



PHILADELPHIA CHAPTERGRAM

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Peter F. Palestina, CPCU-Editor

March 2000

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.

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

ETHICS AWARENESS MONTH MARCH 2000

MARCH IS ETHICS AWARENESS MONTH

Throughout the month of March, the Philadelphia Chapter of the CPCU Society (Chartered Property Casualty Underwriters) will participate in Ethics Awareness Month, a national insurance industry education event which will mark its tenth anniversary this year. Sponsors of this year's event include the Insurance Institute for Applied Ethics, the CPCU Society, the American Institute for CPCU, The American College, and the Society of Financial Service Professionals. In addition, more than 200 of the nation's top insurance companies, associations, and professional societies endorse Ethics Awareness activities.

Ethics Awareness Month began in 1990 as a means to raise awareness and generate discussion of ethical issues facing the insurance and financial services industries. The goal of the campaign is to help professionals to better define their own personal ethics, understand the importance of ethical training, and apply high ethical standards and thinking in corporate and business activities.

Among the materials the Philadelphia Chapter will use to lead this year's ethics campaign are a number of excerpts from the new edition of Code of Professional Ethics of the American Institute for CPCU, with commentary by Eric Wiening, CPCU, Ethics Counsel.

Please note that the Chapter is also celebrating Ethics Awareness at our traditional April breakfast meeting (April 20, 2000) since the Franklin Award is always held in March. Our speaker on Ethics will be James Matsoukas, CPCU, Vice President of Marketing, AICPCU/IIA.

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 the form below 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.

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 \$ _____ payable to "Philadelphia Chapter CPCU Scholarship Fund."

Your (or Company) Name _____
Address _____
City _____ State _____ Zip _____
Phone _____ Fax _____
Mail to: Rick Lee, CPCU, c/o DVIT, 1015 North York Road,
Willow Grove, PA 19090

THE PHILADELPHIA CHAPTER OF THE CPCU SOCIETY
PROUDLY PRESENTS

The Eighteenth Annual Franklin Award



The Award will recognize Robert S. Seltzer, CPCU
President, Cohen-Seltzer, Inc.

For Outstanding Achievement and Contributions to
The Insurance Industry and Insuring Public

This Award will be presented at a
Special Luncheon at

The DoubleTree Hotel located on
Broad and Locust Streets, Philadelphia, PA
Thursday March 23, 2000

Cocktails 11:15am • Lunch 12:00 pm

Guest Speaker: Ron Jaworski, Former Eagle's Quarterback

Please make my reservations for _____ persons at \$35 each
or

Please reserve _____ table(s) of 10, _____ half table of 5
Cost is \$300 for a full table of 10 or \$160 for a half table of 5

Make check payable to:

Philadelphia Chapter of CPCU
P.O. Box 1499, Philadelphia, PA 19105-1499
Deadline: March 19, 2000

Name(s) _____

Firm: _____
Address _____

Phone _____ Fax _____
For additional information or questions call Peggy Dence at 215-627-5306.

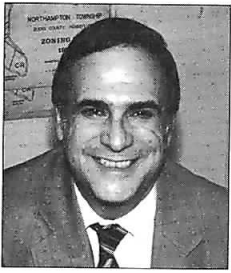


At the December 8, 1999 1-Day Chapter Officers staffed a table to encourage Personal Sponsorship. L to R, President Pete Palestina, 2nd VP Anne Myhr, 1st VP and Sponsorship Chair Val Ullman-Katz and Secretary Clint Gillespie.

E-mail Contact List

Anyone wishing to be added to the Chapter's E-mail Contact List should send their e-mail address to Pete Palestina at peteypal@aol.com with their request to be added to our e-mail Contact List.

You do not need to be a CPCU or Chapter member to be added to our e-mail list. Those that request they be added will receive updated information about our Chapter activities and additions or revisions to the website that they may find useful.



The President's & Editor's Corner

BY: PETER F. PALESTINA, CPCU

Chapter Going Full Steam Ahead

It's amazing that in such a short period of time, our Chapter has accomplished so much. As we celebrate our 53rd Anniversary (1947 charter) we are well on our way toward making this the best year in our Chapter history. Many volunteers and committees, a multitude of activities completed and planned for, great monthly meetings extraordinary media/press coverage, and best of all, the involvement of many 1998 and 1999 new CPCUs. There are things we are doing that are too numerous to mention in this column, or in this Chaptergram for that matter. Please visit our website at www.philadelphiacpcu.com for a feel for what we are doing. There are over 130 pages of material and pictures for your viewing and historical pleasure.



Chapter President Pete Palestina conducted a combination New Designee Reception and Chapter Board Meeting during the 1-Day 99 break. The purpose was to welcome new designees to the Chapter and encourage their involvement. All Officers and Directors were present and said a few words. Also on hand was the CPCU Society's President-Elect Bruce Williams.



Our own official Chapter coffee mugs, complete with our logo and the Society's were introduced at the January 20th meeting. The mugs went on sale for \$5 each with the proceeds going toward our Scholarship Fund. Those of you who come to our meetings are encouraged to buy one. They will be at the registration desk. Not only are they first class but so is the cause.

First of the 2000 Class of New CPCUs

Congratulations to the following 8 individuals who have passed the September 1999 final exam and who are slated to receive 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
Patricia H. Adams	Harleysville
Stephen D. Campbell	American International U/W
William H. Luce	CGU/International Marine U/W
Timothy C. Brockett	NAC RE Corp
Stephen Crofton	Liberty Mutual
Eric B. Silberman	Reliance Insurance Co.
Patricia T. Callinan	ACE International
Edward M. Halligan, Jr.	GMAC Re



The Governor's Corner

BY: SCOTT BROWN, CPCU

Thank you for the hospitality extended during my recent visit to your chapter. Your organization is clearly vibrant and focused on the mission of the Society. The strong meeting programs are very impressive. One of the changes in the structure of the Society involves the replacement of the Chapter Officer Leadership Conferences (COLC) with the Society National Leadership Institutes. These programs are open to any CPCU. The Society, with the support of the CPCU-Harry Loman Foundation has crafted a cutting edge program, for any CPCU who wishes to develop leadership skills that are useable in the workplace as well as the chapter. Intensive training is available in Personal Development and Leadership Skills, Project Management Skills, and Facilitate Leadership Skills. The first sessions will be conducted June 8, 9, and 10. The Las Vegas meeting site was picked due to the lack of space at other venue choices. Barbara Bush has been confirmed as the conferment speaker for the 2000 Annual Meeting.

Hopefully Y2K has become a reminiscence of the past for all chapter members. One of the benefits of Society membership is networking opportunities. I participated in some of the planning process for my company. It was heartening to enter various internal and external meetings on the subject and find large numbers of CPCUs representing both professional and technical disciplines. Attaining the CPCU designation clearly enhances many specialist's ability to communicate with generalist audiences. Remember to consider technical and systems personnel when encouraging friends and co-workers to pursue the designation and to become active in the Society.

Insurance Professional's Caribbean Castaway Cancun, Mexico

- Choice of two dates (n.b. Nicely wraps around the October CPCU convention in San Antonio)
- All inclusive package features Deluxe King suite with in-room Jacuzzi or two Doubles with balcony.
- All food, beverages (alcoholic and non-alcoholic), room service, 2 tours per person, unlimited non-motorized water sports, and more!
- Air not included for individual flexibility, but discount arranged

Palace Resort on Ocean

- June and again in October to coincide with CPCU Convention in Texans (You're 1/2 way there!)
- Only approx. \$700 per person for 7 nights 8 days. Rate can be lower based on group size.
- Interested? Receive additional information by contacting Kathryn Frey at 757-460-4080 or (prefer) km.frey@worldnet.att.net
- A newsletter will be available via e-mail if you respond to Kathryn.
- Pricing will be re-confirmed by the Resort once the size of the group is known.
- When four stay in a room, the rate drops approx. \$125 per person
- You can invite guests, you can bring the kids
- The air package was not selected to afford greater individual flexibility. Also, the package air was r/t from Miami - a group member would still need to make arrangements to fly to Miami and stay over to facilitate a very early departure. Some people want to utilize frequent flyer miles or existing travel vouchers.
- For your security, all reservation monies will be paid direct to the Travel Company or Resort
- Date Selections: JUNE - the kids are out of school, daylight savings time, pre-hurricane season, pre high seasonal temperatures, favorable airfare. OCTOBER - post highest seasonal temperatures and hurricane threat, favorable airfare, coincides with Convention in Texas which is just across the Gulf Waters.
- Let Kathryn know if you think you are interested so we can get firm pricing from the resort. You will be e-mailed or sent detailed info, and flight info.

You can also check the Philadelphia Chapter's website at www.philadelphiacpcu.com for any updated information. Go to the "Bulletin Board" page of the site and link from there to the "Cancun Trip" page.

"A View from the Consumer"

BY: LILLY COWAN, CPCU



The month's breakfast meeting topic was the last of 3 programs which have looked at the insurance industry from the viewpoint of various constituencies. Chief executive of insurance companies (September); agents and brokers (October); and consumers (today).

Ann Myhr, the Philadelphia Chapter VP-Programs, introduced the panelists to the 55 people in attendance. She explained that each speaker would describe their individual experience as an insurance consumer, and also have an opportunity to ask questions of the members in attendance.

D. Bruce Townsend, Manager of Northampton Township (Bucks County, PA) and Vice-Chairman of the Delaware Valley Workers' Compensation Trust, began the discussion. He gave an overview of the DVWCT, how it came to be, some of the challenges it has dealt with, and the services it currently provides. It has grown from a group of 12 communities in a purchasing pool, to a self-insurance trust with 35 member communities, whose estimated annual premium for year 2000 will be \$6 million.

Mr. Townsend stated that one of the main factors that drove the formation of the Trust was the need for stable WC rates. He said that premium variability did not seem related to the insured's experience. He met with agents and brokers only once a year to review policies; his impression was that they did not really understand their clients' business needs and expanding operations. "Good" claims adjusters didn't stay long with a company, and third-party administrators tended to treat claimants with mistrust and even hostility.

The DVWCT has been a great success, according to Mr. Townsend. After much work, and attention to particular problem areas, the trust's experience modification factor has decreased significantly and the rate structure incorporates incentives for positive performance by member communities. Also, the Trust has developed an ongoing loss control program that entails education in all departments, personnel policies and hiring in-house risk management and claims staff.

The next speaker was Mark E. Goldberg, Esq., Sr. Partner with the law firm of Grown, Laveson, Goldberg, Rubenstone. Mr. Goldberg described his firm's insurance needs as fairly typical of a medium-sized professional service business. The firm buys a variety of commercial coverages, including WC, GL and Property (contents at 3 sites), life and disability, health, and professional liability. The annual premium totals about \$250,000.

Mr. Goldberg presented his perspective on the insurance industry by relating several actual experiences from his firm. Unfortunately, he did not "paint a pretty picture." He concluded his remarks by listing some steps that insurance companies and their representatives might take to provide better service.

- Educate the insurance consuming public about why certain "bizarre" outcomes occur (decision to deny coverage based on policy interpretations; decisions to cancel a policy after one large claim, despite many years of few or no claims);
- Help consumers understand what they are actually entitled to under a given policy;
- Remember that insurers are "supposed" to pay claims when appropriate. That's why consumers buy the product.

The last to speak was Bruce J. Stamm, who works as a marketing representative for Reynolds Metal Co. His was the view of an individual buying personal lines to protect his family; life, income protection, homeowners, auto and umbrella coverage. He expressed the opinion that for him, buying insurance is a "necessary evil." He has to make decisions about a rather abstract or hard to define product, with prices that increase mysteriously, and which he hopes he will not have to use; but if he needs it, his policy might just be cancelled. This impression is shared by many of his friends.

Stamm suggested that the insurance industry could improve this situation by:

- Writing policies in "plain English" so that coverages, exclusions, conditions, etc. are easier to understand and consumers can make more informed buying decisions;
- Explaining to policyholders why certain things are done (premium increases, etc.)

Following the panelists' statement, there was a lively discussion with both questions and feedback from those in attendance. Although we heard some rather negative views expressed by consumers today, we should recognize that "perception is reality." We can all learn from these opinions. It is clear that as insurance professionals, we need to strive for open, effective communication with our customers; greater understanding of their goals and needs; and work harder to educate the insurance consuming public about insurance products.



Chapter Program Chairperson Ann Myhr introduces panel at the November meeting where we heard a "View from the Consumer."



D. Bruce Townsend, Manager, Northampton Township and Vice Chairman of the Delaware Valley Workers' Compensation Trust was the first to speak.



Mark E. Goldberg, Esq. Partner, Groen, Laveson, Goldberg, and Rubenstone was the second panelist to address the November audience.



Third and final speaker was Bruce Stamm, Mktg. Rep. For Reynolds Metal Company and Council Rock School Board member.

ChAPTER WaRS2

A few years ago Philly Chapter had a contest picnic social with the Greater Valley Forge Chapter tailored with special events for which the winner received the Chapter Cup Trophy. Philly lost and we have not had a chance since then to return the cup to Philadelphia. Everyone who participated had a great time. Now we are contemplating the possibility of having a Paintball or Laser Tag outing to take place in the spring when the weather will be warmer. If this appears to be a viable social we will let you know via the Chaptergram and/or special mailings and announcements at the monthly breakfast meetings. Those who have participated in Paintball or Laser Tag have indicated that it is a lot of fun and that we should look into it. Our Social Events Chairman Art Hanebury is looking into this and will report later as to whether or not such a Social can be arranged and who else will be participating, i.e. the Society in Malvern, Greater Valley Forge Chapter and Brandywine Chapter. If you think you would like to be involved with this or would like to join the Committee with Art, please contact him at ahanebury@aol.com or Pete Palestina at peteypal@aol.com.



Fire Safety Essay Winners Receive Their Awards

Holding their awards are the Council Rock School District winners of the sixteenth annual Fire Safety in the Home essay Contest sponsored by the Philadelphia Chapter of the Chartered Property and Casualty Underwriters (CPCU) Society. First row from the left, 1st and 2nd grade level: Allyson Hauptman (1st place), Alexandra Mangold (most creative), Jamie Mangold (2nd place), Elizabeth Miller (3rd place). Second row 3rd and 4th grade level: Lauren Suchenski (1st place), Joshua Wortzel (most creative), Taylor Mangold (2nd place), and Amanda Marra (3rd place). Third row, 5th and 6th grade level: Dori Buttz (1st place), Alexis Cohen (most creative), Caitlin Marchini (2nd place) and Adam Hauptman (3rd place). Back row contest judges: left, Bruce Stamm, School Board Director, Frank Fenton, Northampton Fire Marshal and Pete Palestina, CPCU, Philadelphia Chapter CPCU President, Chairman, Northampton Supervisors and contest coordinator.

The awards were presented at the Council Rock School Board meeting of November 22nd. First place and most creative finishers received a \$100 U.S. Savings Bond and a plaque. Second and third placers received a plaque. The students also received plaques and citations from the Northampton, and Upper Makefield Township Boards of Supervisors and state representative Roy Reinard at the November 23rd Board of Supervisors Meeting held at Northampton Township.

The essays were written during National Fire Prevention Week in October. All students in the Council Rock elementary schools were eligible to participate.



Allyson Hauptman was the first to receive her congratulations and Awards at the Northampton Supervisors meeting with Board Chairman and Chapter President Pete Palestina, Upper Makefield Fire Marshall, John Kernan, State Representative Roy Reinard and Chapter Director Cindy Wolkciewicz.

Chapter "Fire Safety in the Home" Essay Contest Concludes 16th Year

Editor's Note: This was the 16th year that I have been involved with running our Chapter's Fire Safety in the Home Essay Contest which we have been co-sponsoring in conjunction with Council Rock School District. Although a lot of work goes into it, I can honestly say that it is most gratifying and well worth the effort. To see the smiling faces of the children and their proud parents as they receive their awards and recognition warms the heart. But more importantly, the fact that so many children enter the contest and write and learn about fire safety, many lives can be saved and after all, isn't that what it's all about? Please enjoy the photos on this and other pages of the Chaptergram. They were taken at the Council Rock School Board's Public Meeting of November 22nd and the Northampton Township Board of Supervisors Public Meeting of November 23rd. Both were televised over cable television. My special thanks go to the Council Rock School Board, Superintendent of Schools, teachers, parents and especially the great students who participated.

- PETER F. PALESTINA, CPCU



Adam Hauptman receives congratulations from PA State Rep. Roy Reinard along with CPCUs Pete Palestina and Cindy Wolkciewicz at the Northampton Township meeting.



Upper Makefield Fire Marshall John Kernan congratulates Lauren Suchenski along with Northampton Supervisors Chairman and CPCU Pete Palestina.



Northampton Supervisors Chairman and Chapter President Pete Palestina concludes ceremony with congratulations to all who participated.

WINNERS AS STUDENTS WITH WINNERS AS TEACHERS



Teachers with students (l-r) Alexandra Mangold with Mrs. Vancadsand, Allyson Hauptman with Mrs. Husted, Jamie Mangold with Mrs. Hauoert, Elizabeth Miller with Mrs. Parker.



Joshua Wortzel with Mrs. Kelly, Lauren Suchenski with Mrs. Schurmann, Amanda Marra with Mr. Kohlmayer, Taylor Mangold with Mrs. Walker.



Dori Buttz with Miss Sfarnas, Caitlin Marchini with Mrs. Longo, Adam Hauptman with Mr. Hansberry, Alexis Cohen with Mrs. Leroy.

Here are the 1999 "Fire Safety in the Home" Essay Contest Winners from Council Rock School District

1ST AND 2ND GRADE CATEGORY



FIRST PLACE WINNER
Allyson Hauptman
Hillcrest Elementary



MOST CREATIVE WINNER
Alexandra Mangold
Richboro Elementary



SECOND PLACE WINNER
Jamie Mangold
Richboro Elementary



THIRD PLACE WINNER
Elizabeth Miller
Rolling Hills Elementary

3RD AND 4TH GRADE CATEGORY



FIRST PLACE WINNER
Lauren Suchenski
Sol Feinstone Elementary



MOST CREATIVE WINNER
Joshua Wortzel
Sol Feinstone Elementary



SECOND PLACE WINNER
Taylor Mangold
Richboro Elementary



THIRD PLACE WINNER
Amanda Marra
Churchville Elementary

5TH AND 6TH GRADE CATEGORY



FIRST PLACE WINNER
Dori Buttz
Churchville Elementary



MOST CREATIVE WINNER
Alexis Cohen
Hillcrest Elementary



SECOND PLACE WINNER
Caitlin Marchini
Churchville Elementary



THIRD PLACE WINNER
Adam Hauptman
Hillcrest Elementary

A Smashing Success

BY: VAL ULLMAN-KATZ, CPCU, I-DAY CO-CHAIR

As a member of the I-Day Executive Committee, I spent the last few months fretting, prodding and pulling out hair from my head (not to belie Pete's comment that I look grayer later). All to a positive conclusion! Our I-Day, held on December 8th, was in every respect a smash!

With over three hundred industry people attending, we received very positive feedback on our morning sessions. Our morning General Session, featured Dominic Federico, Chairman, President and CEO of ACE INA, Edward Noonan, Chairman, President and CEO of American Reinsurance and Richard K. Struthers, Esquire, Senior Vice Chairman, MBNA. The panel was moderated by Constance B. Forster, Esquire, Managing Partner, Saul, Ewing, Remick and Saul, L.L. The panelists discussed the new distribution channels for the industry and its repercussions on the industry we know today. Their opinions were fascinating from the perspective of what an insurance professional needs to understand moving ahead.

We attracted thirteen exhibitors who graciously donated several door prizes to our participants.

The attendance was high for the session on "Property and Business Income Valuation." The second morning session, "Working with Diverse Cultures Inside and Outside Your Company," gave rise to some very valuable discussions for industry professionals. "Your Career in the Next Century" was well received and helped provide direction to attendees.

Walter Bateman, Chairman of the Board, CEO and President of Harleysville Insurance Companies gave a wonderful speech on the value of continuing education in our evolving industry. Mr. Bateman combined humor with hard lessons we have learned over the past years inspiring us all to aspire personally.

Bruce Williams, CPCU, President Elect of the CPCU Society congratulated our new designees, presented diplomas along with Chapter President Pete Palestina, CPCU, and administered the CPCU Charge to all CPCUs in attendance.

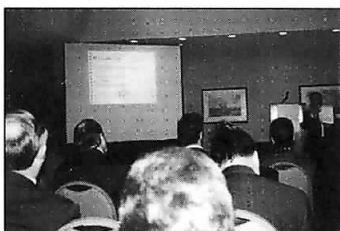
The afternoon sessions, "Employment Practices Liability" and "New Elevation Certificate for Rating Flood Insurance" were well attended. Both were approved for two Continuing Education credits.

By the end of the very busy day, I retired to my car, drove home, got under my blanket and promised that next year, I would remain calm!!



1999 I-Day General Session panel former Insurance Commissioner Connie Foster introducing Domenic Federico, Ed Noonan and Richard Struther.

A Property and Business Income Valuation workshop hosted by Chubb was one of the many sessions held at the 1999 I-Day.



These 12 New CPCU Designees from the class of 1999 received diplomas and recognition at the December 8, 1999 Philly I-Day luncheon ceremony.

The Ultimate Catalyst

BY: JOELL ALTER

Amato and Associates Insurance Recruiters

A review of the Keynote Address presented by Walter Bateman, CPCU, ARM at Philly I-Day

The Keynote address at Philly I-Day delivered by Harleysville "Insurance Companies" President Walter Bateman, CPCU, ARM, demonstrated the speaker's belief that, adding even the smallest amount of any given catalyst to the right ingredients will affect change.

In fact, Bateman's effective use of humor, personal experiences and examples provided from history encouraged the audience to view technological advancements as the ingredients for success. The application of the individual's education and knowledge to the management of said technology then becomes the guarantor for this success in today's (and tomorrow's) marketplace.

Be it Generation Xers who are masters of the Internet Age or those who prefer to receive information "the old fashioned way", it is Bateman's opinion that the availability of information leads to an increased need for education. Further, the professional who is committed to learning will be the one best positioned for future success.

In light of the bombardment of cutting-edge technology, instant access to and exchange of information, and all of the "gadgets" and accouterments available to make us more effective in our work, it was refreshing to hear that in Bateman's opinion, the most significant catalyst for change in the next century will be education. In Bateman's words, "education allows one to organize and distill information and allows us to manage it". Those who are to be successful in the new millennium will be like those from centuries gone by who took the time to seek out educational opportunities as a means for self-improvement.

This pursuit of continuing education and thirst for knowledge is reflected by all those who heard Bateman's address as part of the entire Philly I-Day program. Exchanging ideas, experiences, and points of view with colleagues enriches us as individuals as well as professionals working in an industry in which our customers place their ultimate trust and liveliness.

According to Bateman, the process of education must be considered an ongoing one. As an employer, Bateman realizes the need to make available to employees a variety of opportunities for continuing education. He notes that people are looking to be challenged by their work and to be given opportunities to learn. Along these lines of the educational process as a continuum, he suggests that a person cannot rely on what he/she has now for future effectiveness - remaining stagnant reaps no rewards.

Bateman's comments served as encouragement to all those who have earned (or are in the process of earning) the CPCU designation. In addition to the technical, knowledge a CPCU receives, he/she also benefits from participating in the process by learning from one another. To paraphrase an old analogy - "sometimes it's not what you know but what you do with what you know."



Walter Bateman, CPCU, CEO Harleysville was the keynote speaker at the 1999 I-Day luncheon.



Society President elect Bruce Williams, CPCU congratulates the Chapter's 1999 New Designees who received diplomas at the luncheon.



PIA of PA, DE and MD had their booth and staff at the 1999 I-Day.

Yes, I would like to be a part of the
CPCU Society Speakers Bureau.
Please include my name and contact me
with the details!

NAME _____

COMPANY _____

ADDRESS _____

CITY/STATE/ZIP _____

PHONE _____

FAX _____

E-MAIL _____

AREAS OF EXPERTISE _____

PLEASE FAX TO: 610 251 2780
ATTENTION: MICHELLE LEWIN

Mix and Mingle Social Being Planned

The Membership Committee is planning a Mix and Mingle social hour to be held sometime in the Spring (April-June). The event will likely be held after work hours at a local establishment. All Chapter members and their spouses will be invited free and the Chapter will pick up the expense for the appetizers. The only expense for members will be for the cash bar. This will provide an opportunity for our members to socialize and also get to meet their Chapter officer and New Designees, as well as Society officials who will also be invited. Look for details in the Chaptergram and other Chapter mailings.



New Designee Rep for the Class of 1999
Pat Mahoney (r) managed the New Designee
Reception and Registration table assisted by New
Designee Beth Timko at the 1999 I-Day.



New Designee Pat Mahoney receives her diploma
and congratulations from Society President elect
Bruce Williams and Chapter President
Pete Palestina at the 1999 I-Day Luncheon.



New Chapter Designee Beth Timko receiving her
diploma and congratulations at the 1999 I-Day.

SCHOLARSHIP GOLF OUTING

Bala Golf Club • Friday, May 19, 2000

Join us in our 2nd annual golf outing scholarship program in memory of Bob A. Hedges, CPCU of the Philadelphia Chapter and Ernie Gaugler, CPCU of the Greater Valley Forge Chapter, for the benefit of undergraduate insurance students at Temple University.

PURPOSE: In 1999, the Directors of the Philadelphia and Greater Valley Forge Chapters authorized a scholarship program to climax the current year's efforts in the field of insurance education. With your help we can provide ongoing aid to the outstanding and deserving undergraduates who will guide our industry's future.

FORMAT: We will be using scheduled tee-off times starting at 12:00 pm. A buffet lunch will be served from 11:30a to 1:30p.

FEES: \$135 per golfer if registered before May 1st, \$145 thereafter. This includes greens fee, golf cart, lunch and raffle ticket for donated prizes.

SPECIAL PRIZES FOR: Longest drive on selected hole (men and women) and closest to the pin on selected holes (men and women).

SPONSORSHIPS: We encourage corporate sponsorships for the event from companies and agencies, as well as individual sponsorships. If not golfing, but wish to help with your contribution, send it with the form below.

For additional information contact Bill Mayo 215-881-2467 or Pete Palestina 215-364-3000.
Detach below and mail with your payment for the appropriate amount.

Reservations: Please reserve the following: Number of golfers at \$135 each _____
Names (indicate if CPCUs) _____

Sponsorships: ___ Not golfing or ___ In addition to golfing, I/We would like to make a Sponsor contribution in the amount of \$ _____.

Amount enclosed: \$ _____ (Make check payable to Greater Valley Forge Chapter CPCU)

Indicate your Chapter affiliation: Philadelphia Greater Valley Forge None

This form completed by: _____

Your address: _____

Phone _____ Fax _____ E-mail _____

Mail this reservation and your check to: Bill Mayo, CPCU c/o Palley Simon Associates,
PO Box 508, Jenkintown, PA 19046-1711

Interested in CPCU Society Service?

If any Chapter member is interested in serving on any of the CPCU Society's Standing or Section Committees they should contact the Society's Member Resource Center and request an application for Society service at 800-932-CPCU. You may also be interested in volunteering for a Society Task Force for which an application appeared in the February CPCU News. You may also contact Philadelphia Chapter President Pete Palestina 215-364-3000 or e-mail him at peteypal@aol.com for assistance. You may also contact our Membership Chairperson Patricia Rakowski 215-864-1193 or via e-mail patricia.rakowski@relianceinsurance.com.

Interested in Chapter Service?

If any Chapter member is interested in serving on any of the Philadelphia Chapter's many Committees they should contact President Pete Palestina 215-364-3000 or e-mail him at peteypal@aol.com. You may also contact any of our officers, directors or committee chairperson shown throughout our Chapter's website at www.philadelphiacpcu.com. Simply go to the "Committees" Page and then follow link to the Committee you may be interested in. You can also go to the "Contact Links" and e-mail a contact direct from there. We are always looking for good Chapter members to become actively involved.

Telecommuting: A Workers Compensation Exposure

BY: LILLY COWAN, CPCU

Despite the area's first major snowstorm contributing to 12 no-shows, 46 people still turned out for the Philadelphia CPCU Chapter's January breakfast meeting held at the DoubleTree Hotel, Broad and Locust Street, to hear Robert Persico, VP of ESIS Claims Product Management Company, ACE-INA, discuss telecommuting and the employer's exposure to workers compensation claims and other liability.

"Telecommuting is certainly a trend. It is projected that in the year 2000, 60 percent of Fortune 500 companies will have some form of telecommuting program." Overall, it is a positive development, remarked Mr. Persico. However, employers must be aware of the potential risks, such as how injury claims will be viewed under the Workers' Compensation laws. Persico said that "so far companies have not been inundated with many claims" arising out of telecommuting. Perhaps this is because people value their arrangement of working at home. Also, it is not easy to distinguish a work-related injury from an ordinary injury at home.

When is the Telecommuter's Injury "Work-Related?"

According to Persico, the biggest question that must be answered in deciding telecommuting claims is "What is work-related and what is non work-related?" The legal test of a work-related activity is whether it "furthers the benefit of the employer." Since this is such a new area, there is not yet much case law to look to for guidance.

In the past, the majority of WC claims have arisen from incidents during working hours, on the employer's premises, or at a third party's premises (sales or delivery staff). Historically, not many compensable injuries occurred in the employee's home. "The circumstances by which a telecommuter can become injured will vary widely from what we are used to seeing," observed Persico.

When analyzing a questionable claim, Persico asks himself: "If I'm home and get injured, would this be a task that I would do at a regular work place or only at home?" He also looks at it this way: If an accident occurs during a planned part of the workday, then it probably is work-related. But, if it occurs while doing something spontaneous (ex: letting your dog out), it is less likely to be considered work-related. He presented several hypothetical scenarios to illustrate the difficulty of assessing telecommuting injury claims.

Questionable Cases are hard to Defeat

Persico discussed some of the factors that make it difficult for an employer to defend itself against even a questionable claim of injury by a telecommuting employee.

- Most judicial bodies tend to lean in favor of the injured worker.
- Most incidents in the telecommuter's home occur without any witnesses.
- WC statutes do not specifically address telecommuting; and
- The precedents that do exist mostly involve travelling Telecommuters.

WC trial courts and appellate courts will create new laws as more claims are brought forth.



January 20th speaker Robert Persico, VP EIS Claims Product Management Company addresses our members on the topic "Telecommuting-A Worker's Compensation Exposure".

Strategies for Employers with Telecommuting Programs

It is very important for employers to develop and implement explicit telecommuting policies. To avoid or minimize injury claims, Persico recommended that policies address the following issues:

- **Coverage:** Be sure that company's WC coverage applies in all states where it has Telecommuters.
- **Working Hours:** Define regular work schedule, including time for breaks such as lunch.
- **Leaving Premise:** Define times that employee will leave home, use personal vehicle pick up/drop off business mail; Telecommuters must notify supervisor whenever they go out on personal business.
- **Work Station:** Make sure that employee's work area is ergonomically sound, and meets employer's regular safety codes; this may involve using safety/loss control personnel to do periodic safety inspections. (Recognizing that some disagree with this position due to privacy concerns, nevertheless, Persico feels this is critical).
- **Travelling Telecommuters:** Supervisor should have schedule in advance of employee locations for period of travel. (Travel between different work sites will likely be considered work-related; in contrast to travel between home and work for non-Telecommuters, which would generally not be viewed as work related.)
- **Report:** employees should report all injuries immediately, even if they seem minor.

Other Special Issues

- Establish ground rules and procedures for employees who are working at home because of childcare, aging parent, or pet responsibilities.
- Part-time workers should conform to same guidelines and policies as full-time workers.

Benefits of Telecommuting

Although there are obstacles and problems, Persico also pointed out some positive benefits of this employment trend.

- Transition back to work is easier for Telecommuters who are injured since most likely they are already in a "light duty" situation;
- Hours can be more flexible so that a recovering worker can get rest breaks.
- Employers should consider putting non Telecommuters into telecommuting status, as interim way to transition to regular work (assumes minimum 3 month recovery period).

Telecommuting programs can be productive and rewarding for both parties, concluded Persico. Employers who enter into these arrangements, however, need to be aware of and plan for the perils. A lively question and answer session followed.



Long-time Chapter members Tony Sgobbo and Art Hanebury were among the first to purchase the official Chapter coffee mugs introduced at our January 20th breakfast meeting. The mugs are \$5 each with the proceeds going to our Scholarship Fund and may be purchased at the registration desk during each meeting.

Two Revered Chapter Members Pass Away

We are sorry to report that two of our CPCUs recently passed away. Educators G. William Glendenning, Ph.D., CPCU who died December 7, 1999 and H. Wayne Snyder, Ph.D., CPCU who died suddenly on December 31, 1999. Our thoughts and prayers go to the family and friends of these fine individuals who gave so much of their knowledge to others.

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