

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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Pennsylvania Representative Roy Reinard, III Receives Franklin Award

BY: JIM JONES, CPCU

Our Chapter held its annual Franklin Award Luncheon on Tuesday, March 30, 1999, at the DoubleTree Hotel in Philadelphia. The 1999 recipient was the Honorable Roy Reinard III. Besides being active in the insurance industry, Mr. Reinard is a member of the Pennsylvania State House of Representatives for the 178th District, representing Bucks County.



Chapter President, Sandra L. Loebes, CPCU, presented the award to Mr. Reinard. The Franklin Award Committee Chair, Josephine Battisti, CPCU, delivered a tribute on behalf of the Chapter. The ceremony was highlighted by a Proclamations and Citations from the Pennsylvania House and Senate, and acknowledgement for Mr. Reinard by Pennsylvania's Governor, Thomas Ridge. (The Governor, unable to be present, sent his remarks via video-tape.) In addition, Pennsylvania Lieutenant Governor Mark Schweiker, Insurance Commissioner Diane Koken and Philadelphia Mayor Edward Rendell each offered tributes. The Governor and Mayor also paid special tribute to the good works exemplified by the Philadelphia Chapter and the CPCU Society.

Accepting the award, Mr. Reinard credited his family and relatives for making all of his achievements possible. The support they have provided him over the years allowed him to grow in both his insurance and political careers. He attributed his interest in insurance to his father and uncle who started a family insurance agency, a heritage which he and his cousin have followed.

Mr. Reinard worked for Continental Insurance Company before joining the family's agency. He also taught at Montgomery County Community College after graduating from West Chester University, where he majored in education. While teaching, he became interested in politics and was elected to the legislature, in which he has served for 17 years.

Mr. Reinard indicated he was very concerned about the welfare of the consumer, and wanted to be sure each person received the insurance products and services promised, and paid for. He was proud of his contributions in the legislature, which enabled various modern insurance laws to be enacted. These new laws have resulted in improvements in commercial, personal and health care insurance in the commonwealth.

Pennsylvania Insurance Commissioner Diane Koken, substituting for Governor Ridge, saluted Representative Reinard for his technical expertise and hard work. The reforms he promoted have helped make business more competitive in Pennsylvania, and also helped consumers. In particular, Commissioner Koken praised his efforts in reforming the workers' compensation system, (resulting in businesses saving over \$1.7 billion dollars in five years), improving long term care, and elimination of more than 300 pages of outdated insurance regulations which helped to streamline operations in her department.

Noting that Mr. Reinard is the only active insurance agent in the legislature, Commissioner Koken stated that being able to draw upon his knowledge of insurance has made her work as Commissioner a lot easier. Finally, Koken indicated she looked forward to continuing to work with Representative Reinard as Pennsylvania moved in the 21st century, where technology and solvency issues will become increasingly important.



Jo Battisti presents the Franklin Award to Roy Reinard.



An elated and gratuitous Roy Reinard thanks the gathering after being presented the Award.

Philadelphia Chapter Officers and Directors Elected for the 7/1/99-2000 Year

The following Directors and Officers were elected at our April 15th meeting. The term of office will begin July 1st and they will be sworn in at the chapter's June annual business meeting.

President Peter F. Palestina, CPCU
 First Vice President Val Ullman-Katz, CPCU
 Second Vice President Anne E. Myhr, CPCU
 Secretary Clint Gillespie, CPCU
 Treasurer Richard J. Lee, CPCU
 Director (2 Year Term) Josephine Battisti, CPCU
 Director (2 Year Term) Kathleen Frenzel, CPCU
 Director (2 Year Term) Arthur C. Hanebury, CPCU

We have three Directors who have one year remaining on their terms: Cindy Wolkiewicz, CPCU; Rina Williams, CPCU; James Jones, CPCU.

Previous Franklin Award Recipients

Edwin S. Overman, Ph.D., CPCU 1983
 Mariellen Whelan, Ph.D 1984
 Thomas Finley 1985
 George Head, Ph.D., CPCU, CLU 1986
 John Topoleski, CPCU 1987
 Eugene Fedell 1988
 MADD (Mothers Against Drunk Driving) 1989
 H. Gordon Heile, ARM 1990
 James H. Bryson 1991
 Robert A. Clair, AAI 1992
 H. Wayne Snider, Ph.D., CPCU, CLU 1993
 Curt Weldon (US Representative) 1994
 Norman A. Baglini, Ph.D., CPCU, CLU 1995
 Peter F. Palestina, CPCU 1996
 Lawrence G. Brandon, CPCU, AIM 1997
 Gerald Isom 1998



Past Franklin Award recipients attending the luncheon are (l-r) Peter Palestina (1996); Ed Overman (1983); Bob Clair (1992); George Head (1986); Gene Fidell (1988); Jim Bryson (1991); Gordie Heile (1990); and Wayne Snider (1993).

The President's Corner

BY: SANDRA L. LOEBS, CPCU



Develop CPCU Excellence

As you read this sometime in June, the chapter's new slate of officers and directors will be gearing up for the 1999-2000 fiscal year with summer budget and planning meetings. Along the planning theme, I would like to say a few words to all of our members and especially to the 1998 New Designee class about some plans they can make.

It was not too many years ago that a job in the insurance industry was tantamount to having a job for life. Well those days have long gone. Today, we have no such guarantee. We are doing more work in less time. Change is rampant. You have to be nimble just to survive. Well I'd like to present a plan that may just help you.

Develop CPCU Excellence.

Develop Friendships

Develop friendships with fellow CPCU chapter members. These friendships will enhance your personal and professional life, and some time in the future they may lead to new contacts and new opportunities.

Develop Leadership Skills

There is no better, non-threatening atmosphere than the chapter to learn the skills you can put into practice at work or in your local activities with family and friends. Opportunities abound to develop skills such as budgeting, public speaking, working on committees, etc. The chapter committees and officer positions will give you the experience of working with other CPCUs in planning and implementing various activities. Chapter officers have the opportunity to attend the Chapter Officer Leadership Conference meeting CPCUs from around the country.

Volunteer for a National Committee

I have served many years on the Information Technology Section and then the Management Information Systems national committees where I have developed many friendships and gained valuable experience that has helped me in my personal and professional life.

Give Something Back

Give of yourself. Believe me, you will never regret it. In fact you will be amazed at the untold blessings which you will reap!!

Looking back over the year, we had a few firsts. Our chapter went online with its web page: www.philadelphiacpcu.com. Our very successful I-Day this year had its first vendor exhibition and luncheon motivational speaker. And because our past Annual Meeting receptions have been poorly attended, we chose to honor our New Designees in a more personal and special way with our first New Designee Dinner. All who attended had the opportunity to become involved in chapter activities by attending meetings, suggesting program topics, helping with a committee, and in general developing CPCU Excellence. It will service you well in ways you could never have imagined.

MANAGING THE RISKS OF Internet Commerce

Learn more about *Managing the Risks of Internet Commerce*, when our chapter joins 48 other chapters nationwide to host the CPCU Society's June 10, 1999 satellite broadcast, from 1:00 p.m. to 4:00 p.m. at Temple University, 1616 Walnut St., Room LL5, Philadelphia. This is an exciting opportunity for our chapter, and with your help, it's sure to be a great success. Now is the time to start spreading the word to your peers in the industry, and anyone else interested in learning more about the risks of Internet commerce.

With the rate at which Internet Commerce is expanding into virtually every business and household, it's important for you and your clients to understand the risks of doing business over the Internet. According to a recent CPCU Society survey,

78% of respondents say they "do not feel informed" about Internet commerce, yet 71% say it "impacts their work and clients."

This satellite broadcast is ideal for risk managers, business owners, underwriters, agents and brokers, reinsurers, loss control professionals, claims professionals, attorneys, and anyone else who wants to learn more on this timely topic. You'll come away with an understanding of risks, loss control techniques to minimize risks, new risk coverages opportunities for coverage in existing policies, and what direction coverage litigation will take.

The broadcast will consist of two panel discussions. The first panel, *Identification of Internet Exposures*, will identify and analyze the new exposure risks all businesses face as they engage in Internet commerce. Experts will discuss exposures that affect stockholders, legal risks of conducting business in cyberspace, network vulnerability, and more. William E. Sleeper, CPCU, CLU, 1998-99 CPCU Society president, and president of Sleeper, Sewell and Company, Dallas, Texas, will moderate the first panel discussion that features Thomas R. Finger, vice president, South Point Insurance Agency, Inc.; Martin C. Loesch, J.D., L.L.M., principal, TechRisk Law, PC; and Emily Q. Freeman, senior vice president, J&H/Marsh & McLennan.

John W. Reynolds, Jr., CPCU, E-Commerce manager, Atlantic Mutual Insurance Company; Emily Canelo, J.D., senior vice president, Underwriting/Contracts Counsel for Zurick Reinsurance, Inc.; and Gary Grasmann, manager-General Liability, for Insurance Services Office, Inc. These panelists will focus on specific loss control initiatives and claims settlement issues, emerging insurance products, and available markets and capacity.

The CPCU Society will file this broadcast for 3 CE credits in most states that have a CE requirement. Those in attendance can expect to earn 3 CPD credits. The Society will also file for CLE credits upon requests. Registration is \$85 for CPCU Society members, \$75 for CPD-Qualified members, \$99 for non-CPCU members of RIMS, IIAA, PIA, or IRMI, and \$109 for non-members. To register, or for more information about *Managing the Risks of Internet Commerce*, call (800) 932-2728 between 8 a.m. and 6 p.m. EST. You can also find information on the broadcast by visiting the CPCU Society website at www.cpcusociety.org.

Stranger in the "New Frontier"

BY: VAL ULLMAN KATZ, CPCU

On a recent visit to China, I had several opportunities to observe ex-patriots dealing with Chinese nationals as staff, particularly in the banking and insurance industries. The Chinese government is trying to entice foreign banking and insurance expertise into the country in an effort to build a financial infrastructure. Several American insurance companies have representative offices in the mainland, but are not licensed to do business. The representative offices are established to service large multi-national accounts of the various companies. Though a government agency, the foreign company is allowed to hire Chinese nationals paying a monthly fee in addition to the salary for the privilege.

One interesting facet of the insurance professional, frequently not discussed, is the skills associated with people management. This is a major challenge for the ex-patriot manager.

The ex-patriot manager has great difficulties in training staff. First, there is the obvious language barrier and cultural inferences that must be surmounted. Many Chinese nationals will follow explicit directions, as "Fax this document to Mr. Smith". The assistant will do so without using a cover page. Foolish? Not necessarily. More likely, just a strict adherence to the request. The manager never told the assistant to attach a cover page. Due to the lack of ordinary business skills and a culture of following orders, the assistant was unable to perform to the manager's expectations.

Similarly, there is difficulty in asking direct questions. A individual fears "loss of face" if unable to answer a question from a manager. The individual will answer the direct question with an answer that he or she judges acceptable to the manager, not what is accurate. Ex-patriot managers learn rather quickly that several questions will get the correct information as opposed to one direct question.

There is a severe shortage of Chinese national professionals trained in GAAP, finance and insurance. It is considered critical to the young professional to spend a few years with a foreign firm. The young professional rates the firm by the training program provided, opportunities to work abroad, salary and benefit packages. The market is highly competitive with some employers providing additional benefits, as housing to lure the professional.

This makes succession planning cumbersome. Most international firms want to bring their ex-patriot managers home, cutting those high costs by employing local managers.

The ex-patriot managers that were kind enough to share their experiences all expressed the need for patience, tolerance, inter-cultural respect and continuous training. Just like home.



Hostesses for the evening: Lilly Cowan, Kristin McCuen, Mary Ann Ryan and Tina McGarrigle.



Michael Scafide and Marcia Reynolds during the cocktail hour.



Ken Mailley with a "Romeo" tag stuck to his back is about to get a hint to his identity from Mary Ann Ryan.



Chapter 1st V.P., Pete Palestina tries to give John McCuen a clue that he is the Big Bad Wolf.



Dave Shepherd listens to clue given by Vincent Chang.



Yvette Styer

Class of 1998 New Designee Dinner

The Philadelphia Chapter of the CPCU Society honored its new CPCU designees at a March 12, 1999 dinner at The Racquet Club. The dinner was hosted by the 1998 New Designee Committee: Mary Ann Ryan, Chairperson, Lilly Cowan, Tina McGarrigle and Kristin McCuen.

The focus of the dinner was not only to honor the new CPCU designees, but also to encourage them to socialize outside of the office. Plenty of networking was done during the cocktail hour, especially with the "ice-breaker" game devised by the New Designee Committee. The swinging piano stylings of Derf Nolde set the mood.

Before dinner, Mary Ann Ryan welcomed the new designees and congratulated them on their recent achievement. She acknowledged the Chapter Board Members and thanked them for their continuing support and recognition of the 1998 New Designees.

However, the evening was not all socializing. The New Designees were required to take their "final exam" during dessert. Each table was presented with a series of CPCU trivia questions. The spirited competition required each table to work together as a team to come up with the correct responses. The contest ended in a tie and the Committee had to resort to a tie breaker question. The winning table came away with gift certificates at a local bookstore. Door prize movie gift certificates were also awarded at the end of the evening.

All in all, the Chapter Board Members and the New Designee Committee rated the evening a success.

Kevin Nagle giving some serious thought before he answers the big question.



Ray Subers (l) discusses strategy with Pete Palestina.



Carlton Barto (l) with Kevin Nagle.



Left to right: Ann Toner, Vincent Chang and Dave Shepherd teaming up.



Mistress of Ceremonies Lilly Cowan explains the rules for the pop quiz wherein participants would win prizes.



Yvette Styer writes down what appears to be a humorous answer suggested by John McCune.



Jim McColgan



Mary Wong



Carlton Barto was amused by one of the incorrect answers given by others.

Franklin Award Ceremony Photo Collage



The 1999 Franklin Award Trophy presented to PA State Representative Roy Reinard, III.



Insurance commissioner Diane Koken greets Roy Reinard early on.



Uncle Ray chats with Roy and Gail Reinard.



Heard table left to right-Sandra Loeb, Diane Koken Gail Reinard, Roy Reinard and Jo Battisti.



Frank Devinney sharing a moment with Roy.



Merchant's branch manager Patrick O'Brien stopping by the Reinard Agency table.



Table of well wishers from PMA at the luncheon for Roy.



Paist and Noe table with Bucks County Commissioner Charlie Martin and State GOP Treasurer Patricia Poprik and Cynthia Gantz of Bryson Associates.



Left to right-the Reinard family in attendance: cousin Ray, aunt Vicky, Roy and Gail and Ray Reinard.



Left to right: President Loeb, commissioner Koken, Roy and Gail Reinard, Jo Battisti and Pete Palestina.



Roy and Gail pose with insurance commissioner Koken and legislative office staffers Sandy (l) and Anne Marie (r).



Roy and Gail hold the award.

More Photos & Proclamations on the Franklin Award




Chapter president Loeb reads proclamation from Governor Tom Ridge congratulating the Chapter on its accomplishments and The Franklin Award.



Franklin Award committee chair Jo Battisti tells of Roy's many accomplishments.



Insurance commissioner Diane Koken gives the keynote address.


 COMMONWEALTH OF PENNSYLVANIA
 OFFICE OF THE GOVERNOR
 HARRISBURG

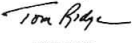
THE GOVERNOR


GREETINGS:

As Governor of the Commonwealth of Pennsylvania, I would like to extend my personal regards and heartfelt welcome to all those gathered today for the Philadelphia Chapter of the Chartered Property Casualty Underwriters 1999 Franklin Award Ceremony.

Our great Commonwealth has grown and prospered on the strength of our businesses and industries. Providing leadership and stability in the insurance industry, the Philadelphia chapter of CPCU has played a defining role in the growth and development of Pennsylvania's robust economy. The standards you have set and obtained in the insurance industry reflect our Commonwealth's dedication to hard work, commitment, and the desire to excel. Your distinguished efforts over the past 55 years have helped you to create a highly respectable organization as well as provide admirable service in the public interest.

On behalf of all Pennsylvanians, I would like to personally commend you for your many years of faithful and honorable service to the citizens, businesses, and communities of the Commonwealth. I wish you continued success in all your future endeavors.


 TOM RIDGE
 March, 1999



CITY OF PHILADELPHIA

 CITATION

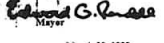
The public image of the insurance industry was first enhanced by entrepreneurs who introduced many "firsts" in Philadelphia. These innovations came in the form of policies and journals on "vessels, goods and merchandise," in the 18th century.


A modern day entrepreneur, who brought many new ideas to the insurance agency in the Philadelphia area, is Roy Reinard, III, of the 178th Legislative District. Mr. Reinard, a resident of Holland, Bucks County, is a licensed agent and broker for the Reinard Insurance Agency, located in Feasterville, Pennsylvania. He is also an elected member of the Pennsylvania House of Representatives where he has served as the 178th District Representative for the last 17 years.

On Tuesday, March 30, Mr. Reinard will be named as the recipient of the prestigious 1999 "Franklin Award" for his outstanding achievements and contributions to the insurance industry. He is also recognized for his high professional standards.

It is fitting and appropriate, therefore, that the City of Philadelphia officially recognize with this Citation

ROY REINARD, III
 for the impact an effects of his contributions to the insurance industry in the Philadelphia area.


 Edward G. Cooney
 Mayor


 COMMONWEALTH OF PENNSYLVANIA
 OFFICE OF THE GOVERNOR
 HARRISBURG

THE GOVERNOR


TO: ROY REINARD, III

It is with great pride that I add my voice to those in honor of your outstanding contribution and dedicated service to the insurance industry and the insuring public. This well-deserved honor celebrates your place as one of Pennsylvania's most dedicated representatives and ensures your standing in our impressive history.

Pennsylvania boasts a heritage of great public servants who have made significant contributions to their communities and the Commonwealth as a whole. Your attention and unwavering devotion to the best interests of those you represent aligns you with those who exemplify the founding principles of this great nation.

The property and liability profession has played a major role in supporting and fostering the growth of Pennsylvania's economy. The adequate servicing of the insurance needs of Pennsylvania families and businesses depends upon the technical knowledge and personal integrity of those professionals in the insurance industry. Your commitment to fostering the continued development of professional standards and goals within the insurance industry reflects your unyielding commitment to the citizens and businesses of our Commonwealth.

On behalf of all Pennsylvanians, it is with great honor that I extend my sincere gratitude and appreciation for your service to the Commonwealth. I commend you on your many years of dedicated service and wish you continued success in your admirable efforts.


 TOM RIDGE
 March 1999

Office of the Lieutenant Governor

 COMMONWEALTH OF PENNSYLVANIA

CONGRATULATIONS
 Representative Roy Reinard


Whereas, the Commonwealth of Pennsylvania is greatly indebted to those extraordinary citizens who embody the highest ideals of leadership, such as individual is Roy Reinard, and;


Whereas, Roy Reinard, as a licensed agent and broker for the Reinard Insurance Agency in Feasterville, PA, is being recognized for his outstanding achievements and contributions to the insurance industry in the Delaware Valley; and;

Whereas, the impact and effect of Roy Reinard's contribution and his achievements are recognized as significant and broad based to the community; and;

Whereas, Roy Reinard has, for the last 17 years served, and continues to serve the citizens of the 178th District, as well as the entire Commonwealth, as an elected member of the Pennsylvania House of Representatives; and;

Now Therefore, as the Lieutenant Governor of the Commonwealth of Pennsylvania I salute Roy Reinard for his well deserved recognition as the recipient of the 1999 Philadelphia Chapter CPCU "FRANKLIN AWARD"


 Mark S. Schwabaker
 Lieutenant Governor



Senate of Pennsylvania

 HARRISBURG PA
 Congratulations

In the Senate, March 16, 1999


Whereas, the Honorable Roy Reinard III, a member of the Senate of Representatives of Pennsylvania serving the 178th Legislative District, is being honored with the 1999 Franklin Award on March 30, 1999, by the Philadelphia Chapter of the CPCU Society; and;


Whereas, the Senate Board is given annually to an individual, company or organization in the Delaware Valley who has demonstrated outstanding achievement and contribution to the insurance industry and the community which is based based and reflective of high professional standards; and;

Whereas, Representative Reinard is a licensed agent and broker for the Reinard Insurance Agency in Feasterville and has been a member of the Pennsylvania House of Representatives for the past sixteen years;

Now Therefore, the Senate of the Commonwealth of Pennsylvania congratulates the Honorable Roy Reinard III on the prestigious honor which has been bestowed upon him, offers his best wishes for continued success in all future endeavors;

And directs that a copy of this document, sponsored by Senator Joe Costi and Senator Robert H. Henderson, be transmitted to the Honorable Roy Reinard III, 87 Crescent Drive, Kellard, Pennsylvania.


 Mark S. Schwabaker
 Senator



Commonwealth of Pennsylvania

 The House of Representatives


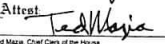
 Citation

Whereas, The Honorable Roy Reinard III, a member of the House of Representatives of Pennsylvania serving the 178th Legislative District, is being honored March 30, 1999, by the Philadelphia Chapter of the Chartered Property Casualty Underwriters (CPCU) with the 1999 Franklin Award. The Franklin Award is given each year to an individual, company or organization in the Delaware Valley for outstanding achievement and contribution to the insurance industry and the community that is broad-based and reflective of high professional standards; and;

Whereas, Representative Reinard is a resident of Holland, Bucks County, and has served as a member of the House of Representatives of Pennsylvania for seventeen years. He currently serves as a member of the Insurance Committee and as chairman of the Urban Affairs Committee. Additionally, he is a licensed agent and broker for the Reinard Insurance Agency in Feasterville;

Now therefore, the House of Representatives of the Commonwealth of Pennsylvania congratulates the Honorable Roy Reinard III on the meritorious honor which has been bestowed upon him, offers sincere best wishes for continued success in all future endeavors;

And directs that a copy of this citation, sponsored by Representatives Charles F. McElroy, Jr., Paul J. Cramer, Thomas W. Driscoll, David J. Siro, Gene D'Elia, Matthew N. Wright, Thomas C. Corrigan, Sr., and Anthony J. Malo on March 15, 1999, be transmitted to the Honorable Roy Reinard III, 87 Crescent Drive, Kellard, Pennsylvania 18966.


 Matthew Ryan
 William Ryan, Speaker of the House
 Attest

 Ted Malar, Chief Clerk of the House

February Meeting R E C A P

BY: LILY COWAN, CPCU

OUTSOURCING: PERSPECTIVES IN TODAY'S INSURANCE INDUSTRY

You may be surprised to learn that leaders in the Property and Casualty industry, surveyed in 1998, indicated that they consider nearly *all core and non-core operations* as potential candidates for outsourcing. And did you know that the total dollar volume of the outsourcing market for 1998 was \$250 billion? (Source: Outsourcing Institute) Moreover, outsourcing across all industries is expected to grow 25 to 30% annually, over the next five years. These are just a few of the trends which Joseph Lesko, CPCU, AM, and General Manager for Insurance Management Resources, L.P., discussed at the Chapter February breakfast meeting.

Indeed, industry experts are predicting the following growth scenario for outsourcing, looking well beyond the year 2000:

- *Resource interdependency will be standard operating procedure*
- *Outsourcing will form a key component in an organization's success strategy*
- *Transition will occur from traditional supply chain to a "resource web"*
- *Successful utilization of outside resources will become key to a company's success*

Lesko, who has seen outsourcing from both sides (as customer and service provider), offered several definitions of the term. According to The Yankee Group, outsourcing consists of: "Any service-related purchasing decision by management that includes: a) work normally done by salaried employees assigned to a vendor; b) any specific subset of business services with a finite scope; c) negotiated agreement with a third party vendor." An alternative, simpler definition for The Outsourcing Institute is: "A conscious decision to move internal business processes or personnel to an external supplier."

Lesko then drew a diagram of outsourcing as a 6-step, circular process. 1) strategic analysis → 2) vendor identification → 3) request for proposal → 4) vendor selection → 5) transition implementation → 6) relationship management, then back to 1). After elaborating on each of these steps, he provided a "Lesko Lesson": Remember that stuff happens. No matter how well you've done your homework, and developed the best plans, always expect the unexpected in an outsourcing relationship.

Next, Lesko reviewed factors that are driving outsourcing growth in the Insurance Industry. The reasons most often given by companies include: competition; complex regulations; expense pressures; profitability concerns; limited resources; and available expertise. Another study revealed that the "top 8" business operations outsourced by the 100 largest P & C companies are the following: Disaster recovery; Employee benefits; Claims litigation/defense; Premium audit; Loss control; Investment management; P & C adjusting; Actuarial services.

So what should a manager look for when evaluating and choosing a Third Party Administrator ("TPA")? Lesko discussed the qualities that are key to a "good" TPA.

- *Experience (how do they handle difficult issues?)*
- *Responsiveness (timeliness, truth, can-do attitude)*
- *Growth*
- *Goals (jointly developed, with benchmarking against internal and industry standards)*
- *Flexibility (C "cookie-cutter" approach may not work, partner should take time to understand individual needs, relativity, pricing options)*
- *Willingness to change*

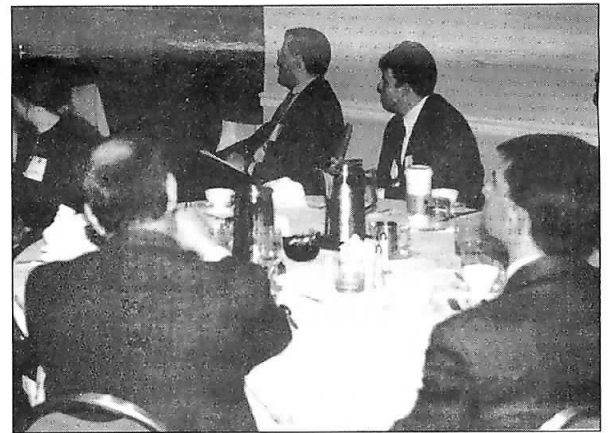
In closing, Lesko offered helpful hints and lessons based on his personal experience with outsourcing. If you (or your company) are considering an outsourcing project, these tips may increase the potential for a successful outcome.

- *Think "Partner" rather than "Vendor" as you develop your objectives and work through the 6 step process;*
- *View outsourcing as a strategic tool for delivering better service to ever more demanding customers;*
- *Do it for the Right Reasons (strategic/long term or tactical/short term);*
- *It is not an "all or nothing" process*
- *Make goals clear, defined and measurable*
- *Build an "exit strategy" into the outsourcing contract (a way out for both parties)*
- *Allow for extra compensation, as a reward for exceeding expectations, and extra costs as penalty for failure to meet goals*

Following his presentation, Lesko responded to questions from the group.



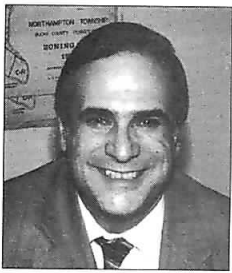
Joseph Lesko, CPCU, of Insurance Management Resources addresses the February meeting audience on the subject of Outsourcing.



Some of the members at the February meeting on Outsourcing Perspectives.

Bylaws Approved by Membership

The Chapter amended its Constitution and bylaws on April 5, 1999 subject to approval of the Society's Board at their October 1999 annual meeting in Boston. Those vote responding Chapter members voted 107 for, 3 against, thereby ratifying the change. The new bylaws will bring language up to present day standards and will also allow the Chapter to conduct its business in a more efficient manner. Prior to this revision, the last time the bylaws were amended was in May of 1988. With the changes, the Chapter will be well equipped to meet the challenges and opportunities to be faced in the next millennium.



From the Editor

BY: PETE F. PALESTINA, CPCU

I Need Your Help

This is a column that is repeated from the April Interim Chaptergram. I felt it was important enough to ask your help again in the event you missed that issue or would at least try again to search your memory. I have posted a "In Memorium" page on our website that can be found by accessing the "Chapter History" page found in www.philadelphiapcu.com and then clicking on the hotlink to the "In Memorium" page. I wanted to pay a special tribute to those former Philadelphia Chapter members who are now deceased by posting their names, date of demise and a photograph. Although I have been able to ascertain from the Society the names of our dearly departed, they were not able to provide the date they passed away. I have found the necessary information and photos of some of them, but have been unsuccessful on most. I have spend two months on this project and here's where you come in. If you can advise me of the date, or year, that any of the following have died and/or if you can provide me with a photograph, it would be greatly appreciated and I will return the photo after scanning it. The photo can be a group shot or individual pose. Please send photo to Peter Palestina, CPCU c/o Paist and Noe, P.O. Box 414, Richboro, PA 18954. If you don't have a photo but have other info call me at 215-364-3000 or fax me at 215-364-2449. Thanks for your help.

- Herbert Balick*
- Roger K. Brendlinger*
- James C. Corcoran (photo only)*
- George Dallas*
- Robert Dillon (date only)*
- Michael J. Gianguilio*
- Donald F. Gourley*
- Craig M. Hall*
- Deane N. Harding, Jr.*
- Luther G. Hartman*
- Walter Hildenbrand*
- Archie Howie, Jr.*
- David A. Huber*
- Donald F. Hunter*
- David L. Jacobs*
- George M. Korn*
- Rudolf Kroszner*
- Palmer Liberatore*
- James T. McKee*
- Thomas J. Moran*

- F. William Pennartz*
- Louis N. Potenza*
- Robert M. Price*
- Peter C. Raymond (date only)*
- Joseph A. Reid*
- Jesse Rickabaugh*
- Norman E. Roop*
- Joseph A. Rossi*
- Jerry W. Saunders*
- Gladys A. Scott (photo only)*
- Donn A. Selby*
- William Shoemaker*
- Harry J. Solimeo*
- Stanley G. Steinke*
- George W. Stoehr*
- George L. Sullivan*
- William Tulske*
- William F. Westbrook*
- Homer White (date only)*
- William E. Wren*

Finally, I would like to thank the members attending the April meeting during which they elected me as your President, as well as the other slate for the Officers and Directors for the year 1999-2000. I will let you know our plans for the upcoming year in the next Chaptergram and in my speech at the June 1999 business meeting where the new Board will be sworn in. I hope you will join me and the new Board in making this the most exciting Chapter year in our proud history. This is the second time for me as your President, having served as such during the 1982-83 Chapter year. We did very well that year in moving the Chapter to the forefront of our peers and I promise to do even better this time around, especially with your help. In the meantime, please enjoy your summer and best wishes to all of our members and their families.

Two Beloved Chapter Members Pass Away

We are sad to report the passing away of two Chapter members

Bob A. Hedges, CPCU



Bob was the Risk Management and Insurance Department Chairman at Temple University for four years and Associate Dean for Temple's School of Business for six years. Bob authored books on Risk Management, graded ARM and CPCU exams and was on the ARM Advisory

Committee of the AICPCU. Bob passed away on February 1, 1999.

Gladys A. Scott, CPCU

Gladys was the first woman President of the Philadelphia Chapter. She served as President from July 1, 1977 to June 30, 1978. Previous to that she served several years as both an officer and a director. Gladys passed away on February 22, 1999.

First of the 1999 Class of New CPCUs

Congratulations to the following 15 individuals who have passed the September 1998 through January 1999 final exam and who will receive their CPCU designation this year at the annual meeting in Boston. We welcome and encourage them to come to our meetings and become involved in Philadelphia Chapter activities.

- Brewer, Michelle Stevenson*
- Burns, Joseph T.*
- Cottone, Michael V.*
- Cresta, Frank A., Jr.*
- Donnelly, Robert B.*
- Fleming, Kathleen*
- Friend, Stephen P.*
- Hare, Mary E.*
- Harper, Graeme MacDonald*
- Lang, Robert F*
- Manthorpe, Linda M.*
- Riordan, John Patrick*
- Subokow, Margaret A.*
- Van Horn, Susan E.*
- Wakshul, Beth*

April Meeting R E C A P

Wiening Speaks on Ethics

BY: CHRISTINA M. McGARRIGLE, CPCU



“Thank you for your honesty”

That statement perplexed Eric A. Wiening, CPCU, who was the speaker at the April 15, 1999 CPCU Breakfast Meeting. Mr. Wiening is Assistant Vice President and Ethics Counsel for the American Institute for CPCU, Insurance Institute of America and Insurance Institute for Applied Ethics. He recounted a story in which he paid the admission fee at the end of an event, because it had not been collected upon his arrival. Being thanked for his honesty left him with the lingering question, “How else am I supposed to be?”

Simply put, ethical behavior requires that “everybody ought to do what’s right.” That sounds very easy, but it proved to be more complex when applied to different scenarios. Mr. Wiening employed a “case study approach” to present the topic of ethics, using thought-provoking scenarios for debate and discussion. Small groups were formed to discuss the scenarios and decide what would have been the right thing to do in each case. Oftentimes doing the right thing was complicated by obstacles, such as the prospect of making a public admission of error, or ignorance (i.e., of insurance statutes).

As Ethics Counsel, Mr. Wiening is charged with enforcing the Code of Professional Ethics of the American Institute for Chartered Property Casualty Underwriters. Along with enforcing the Code by investigating alleged breaches of ethics and taking disciplinary measures when necessary, he also provides ethics education so that a breach of ethics may be avoided in the first place. Therefore, as a review, copies of the Canons of the Code of Professional Ethics were provided to everyone. The case studies were then related back to the Canons, thus providing illustrative examples of their application.

Mr. Wiening closed his discussion by encouraging everyone to commit to ethics and professional development.



Eric A. Wiening, CPCU speaks at the April meeting on Ethics.



Discussion ensues amongst members on the case studies presented by Eric Wiening at April meeting on Ethics.

Reporting Home & Work Changes

BY: PATRICIA RAKOWSKI, CPCU
MEMBERSHIP COMMITTEE

Have you changed jobs in the last few years? Gotten a new work or home phone number? Moved from one address to another? If so, your CPCU Society records may not be correct. It’s easy to check your records and to report any changes.

Just call the Society at 800-932-2728. A recording comes on giving you the option to enter your party’s extension number or press pound to use the company directory. Wait just a second longer, and the recording tells you to “Press 1” to reach a membership services representative. Once you press 1, you will most likely hear a recorded voice saying all representatives are on their phones.

Do not be discouraged. Every time I leave a recorded message, someone calls me back within twenty-four hours. Even better, the people who call back are pleasant and helpful. They access information on their computers immediately and change it within moments. It’s quick, convenient, and helps the membership committee keep track of its members. Give it a try!

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