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Visit your Chapter website at: <http://www.philadelphiacpcu.com>

## WELCOME 2000 CLASS OF NEW CPCUs

Congratulations to the following 45 individuals who have passed their final exams leading to the designation for the year 2000 and who received their CPCU designation at the October 2000 annual meeting in San Antonio. We welcome and encourage them to come to our meetings and become active Philadelphia Chapter members.

**NEW DESIGNEE**

**COMPANY**

Timothy C. Brockett, CPCU . . . . . NAC Re Corporation  
 Patricia T. Callinan, CPCU . . . . . Ace International  
 Stephen D. Campbell, CPCU . . . . . American International U/W  
 Stephen Crofton, CPCU . . . . . Liberty Mutual Insurance Group  
 Edward M. Halligan, Jr., CPCU . . . . . GMAC RE  
 William H. Luce, CPCU . . . . . CGU Int'l Marine Underwriters  
 Eric Benson Silberman, CPCU . . . . . Reliance ReInsurance Corporation  
 R. Brian Buckman, CPCU . . . . . AIG Marketing, Inc  
 Matthew V. O'Malley, CPCU . . . . . ACE USA  
 Daniel B. Norris, CPCU . . . . . Simkiss Companies Inc  
 Callum M. Duncan, CPCU . . . . . Reliance Insurance Co  
 Coleman Vincent Henry, CPCU . . . . . Professional Underwriters  
 Amy L. Byrne, CPCU . . . . . Marsh, Inc  
 Sean T. O'Hara, CPCU . . . . . Graham Company  
 Elizabeth B. Ondra, CPCU . . . . . Allstate Insurance Group  
 Nancy M. Rankin, CPCU . . . . . Penn America Group  
 David A. Young, CPCU . . . . . AON Risk Services, Inc.  
 Mario L. Incollingo, CPCU . . . . . State Farm Insurance Companies  
 John J. Mangan, Jr., CPCU . . . . . ACE USA  
 Clare Donnelly, CPCU . . . . . Harleysville Companies  
 Craig J. Dalfarra, CPCU . . . . . State Farm Insurance Cos  
 Carolyn Meier Eliason, CPCU . . . . . Colonial Penn Group  
 Schuyler G. Meeks, CPCU . . . . . Innovative Re Insurance Gp

**NEW DESIGNEE**

**COMPANY**

John H. Barrows, Jr., CPCU . . . . . Commonwealth Risk Services  
 Caroline L. Burhenne, CPCU . . . . . CGU  
 Deborah A. Johnson, CPCU . . . . . ESIS, Inc.  
 Debra A. Tomlin, CPCU . . . . . Reliance National  
 Guy H. Conner, CPCU . . . . . Harleysville Companies  
 Robert R. Webb, CPCU . . . . . Reliance Insurance Co  
 Martin J. Frappolli, CPCU . . . . . New Jersey Manufacturers  
 Gerald Anthony Marchini, CPCU . . . . . Gracechurch Associates  
 Robin D. Roberts, CPCU . . . . . Apex Insurance Managers  
 Christopher Jones, CPCU  
 James A. Bonvouloir, CPCU . . . . . Kemper Insurance Companies  
 Thomas J. Walsh, CPCU . . . . . Reiswig & Company Inc  
 Bradley J. Loescher, CPCU . . . . . Motors Insurance Group  
 Brian Croushore, CPCU . . . . . New Jersey Manufacturers  
 Sandra K. Gigantino, CPCU . . . . . ACE USA  
 William M. Miller, CPCU . . . . . Penn America Group  
 John Guthrie, CPCU . . . . . State Farm Insurance Cos  
 Thomas Warfield Harrity, CPCU . . . . . State Farm Insurance Cos  
 Scott M. Murphy, CPCU . . . . . State Farm Insurance Cos  
 Roger Murphy, CPCU . . . . . Commonwealth Risk Services  
 Barry L. Schwartz, CPCU . . . . . State Farm Insurance Cos  
 Gwenlyn M. Senick, CPCU . . . . . CGU

## Mix N' Mingle

### An Insurance Professional Networking Success

Wednesday, 9/20/2000, the Philadelphia Chapter of CPCU and Philadelphia Casualty Club held their second Insurance Professional networking event - Mix N' Mingle at the Dock Street Brasserie. The co-sponsored Mix N' Mingle concept was developed to foster an environment of open, relaxed communication among insurance professionals in the Greater Philly region. Based on the attendance and the buzz going around at the event, the Mix N' Mingle was a huge success. The approximately 80 professionals in attendance at the 2 hour event represented various aspects of the insurance industry including agents, brokers, risk managers as well as Claims and Underwriting professionals from primary carriers and reinsurers alike. Look for future Chapter communications for the announcement of the next Mix N' Mingle.



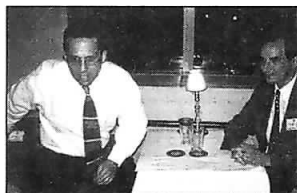
Annette Troncilliti signs in at the September 2000 M & M



Well I'll be. Val Katz was able to sell a mug to a total stranger who stopped by to inquire what the function was for. Val sold quite a few, helping to boost our scholarship fund.



Chapter President Val Katz with new CPCU Jim Bonvouloir of Kemper.



New designees Chris Jones (R) and Marty Frappolli at the M&M. Chris got up from his seat just as the picture was being snapped. Sorry Chris.



Diane Sprague and Paul Forbes mixing it up and having a good time.



OK, That'll be \$5.00



More of the many who enjoyed the socializing at the September 2000 M & M





## President's Column

By: Val Ullman-Katz.  
CPCU Chapter President

The lone stranger dismounted. His steely gray eyes looked down at Brenda. A smile seemed to touch his lips. He looked at the sky and then lowered his eyes, until, at last, his eyes met Brendas'.

May I have your attention now?

By official declaration, the October meeting was a success. The feedback on our speakers and the topic selection was very positive. In fact, three companies bought tables for their employees; ACE USA, Admiral Insurance Company and Sun Royal Alliance. Thank you to each individual and their corporations for being so generous with their support.

Our Chapter is one of the most successful in the nation. We achieved the Gold Award in the Circle of Excellence. Our Chapter Committees performed various activities in several categories to qualify. Elsewhere in the ChapterGram is the list of our awards. What that really means, is that some of our members distinguished themselves by giving of their time, talent and energies.

Our leaders talk about volunteering time. Help an American learn to read. Help an immigrant learn to speak and read English. Help on the PTA, your church or synagogue. Give time; work towards a better community, country and world.

Let's face it. We do not have time. We do not have much energy to spare. Work, family, maybe a hobby is about all we can handle. Yet, what about the greater common good?

Our Good Works Committee, chaired by John Conklin, is asking for two or three hours to give shelter kids a festive meal. He needs some people to bring dishes to share as part of the meal, or to share some friendly conversation, maybe a decoration or a table centerpiece. These few hours would qualify towards a better community. Your gift of a few hours, some food, a smile can be a pivotal point for a few kids. And you. It won't hurt. Contact John or me. We are on the website: [www.philadelphiacpcu.com](http://www.philadelphiacpcu.com).

By supporting this one small effort on the part of our Good Works Committee we are accomplishing several objectives simultaneously. First, we act as CPCUs to enlighten the public on our commitment to the community. Second, we have a unique opportunity to help real people in real time. Third, we feed our souls. In just a few hours we can accomplish so much together. Please help.

Thanks.

## Twelve days of Christmas: submitted by Val Katz, CPCU

'Twas Erev Chanukah, when all through the house,  
Not a creature was stirring, especially no mouse.  
The candles were lit by the chimney with care,  
In hopes that the story would be retold there.

The children were nestled all snug in their beds,  
While visions of dreidels danced in their heads.  
And Mama in her kerchief and I in my cap,  
Had just settled down for a long winter's nap.

When out on the lawn there arose such a clatter,  
I sprang from my bed to see what was the matter.  
Away to the window I flew like a flash,  
Tore open the shutters, and threw up the sash.

The moon on the breast of the new-fallen snow,  
Gave the luster of midday to objects below,  
When what to my wondering eyes should appear,  
But a miniature sleigh and eight tiny camels with gear.

With a little old driver, not so lively and savvy,  
I knew in a moment it must be Chanukah Harry.  
More slowly than eagles his camels they came,  
And he whistled and shouted, and called them by name:

"Now Shlomo! Now Hava! Now Negela and Yenta!  
On Nudge! On Kvetch! On Donny and Blintzer!  
To the top of the porch! To the top of the wall!  
Now Vish away! Vish away! Vish away all!"

As wet leaves that before the wild hurricane sit,  
When they meet with an obstacle, broke in a fit,  
So up to the housetop the camels they flew,  
With a sleigh full of socks and Chanukah Harry too.

Then in a twinkling, I heard on the roof,  
The spitting of camels and pawing of each little hoof.  
As I drew in my head, and was turning around,  
Down the chimney Chanukah Harry came with an "Oiy."

## Twelve days of Christmas: submitted by Val Katz, CPCU

On the first day of Christmas my true love gave to me

A homeowners policy.

On the second day of Christmas my true love gave to me

Two personal floaters and a homeowners policy.

On the third day of Christmas my true love gave to me

Three Endorsements, two personal floaters and a homeowners policy.

On the fourth day of Christmas my true love gave to me

Four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the fifth day of Christmas my true love gave to me

Five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the sixth day of Christmas my true love gave to me

Six adjusters adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the seventh day of Christmas my true love gave to me

Seven Declaratory Judgement Actions, six adjusters adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the eighth day of Christmas my true love gave to me

Eight discovery motions, seven Declaratory Judgement Actions, six adjusters adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the ninth day of Christmas my true love gave to me

Nine objections to discovery, eight discovery motions, seven Declaratory Judgement Actions, six adjusters adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the tenth day of Christmas my true love gave to me

Ten judicial decisions, nine objections to discovery, eight

He was dressed all in polyester, from his head to his foot,  
And his clothes were all tarnished with ashes and soot.

A bundle of socks he had flung on his back,  
And he looked like the East Side, setting up his pack.

His eyes – how they twinkled!

His dimples, how merry!

His hair in a paisi, Curled in chaos.

His droll little mouth was drawn up like a bow,

And the beard on his chin was white as snow:

He had a broad face and a little round belly,  
That shook when he laughed like a bowl full of gefilte fish jelly.

He was chubby and plump, a right jolly old elf,  
And I laughed when I saw him, in spite of myself.

A wink of his eye, and a twist of his head,  
Soon gave me to know I had nothing to dread.

He spoke not a word, but went straight to his work,

And laid on the table all the socks with a jerk,

And laying a finger aside of his nose,

And giving a nod, Up the chimney he rose;

He sprang to his sleigh, to his team gave a whistle,

And away they all flew like the down of a thistle.

But I heard him exclaim as he drove out of sight,

*"Happy Holiday to all and to all,  
Oiy vey! Good night!"*



Some of the 120 people who attended the September Meeting

discovery motions, seven Declaratory Judgement actions, six adjusters adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the eleventh day of Christmas my true love gave to me  
Eleven lawyers lawyering, ten judicial decisions, nine objections to discovery, eight discovery motions, seven Declaratory Judgements, six adjuster adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy.

On the Twelfth Day of Christmas my true love gave to me

Twelve legal bills, eleven lawyers lawyering, ten judicial decisions, nine objections to discovery, eight discovery motions, seven Declaratory Judgements, six adjuster adjusting, five exclusions, four premium payments, three endorsements, two personal floaters and a homeowners policy. Twenty-two points, plus triple-word-score, plus fifty points for using all my letters. Game's over. I'm outta here.

# OCTOBER MEETING RECAP "CLAIMS ON THE HORIZON"

By: Kristin McCuen, CPCU

The insurance industry may not have a crystal ball to tell us our claims future, but we can attempt to predict the kinds of claims we may face in the future. This is a challenging task, but Stephen Baker and Michael Miller, attorneys with the law firm of Stradley Ronon Stevens & Young gave us their predictions at the Chapter Breakfast Meeting on October 19, 2000. Baker and Miller are veterans of the environmental, asbestos and mass tort claim wars of the 1990's. They gave us their thoughts on what the industry can expect, but emphasize that the real challenge will be handling these claims effectively.

## Where Are We Going?

Miller says there is a simple truth - claims follow economic activity. He cites the examples of asbestos and environmental claims. Asbestos litigation followed years of shipbuilding and environmental litigation followed years of heavy industry. Thus, we can expect that future claims will follow from the economic activity we have today. He sees seven key areas in which we can expect to see claims:



Attorney Stephen Baker spoke at the October 19th meeting.

1. **Technology** - Everyone is using computers and the internet today. In 1999 alone there was a 100% increase in consumers who purchased products/services on the internet. In 1999, there was over \$138 billion in business to business e-commerce transactions. The number of web pages will soon be in the trillions.

Miller expects lawsuits to arise when computers do not meet the expectations of users. With respect to software, courts will continue to wrestle with the question of whether or not these losses constitute property damage under general liability policies. Some insurers are now offering technology policies to address some of these types of losses.

With respect to electronic commerce, he expects claims to arise in the event of computer viruses, computer failure, and privacy violations. An example would be a virus or computer failure preventing an on-line stock trading company from making an intended transaction.

Claims will also arise when people use technology improperly to harass others or if employers use information for something other than its intended purpose (i.e. video intended to capture theft that inadvertently captures some other behavior of an employee).

He also notes that the cost of litigation is increasing substantially as a result of technology. Today nearly every document we deal with is created electronically. Only 30% of electronic mail will ever be printed on paper. The rest will remain in a computer file somewhere - even those documents which have been "deleted." This electronic information is discoverable under all Rules of Civil Procedure and increasingly lawyers are seeking the production of these documents. Electronic discovery is very expensive because both sides need to retain computer experts for on-site inspections (raising privacy issues), and in some cases millions of pages are being produced. Discovery costs will be astronomical.

2. **Intellectual Property** - These claims will typically arise from advertising injury and are closely related to technology. We can expect to see violation of privacy claims (i.e. individuals selling video of others on-line) and copyright/trade disparity claims in the technology sector, where we will see one start up company suing another. The financial dimensions of these claims are considerable, with policy limits at stake, high defense costs and the threat of extra contractual damages.

3. **Sexual Harassment** - Two developments have changed the landscape of these claims. First, media attention and focus have raised the profile of these cases. Second, the Supreme Court has made it easier for plaintiffs to get to their employers. Employees do not necessarily have to show tangible job detriment. Sexual harassment claims are typically not covered by policy wording, however plaintiff attorneys are getting creative by calling them defamation and invasion of privacy claims, which in some instances trigger personal injury coverage or sometimes even advertising injury coverage. Many

employers are now purchasing employment practices liability to provide coverage for these types of claims. Fifty-six percent of employment claims (not just sexual harassment) result in verdicts for the plaintiff. The average verdict exceeds \$250,000 and fifteen percent of verdicts are over \$1 million.

4. **Healthcare** - These claims involve liabilities of HMO's for claims decisions and/or medical cost reimbursement issues. This is becoming a more significant area as more and more of these claims are being allowed to go forward as the ERISA preemption doctrine is being eroded away. The verdicts in these cases are substantial.

5. **Pharmaceutical Drugs** - We will continue to see Fen-Phen claims and he expects that claims involving Rezulin (a diabetes medication) will be significant in the next few years. Unfortunately it is difficult to predict which other drugs will produce claims.

6. **Environmental** - These claims are not going away. The media has not highlighted these claims as much, but environmental litigation is still very active.

7. **Guns** - Miller says these claims have the potential to be the next tobacco. He says we can expect to see claims by private individuals, Medicare and the states against gun manufacturers, just as we have seen with tobacco. Manufacturers will argue that the plaintiffs knew what they were getting into when they purchased these guns.

8. **Other Claims** - We will continue to see electromagnetic field claims created by utility power lines and cellular phones. Lead paint claims are still significant and many courts have found that the pollution exclusion in typical policies was not intended to exclude lead paint. Sick building claims will raise the issue of whether mold qualifies as a pollutant or irritant under policies. He also predicts that when global warming becomes a significant problem that there could be significant property losses. Lastly, he notes that alcohol could also be the next tobacco.

## What Will We Do When We Get There?

Stephen Baker offered the following tips for effective claim handling:

1. **Shared Commitment** - Claims are effectively handled when there is a shared commitment by both the attorneys and claims personnel. He says there needs to be teamwork and honesty where individuals say what they think and not what they think people want them to say. The team should work for the bottom line and stay with the process all the way until the end. "Political" considerations and Monday morning quarterbacking are to be avoided.

2. **Strategic Planning** - Claims are effectively handled when the team decides at the outset of the case where the claim is going and what the intended resolution should be (i.e. settlement, ADR, etc). The focus should be on resolving the claim, and we should avoid getting caught up in tactical matters such as discovery issues.

3. **This Is Business** - Effective claim handling cannot be emotional or religious. He says when you hear phrases like "we don't care what it costs" or "this is a case that cannot be settled," that these are signs that the claim is not being effectively handled. He says that cost does indeed become important at some point and that there is no such thing as a case that cannot be settled.

4. **Since This Is Business, Money Matters** - He encourages claim personnel to ask attorneys how they are doing against the case budget, and to discourage the wasting of money in discovery disputes.

5. **No Avoiding the Inevitable** - The insurance industry needs to face up to the actual worth of some claims and accept that it cannot avoid the inevitable negative consequences in coverage or defense claims. Baker cites the example of the qualified pollution exclusion. He says there was a point in time in the late 1980's where no one knew what the enforcement of the exclusion would be. He contends, however, that by 1995 the industry knew how the courts would come down but many times the insurance industry acted like it didn't. He says the result was that the industry spent tons of additional money on legal expenses and bad faith verdicts.

6. **Know the Lawyers** - Getting to know your lawyer fosters better communication. He recommends knowing your adversaries too. He encourages you to ask other attorneys about your opposing counsel to know their motivation and to learn how much you can trust them during settlement negotiations.

7. **Take a Second Look** - We don't hesitate to get a second opinion if we are about to get major surgery, so why shouldn't we do the same with a legal matter? He advocates getting a second opinion on every sizable claim or claim with the potential for bad faith. If your attorney is invested in the resolution of the case in the way that is most favorable to you, he or she may not see all of the risks as well as a neutral party would.

8. **Bad Faith: The Dead Giveaway?** - A dead giveaway on whether or not an insurer is handling claims effectively is to look at the relative frequency with which it is getting charged or tagged with exposure for bad faith claims.

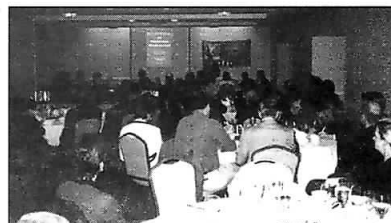
9. **You Get What You Pay For** - Claim personnel should be focused on what the case will ultimately cost not low hourly rates. Insisting on low rates results in less experienced lawyers working on cases who will only bill more hours.

10. **ADR** - Use ADR if your case is suitable for it. There are national experts at ADR in Philadelphia and he advocates using one of them instead of your "trial lawyer."

11. **A New Paradigm** - Effective claims management is characterized by the results. Be prepared to stand behind your results from the beginning.



Attorney Michael Miller takes his turn speaking.



Some of the crowd at the October meeting with the topic "Claims on the Horizon"



# Convention 2000 Highlights

By: Val Ullman-Katz, CPCU, Chapter President

San Antonio! Wow! The Convention was spectacular. Every detail was addressed. The Alamo Chapter had 250 volunteers to assist the conventioners. The hotels were primed for crazy insurance people and every seminar seemed to be crowded.

Sheila Murray Bethel, author of *Making a Difference: 12 Qualities That Make You a Leader*, spoke at the opening ceremonies. She was incredible. We, the audience, laughed and cried with her stories, identifying pieces of ourselves. I bought her book, which was autographed after the ceremonies.

John Naisbitt gave the keynote address. Sitting serenely at a center stage table, Mr. Naisbitt, spoke on high tech-high touch people needs. His comments were blunt, hard hitting and made us feel just a tad silly glued to our cell phones and pagers.

The highlight for me was the speech by Mrs. Barbara Bush. As the gentleman sitting next to me stated, "That is a class act!" And indeed Mrs. Bush brought the house down. Her witty comments on one of America's most in-the-news families brought laughter, smiles, wild applause and wry grins. Mrs. Bush personified family values as the wise and strong matriarch of the clan. Her underscoring the need to read to children and as a family cannot be restated often enough. Mrs. Bush has my vote.

I can not leave you without one CPCU god story. Monday morning, our very own Pete Palestina was placing his breakfast tray out-

side of his hotel room. Unfortunately, Pete did not think to use the room latch hook to prevent the door from shutting and locking behind him. Not to worry, the key was in Pete's pants. Start to worry, Pete was in his underwear.

After walking through a rather long corridor, Pete located the house phone where he was promptly placed on hold. A few minutes later a maid happened by and agreed to let Pete back in his room if he could provide her with some identification... Score one for the Philadelphia Chapter!

By the way, the Philadelphia Chapter won the Gold Award for Excellence.

*Thank you Pete for leading the Chapter through a very auspicious year.*



Chapter President Val Katz with new Bermuda CPCU Society Chapter President Paul Wollmann in San Antonio.



Chapter President Val Katz presents Chapter mug and pin to ACE President and Chapter member Dennis Reding at the Company reception in San Antonio.



CPCU Society outgoing President Marsha Egan leads other former Society Presidents and dignitaries in a Survivor Series parody at the final nights festivities.



L to R: Scott from Seattle, CPCU Society outgoing President Marsha Egan with husband, Chapter President Val Katz, unknown from IN (sorry) and Eric Fitzgerald.

Chapter President Val Katz pins new Society President Bruce Williams with the official Philly Chapter button



ACE-USA new CPCU designees honored at the Company's dinner in San Antonio: Bottom row L to R: Sandy Gigantino, Matthew O'Malley, Uma Desia. Top: Amy Boughman, Mike Boughman, Debbie Johnson, Keven Singpiel



Chapter President Val Katz with ACE USA table of new designees with Company President Dennis Reding.



Chapter President Val Katz with Melanie LeShane of the maine Chapter posing here in front of the Alamo.

## Spouse's Convention 2000 Highlights

This is normally the column written by the spouse of the Chapter President.

My husband, Ray Katz, was absolutely wonderful. He stayed at home with our girls Aliana age 12, and Ariela age 7, so that I could attend. Ray was very busy. He took care of all of the care pooling, cooking, laundry, booboo knees and our dogs.

Thank you darling. I truly appreciate all that you do for me.

Val Ullman-Katz, CPCU  
Chapter President

Past Chapter President Pete Palestina donning the Chapter hat and button while enjoying a light beer and a tortilla at the welcome reception.



Pete Palestina, Rick Myhr and Ann Myhr at the welcome reception.

Outgoing Society President marsha Egan Fitzgerald for his role as new designee rep for the Northeast region during 1999-2000.



Institutes Bob and Karen Burger.



Chapter President Val Katz (middle) with Melanie LeShane of Maine and unidentified (sorry) right.



Chapter President Val Katz with Institutes Jim Marks.

## Seminar Committee

Chair:

Cindy Wolkiewicz, CPCU

The goal of the seminar committee is to bring educational workshops, seminars and satellite broadcasts to both CPCU society members and the insurance public. Our goal is to have a minimum of 3 programs a year. The next scheduled workshop will be "Homeowners 2000" and this will be cosponsored by the Personal Lines Section. It will be held on January 23, 2001 at the Doubletree Hotel.

For further information on this program and future events, please check our Chapter website or contact me at [cwalk@cosel.com](mailto:cwalk@cosel.com).

Rick Myhr and Ann Myhr (middle right) at a table with Insurance Institutes official including Don Oakes far left and Jim Fryer far right.



Lynne McNasby, Joe McNasby, Val Katz, Pete Palestina, Dottie Gillespie and Clint Gillespie.



**PHILADELPHIA CHAPTER CPCU "FRANKLIN AWARD" NOMINATION FORM**

PLEASE TYPE OR PRINT ALL INFORMATION

NAME OF NOMINEE: \_\_\_\_\_

COMPANY/ORGANIZATION OF NOMINEE: \_\_\_\_\_

NOMINEES ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER IF KNOWN: (     ) \_\_\_\_\_ - \_\_\_\_\_

**PLEASE INDICATE THE AREA, OR AREAS, OF THE NOMINEE'S CONTRIBUTION:**

- 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, buy 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 \_\_\_\_\_

BRIEF SUMMARY OF NOMINEES ACCOMPLISHMENTS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAME OF PERSON (NOMINATOR) COMPLETING THIS FORM: \_\_\_\_\_

YOUR ADDRESS: \_\_\_\_\_

PHONE NUMBER: (     ) \_\_\_\_\_ - \_\_\_\_\_ E-Mail: \_\_\_\_\_

PLEASE RETURN THIS FORM TO: PHILADELPHIA CPCU CHAPTER C/O Art Hanebury, CPCU,  
c/o Wharton Delaware Valley, 1101 Route 73 North, Voorhees, NJ 08043

## THE EDITORS CORNER

By: Peter F. Palestina, CPCU

First of all, let me wish all of you and your families the very best of holiday seasons and the healthiest and happiest New Year. I recently returned from the CPCU annual meeting held in a cloudy and wet San Antonio. But while the weather was not conducive to outdoor activities, the seminars were among the best ever held at these conventions. Therefor, I received a good educational experience and plenty of CE credits.

My proudest moment at the convention was when I saw the award luncheon brochure. There it listed the Philadelphia Chapter with receiving 9 awards, including the new prestigious Gold Circle of Excellence Award. For us, this was unprecedented. The Awards were as follows:

1. Jay W. Gleason Memorial Public Relations Award for Excellence.
2. Edwin S. Overman Candidate Recruitment and Development Award for Excellence.
3. Continuing Professional Development Award for Excellence.
4. E. Adrian Teaf Memorial Education Award for Excellence.
5. Membership Award for Excellence.
6. Ethics Awareness Activity Award.
7. Good Works Award for Achievement for Jumbo Chapters.
8. Circle of Excellence Gold Award.
9. Chapter CPCU Club Member-CPCU Harry J. Loman Foundation.

Thanks to all of you, especially last years Officers, Directors, Committee Chairs and Committee Members for making it all happen. It was indeed a very good year.



L to R: Chapter officials 1st VP Ann Myhr, President Val Katz and past President Pete Palestina hold the award program where the Chapter earned 9 awards.

Chapter President Val Katz convincing Harry Cylinder to tackle a research project.



## CONTRIBUTIONS SOUGHT FOR CHAPTER SCHOLARSHIP FUND

If you are interested in contributing to a worthy cause in addition to helping your Chapter help others, your contribution to our Scholarship Fund is appreciated. Simply cut out and complete this form and mail it with your contribution check payable to "Philadelphia Chapter CPCU Scholarship Fund". For more information on the Scholarship Fund visit our website at [www.philadelphiacpcu.com](http://www.philadelphiacpcu.com)

### PHILADELPHIA CHAPTER CPCU SCHOLARSHIP FUND CONTRIBUTION

Yes, I would like to help build the Chapter's Scholarship Fund. Enclosed is my contribution in the amount of \$ \_\_\_\_\_ payable to "Philadelphia Chapter CPCU Scholarship Fund".

Your (or Company) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Mail to: Rick Lee, CPCU  
C/o DVIT  
1015 N. York Rd  
Willow Grove, PA 19090

## Highlights on Two Special Committees

### Good Works

Chair: John Conklin, CPCU

As the holiday season quickly approaches, it won't be long before we put ourselves into that inevitable "state of frenzy". We'll exhaust ourselves in the obligatory process of gift buying, card swapping, decorating, partying and on and on and on. And when it's all over, we'll declare that ... "next year I'm going to do it differently".

Some of us may go as far as saying ... "I'm going to do something simple, but special, for someone other than myself or my own family"! Well here's a chance to do just that. Our Philadelphia Chapter of the CPCU Society is organizing a holiday luncheon for children from one of Philadelphia's oldest child welfare agencies; Southern Home Services.

SHS works with emotionally troubled, neglected, and abused children between the ages of 7 and 18. They are a non-profit agency that provides quality services to preserve, build, and stabilize children and families within their communities.

Our Philadelphia Chapter would like to make this holiday season (in late November or early December) a little more special for these kids this year. And we need your help to make it happen! We are looking for volunteers to help with food, drinks, set-up, etc ...

If you want to be a part of what will hopefully be a "special day" for kids less fortunate than you and me, please send me an e-mail [john\\_r\\_conklin@rsausa.com](mailto:john_r_conklin@rsausa.com) Southern Home Services Essay Contest

John will be heading a Committee to organize an Ethics Essay for the kids at SHS. The Chapter will sponsor awards and prizes to the first, second and third place winners.

Long time Chapter member and past President Louis P. Sigel, Jr., CPCU addresses the audience at the end of the September meeting.



### Research Committee

Chair: Kathy Frenzel, CPCU

We have several research projects on tap for our 2000 - 2001. Here are two notable projects in progress:

If you would like to work on or have ideas for a research project, please contact Kathy at [kfrenzel@gateway.net](mailto:kfrenzel@gateway.net)

### Sharon Ehrhardt, CPCU

*"The Availability of Residential Property Insurance in New Jersey Coastal Communities"*

Sharon's research will demonstrate whether or not residential property coverage is available in coastal New Jersey areas, and what restrictions in coverage apply, if any (i.e. higher deductibles, wind deductibles; higher premiums). On September 10, 2000, three hundred fifty surveys to coastal community agents were mailed. Thus far, there has been a 5% return, although the due date is December 30, 2000. This is a much higher than average return which is based on 1% of unsolicited mailing response.

Any interest? Please contact Sharon at [sharone@mcmahonagency.com](mailto:sharone@mcmahonagency.com).

### Harry Cylinder, CPCU, ARM

*The Experience of Insurance Professionals as Temporary Workers*

Harry proposes a research project on the experience of insurance professionals as temporary workers. This topic is particularly relevant as so many insurance professionals in our area are out of work. This appears to be due to the great number of mergers, acquisitions and subsequent downsizing. Harry is looking for volunteers to assist him with amassing the data, statistical analysis and conclusions.

Contact Harry at 215-549-7112 (telephone) or 215-924-4227 (fax).

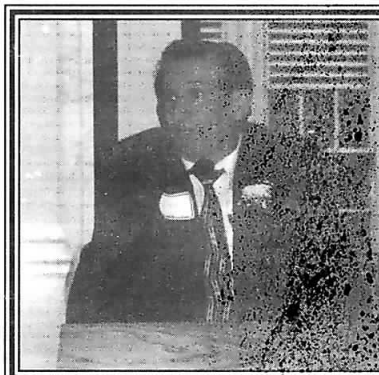
### Displaced Insurance Professional Support Network

We believe a support network may be helpful for those industry professionals who are between employers, have been unemployed or are concerned about future employment.

Contact Harry with your input at 215-549-7112 (telephone) or 215-924-4227 (fax).

## John Topoleski, CPCU Passed Away

We are saddened to report that Chapter Member John Topoleski, CPCU, affectionately known as "Top", passed away on September 18, 2000. John devoted much of his time to the education of insurance professionals, teaching courses, grading exams for the Institutes, and encouraging many to get educated in insurance. He will be sorely missed.



## September Meeting Recap "A View from the Top"

By Christina McGarrigle, CPCU

During the first CPCU Breakfast Meeting of the 2000-2001 season, a panel of industry executives shared their views on the market, trends and current developments. The panelists included John W. Smithson, CPCU, Chairman, CEO of PMA Capital Corporation, Walter R. Bateman, CPCU, Chairman, CEO, President of Harleysville Insurance Group, Michael J. Snead, CPCU, President of Admiral Insurance Company, and William A. Graham, IV, CPCU, CEO of The Graham Company.

Chief topics that emerged during the panelists' discussions were the soft market, consolidation, distribution systems, and the Internet.

The panelists all agreed that the new generation of people in the insurance industry had never experienced hard market conditions, and that eventually the tide would turn from the extraordinarily long soft market conditions that have existed since the late 1980's. Snead was of the opinion that the hard market that will follow could be the longest and most difficult one ever, based on the length of time the soft market conditions have been in place.

Smithson noted that currently the reinsurance sector is posting the worst results. He predicted that reinsurance costs for commercial companies would likely increase.

With respect to consolidation, the panelists agreed that this trend would probably continue. Graham sees the insurance business as a "relationship business," and he noted that consolidation not only has an effect on the companies involved, but on their customers. These customers may feel abandoned or betrayed when the relationship they had with their original insurer has ended as a result of consolidation. Graham sees this as an opportunity for the insurance agency brokerage business, as new business relationships with these "orphaned" customers may be developed.

As for the changes in insurance distribution systems, Smithson commented that if banks are used as a distribution system, it must be decided how privacy issues will be handled. Medical

information is a significant concern. There is a need for regulation of financial and medical privacy.

The Internet and its effect on the insurance industry generated a great deal of discussion. Some of the panelists highlighted the need for "human" involvement. Bateman stated that there was a renewed need for underwriting competency, and that underwriting is emerging as a "competitive necessity." Underwriters are needed to assess individual risks and price them adequately. He also pointed out that along with properly pricing business, insurers must also be concerned with reserve adequacy.

Other panelists believed that the Internet would significantly change the way that insurance business is conducted. Snead mentioned that state lines and international boundaries are crossed when the Internet is used. The Internet allows for increased productivity and efficiency, as customers can conduct business with their insurers twenty-four hours a day. However, Snead stated that if customers were to obtain quotes and policies through the Internet, it would be in direct competition with the companies' independent agents, possibly resulting in a gradual reduction in their commissions.

The Internet proved to be a "hot topic" during the question and answer session. Some were of the opinion that the market is price driven (i.e., people are shopping for the lowest rate among insurers, rather than value), which could result in a low retention rate among insurers. It was also mentioned that solely relying on the Internet to procure coverage could be harmful, in that an agent can provide advice and guidance to customers to make sure they are adequately covered.

Attendance was very high at this meeting (120), which was a wonderful way to begin the 2000-2001 season. We hope to see all of you again at the next CPCU Breakfast Meeting, which will be held on Thursday, October 19, 2000.



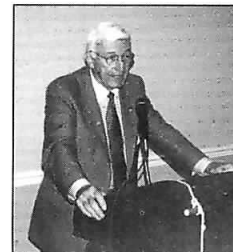
Program Chairman Larry Crawford introduces a panel of industry executives who shared their views on the market. L to R: Walter R. Bateman, CPCU, Chairman, CEO, President of Harleysville Insurance Group, Michael J. Snead, CPCU, President of Admiral Insurance Company, and William A. Graham, IV, CPCU, CEO of The Graham Company. John W. Smithson, CPCU, Chairman, CEO of PMA Capital Corporation.

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Michael J. Snead, CPCU,  
President of Admiral  
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