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SEPTEMBER MEETING RECAP 1 THE INSURANCE INDUSTRY AFTER 9/11 WITH DOMENIC FREDERICO

BY BRUCE A. OSGOOD, CPCU

9/11/2001, a date for me personally that I still cannot put into words. A tragedy so unspeakable, destruction unimaginable. Our lifestyle and way of life has been changed, if not forever, certainly for the foreseeable future. This most devastating event has caused us all to take pause and consider every aspect of our lives. Have we been making the best of our time? Are we spending too much time at work, and not enough with family? Should we cancel our Caribbean cruise to go down the shore instead? What was once an exciting prospect of an exotic vacation is now a risk that requires careful consideration. Each of us must draw our own meaning and decide what this means to us. Likewise as insurance professionals, we must draw meaning and a new understanding. At the September, 20th breakfast meeting Domenic Frederico of ACE shared his perspective on 9/11 and what it could mean to the future of the industry. Risk has a whole new meaning.

As a result of the event the landscape has changed. In the past we looked at risk on a formula basis. Now it is a whole new ball game. Who would have considered that a plane would be used as a bomb against a civilian target, so effectively? Who would have thought that 19 people would willingly give their lives for a cause in this way? Terrorism, the random acts of violence used to bring attention to a cause, have been taken to a whole new level. Instead of effecting tens or hundreds, now impacting thousands, unpredictably, and without warning. A new face of terrorism, no longer carried out by the young and disenfranchised products of war torn and impoverished countries. Now older well educated, well trained, and well financed to carry out a specific task. What does this mean to us?

In the longer term, fewer or more restricted coverages will be available. Capacity may be reduced or not available at all. Many coverages will not be able to cover terrorism. Risk probability has changed and costs have elevated. We must address a question never before considered. Who as a business is likely to be a target of a terrorist attack?

The immediate task is to estimate the losses. Everyone agrees that this will be the single costliest insurance event ever. What is our ability to estimate the cost? As the industry struggles with the task, carriers weigh in with the estimates of what they believe their own losses will be. Mr. Frederico and his staff believe that the net loss for ACE will top four hundred million. For each known policy the limit was added in with the assumption that each loss would meet or exceed the limit. With the magnitude of the damage, one would imagine that all who have a share of the loss are using similarly conservative methods. This conservative approach makes a substantial understatement of the obvious losses unlikely. But, have all of the losses been considered?

We have heard about how much the loss to the buildings themselves, life insurance losses, and loss to businesses will be. What we have not heard about are the workers compensation numbers. The number and extent of the injuries are still unknown. Likewise the cost of treatment for these injuries and resulting lost wages cannot reasonably be calculated. It is possible that we will see injuries that we have not seen before. Some possibilities are injuries from exposure to pollutants, traumatic shock, and post-traumatic stress syndrome. For these losses only time will tell.

The industry is doing it's best to estimate it's loss. Once calculated will we be able to pay? The consensus is an overwhelming yes. Historically insurance has been considered over capitalized. Fortunately the industry will be able to cover the losses this time. This is not to say that there will not be companies that go bankrupt as a result. Some companies will be so depleted that they will be unable to take risk. Others may decide to reduce risk or get out of the business completely. While some will leave, new insurers will come.

Mr. Frederico does not support a government bail out of insolvent insurers. He would however support tax credit for the full reserve of the loss. What is most needed is an



Left: Domenic Frederico, Chairman, President & CEO, ACE-USA gave a serious post 911 address



Above: Chapter President Val Katz, CPCU addressed the September audience on the September 11th disaster.



Above: At the September meeting Chapter Past President Pete Palestina, CPCU donated and auctioned off two Eagles tickets with the proceeds going to the American Red Cross. \$350 was the high bid from winner Ken Ewell of the Graham Co.

orderly settlement process so that loss proceeds can get to victims quickly. "The industry will respond and do the right thing"

Domenic Frederico is President & Chief Operating Officer, ACE Limited Group President & Chief Executive Officer, US & Bermuda Group Chairman, ACE INA Holdings, Chairman, ACE Financial Services. We would like to thank Mr. Frederico for sharing his unique perspective at this time. In addition to expressing concern and sympathy for the victims, ACE has pledged a million dollars a year for the next five years to help with the recovery.

FALL 2001 MIX N' MINGLE A SUCCESS

On Wednesday, September 26, 2001, the Philadelphia Chapter of the CPCU Society, Philadelphia Casualty Underwriters Club and Mariners Club of Philadelphia co-sponsored another successful insurance professional networking event. The social event, held at the Dock Street in Center City, was well attended by professionals from all aspects of the insurance industry including agents, brokers, risk managers as well as Claims and Underwriting professionals from primary carriers and reinsurers. The Mix N' Mingle concept was developed to foster an environment of open, relaxed communication among insurance professionals in the Greater Philly region. Look to future announcements on the time and location of the Spring 2002 Mix N' Mingle.



The President's Column

BY: VAL ULLMAN-KATZ, CPCU, PRESIDENT

I have a unique capacity to blur years and events together. I forget dates. I forget most events. For instance, I can barely remember my first wedding or what's his name.

But I remember where I was when JFK died. I remember where I was when Martin Luther King died. I will always remember where I was and with whom, when a piece of this nation and life as we have lived in America, died.

Like most people I felt the horror, the terror, the grief, the anger and now I share the resolution to see this chapter to its close. Like most people I worry for the next generations, our children and our grandchildren. What cries will they rally to? What realities will they face?

Frankly, I am very happy to see 2001 draw to a close. It hasn't been an easy year, nor a particularly happy one for most of us. The new millennium, as far as I can see, is a bust so far.

What I am grateful and appreciative about is that I am alive, moderately sane (alternating Tuesdays and Thursdays) and gainfully employed. I am proud of our Small Acts of Kindness, proud of our reputation as a vibrant Chapter of CPCU. I am privileged to work with a team of excellent and dedicated professionals without whom this Chapter would never be recognized. Ann Myhr, CPCU thank you. Eric Fitzgerald, CPCU, David Shepherd, CPCU, Lilly Cowan, CPCU, and Bruce Osgood, CPCU, thank you. Rita Hoffstein, CPCU, Cindy Wolkoweicz, CPCU, Rina Williams, CPCU, Charles Butler, CPCU, Jim Fryer, CPCU and Martin Frapolli, CPCU, thank you. Pete Palestina, CPCU and Mary Ann Ryan, CPCU, Terry McCarthy Games, CPCU, thank you.

Happy Holidays to all and a better 2002.



FROM YOUR GOVERNOR

SUSAN WEBER, CPCU

I recently attended the Annual Meeting in Seattle, where I officially took over the Governor seat from Pat Whipple. Pat has a long history of service to the Society and his shoes will be hard to fill. Almost everyone in insurance today is feeling stressed. Everything is changing at such a rapid pace, and the events of September 11 have just added to the uncertainty. So, the timing of the Annual Meeting was perfect. I came away from Seattle with an renewed pride in our industry and a reminder of how we as CPCUs enhance that industry. Thus it is critical to not only add more to our ranks, but continue to develop the existing designation holders. To this end, the Society's 2002-2007 Strategic Plan has two concise, yet ambitious goals:

1. Increase the visibility of the CPCU designation. You are better trained and more knowledgeable than those without the designation.
2. Give CPCU members access to the programs and services needed to succeed. We will help you with technical instruction and career development.

There are a lot of exciting things happening in the Society and I am pleased to now have a direct role in helping to implement the new plan.

I welcome your comments and feedback on the Society and how you feel it can best serve you. My email address is susan_k._weber@ffic.com.

September Meeting Recap2 - Banking and Insurance With Ed Kiessling, CPCU

By Bruce A. Osgood, CPCU

Ed Kiessling, CPCU President and Chief Operating Officer of Commerce National Insurance Services spoke on banking and insurance at the September 20, 2001 breakfast meeting. His group is the insurance branch of Commerce bank. The barriers between the banking and insurance industries are down. These changes are creating opportunity.

Banks see opportunity to increase fee income. They have a large existing customer base. These customers represent an excellent opportunity to cross sell insurance products. Installing on site agents in bank branches to expand distribution is seen as the thing to do.

Existing agents see banks as a new class of buyer for their businesses. Traditionally agents who wanted to retire or sell their businesses either sold to a family member, or to an employee that wants to take over the business. These kinds of transfers often required the retiring agent to hold the note on the business. In this scenario the seller has to wait to receive the sale price of the business. Banks have the on hand capital to buy the business outright. This is a good deal for the agent selling the business, as he gets the sale price of the business up front.

Banks acquire agencies, but what do they do with them. The inherent differences between the two industries create some problems. Bank managers are not necessarily well suited for agency management. Once the agencies are bought they often do not operate optimally because the new owners are not agency managers. Another pitfall of insurance operations purchased by banks is that they do not represent a meaningful percentage of the overall business. As a result, the insurance operations receive little attention.

Banks need to make a significant commitment to insurance at a higher level. Systems must be integrated up front. Management of the agency will require different compensation and training than other bank employees. The most significant step will be to take advantage of the bank branches. Banks need to get licensed personnel into the individual branches. Buying insurance from the bank needs to be easy for the consumer.

All of this new activity will create other opportunities in the industry. Banks will need to seek new talent with the skills required to be successful in the insurance arena. The dozens of bank branches will need licensed agents to sell and service the insurance products. A brand new path has opened both for experienced agency managers, and entry-level candidates.

After the keynote speakers concluded, Past Chapter President Pete Palestina, CPCU auctioned off a pair of Eagles tickets donated by he and Bensalem Mayor Joseph DiGirolamo. The proceeds were to go to the Chapters contribution fund for the American Red Cross. The winning bidder was Ken Ewell of the Graham Company at \$350.



Left: Ed Kiessling, CPCU, President & COO of Commerce National Insurance Services spoke on banking and insurance at the September meeting.

WELCOME 2001 CLASS OF NEW CPCUs

Congratulations to the following 24 individuals who have passed their final exams leading to the designation for the year 2001 and who are slated to receive their CPCU designation at the October 2001 annual meeting in Seattle. We welcome and encourage them to come to our meetings and become active Philadelphia Chapter members.

NEW DESIGNEE

Douglas Babin, CPCU
Donna M. Biondich, CPCU
Kathleen M. Carhart, CPCU
Robert S. Crawford, III, CPCU
Debra A. Daly, CPCU
Donald Wayne Dicus, CPCU
Bernard M. Flynn, CPCU
J. Robert Gambell, CPCU
Rick J. Gardner, CPCU
Lisa A. Haas, CPCU
Joseph F. Henry, Jr., CPCU
Kimberly A. Hirsch, CPCU
James R. Holt, Jr., CPCU
Edward F. Howley, CPCU
Mark E. Hughson, CPCU
Douglas A. Lopapa, CPCU
Francis C. Mazza, CPCU
Teresa McCarthy-Games, CPCU
Clara L. Reineck, CPCU
Toni L. Ruban, CPCU
Julia L. Sealey, CPCU
Susan Font Steward, CPCU
Hugh F. Walsh, III, CPCU
Claudette Monsler Webber, CPCU

COMPANY

State Farm
Caliber One
Professional Underwriters
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Admiral Insurance Co
Erie Insurance Group
AON Risk Services, Inc.
State Farm Insurance Co
AON Risk Services, Inc.
Marsh Inc
Admiral Insurance Co
One Beacon Insurance
Reliance Insurance Co
Clair Odell Group
Kemper Insurance Company



Above: Some of the large audience that attended the September 20th meeting.



Left: (L to R) Chapter 1st VP Ann Myhr, new Designee Debra Daley and Chapter President Val Katz in Seattle.

Right: New Designee Clara Reinick, CPCU with her husband in Seattle.



Below: Board members were in action at the first Board meeting of the new Chapter year which took place immediately following the September 20th meeting.



DISASTER RECOVERY & BUSINESS CONTINUITY – A LAYMAN'S VIEW

By: *Martin Frappolli, CPCU*

The tragic events of September 11 have brought a new focus to disaster recovery issues. Let's examine some of the basic tenets and how the notion of "Disaster Recovery" has grown to "Business Continuity". Ten or fifteen years ago, most sizable companies relied almost exclusively on a mainframe computer for business processing. Business functioning was severely compromised whenever it was discovered that the 'computer is down.' By its nature, a mainframe-only computer system is like a helicopter, and represents a single point of failure. That is, if an engine on a commercial jet fails, it has other engines and can still fly. If you have a cluster of modern servers that are designed with redundancy in mind, one can fail and business processing can continue on the remaining servers. However, when the helicopter engine fails, you crash. There is no backup, no redundancy. The same is true of business processing conducted solely on a single mainframe.

Businesses learned, often the hard way, that they cannot afford to lose the processing power of the mainframe for more than a few hours. This led to a growth of "Business Recovery" services, which can provide your company with dedicated access to computing equipment that has the same capacity and configuration as that in your own computer room. To prepare for business recovery, the IT staff must have fresh backups of the computer operating systems, programs, and data (offsite) which can be loaded onto the surrogate computing equipment at the recovery site. Further, you need connections (pre-arranged dedicated lines) from your recovery site back to your staff and their terminals.

Mainframe failures, or computer room disasters (water, fire, electrical damage), though rare, are much more common than complete destruction of a building. For this reason, many businesses felt comfortable with a "Disaster Recovery" plan that addressed only the recovery from a failure of computer systems.

Recent years have seen an expansion of this notion beyond the IT focus. As the destruction of the World Trade Center so clearly shows, there is a potential for disaster that extends well beyond the computer room. How can a company continue as a viable business when its entire facility cannot be occupied, or is destroyed? You may have business interruption insurance, but will that comfort your customers? Answering these questions is the focus of Business Continuity planning. The IT disaster planning is certainly a key part, and the fundamentals there apply to the broader concept as well. The emphasis is on backup and redundancy – removing any single point of failure.

The members of the Business Continuity Team (often drawn from IT, Telecom, Facilities Management, Security, and Internal Audit) must survey the business units. What do you do every day? Every week, every month? What do you need to do your job? What does your staff need? Computers, desks, phones, pens, paper, everything. How would it affect you if you could not occupy the premises for a day? For a week? For a month? How many of your staff can work from home?

In the past, perhaps the only way to be fully prepared for a major business interruption was to contract for emergency work space (desks, phones, computers) in the event that you could not occupy the premises. As we move (slowly!) to electronic records over paper, email over memos, and most importantly to wireless and work-at-home connectivity, we can begin to contemplate a continuity scenario where employees can do their jobs, at least temporarily, from home.

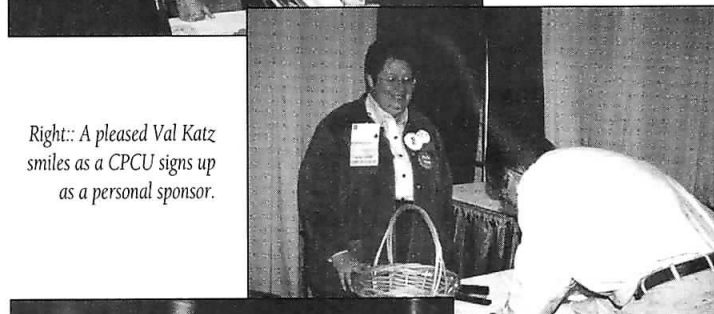
The World Trade Center disaster represents an extreme scenario in which not only the equipment and buildings are lost, but also the employees. In response, some companies are planning their continuity by deliberately decentralizing, so that the staff in Omaha and San Diego and Nashville can carry on the workload when the Harrisburg office is compromised. Other companies, by need or by nature, have a single location and must go beyond simple Computer

Room disaster planning. A facility can be entirely undamaged, but yet unable to be occupied; for instance, if there is a nearby toxic spill, an office building could be closed for months while cleanup take place.

Backup and redundancy. At home or in the office, ask yourself what would you do if this critical function failed? Do you have a battery backup for your sump pump? How would your staff meet customer expectations without access to the office? Finally, remember that your plan is not complete until it is tested. The best-of-breed companies test regularly; one firm annually selects a department for a simulated outage, and transports the staff to its offsite rented office space for a week to conduct business. The business units are involved to such a degree that they compete to be chosen as the test group, and regard participation as a perk. Companies that prepare for business interruption are certainly most likely to survive it. I will continue to emphasize that in my own company, and I will continue to avoid helicopters!



Left: Terry Games (L) and Lilly Cowan (R) stop by the Personal Sponsorship information booth manned by Chapter President Val Katz at the Seattle exhibition.



Right: A pleased Val Katz smiles as a CPCU signs up as a personal sponsor.



Val gets a hug from Lilly Cowan (left) and Ann Myhr (below) on the Chapter winning the Gold Excellence Award for the 2nd consecutive year.



Left: Pete Palestina, CPCU (R) receives a plaque from Society President Bruce Williams, CPCU at the Seattle Annual Meeting for a successful completion of chairing the Anti Fraud Speakers Task Force.

Report on Annual Meeting 2001 Seattle

By: Val Katz, CPCU Chapter President

Seattle is a beautiful city. It's hilly, modern, great restaurants and friendly people. My family and I visited the usual tourist areas; Pike's Market, Space Needle, Seattle Aquarium, Children's Museum and the waterfront area. We even took the Victoria Clipper to Victoria, Canada, and viewed the most spectacular Butchard Gardens.

But, the best part for me was participating in the Total Quality Section Task Force. The TQ Section is relatively new as Sections go. It is the belief and desire of Section members to use the TQ methodology throughout every insurance discipline; claims, underwriting, finance, actuarial and risk management. The Section publishes quarterly newsletters combining the latest in TQ as a management tool and development of the TQ fundamentals.

The TQ Section sponsored a seminar, "Spirit at Work". One hundred twenty-five CPCUs attended the seminar. The concept was simple; take charge of your day, your attitude, create an environment that is most conducive to your own creativity and production. The idea is so simple that it is brilliant. We also discussed how to relate to people who focus on different aspects of personality, factual or relationship.

The feedback I received from other Philadelphia Chapter Members was also very positive. Lilly Cowan reported that the Mock Tort Trial was very factual and fun. Lilly just raked in the CE credits!

In short, had a great time, wish you were there too.

Congratulations to the new designees! Congratulations to Sharon Ehrhardt for winning the Bronze Medal in Research! Congratulations to the entire Chapter for winning the Gold Chapter Excellence Award!

Right: (L to R) Joe McNasby, Pete Palestina, Lilly Cowan, Val Katz, Clint Gillespie, Terry Games, Ann Myhr and Don Oakes at the gala farewell dinner in Seattle.



Left: New Designee Terry Games with daughter TJ and Pete Palestina in Seattle.

Right: Studiously attended a seminar in Seattle are Lilly Cowan, Terry Games, Pete Palestina and Joe McNasby.



Left: (L) Ray Katz, Spouse of Chapter President Val Katz, and daughter Ali seated with Pete Palestina at the final night dinner in Seattle.

Right: Lilly Cowan reviews a brochure from one of the vendors at the exhibit center.



Left: Ann Myhr gives a thumbs up for Philadelphia Chapter winning the Gold Award for Excellence.

Right: New Designee Debra Daley is surrounded by Chapter well wishers at the welcome reception in Seattle.



President's Spouse Report From Seattle Annual Meeting

By: Ray Katz

This was my second CPCU Annual Meeting. The weather was very different than my previous convention, Honolulu 1995. Everyone in Seattle talks about the weather, but no one does anything about it! We had no problem – some clouds, some drizzles and some sun. Perfect.

The Expo was great – Val couldn't buy anything. I sent her there daily. The kids loved Seattle and were well behaved to quite a degree. Perhaps the Nintendo in the hotel helped. Food was great especially the seafood and the Cheesecake Factory. Five pounds gained per slice, but worth it.

Seattle is a wonderful city to explore. From the height of the Space Needle to the piers on the Waterfront, not a dull moment. The Washington Chapters arranged wonderful tours of the city and suburbs and were by far the most gracious hosts imaginable. No doubt this favorable impression was helped by the visit to the St. Michelle Winery...

The Gala was great. I was very proud that our Chapter won another Gold Circle of Excellence Award. I even took a picture of the rowdy Philly Chapter members as they stood up to be recognized. I yelled the loudest "Yo!" for good measure.

Can't wait for next year in Orlando!

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: _____

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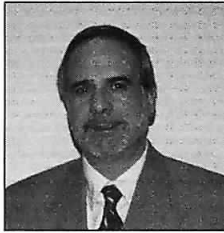
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PLEASE RETURN THIS FORM TO: PHILADELPHIA CPCU CHAPTER
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THE EDITOR'S CORNER

By: Peter F. Palestina, CPCU



CLUELESS IN SEATTLE

Well, I took the trip I had booked back in June, that being the CPCU Society's Annual Meetings and Seminars held October 20-23. I left on Friday the 20th and returned on Wednesday the 24th. Expecting long delays at the airport, I was surprised that it went almost as quick as normal coming and going. As a former Marine and always ready, I got to the airport 3 hours before each scheduled flight time and in each case, one hour could have made it on time. Better safe than sorry, right?

As usual, it was great to see old faces and friends that you normally get to run into only at the annual meetings. We chatted about the September 11th tragedy and its affect on our personal lives and business, the trip out to Seattle, and what has everyone been doing since last years meeting? For me at least, Seattle isn't the greatest place to have a convention. The weather in October is usually cool and cloudy, if not rainy, and of course it was both. Philadelphia mid seventies, Seattle low fifties.

For those who like to obtain the CE credits, this was the place to be. With weather not conducive to touring or sunbathing, attending all of the sessions was a natural. I was able to earn the max of 14 CE credits for the regular 3 day program of seminars. Unfortunately, the quality of the seminars, at least in my opinion as well as others I spoke with, left a lot to be desired. Thank goodness for the Mock Trial on International Mass Tort Coverage Litigation and the last session on Mergers and Acquisitions which were outstanding. Were it not for those sessions of the Agents/Brokers Track, I would have been deeply disappointed instead of very disappointed.

I hate to gripe about the Society and how the conventions are handled, but there is one thing I mention every year and it never seems to make an impression on anyone in charge of the planning of these annual meetings. It's so simple that you would think that just being in the situation would jog the old brain into thinking, "hey, here is a good way to improve something". For those that have gone to these annual meetings, you will know what I'm talking about. We each get a name badge which we are to wear as identification in attending the seminars and also to let your fellow CPCU's know who you are, where you come from and what is your status as to awards and Society stature. Only problem is, about the only thing one can make out is a person's first name. Unless you are looking at the name badge from within 12 inches or so, you don't know who is from where when you pass by them at the various functions. Wouldn't it be nice if we could have seen a Philadelphia or southeastern PA hometown on a badge so that we could go up to someone we don't know and say "hey, you're from Philly, welcome to the chapter and congratulations on your designation". But no, Val Katz, Ann Myhr, Lilly Cowan, Terry Games and myself, who are actively involved with chapter activities, could only identify a couple of strangers to us, but hopefully not the chapter. We had 24 new designees this year. Except for 3 that I was able to meet in Seattle, not by the badges by-the-way, I have no idea how many of our new designees were there. We even had a lunch set up for Monday and only one new designee came.

I can't blame the Society or the Seattle based chapters for the quality of the seminars or speakers, well at least not totally. But I can blame the Society for not taking a common sense approach to the name badges. Unless there is a great explanation as to why the font is so small, come on National, get with it, a simple request, MAKE THE LAST NAME AND HOMETOWN BIGGER ON THE BADGE. Hopefully I'll see more of everyone in Orlando next year. Well, I'm sure I'll see more of everyone because it's Orlando and not Seattle, but I mean see more of people I am hoping to see.

May everyone have a safe, healthy, enjoyable holiday season and a prosperous New Year in 2002.

"SMALL ACTS OF KINDNESS" SEPTEMBER SUCCESS!

THANK YOU to all the Chapter Members who contributed to our first Small Acts of Kindness (I/k/a Good Works) campaign, during the summer and at the September breakfast meeting. You may recall, the Board had chosen the LEAP ACADEMY University Charter School (grades 1-8) in Camden, NJ, as our first recipient.

Thanks to your generosity, we collected and donated more than 250 books, 260 pens, 17 boxes of crayons and many packs of markers, pencils, chalk, glue, rulers, scissors, construction paper and more. We know that the faculty and students at the school will really enjoy and benefit from these items.

September 28, 2001

Ms. Iliana Okum
LEAP Academy University Charter School
Camden, New Jersey

Dear Ms. Okum:

The Philadelphia Chapter of the CPCU Society chose as the first recipient of our "Small Acts of Kindness" charitable campaign the LEAP Academy. We recently asked our members to bring an item to the first fall meeting on September 20th. They responded enthusiastically.

We are pleased to provide the students and teachers of your facility the following materials:

Construction paper, ass'td colors, 9" x 12"	2 pks (580 sheets)
Chalk, ass'td colors	1 box 144, 2 boxes 12
Pens, ball point	264
Art gum erasers	5
Regular erasers	4 pks 3ea.
Regular pencils	7 pks
Art pencils	1 pk 48, 1 pk 36, 1 pk 24, 6 pks 12
Scissors, adult	1 pk 3
Scissors, child	11
Removable "sticky" note pads	6
Color crayons	16 boxes (24), 1 box (8-child)
Art sticks	1 pk 150
Modeling clay	1
Dictionary	1
Books, assorted new & used	29
Rulers	29
Masking tape	12
White craft glue	20
Marking pens, colored	6 -12pk, 2 -10pk, 1- 3pk, 2 thin
Compass	1
Art smocks	3 - 6pks
Mini tape dispensers	18
Pencil sharpeners	20
Art brushes	1 - 24 pk

We hope that these items will help in your very special work.

Sincerely,

Lilly Cowan

September Good Works Chair

OCTOBER MEETING RECAP EMPLOYMENT LAW UPDATE

On October 18, 2001, the Chapter was treated to an engaging discussion on recent trends in Employment and Worker's Compensation Law. The speakers were Stephanie Rawitt, Esq., and Nikki Ingram, Esq., both from the law firm Marshall, Dennehey, Warner, Coleman & Goggin.

The program centered around a case study which involved a teacher who had engaged in lengthy litigation with the school district regarding her performance. While describing the claims set forth by the teacher and the school district, Ms. Rawitt and Ms. Ingram highlighted many of the pitfalls which face employers when dealing with difficult employees. They discussed the Americans With Disabilities Act, the Family Medical Leave Act and the Workers Compensation Law, and how these statutes can impact employers' relationships with employees.

A particular concern is an employee's ability to bring retaliatory conduct charges against an employer which attempts to discipline or relocate an employee based upon performance. Ms. Rawitt opined that the next arena for difficult litigation for employers is going to be the demand for accommodation for mental conditions or disorders under the ADA. Currently, an employer who is subject to the act must make reasonable accommodations for employees with disabilities. What if the disability at issue is an anxiety disorder which prevents the employee from communicating with other employees? Must an employer isolate that employee from others in order to comply with the statute? She also discussed the difficulties facing an employer involving an employee who claimed that he or she could not accept criticism in any way because of a mental disorder.

Ms. Ingram discussed the difficulties in establishing that a workplace injury has resolved itself. Although an employer may request periodic examinations, the Workers Compensation law requires that a formal proceeding be initiated and the exam results are reviewed in conjunction with the claimant's treating physician, who will likely report that the disability at issue has not changed. These proceedings are resolved in favor of the claimant over 70% of the time, and some claimants

receive benefits for periods of ten years or more. In a slowing economy, Ms. Ingram cautioned that more and more workers may attempt to extend workers compensation benefits as an alternative form of job security.

Both speakers emphasized the need for careful documentation of employee conduct in the event that litigation does result. However, Ms. Rawitt cautioned that over documenting a file can be later perceived as a "set up", and common sense should be used in deciding how much activity should be documented. Both speakers also discussed the unfortunate reality that the litigation costs and remedies for an employee under the ADA can often cause employers to retain a poorly performing employee solely for economic reasons. Many members of the chapter asked probing questions, and the meeting was a dynamic exchange of ideas on this timely and interesting topic.



Above: Nikki Ingram, Esq. (L) and Stephanie Rawitt, Esq. of Mashall, Dennehy, Warner, Coleman & Goggin were the speakers at our October 18 meeting.

WORKING WARDROBE THANK YOU

I want to thank everyone for their donations to our October Small Acts of Kindness cause, "Working Wardrobe". If anyone needs a receipt for income tax purposes, please send me your name, address and \$ value of your donation and I will mail you one. Please use e-mail, rhoffstein@aol.com or call me at work 484-530-6544. Thanks again for your support of a most worthy cause.

Rita Hoffstein

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