the real crux is that "now there is a level playing field". All individuals have the same ability to compete. There is the potential for greater individual effort due to the accessibility of e-mail and shopping on the Internet. We are also offered the luxury, in many cases, of working where and when we want. We definitely are in the situation of controlling our own insurance destiny, both insurance professionals and consumers alike. We can either educate or be educated with the push of a button. This new way of doing business is marvelous but can also be very scary.

The panel elaborated on how the tide has swayed for their particular agencies and the insurance industry in general. Many competitors are dabbling in the insurance industry. Some examples are banks, consulting firms, brokerage houses and accounting firms. Three reason for this are:

1. Many corporations are stronger financially
2. There is a stronger client base, and
3. There is a broader range of products and services being offered.

While all this is going on in business our client's desire:

- Better Service,
- Want to control their risk,
- Want help with complex situations,
- Fast delivery of products and data, and want cutting edge ways to protect their earnings.

A highlight of Bob's talk was that "Our focus should be on investment of our money". Three areas that he believes we should focus on are:

1. Consultation - dealing with clients to assist them on their insurance needs and guide them through complex issues.
2. Technology tools - this is our best source of information, and
3. People - human resources are our most valuable commodity. We need people at the top of their game to help clients solve problems.



Al Federico, Jr., CPCU
President
Federico and Associates



John Cantrill, President
Cantrill, Clark
and Hays, Inc.



Bill Kanehann, COO
Mellon Clair Odell Group



Robert Amoroso,
Head of Office
Marsh USA, Inc.



Chapter Program Chairperson, second Vice President, Ann Myhr, CPCU introduces the October panelists.

With the vast changes in portfolios and merger and acquisitions we need to constantly sharpen our skill sets. Along with this attention to growing as professionals we also must recognize that for all agents there are some barriers that might stand in the way. Remember that agents represent a lot of companies and therefore there are many independent forms and endorsements that must be dealt with, not to mention the affidavits. There is also the time and expense of renewing a policy every year. If an agent wants to do business in numerous states he must file for a non-residence license, a procedure which involves heavy paper work. Finally there is the regulatory issues that must be complied with. Just keeping up with all the requirements and legislative issues is an immense undertaking. As you can imagine given the broad range of customers an agent deals with and the fierce competition on their back, sometimes just surviving can be a challenge.

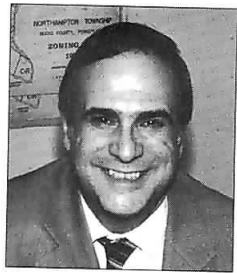
This was a very insightful and interesting panel discussion. I believe that everyone in the audience came away with a healthy respect for our agency force. They have not only conquered the many obstacles in their path but in most cases have grown and flourished. It was quite evident throughout the presentations is that the insurance industry is a PARTNERSHIP combining agents and companies as the key components. It was emphasized over and over during the panel discussion that we all need to be on board with this "team concept". We must truly work as a team and stand side by side as partners. Then, and only then, we move our industry into the new millennium with a positive attitude and be prepared for whatever CHANGES our future holds.



Some of the packed audience at our October meeting on "View from the Middle."



More of the audience at the October meeting



The President's & Editor's Corner

BY: PETER F. PALESTINA, CPCU

Instead of having two separate columns this issue, I figured why not combine them!

First of all, I would like to take this opportunity to thank a large portion of our membership who have come out to the first three meetings of this Chapter year. We experienced above average audiences for our September, October and November meetings. If you haven't come out to one you don't know what you are missing. We took a break in December due to I-Day being held on December 8th, so make an effort to come to our next meeting on January 20th.

Secondly, it was an honor for me to accept seven awards at the October Society convention in Boston for our Chapter's performance during the 1998-99 year under the leadership of last year's President Sandra Loeb, CPCU. Great job Sandra!

Thirdly, it is a pleasure to announce that our Scholarship Grant Program applicant and mechanical setup was approved at your Board's October 28th meeting and the four page application is reproduced on the next page. It also appears on our Chapter website at: www.philadelphiacpcu.com. Feel free to copy it and use for someone who may qualify. This program is different from the Scholarship Fund we set up last May for Temple in honor of Bob Hedges, CPCU via the annual golf outing with the Greater Valley Forge Chapter. This program is for the funds we have been setting aside over the past couple of years. We are now at the point where we can start awarding grants. Basically, the background and criteria is as follows:

The amount of Grant will vary and is discretionary with the Chapter Board of Directors. Generally speaking, the amount of grant will vary between \$250 and \$1,000 depending on the number of worthy applicants during any given year. The \$1,000 is not a cap and it is possible that the grant could exceed \$1,000.

Eligibility

To be eligible, the applicant must:

1. Be employed in the insurance industry in the Philadelphia Chapter territory or employed in the insurance industry elsewhere but reside in the Philadelphia territory; or Be the spouse, child, stepchild, grandchild, dependent, brother or sister of a person who is either employed in the insurance industry in the Philadelphia Chapter territory or employed in the insurance industry elsewhere but reside in the Philadelphia territory, or an active member of the Philadelphia Chapter; and
2. Be enrolled in an accredited two or four year college or university in a full time associate's degree or bachelor's degree program; and
3. Not have been awarded this scholarship in the past. Prior unsuccessful candidates may re-apply.

Fourthly, here's wishing each of you the best of Holiday Seasons and a happy and prosperous Y2K. It's going to be interesting to see what develops once the clock strikes midnight.

Would you like to nominate someone for the 2000 Franklin Award?

Philadelphia Chapter of CPCU FRANKLIN AWARD

The Philadelphia Chapter of CPCU seeks qualified recipients for its prestigious Franklin Award. The Award is essentially designed to recognize individuals, groups, or organizations in the Property and Casualty Insurance industry. The recipient does not have to be employed in the industry.

To qualify, the recipient will have made a contribution to the insurance community that is both broad based and reflective of high standards. The recipient's contribution could be in one or more of the following areas:

- **CONTINUING EDUCATION:** Advancing the professionalism of insurance through participation and improvement of the instructional process.
- **PROMOTING INSURANCE:** Enhancement of the Industry within the business community by involvement in either civic or other activities.
- **EXTERNAL ACHIEVEMENT:** Voluntary work or accomplishments in the industry outside the scope of ones normal job responsibilities.
- **RESEARCH EFFORTS:** Activities which have led or will lead to major improvements in the insurance environment such as, but not limited to, published works.
- **INNOVATION WITHIN THE INDUSTRY:** Accomplishments which have added to the overall creative excellence of the industry.
- **SPECIFIC ACHIEVEMENTS WHICH BENEFIT THE INDUSTRY:** Those milestones specifically targeted to improve the industry's general welfare.
- **LEGISLATIVE ACTIVITIES:** Participation in government affairs leading to positive insurance legislation.
- **LEADERSHIP:** Providing guidance and direction resulting in a better insurance climate.
- **OTHER:** Please Specify.

If you know someone, or an organization, who has made an outstanding contribution to our profession, we urge you to let us know.

This prestigious award is presented at a special luncheon in honor of the occasion.



Philadelphia Chapter

PO Box 1499
Philadelphia, PA 19105-1499

Philadelphia Chapter of CPCU FRANKLIN AWARD Nomination Form

PLEASE TYPE ALL INFORMATION

NAME OF NOMINEE _____

COMPANY/ORGANIZATION OF NOMINEE _____

NOMINEE'S ADDRESS _____

NOMINEE'S TELEPHONE NUMBER (if known) _____

Please indicate the area, or areas of the nominee's contribution. An explanation of the categories is on the back of this form.

- | | | |
|--|---|-------------------------------------|
| <input type="checkbox"/> Continuing Education | <input type="checkbox"/> Research | <input type="checkbox"/> Innovation |
| <input type="checkbox"/> Promoting Insurance | <input type="checkbox"/> Specific Achievements | <input type="checkbox"/> Leadership |
| <input type="checkbox"/> External Achievements | <input type="checkbox"/> Legislative Activities | <input type="checkbox"/> Other |

BRIEF SUMMARY OF NOMINEE'S ACCOMPLISHMENTS (Use additional pages if necessary):

NAME OF PERSON (NOMINATOR) COMPLETING THIS FORM:

Print _____ Signature _____

ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

Please return Nominations to the Philadelphia Chapter of CPCU at the above address.

CPCU SOCIETY
Chartered Property Casualty Underwriters

Photo Copies of this form are permissible.

N.B. If you would like to make use of the four page application shown below, please make an enlarged photocopy of each page.



**PHILADELPHIA CHAPTER CPCU SOCIETY
SCHOLARSHIP GRANT APPLICATION**

ELIGIBILITY

To be eligible the applicant must:

1. Be employed in the insurance industry in the Philadelphia Chapter territory or employed in the insurance industry elsewhere but reside in the Philadelphia territory; or
2. Be the spouse, child, stepchild, grandchild, dependent, brother or sister of a person who is either employed in the insurance industry in the Philadelphia Chapter territory or employed in the insurance industry elsewhere but reside in the Philadelphia territory, or an active member of the Philadelphia Chapter; and
3. Be enrolled at an accredited two or four year college or university in a full time associate's degree or bachelor's degree program, and
4. Not have been awarded this scholarship in the past. Prior unsuccessful candidates may re-apply.

PHILADELPHIA CHAPTER TERRITORY:

The Philadelphia Chapter territory is comprised of the city of Philadelphia, the four surrounding counties, southern New Jersey and the state of Delaware.

INSTRUCTIONS FOR APPLICATION

The application consists of the following:

1. A completed scholarship application.
2. Transcript of high school or college grades as of the end of the current school year as indicated in the table that follows. Transcripts should cover at least the prior two academic years and all college work.
3. A copy of the Scholastic Aptitude Test (SAT) scores. Please note in Section 14 of the application if you were not required to take the SAT.
4. A letter of recommendation from the persons listed in Section 11 of the application sent under separate cover to the address below.

SUMMARY TABLE OF REQUIREMENTS FOR APPLICANTS

	Freshman	Sophomores	Juniors	Seniors
Completed Application	X	X	X	X
High School Transcript	X			
College Transcript - all schools		X	X	X
SAT Scores	X			
Letters of Recommendation	X	X	X	X

All of the above materials should be sent to the address below by May 1st of the year in which the scholarship is to be awarded. Please do not staple materials together. All applicants will be notified of the results in June.

Richard J. Lee, CPCU
C/o DVIT
Philadelphia CPCU Scholarship Fund
1015 N. York Rd.
Willow Grove, PA 19090

6. List any extra curricular activities in which you have taken part. (Examples: Athletics, Clubs, Yearbook staff, etc.)

7. List any church, civic, fraternal, recreational or other organizations in which you have been active during the past two years. Mention if you have held office in any such organization.

8. Have you any special skills or training in any field? If so, provide a brief description.

9. What are your career goals at the present time? Please be explicit.

10. Indicate reasons why you feel you deserve this scholarship.

1. About the applicant:

Name: _____

Residence: Street: _____

City: _____ State: _____ Zip: _____

Date of birth: _____ Home phone: _____ SS#: _____

2. About family member (or self) currently employed in the insurance industry:

Name: _____

Residence: Street: _____

City: _____ State: _____ Zip: _____

Employer information:

Name of employer: _____ Business phone: _____

Street: _____

City: _____ State: _____ Zip: _____

3. School presently attending and your status (freshman, sophomore, etc.)

School: _____ Status: _____

4. What recognition have you received in school for scholastic excellence (i.e. honors, awards, etc.)?

5. Do you believe that your present and recent grades in high school and/or schools of advanced education reveal fairly and accurately your ability to do the work required at a higher level? If not, explain.

11. List below the name of a person who knows your academic record well and/or an active CPCU sponsoring you whom you have asked to send a letter of recommendation to the Selection Committee.

Name: _____ Street: _____

City: _____ State: _____ Zip: _____

CPCU Name: _____ Street: _____

City: _____ State: _____ Zip: _____

12. List any employers and average number of hours worked per month during your school years.

13. At what schools have you applied for admission, been accepted or are now attending?

14. The space below may be used to enter any additional data you may wish to bring to the attention of the Selection Committee.

I hereby affirm that I have completed this entire application and that I have answered the foregoing questions truthfully.

Date: _____ Signature of Applicant: _____

Philadelphia Chapter Receives Seven Awards From the Society at the Boston Convention

Our Chapter received a total of seven Awards presented at the Gala Awards celebration on Tuesday evening October 19th in Boston. Shown below are the categories of Awards after which is shown the Award received by the Chapter.

1. Edwin S. Overman Candidate Recruitment and Development Award

Members make the Society work-and recruiting candidates for the CPCU program and helping them stay on track develops future members for the Society-bringing energy and vitality to our organization. Chapters that conduct successful programs encouraging CPCU candidates to begin and complete their CPCU studies receive the Award for Excellence or the Achievement Award.

*Philadelphia received the Award for Excellence

2. Continuing Professional Development Award for Excellence

Society chapters earn this award when 20% of the active membership (or 50 members if less than 20%) qualify for CPD recognition under the Continuing Professional Development Program. CPD qualifiers earn points based on a number of continuing professional development activities, including teaching, research, leadership, and more.

*Philadelphia received the Award for Excellence

3. E. Adrian Teaf Memorial Education Award

Chapters earning the Award for Excellence or the Achievement Award in this category conducted classes, presented seminars and workshops tailored to member needs, and conducted I-Days and joint meetings, providing many avenues for member education.

*Philadelphia received the Award for Excellence

4. Membership Award

A strong CPCU Society chapter is one that grows in member numbers and member involvement. Chapters winning the Award for Excellence or Achievement Award significantly strengthened their membership during the past year by implementing a number of member retention and recruitment programs.

*Philadelphia received the Award for Excellence

5. Chapter Good Works Award

Society chapters across the United States respond to people in need, meeting the challenge of community service. Chapters winning the Good Works Achievement Award gave chapter members ample opportunities to serve others through a variety of projects, and enhanced the visibility of the CPCU designation in their communities. Chapters who go "above and beyond" in their altruistic efforts receive the Distinguished Achievement Award. Finally, one Society chapter in each size category (Small, Medium, Large, and Jumbo) is singled out with the Good Works Chapter Excellence Award for its notable community service efforts.

*Philadelphia received the Merit Award.

6. Ethics Awareness Activity Award

A commitment to ethics is a hallmark of the CPCU designation. This award recognizes chapters that conduct successful programs and activities encouraging ethical behavior in the insurance industry and in their communities. The award is tied to Ethics Awareness Month, which is observed in March of each year.

7. Research Award

Quality research provides needed information and insight on issues and trends impacting our industry. Society chapters undertake research on a variety of topics each to provide a broader understanding of issues. The Society recognizes excellence in research with the following awards: Outstanding Research Project Award, Research Excellence Award, Research Achievement Award, and the First Effort Award.

8. Jay W. Gleason Memorial Public Relations Award

Getting the CPCU message to the public is a key goal of the Society's Strategic Plan, and an important mission for the national Society and chapters alike. Chapters that excel in educating their communities about the CPCU Society receive the Award for Excellence or Achievement Award.

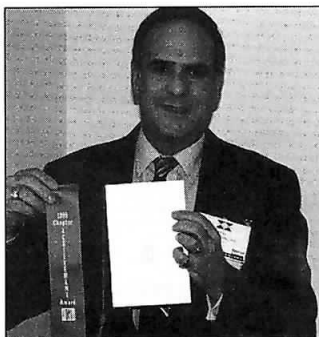
9. President's Award

This most prestigious of Society awards is given to chapter demonstrating excellence in chapter programs and activities. Winning chapters support the Society's Strategic Plan, emphasizing excellence in education, information, and research; promoting the CPCU designation; promoting ethical behavior and high ethical standards; and providing a variety of professional development opportunities for members. The Award for Achievement recognizes chapters that have progressed significantly toward achieving the President's Award. The Award for Excellence recognizes chapters that have fully met the requirements for the President's Award. The top honor, the President's Award, recognizes one chapter in each size category that conducted truly outstanding programs across the board.

*Philadelphia was a finalist and received the President's Award for Achievement.

10. In addition to the above, the Chapter was also recognized as a Chapter CPCU Club Member - CPCU - Harry J. Loman Foundation.

Chapter President Pete Palestina, CPCU holds the 1999 Chapter Achievement Award and program. Pete accepted the award on behalf of last year's President Sandra Loeb, CPCU who could not attend.



Chapter member and Institutes Sr. V.P. Don Oakes, Ph.D., CPCU holds Chapter Award ribbon at the last night awards gala in Boston. Spouse Pam Oakes also enjoying the moment as your Prez took the photo.

INSTITUTES HONOR GRADERS

On Friday October 29th, the Institutes held a dinner and reception in honor of the graders of IIA exams who have served over the years. The exams have changed format and therefore many of the graders may not see each other since the panels as we know them have been discontinued. Below are some photos taken at the dinner.



Some of the many who attended the Grader Recognition Dinner.



Long time grader and Chapter member Boyd Bruce, CPCU reflected on cherished and lighter moments over the years he has been a grader.



Ed Overman, Ph.D., CPCU congratulates graders for a job well done.

Boston A Spouse's Point of View

BY: JOAN PALESTINA



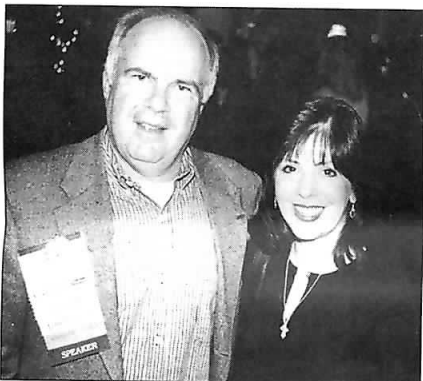
If Paul Revere was alive today, he wouldn't be chanting about the British - his primary concern would be the 2,000 plus CPCUs who "invaded" his beloved Boston. And what a lovely city it is! What's not to like about Beacon Hill with its brick sidewalks, old fashioned street lights and quaint shops, not to mention Charles Street with its antiques row. And who could possibly go to Boston and not visit the pub that was the inspiration for "Cheers" (yes, we took pictures).

As beautiful as the city is, I took advantage of one of the spouse tours that took us about 45 minutes outside of Boston to Marblehead and Salem, both areas lovely and steeped in history. We were shown the magnificent homes dating back to the 1700's that were formerly occupied by ship builders and sea captains. We then took a tour at the Peabody Essex Museum in Salem and learned the history of Salem's very lucrative trade industry with far off, exotic countries. And then, of course, there is the Witch Museum (remember the Witch Trials?) Not surprisingly, Salem goes in for Halloween in a very, very big way.

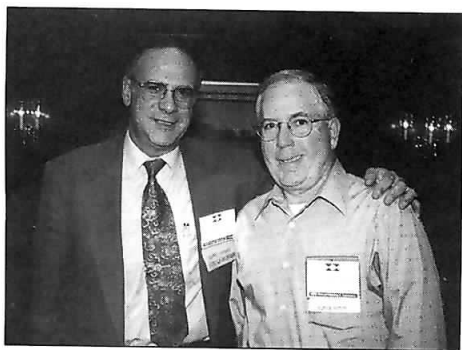
Aside from the many wonderful things Boston has to offer, I have to commend the CPCU Society and the Boston Chapter for planning such great events. The Welcome Reception was followed by a Boston Pops Concert and they were phenomenal!! But the highlight of the evening was when Society President William Sleeper conducted the orchestra in a rousing rendition of "Stars and Stripes Forever."

What was probably one of the most exciting moments for me was hearing General Colin Powell speak at the Conferment Ceremony. He gave a very timely speech about our youth, the problems they face and how society can help them overcome their problems to become productive, responsible adults. Gen. Powell shared with us the obstacles he faced as a youth, living in poverty in the South Bronx. Knowing how far this man has come, despite his disadvantaged background, and listening to him speak from the heart and realizing what a truly intelligent, wise and compassionate person he is. I came away from that speech realizing there is hope for everyone.

As you've probably guessed by now, I had a wonderful time!



Former chapter member and Past President Larry Klein, CPCU with Joan Palestina at Boston.



Pete Palestina, CPCU (left) spent a few moments with Greater Valley Forge President Jack Kelly, CPCU during a workshop at the Society convention discussing things that the Chapters can accomplish this year.



"Mapping the Enterprise Risk" a Boston Seminar

REPORTED BY: LILLY COWAN, CPCU

Risk Management - it's not just about managing crises and buying insurance anymore. Described by various terms, such as "holistic," "integrated", or "enterprise," risk management today requires a thorough understanding of an organization's strategies, goals and techniques for dealing with its many risks.

A new emphasis is the increasing attention to a company's bottom line - its growth, profit and revenue.

Each of the panelists at the seminar, "Mapping the Enterprise Risk," (agent/broker/adjuster track) presented his/her views of this broadened definition of risk management. Although I became annoyed at the heavy use of jargon and acronyms, I found this program quite informative and relevant.

I learned that "mapping" is an analytic tool that an organization can use to identify and measure various types of risk exposures-both pure loss and speculative loss-and to help the organization develop solutions to protect its continued integrity.

The first panelist presented an overview of findings from a survey, recently completed by Price Waterhouse Coopers L.L.P., that asked the question, "How do you view risk?" That study found that the view of risk has evolved from basic hazard or event-driving, to uncertainty, to one of opportunity. In this "new view," the key question (for the risk management function) is: "Is this risk important to your strategic goals?"

The second speaker, an academic scholar who is on leave doing research at a reinsurance company, said that risk mapping is not a predictor, but rather is useful as a day-to-day management tool.

The third panelist, director of global risk management for a large corporation, was, not surprisingly, the most pragmatic. He discussed specific techniques that he has employed for implementing "ERM". (enterprise risk management). He also talked about the role of the Chief Risk Officer ("CRO") as a "champion" of the ERM process.



ACE-INA V.P. John Arnondi, CPCU hosted his Company's dinner honoring their new designees in Boston. Here John is congratulating those new designees on their achievement of the designation.



Chapter members enjoying one of the welcome receptions at the Boston convention.



**A MESSAGE FOR THE
NEW DESIGNEES
CLASS OF 1999**

FROM: PATRICIA MAHONEY, CPCU,
CHAPTER 1999 NEW DESIGNEE REP.

When I completed my CPCU studies in June with three courses, CPCU 4, 9 and Au66, I felt that I achieved a blast into the millennium. Study had been my priority for the previous six months and I had kept myself sane by involving almost everyone who crossed my path. Colleagues that rode the elevator with me found themselves in a conversation about Keyne and Uncle Miltie (aka Milton Freedman). Luckily, I have a humorous personality and we were all able to laugh and enjoy. The study almost became a combined effort with everyone cheering for me. It is hard to explain the fantastic feeling of accomplishment that came over me when I got notice that I had succeeded.

I encourage everyone to pursue your designation and join the many professionals that proudly live the CPCU code. Persistence paid off for me since I started the CPCU studies in 1982 but a major illness in my family delayed my progress. When I shared my story with a younger woman as we left the building after our last test, she said, "If you can do it, I can do it too." I was thrilled to be a motivation for this woman. I had started to give back some of the encouragement that I had received from my personal sponsor and teachers. Please contact me if I can help you at 215-744-2468 or MAHONPAT@juno.com.



New designee Margaret Harshaw, CPCU with husband Frank at the Boston convention.



New designee Elizabeth Timko, CPCU, with spouse at the Boston convention.



At the ACE-INA reception dinner in Boston, new designee Pat Mahoney, CPCU, tells other new designees and ACE-INA CPCUs how tough it was to stay focused and study for the exams.



Chapter second vice president Ann Myhr, CPCU with husband Rick resting a bit after a gnarling day at the Boston convention.

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