

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>

## CONGRATULATIONS 2002 NEW DESIGNEES

We would like to extend a hearty welcome and congratulations to the following 32 new designees who have successfully completed all of the exam and course requirements as of June, 2002 and will receive their diploma in Orlando at the Annual Meeting:

Kathy Bardall	John G. Donahue, Jr.	Kevin A. Long
Matthew Baron	Thomas M. Flanagan	Cynthia J. McGee
Damon S. Bendesky	Theresa M. Fox	Dan Nagy
Carmen A. Bodden	Steve Gioia	Marcia N. Nigro
John A. Bodden	Moiria D. Grabe	Michael L. O'Connor
Byeongyong Choi	Susan T. Graham	Mariann Palma
Jarrold K. Collins	Amy Hackett	Joshua A. Porter
Megan C. Cosgrove	Helene M. Harris	Andrew M. Tuma
Donna Lynn Crudeli	Paul R. Higgins	Roy C. Tyson
Sharon D. Direso	Cynthia A. Holt	George B. Utter, Jr.
Lawrence V. Dolph	Maryanne Kehoe	

Again, congratulations and all of us here at the Philadelphia Chapter look forward to meeting and working with all of you in the future.

## FORMER CHAPTER PRESIDENT VAL KATZ, CPCU RECEIVES ISOP'S JOHN TOPOLESKI MEMORIAL AWARD

The Philadelphia Chapter is pleased to announce that former Chapter President Val Ullman-Katz, CPCU received the John Topoleski Memorial Award from the Insurance Society of Philadelphia at the annual banquet held on June 26, 2002 at the Downtown Club. Many of you knew John who was a Chapter member, dedicated insurance instructor, 1987 Franklin Award recipient and Insurance Institutes grader for many years. This is the first year for this award given to outstanding insurance instructors and we are very proud of Val. In addition to her duties as President of the Chapter, Val has led INTRO, CPCU 5, ARM 54,55, & 56, as well as AIC 35 classes in the Philadelphia area. She also finds time to teach classes as an Adjunct Professor at Rosemont College and at Drexel University. All this, a full-time job, and a wonderful family - Val has truly elevated multi-tasking to an art!



Left: Val Katz with proud husband Ray and daughter Alianna. Below: Val Katz, 2nd from left, after receiving the John Topoleski Memorial Award for Outstanding Instructors at the June 26 ISOP banquet.



Above: ISOP Chairman Joe Gerber with Val Katz at the ISOP award banquet. Right: Val is congratulated by associates on her award at the ISOP banquet.



## CHAPTER SCHEDULED PROGRAMS FOR 2002-2003

By: Deborah Somers, CPCU, 2<sup>nd</sup> VP and Program Chairman

As the Chairperson for Programs in the 2002-2003 year, I plan to continue our tradition of providing interesting and timely programs for our monthly breakfast meetings. One of the greatest values of our membership in the CPCU Society is the opportunity to meet and interact with other CPCUs and insurance professionals while exchanging knowledge and views. We encourage everyone to join us, and bring along your friends and co-workers. These meetings are open to the public and non-CPCUs. Please read on for the current program schedule.

Ticket prices are \$22 for members and \$30 for non-members and other guests. "Season Tickets" are also available for purchase at a price of \$150 for 8 meetings (full season pass) or \$80 for 4 meetings (half season pass). Tables of 10 may be purchased for \$250 (half tables for \$125). You may call Peg Dence at 215-627-5306 for further details and information about reservations. Peg can also be reached via e-mail at [pdence@insurancesociety.org](mailto:pdence@insurancesociety.org).

Many of our meetings will be filed for CE credits, so please check the specific program flier when you receive it. You can also obtain information on current and future meetings by visiting the Chapter's website at [www.philadelphiacpcu.com](http://www.philadelphiacpcu.com) and go to the 2002-2003 Programs page link where you will also find a Reservation link in the left margin that will take you to the flier/reservation form for our next meeting. Simply print the form and mail it with your check. Meetings for the winter and spring are still being planned, so please feel free to e-mail any suggestions to me at [djsomers@att.net](mailto:djsomers@att.net)

DATE	TIME	LOCATION	TENTATIVE TOPIC & SPEAKERS
9/19/02	8:00AM	Doubletree Hotel, Broad & Locust, Philadelphia	Our first meeting will be "View From the Top - Capacity Issues" with several insurer executives. For a copy of the flyer click here.
10/10/02	8:00AM	Doubletree Hotel, Broad & Locust, Philadelphia	A panel of Agents and Brokers is expected to discuss the latest issues.
11/21/02	8:00AM	Doubletree Hotel, Broad & Locust, Philadelphia	To be determined
12/3/02	8:00AM	Philadelphia Marriott 1201 Market St, Philadelphia	PHILLY I-DAY. For further information on Philly I-Day and photos click here <a href="http://philly.htm">philly.htm</a>
1/16/03	8:00AM	Doubletree Hotel, Broad & Locust Sts., Philadelphia	To be determined
2/20/03	8:00AM	Doubletree Hotel, Broad & Locust Sts., Philadelphia	To be determined
3/12/03 tentative	11:30AM	Radisson Warwick Hotel, 17th & Locust Sts., Philadelphia	Franklin Award - Recipient to be determined
4/17/03	8:00AM	Doubletree Hotel, Broad & Locust Sts., Philadelphia	Ethics Awareness and the election of Officers and Directors for the July 1, 2003-04 Chapter year.
5/15/03	8:00AM	Doubletree Hotel, Broad & Locust Sts., Philadelphia	To be determined
6/19/03	8:00AM	Doubletree Hotel, Broad & Locust Sts., Philadelphia	To be determined. Also includes the annual business meeting, installation of new Officers and Directors and the awarding of scholarships.



## THE PRESIDENT'S COLUMN

By: Ann Myhr, CPCU, Chapter President

**A**s I begin my term as President of the Philadelphia Chapter, I experience a range of emotions. I am honored to accept the responsibility of leading the Chapter over the next year. I am also somewhat awed by the company of past chapter leaders that I am following. This is a chapter with a long history and a great tradition of excellence. Val Ullman-Katz is to be congratulated on the terrific job she has done in moving the chapter forward over the past two years. I will continue to depend on her wise counsel and support during my term. We are also fortunate to have the continued involvement of several other Past Presidents including Pete Palestina, T.C. Mc Donnell, and Art Hanebury.

In my acceptance speech during Installation at the June meeting, I referred to an article I recently read about Steve Ballmer taking over as CEO at Microsoft. While the Philadelphia Chapter may not be as large as Microsoft, there were many correlations in this article as far as transitioning leadership. One of these was a newsletter from Ballmer called "Realizing Potential." This struck a chord with me because there is so much talent in our chapter and so much additional potential to be realized. There have been many accomplishments over the past several years. My objective for this year is to build on this foundation as we go forward. Our goals for the 2002-2003 year will track with and support the Society's Strategic Plan. This plan includes two main goals: 1) to make CPCU the most widely recognized, valued, and highly respected professional designation in the P&C industry, and 2) all Society members have access to a continually increasing number of programs and services that position them for success. We will also have some fun along the way with many networking opportunities in addition to many educational and professional development programs.

The primary job of the Chapter's Officers and Board is to serve the needs of our members. First Vice President Bruce Osgood will be working with me on the I-Day committee. Debbie Somers, Second Vice President, is responsible for Programs and is already working on a dynamic View from the Top presentation for September. David Shepherd has graciously agreed to continue as Treasurer and Rita Hoffstein will assume the role of Secretary. The Board will be working over the summer to ensure that the coming year is a successful and rewarding time for the Philadelphia Chapter. We welcome your comments, suggestions, and input. It is important that we hear from our members in order to understand your needs. Please take time to visit our Website and review the Committees section to see what is planned for the upcoming term. I also urge you to become involved and to contact the designated Committee Chairs to see how you can contribute to the continued growth of the Philadelphia Chapter.

I hope you have had a safe and relaxing summer and I look forward to working with you during this year.

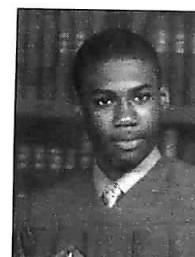
## Julia White and Kenneth Wilson Receive Scholarship Grants

This years Chapter Scholarship Grant recipients were Julia White and Kenneth Wilson pictured below. They received their grants at the Chapter's Annual Business Meeting of June 20, 2002. Julia received a \$1,000 Grant and Kenneth a \$750 Grant. We wish both of these worthy and bright individuals success in their college studies. Julia will be attending Villanova and Kenneth will be at Drexel.

*Right: Julia White, 2002 Scholarship grant recipient of \$1,000.*



*Left: Kenneth Wilson, 2002 Scholarship grant recipient of \$750.*



*Left: Incoming Chapter President Ann Myhr presents plaque to outgoing President Val Katz.*



*Right: Newly installed President Ann Myhr addresses members after her installation at the June meeting.*

## Chapter Research Project The Experience of Insurance Professionals as Temporary Workers

By Harry Cylinder, CPCU, ARM

For much of the past six years, I have been working (not by choice) as a temporary worker in various positions. My experience gave me a desire to investigate if other temporary workers had experiences similar to mine.

I designed a questionnaire and with the help of Insurance Overload Systems, circulated it to approximately 195 current and former temporary workers. 54 questionnaires were returned, a response rate of about 28%.

Almost 70% of the respondents had ten or more years experience in the insurance industry. Most had been temporary workers for a year or less, indicating this was probably a transitional stage in their careers. Over 13% were unemployed at the time of the survey.

Adjusters and other claims workers had the best chance of finding temporary jobs to fit their previous experience, underwriters less so, and managers the least success of all.

In general, temporary workers are able to use their previous skills and gain new ones; however, they often are not able to participate in training programs while on assignment. While benefit programs are available, few take advantage of them.

The best things about temporary work, according to the survey, are: flexibility, variety and getting a weekly paycheck. Most disliked features were: uncertainty, insecurity and instability.

Those who want to read the entire paper or complete the questionnaire can contact Pete Palestina, at [peteypal@aol.com](mailto:peteypal@aol.com). (If you don't have access to the Internet, call me at 215-924-4227.)

*My thanks to Val Katz and Lilly Cowan for their encouragement, Anita C. Kranz for her help with the questionnaire and T.C. McDonnell for reviewing the first draft and making suggestions.*

## MAY MEETING RECAP - ALL-STAR PANEL ASSESSES THE FUTURE OF WORKERS COMPENSATION INSURANCE AFTER 9-11

By: Martin J. Frappolli, CPCU, AIS

On May 16 2002, a four-member panel of Pennsylvania and New Jersey Workers Compensation Insurance heavyweights joined the monthly breakfast meeting of the Philadelphia Chapter CPCU Society to weigh the near-term and long-term aftermath of the September 11 attacks. Panelists included Grover Czech, JD, Executive Director of the New Jersey Compensation Rating & Inspection Bureau, Wayne McOwen, ARM, Senior Vice President for Government Affairs, GUARD Financial Group, Henry Schramm, Senior Vice President and Chief Underwriting Officer, PMA Insurance Company, and Tim Wisecarver, FCAS, Director of the Pennsylvania Compensation Rating Bureau.

According to Grover Czech, the events of 9-11 have imperiled the whole system of Workers Compensation insurance. Workers Compensation is a statutory coverage in all 50 states, and in any of those states it would require legislative action to permit exclusion of the terrorism peril. While primary insurers are required to cover WC losses from acts of terror, reinsurers now routinely exclude the coverage, and a big unfunded liability is created. Mr. Czech also noted that claims from the 9-11 attack are categorized as a catastrophic event (all related claims for the dates of 9/11/01 through 9/14/01) and thus are excluded from ratemaking data and from the experience modifications that affect the rates of individual insureds.

From the perspective of a ratemaking entity such as the New Jersey Compensation Rating & Inspection Bureau, Mr. Czech addressed the issue of rates and the increased terrorism risk. Should rating be the way to deal with terror exposures? While he indicated that the cost of terror exposures will be reflected in the January 2003 filing for New Jersey WC rates, Mr. Czech regards rates as the short-term answer to the terrorism peril. For the long term, he suggested that we consider some alternatives that are national in scope. He envisions a federal 'backstop' as one source of funding. Alternatively or in conjunction with the government funds, he described a national pool, funded by catastrophe surcharges, to pay for terror events. Were individual insurers to maintain their own catastrophe surcharge funds, none would develop a fund large enough to fully protect against insolvency.

Wayne McOwen, of GUARD Financial Group, was quick to endorse the notion of a federal backstop, noting that it is "essential to maintain the integrity of the Workers Compensation system." He pointed out that while Congress was quick to respond to the airline financial crisis after 9-11, it is not convinced of any insurance crisis. He reported that the House of Representatives has developed a plan which would permit insurers to apply for federally guaranteed loans after paying terrorism claims. Meanwhile, the Senate plan includes a quota share program to mitigate the impact of a terror event on primary insurers, thereby inducing reinsurers to re-enter the market. Mr. McOwen noted that while acts of terror may have a financial impact similar to natural events such as hurricanes and earthquakes, they are much harder to predict. While the "bailout" debate goes on, the insurance availability issues persist and the risk is shifted down to the primary carriers and ultimately to the insureds.

Henry Schramm, VP and Chief Underwriting Officer, PMA Insurance Company, emphasized that the insurance industry must apply the proven techniques of rigorous risk management to handle terrorism exposures. While the traditional methods of underwriting are required, the traditional knowledge lends very little to understanding the terrorism risk. We cannot rely on history to manage this new peril. Concentration of employees has become a critical consideration; proximity to other likely terror targets is important; exposure mapping is now more than flood, wind, and earthquake; insurers will need to restrict the number of employees covered within a major city or working in high-rise buildings.

Mr. Schramm noted that 19 property insurers participated in the primary coverage on the World Trade Centers, and not one had a terror exclusion, even after the bombing attempt in the early 1990's. Since 9-11, there are several shattered paradigms. The notion of PML (probable maximum loss) on a high-rise building has changed from 1-3 floors to 100% of the structure. Although high-rises were once regarded as safe, sound structures, the building codes and collapse potential are being re-evaluated. The events of 9-11 have changed underwriting by adding a new peril to consider. While he feels that a federal backstop to fund terror losses is important, Mr. Schramm believes that the basics of underwriting have not changed, and insurers should remember to understand and assess each risk.

Tim Wisecarver, Director of the Pennsylvania Compensation Rating Bureau, noted that even though the total loss from the 9-11 terror attack is estimated to be in the range of \$30-60 billion, there have been few insolvencies of primary insurers, due to the presence of reinsurers. He reiterated Mr. Czech's point that the 9-11 catastrophe costs are not included in WC rates, and that insurers are still contemplating how to handle this new and poorly understood peril, with its potential for environmental, nuclear, and biological risk. In coming to terms with the terror peril, a challenge to the industry will be discovering the kind of information that must be collected to get meaningful statistics to measure and assess this new risk.

Like the other three panelists, Mr. Wisecarver endorsed the creation of a federal backstop to

fund terror exposures. He cautioned that the worst-case scenario would be for the federal government to "do something that is not very good." Even if federal action is ineffective, it would then become difficult to persuade any other governmental or regulatory entities to act on the problem - "The Feds have already addressed it." He reports that in another state, there has been a rate filing for an 8% surcharge, which was calculated to support one event of 9-11 severity every 10 years. Already, carriers in Pennsylvania have begun to ask when Pennsylvania will seek a similar terrorism catastrophe surcharge. Mr. Wisecarver notes that, it Pennsylvania and all other states implemented such a surcharge, the resulting funds would be more than sufficient for a WTC type event on an annual basis. He recommends that we instead consider the problem on a national basis.

Following the presentation by the panel members, the audience submitted open-ended questions for discussion. The panels' unanimity in supporting a federal backstop for funding terrorism losses sparked much of the debate over the merits and degree of federal involvement. Some audience members wondered if the private mechanisms of insurance and reinsurance, operating in a free market, could not produce more efficient results than the federal government. Other questions reflected an opposite viewpoint, asking if the need for federal involvement in terror funding was a justification to move the regulation of insurance from the state to the federal level. Tim Wisecarver said that the best argument for a federal backstop is one of economic efficiency - the size of the fund required can be accomplished and managed much more effectively by the single entity of the federal government than by every individual insurer or groups of primary carriers and reinsurers. On the topic of regulation, Wayne McOwen made the case for federal involvement. As the Senior VP for Government Affairs, he has dealt with regulators on a state level and on a federal level for both insurance and banking issues. His take on state regulators is that they are "far worse and slower." He cited how federal regulation is a success with banking, and that model could be applied to insurance. Grover Czech took a different view, noting that "if one state regulator holds you up, you have 49 other states to conduct business, but if the Fed holds you up, you're dead in the water."

The Philadelphia Chapter of the CPCU Society conducts eight breakfast meetings yearly (September, October, November, January, February, April, May, June), hosted at the Doubletree Hotel at Broad & Locust Streets from 8:00 - 10:00 a.m. Each month features a variety of guest speakers and panelists covering insurance topics of interest to both professional and the general public. Tickets for the breakfast and meeting are \$20 for paid members of the Philadelphia Chapter CPCU Society, and \$25 for all others. New and returning attendees are always welcome; for more information, see our website at <http://www.philadelphiacpcu.com/programs.htm>.



Grover Czech



Henry Schramm



Wayne McOwen



Tim Wisecarver

Right: May meeting panelists prepare to address the post 9-11 workers comp market.



Left: Some of the crowd on hand at the May meeting.



## 2001 - 2002 ANNUAL REPORT TO CHAPTER MEMBERSHIP

Prepared by: Valerie Ullman Katz, CPCU

President 2001 - 2002 Chapter Year

On behalf of the Board of Directors of the Philadelphia Chapter I am pleased to report another great year. Hear are some of the highlights:

- Small Acts of Kindness: LEAP Academy, Camden, NJ, Working Wardrobe, PhilAbundance, Red Cross Donations, Special Olympics, Bethany Christian Services
- Fourth Annual Golf Outing for Temple University Scholarships
- Chapter Scholarships were awarded to two college bound students
- Participated in the UCP Run for Insurance Education
- Co-sponsored a cocktail hour with the NAIC
- Our Web site remains the largest and most comprehensive of any chapter site
- Hosted two Mix & Mingle evenings put together by our Membership Committee
- Held Fire Safety Essay contests with school districts
- Presented the Franklin Award to Walter Bateman, CPCU, President and CEO of Harleysville Group in March.
- Held 4 seminars or workshops co-sponsored with the Society
- Sent 7 members to the National Leadership Institute conference in June.
- Completed a Research project by Harry Cylinder
- We submitted for every award made available by the Society at their highest level, including the Gold Chapter Circle of Excellence Award.
- Had Governor Mark Schweiker declare March 12, 2002 as CPCU Day in PA.

### CANDIDATE RECRUITMENT and DEVELOPMENT COMMITTEE

Chaired by Rita Hoffstein, CPCU. The Committee maintained an active list of candidates and sent out invitations to our meetings. On-site discussions for CPCU and IIA candidates were conducted. Good luck letters were mailed to candidates encouraging their continuance in the program. This Committee also intertwines with the Personal Sponsorship Committee with at least 25 CPCUs involved. A booth was maintained at I-Day and solicited Chapter contributions to the Harry J. Loman Foundation.

### CHAPTERGRAM

Peter F. Palestina, CPCU, Editor of the ChapterGram since 1983, published four issues (eight pages each) which were distributed in September 2001, December 2001, March 2002 and June 2002. The current issue is also always published on our website. We continue to receive compliments from both internal and external readers about the ChapterGram and we do send it to members of other chapters who are on our mailing list. It also serves as a model for other chapters.

### CONTINUING EDUCATION

We filed and received CPD credits for three breakfast meetings. In addition, our co-sponsored seminars and workshops were filed for and qualified for CE credits as well as CPD credits.

### DIRECTORY

Through the efforts of the Membership Committee chaired by Courtney Alegro, CPCU and David Shepherd, CPCU, a Membership Directory continues to be available on the Chapter's web site.

### EDUCATION COMMITTEE

Chaired by Mary Ann Ryan, CPCU worked with the Seminars Committee, Insurance Society of Philadelphia, I-Day and the Speakers Bureau in bringing educational value to the members and the general public.

### FIRE ESSAY CONTEST

Peter Palestina, CPCU, chaired the 18<sup>th</sup> annual Fire Safety in the Home Essay Contest co-sponsored by the Council Rock School District in Bucks County, PA. The contest was held in October 2001 during National Fire Prevention Week. Awards were presented to the winning elementary students at two public meetings.

### FRANKLIN AWARD

Josephine Battisti, CPCU Chaired this committee. Our recipient for the annual award was Walter Bateman, CPCU, President and CEO of Harleysville Insurance Group. Chapter President Val Katz also used the forum as an intro to Ethics Awareness Month, displaying posters and remarking on ethics as part of her speech to the audience during the luncheon ceremony.

### FRANKLIN AWARD SEARCH COMMITTEE

The Committee Chair, Arthur Hanebury, CPCU and the Committee worked diligently to compile a list of candidates for consideration of the Franklin Award. The Committee also encouraged membership participation in the nominating process through the ChapterGram and the website. A list of potential recipients was forwarded to the Chairman of the Selection Committee so that a worthy nominee could be designated as a recipient.

### FRANKLIN AWARD SELECTION COMMITTEE

Chaired by Art Hanebury, CPCU and was responsible for selecting this year's recipient Walter Bateman, CPCU.

### GOOD WORKS

Through the hard work of several of our members we performed the following Good Works efforts: LEAP Academy, Camden, NJ, Working Wardrobe, PhilAbundance, Red Cross donations, Special Olympics, Bethany Christian Services.

### INTEREST SECTIONS

Cynthia Wolkiewicz, CPCU provided Chapter members with information on the various Sections within the Society. Val Katz was selected to participate on the Total Quality Section Committee.

### MEMBERSHIP

The Membership Committee, certainly the largest committee in our Chapter co-chaired by Courtney Algeo, CPCU, and David Shepherd, CPCU, met several times during the year. The Committee coordinated two Mix and Mingle events in conjunction with Candidate Development Committee, chaired by Rita Hoffstein, CPCU. The Committee also encouraged candidates to become members in the Chapter in accordance with the change in the National Society's By Laws. Members worked on a calling campaign to contact unpaid members encouraging them to come back in the fold.

### NATIONAL LEADERSHIP INSTITUTE

The NLI (National Leadership Institute) conference was held on May 29 – June 1, 2000 in Las Vegas, NV. Seven Chapter members attended: President Valerie Katz, President elect Ann Myhr, Second Vice President elect Debbie Somers, Lilly Cowan, Eric Fitzgerald, Clint Gillespie and Pete Palestina. Ann Myhr and Clint Gillespie completed their NLI certification. Pete Palestina spoke at the sessions, sharing his vast experience with the attendees.

### NATIONAL SERVICE

Several members applied for National Society service for the upcoming year and others served on National Committees during the current year.

### NEW DESIGNEES LIAISONS

The New Designee Liaisons for this year was Marty Frappolli, CPCU. New Designees were invited to a cocktail hour and to the Mix & Mingle events.

### NOMINATIONS COMMITTEE

Art Hanebury, CPCU, chaired the Committee this year. The Committee's role was to recommend a slate of candidates for officers and directors for the upcoming year. Their work was completed in February and the full slate of recommended candidates was elected at the April meeting.

### PERSONAL SPONSORSHIP COMMITTEE

Chairperson Rita Hoffstein, CPCU, worked to match sponsors with candidates. At least 25 Chapter members were Personal Sponsors during the Chapter year.

### PHILLY I-DAY

Ann Myhr, CPCU was our Chapter's Co-Chairman member of the I-Day Executive Committee and reported that our I-Day held on December 11<sup>th</sup>, was in every respect a smashing success. We received very positive feedback on our morning sessions. Our morning General Session featured key industry executives comprising a panel moderated by Norman Baglini, PhD, CPCU, President Emeritus American Institute for CPCU. The panelists discussed Insurance Market Dynamics. Larry Brandon, PhD, CPCU, and Norm Baglini congratulated our new designees, presented diplomas and administered the CPCU Charge to all CPCUs in attendance.

### PROGRAMS

Program Chair was Lilly Cowan, CPCU. Our Programs for the year were as follows:

9/20/01	View from the Top
10/18/01	Disability in the Workplace
11/15/01	Pay as You Drive Automobile Insurance
12/11/01	I-Day
1/17/02	Internet and the Insurance Industry
2/21/02	Overview of 2002-2007 CPCU Society Strategic Plan
3/12/02	Franklin Award
4/18/02	Empowerment of the Individual: Existentialism and Modern Ethics
5/16/02	Panel: Workers Compensation Insurance Updates
6/20/02	Motivation of the Volunteer

### PUBLIC RELATIONS

Theresa McCarthy Games, CPCU and Eric Fitzgerald, CPCU, served as the Chapter's Public Relations Chairpersons. This Committee plays an important role in securing public recognition for chapter activities, advising the public through the media of important events, and gaining recognition for the CPCU designation. We attracted a great deal of attention in our September meeting when Dominic Frederico of ACE USA spoke about the insurance industry in the wake of the World Trade Towers destruction. A letter to the editor of the

Philadelphia Inquirer, penned by Val Katz was published in response to the article written. Many of our functions and accomplishments appeared in the Bucks County Courier Times and on the Bucks News Network website.

**RESEARCH**

Harry Cylinder, CPCU submitted a research project entitled "The Experience of Insurance Professionals as Temporary Workers".

**SCHOLARSHIP**

Two scholarships were awarded to children of Chapter CPCUs to assist them in their college careers.

In May the Philadelphia Chapter joined with the Valley Forge Chapter to sponsor the annual joint golf tournament. All of the proceeds are donated to the Risk Management Department of Temple University and used to directly benefit undergraduate insurance students. The Society's Loman Foundation matches the contributions made by both Chapters. The golf tournament honors the memory of two outstanding local industry leaders, Bob Hedges, CPCU of the Philadelphia Chapter and Ernie Gaugler, CPCU of the Valley Forge Chapter

**SECTIONS**

Cindy Wolkiewicz took over as liaison for forming or encouraging Sections within the Chapter. Many of our Chapter members are Section members as well. Section Membership helps focus the industry professional on her/his individual field. Section Newsletters are filled with information pertinent to the specific field.

**SEMINARS**

Cindy Wolkiewicz, CPCU, Chair of the Seminar Committee, reported that the chapter hosted the following workshops:

- 10/10/01 Commercial General Liability Workshop
- 2/27/02 Additional Insured and Certificate of Insurance Issues Workshop
- 4/4/02 Insuring Defective Construction Workshop
- 6/10/02 Co-sponsorship of the CPCU Regulatory and Legislation Committee Meeting during the NAIC Conference in Philadelphia.

**WEB PAGE**

Pete Palestina deserves continuous kudos for the website, [www.philadelphiacpcu.com](http://www.philadelphiacpcu.com).

Our chapter has been recognized as having the most comprehensive web site in the Society.

**YEAR END 7-1-2001-2002 OFFICERS AND DIRECTORS**

- President.....Valerie Katz, CPCU
- First Vice President .....Ann Myhr, CPCU
- Second Vice President .....Lilly Cowan, CPCU
- Secretary .....Bruce Osgood, CPCU
- Treasurer .....David Shepherd, CPCU
- Director .....Cindy Wolkiewicz, CPCU
- Director .....James Fryer, CPCU
- Director .....Rina Williams, CPCU
- Director .....Rita Hoffstein, CPCU
- Director .....Martin Frappolli, CPCU
- Director .....Charles Butler, CPCU
- Ex Officio Member Past President .....Peter Palestina, CPCU



Above: New officers and directors sworn in by Ron Arthur at the June meeting.



Above: Pete Palestina, subbing for Val Katz, passes the gavel to new President Ann Myhr.



Above: Chapter members at the June meeting taking the CPCU oath.



Above Left: Rina Williams receives scholarship award from Ann Myhr at the June meeting. Above Right: Director & Seminars Chair Cindy Wolkiewicz, CPCU holds the President's Award for Chapter Member of the Year that she received at the annual business meeting. Below Left: Scholarship recipient Julia White with her proud dad Larry. Below Right: Julia White scholarship award from Ann Myhr at the June meeting.



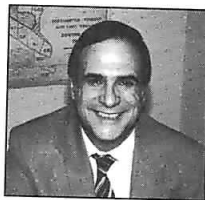
**Financial Report Fiscal Year 2001-2002 as of June 30, 2002**

	Actual	Budget
<b>Income</b>		
Advertising	-	-
Dues	28,081.00	29,000.00
Franklin Award	5,655.00	3,600.00
Fundraising	29.00	500.00
I Day	3,000.00	500.00
Interest	57.16	150.00
Miscellaneous	-	50.00
Programs at Breakfast	7,672.50	10,000.00
Seminars	550.00	500.00
Scholarships	1,500.00	2,000.00
Social	-	1,200.00
<b>Total Income</b>	<b>46,544.66</b>	<b>47,500.00</b>
<b>Expenditures</b>		
Administration	1,675.54	3,000.00
Advertising*	436.96	300.00
Annual Meeting	-	100.00
Candidate Development	-	500.00
Careers in Insurance	-	100.00
Chaptergram	9,148.01	9,500.00
Essay Program	871.40	1,225.00
Franklin Award	7,371.26	6,500.00
Good Works	550.00	1,000.00
HJ Loman Foundation	967.70	650.00
ISOP Membership Dues (ISOP)	130.00	150.00
ISOP Luncheon	275.00	250.00
Membership***	1,087.44	250.00
New Designee	613.66	750.00
NLI	-	2,250.00
Programs****	20,845.66	21,000.00
Public Relations	-	250.00
Research Project**	39.14	1,000.00
Scholarship****	1,750.00	2,000.00
Seminars	-	100.00
Social	1,596.97	2,000.00
Systems Automation	-	50.00
Web Site	295.79	325.00
<b>Total Expenditures</b>	<b>47,654.53</b>	<b>53,250.00</b>
Revenue over (under) Expenditures	(1,109.87)	(5,750.00)
* Includes 2000-2001 Expense of \$ 436.96		
** Includes 2000-2001 Expense of \$ 12.10		
*** Includes 2001-2002 Survey Expenses of \$ 1087.44		
**** Includes 2002-2003 Scholarship Accrual of \$1,750		
***** Includes 2002-2003 Program Accrual (June Hotel Fee) of \$2,000		
Account balance - as of:	6/30/2002	
Checking balance: Mellon	16,071.21	
Savings balance: Mellon	1,137.87	
Checking balance: First Union	-	
Savings balance: First Union	-	
	17,209.08	

Balances reflect payments made/acrued but not presented

# From the Editor

PETE PALESTINA, CPCU



Many of your Chapter Officers and Directors attended the late May NLI and the Chapter Leadership conferences held in Las Vegas. Much was learned from the chapter sessions that will enable us to move forward making your membership more meaningful. We also had a great time enjoying after hours fun as evidenced by the photos. As to the NLI itself, this is a neat way to enhance professional leadership skills.

## What Is the NLI?

Participants at the CPCU Society National Leadership Institute receive specialized leadership training for financial services professionals by financial services professionals. NLI trainers speak your language . . . they know your challenges . . . they understand your business. This unique training program is not offered anywhere else in the industry. It's a "must attend" program for aspiring leaders.

## A Short-Term Commitment Yielding Long-Term Results

Just four NLI seminars will earn you the NLI Certificate of Completion. The NLI is offered twice each year in different locations so you can plan to take certificate seminars when and where it is most convenient for you. Five courses are offered at each Institute giving you an in-depth exposure to important leadership concepts. Each course is designed to give you practical skills you can take back and apply immediately. The National Leadership Institute certificate is a sign that you've taken the steps to truly excel in your career. The upcoming CPCU Society Annual Meeting & Seminars offers you an Optional Pre-Meeting NLI:

### Thursday & Friday, October 17 & 18

**Optional Pre-Meeting NLI Leadership Seminars**— Society members working toward the National Leadership Institute Certificate of Completion should take advantage of these optional pre-Annual Meeting leadership seminars—designed for industry professionals who want to develop and hone leadership skills to enhance workplace performance.

### Choose one of five concurrent seminars.

**Effective Communication Skills**—In today's competitive world, effective written and verbal communication may make the difference between success and failure. In this two-part seminar, you will learn how to create positive and long-lasting good impressions using proven business communication techniques. You'll learn how to sell your ideas and lead projects with renewed communication confidence!

**Facilitative Leadership Skills**—This six-hour seminar will help you plan and conduct productive meetings to get results! Learn how to solve problems and make important group decisions at work or within your chapter. Improve your department or chapter planning activities in a dynamic training environment led by experienced industry professionals.

**Finance for Nonfinancial Managers**—This seminar is designed to provide a broad overview of financial terminology and analysis tools for non-financial people responsible for making business decisions.

You'll gain a better understanding of financial and accounting terms, principles, and ratios; learn how to prepare budgets that support business goals and objectives; use financial statements to analyze financial performance; and interpret budget to actual results.

**Practical Techniques for Project Management**—With this introductory course, you will develop a broad understanding of project management methods. Gain practical experience in proven project management techniques you can apply every day. You can use these principles with any project regardless of its size or nature. This session begins with an overview of project management as well as a discussion of why so many projects do not succeed. You'll learn basics to initiate, plan, execute, control, and close your projects.

**Developing Resilience in a Rapidly Changing World**—The insurance industry is going through times of dramatic change. Yet, five years from now, "today" may seem like the good old days of stability. Now is the time to make sure you are ready to handle these changes and prosper in the years ahead. This program will help you acquire skills to manage change successfully and influence your future in a positive way.

Right: Society's Valerie Harchuck with Chapter President Val Katz at the Las Vegas, NLI.



Left: In front of the Bellagio's fountain after a Regional dinner with fellow CPCUs are: Joan Palestina, Val Katz, Debbie Burton, Pam Evans, Susan Weber, Ann and Rick Myhr.

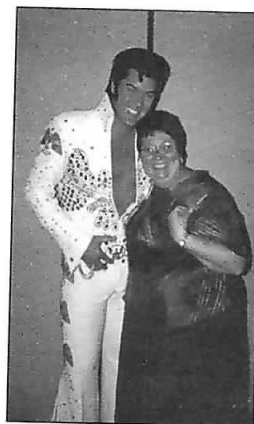
Right: Lilly Cowan gets to spin the wheel and win a Society prize at the NLI reception for Chapter Officers & Directors.



Left: Pat Coleman gets a special treat from Elvis.



Above: Society's John Kelly sang the National Anthem as a duet with Elfreda Murray of Bakersfield, CA at the NLI reception for Chapter officers & directors. And yes they were very good.



Val Katz (left) and Joan Palestina (right) gets to pose with the big E in Las Vegas.



## Chapter Members Took Opportunity To Visit the NAIC

In conjunction with the National Association of Insurance Commissioners (NAIC) Summer Meeting in Philadelphia, the CPCU "Regs and Legs" Committee, the Philadelphia Chapter of CPCU, and Saul Ewing LLP joined forces to present us with a great opportunity to:

- Learn about the activities of the CPCU Regulatory and Legislation Committee
- Share our insights to make the Committee more valuable to us
- Attend one session of our choice at the NAIC meeting
- Socialize with CPCU members from around the country
- Network with NAIC attendees and invited regulators

This opportunity was seized by several chapter members and we share some of the photos with you. Our thanks to Saul Ewing for putting this together and inviting us. We had the opportunity to discuss issues with the Regs and Legs Committee.

The **CPCU Regulatory and Legislation Committee** is dedicated to promoting fair and open communication about federal and state public sector issues and trends. The Committee meets during the quarterly NAIC meetings, produces a newsletter, and sponsors educational seminars.



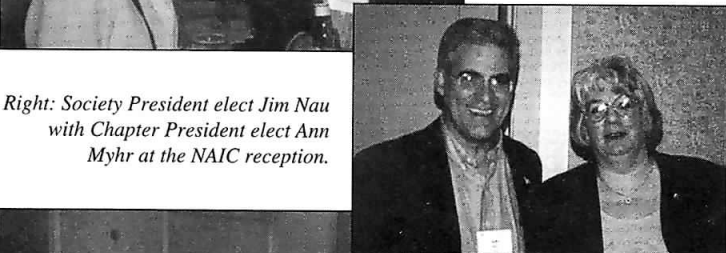
*Left: L-R: briefing chapter members at the Legs & Regs session of the NAIC were: Linda Kaiser, Don Ainswith, Chairman Sapanik and Society President elect Jim Nau.*



*Right: L-R: Karen Porter, Rina Williams, Grace Vandercruze and Terry Macko at the Saul Ewing NAIC reception.*



*Left: Chapter director Debbie Burton chats with Society President elect Jim Nau at the NAIC.*



*Right: Society President elect Jim Nau with Chapter President elect Ann Myhr at the NAIC reception.*



*Left: Chapter members gave input at the Legislature and Regulatory sessions at the NAIC.*

## Volunteering at the Special Olympics

Charles Butler, CPCU

Intrigued by our chapter president's, Val Katz's, infectious enthusiasm reporting her experiences at last year's Handicapped Olympics, I decided I wanted to share some of the same satisfaction myself this year. Arriving at the Philadelphia Northeast High School's massive sports fields about 9 am Saturday morning May 4th, I found volunteers scurrying about and the general bustle of preparation already underway. I reported to the volunteers' registration booth, filled out an information form, was handed a 2XX tee shirt to identify me as a volunteer and told to report to the Olympic Village at the far end of the facility for my assignment. Off I went in my volunteer tee and tan Philadelphia CPCU cap to find my niche for the day. (I should have brought sun tan lotion--and will think of that next year--but I'm so far from my athletic youth it never crossed my mind.) I was impressed with the huge number of volunteers coming from every which direction. So many in fact that I never caught up with the other CPCUs from our local chapter who were there to volunteer as well. Because of the various levels of ability and disability represented by the Olympians, special volunteers are assigned to each one to assist with the packed, but geographically scattered and precisely scheduled order of the day. The main events took place in Northeast's sunny stadium area, but downtime would be filled with sponsored outlying games and contests offering prizes for all and free medical screenings for those who wanted them. My assignment was to guard the Olympic Village gate with a pleasant little Black lady that worked as a public school security guard and could pass for a top sergeant in any man's army. I supplied height and backup, but I really felt she didn't need the window dressing. Olympic Village was a timeout time-filler offering carnival style games and prizes, craft activities, public relations promotions, helium balloons, clowns and an inflated plastic house for gleeful jumping and flopping. Our duty at the gate involved being sure that handicapped participants and young children were properly matched with volunteers or parents for safety's sake as they entered for the festivities.

As I said, this is a highly volunteer intensive program. Many are needed. The atmosphere is charged with excitement and fun opportunities that would pull anyone's interest this way and that. Unfortunately, many who came to volunteer found themselves separated from their charges by the attractions of peers and other pleasures. There is a need for more mature and conscientious volunteers as well as for the younger and stronger ones some Olympians need for support. I hope more of our CPCUers are able to join us next year. I think they would be a very positive leadership plus in this extremely captivating and inspiring setting. A tasty and surprisingly nutritious box lunch was provided for all the Olympians and volunteers. Activities began to slow and the crowds began to thin for the Olympic Village about 1. Buses started to load. Sadly, it too soon was over. Returning home, there was much to think about, much to be thankful for, some sunburn to treat and a personally satisfying feeling that I had been enriched by time well spent making friends with some special people and contributing to the pleasure and growth of some really worthy kids.



*Above: Chapter members once again pinned medals at the May Special Olympics.*

## June Meeting Recap

Marsha D. Egan, CPCU Gives 6 Keys to Motivating Anyone  
By Bruce Osgood, CPCU

What is motivation? Webster's dictionary defines the root word motive as: "something (as a need or desire) that causes a person to act". There are many times when we have to work with others to accomplish a task. Our guest speaker Marsha D. Egan, CPCU, as well as being VP of Underwriting at Encompass insurance and also a past president of the CPCU Society, also owns her own firm called Leadership Lights where she specializes in success coaching, and motivational speaking. I know that I felt motivated after hearing about the 6 P's to inspiring those around us.

When was the last time you said thank you to someone who did a good job for you? If you can't remember you should, because it is the easiest and most cost effective way to motivate people. People feel unappreciated and a great way to make them feel appreciated is the simple thank you. Universally understood, and absolutely free, sincere *private appreciation* for a job well done is the first key to motivation.

The second key will be easy to remember because it is the flip side of the *Public Recognition* can go a long way getting your people excited and going the extra mile on your next project. Don't like public speaking? No problem. Public recognition does not have to be an award ceremony before hundreds. It can be as simple as a posting on the company bulleting board, intra-net, or newsletter. Not only will the person recognized be motivated, but also others will be motivated so that they may be recognized.

Whenever you get the chance to show appreciation or give recognition make it personal. Personal influence and *personal contact* get better results. What are you more likely to respond to a form letter making a request for a donation to a worthy charity or someone who contacts you personally for the same purpose? We perceive the two contacts differently and the personal contact is much more effective.

Just as *perception* plays a part in our last example it is also important to motivation. Each person is different, and we need to get into their perception, what motivates you may not motivate others. Get to know those you are working with, find out what motivates them, and what their goals are. Motivation is a personal thing and a one-size-fits all approach can be ineffective.

Being in touch with what your employee's goals are is an important part of the 5th key to motivation, which is *Promotion*. If you can provide assistance in

helping others to meet their personal goals, that influence on making their lives better can greatly improve your ability to motivate them toward achieving your goals. Reward good performance with whatever support you can lend in helping others get what they want to achieve. This is a win/win and always a good situation.

Whatever you do to help inspire and motivate your team, keep it fun and remember to *play*. Everyone wants to have a good time, and even a difficult job can be easier if you can have fun doing it. So remember the 6 P's and watch you group's motivation soar.

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## PROFESSIONAL NETWORKING IN THE 21<sup>ST</sup> CENTURY

Thursday, April 25, 2002 – the Independence Brew Pub in downtown Philadelphia was host to the site of the fifth semi-annual Insurance Professional networking event - Mix N' Mingle. The event was sponsored by several leading insurance professional organizations in the Greater Philadelphia region including the Philadelphia Chapter of the CPCU Society, Casualty Underwriters Club of Philadelphia, Mariners Club of Philadelphia, Insurance Women of the Main Line and NAIW of Philadelphia. The co-sponsored Mix N' Mingle concept was developed to create 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, this Mix N' Mingle was another success. Approximately 50-60 professionals attended the 2-hour event representing 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 in the Fall of 2002.



Above Left: Past Society President Marsha Egan spoke at the June meeting.



Above Right: Chapter members enjoying the April Mix & Mingle.

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PHILADELPHIA CHAPTER, CPCU

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