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TIME TO PASS THE EDITORIAL GAVEL— *Pete Palestina, CPCU*



Pete Palestina, Philadelphia Chaptergram Editor for 20 years! Thanks for the great work, Pete.

What a ride it's been, Chaptergram editor for 20 years. It was with deep regret that, after 20 years, I tendered my resignation as editor effective June 30, 2003. I took on the Editor's job with the April 1984 issue and it ended with the June 2003 issue. That's a long time for anyone, but it was something I enjoyed very much. However, there comes a time when things need

to be turned over to someone new. I will render as much assistance as possible to Marty Frappolli, the new editor, in order to make the transition as smooth as possible and you are enjoying his premier issue right now as you read this.

The June 2003 edition was the first time we have incorporated advertising as a means of generating revenue for our Scholarship Fund and the 2008 Society Annual Meeting to be

hosted in Philadelphia. Starting with this September 2003 issue we will have expanded the Chaptergram to 12 pages of which approximately 4 will be allocated to advertising.

You can view the first issue and some milestone issues of the Chaptergram on our website www.philadelphiacpcu.com. Of course, I'm proud of that also, since I created and maintained our chapter website since its inception. I am also looking to move on from that duty, but I have promised our president that I will hold on until someone can replace me. Any takers?

In any event, we continue to receive compliments on our Chaptergram from both within and outside the chapter membership and we do send our Chaptergram to members of other chapters who are on our mailing list. My thanks to all who have assisted me in my role as Chaptergram Editor, for without them, the Chaptergram as we know it, would not be possible. And I thank you, the chapter member, for reading it and extending your kind compliments from time to time.

In conclusion, let me end by saying I have all the confidence in the world that your new editor, Marty Frappolli, will take the Chaptergram to new and even better levels. I've known Marty for a few years now, and I couldn't ask for a better successor.

Sincerely, Pete

MARK YOUR CALENDAR FOR I-DAY, BREAKFAST MEETINGS

September 25, 2003 Breakfast Meeting— View from the Top panel discussion. Always a hit with the insurance professionals in Philadelphia

October 23, 2003 Breakfast Meeting— Overview of Sarbanes Oxley and its impact. Featured speaker, our own Dave Shepherd, CPCU

November 11, 2003— Special joint meeting with the Brandywine Valley Chapter featuring National Board of Directors Vice President Donald Hurzeler, CPCU, at the ACE Building, Beaver Valley Road, Wilmington, Delaware.

December 10, 2003— Annual I-Day meeting at the Wyndham Hotel. Theme: "The Insurance Marketplace...Challenges and Solutions"

Get details at our chapter website www.philadelphiacpcu.com

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Of Special Interest:

- Philly and Brandywine Chapters give support at NLI, get recognition (p. 2)
- June photo gallery (p. 5)


Welcome: CPCU New Designees of 2003



"...there are fifty-one Philadelphia Chapter New Designees for the class of 2003..."

We are delighted to announce that there are fifty-one Philadelphia Chapter New Designees for the class of 2003. They have successfully completed all of the exam and course requirements in order to receive their diploma in New Orleans at the CPCU Society's October 2003 Annual Meeting. Each new designee will also be honored at the local Philadelphia Conferment Ceremony, to be held in conjunction with Philly 1-Day on December 10, 2003 (details are in this issue). Congratulations to each new designee; your hard work is completed, and the door of opportunity is open. All of us here at the Philadelphia Chapter look forward to meeting you and working with you. You are the future of our chapter.

Patricia A. Albright	Susan E. Mahanor
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Mary J. Bouch	Georgia S. Masterson
Ann L. Brandt	Patricia M. McDermott
John Cashwell	Matthew R. McShane
Russ Dalrymple	James A. Misselwitz
Susan M. Danielski	Nan K. Moore
Joann D. DeStefano	Leigh Anne Moriarty
Lisa H. Drakeley	Patricia A. Murray
Erin Duffey	Laura L. O'Donnell
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Kimberly Miller Finlay	Donna J. Popow
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Alexa M. Guthrie	Kevin D. Smith
Livia A. Hillmyer	Samuel Smulyan
John J. Iannello	Meg-Ann Sorber
Daniel Godfrey Jackson	Beth E. Sprigman
Cathy L. James	Deborah A. Sutton
Jeffrey M. Karam	Brandon S. Walker
Frances Anne Kilcullen	Dennis J. Wechsler
Joseph A. Lacava	Storm Wilkins
Kimberly A. Levitt	Charles W. Wilkinson, III
Kathleen Liney	Rosalind D. Williams
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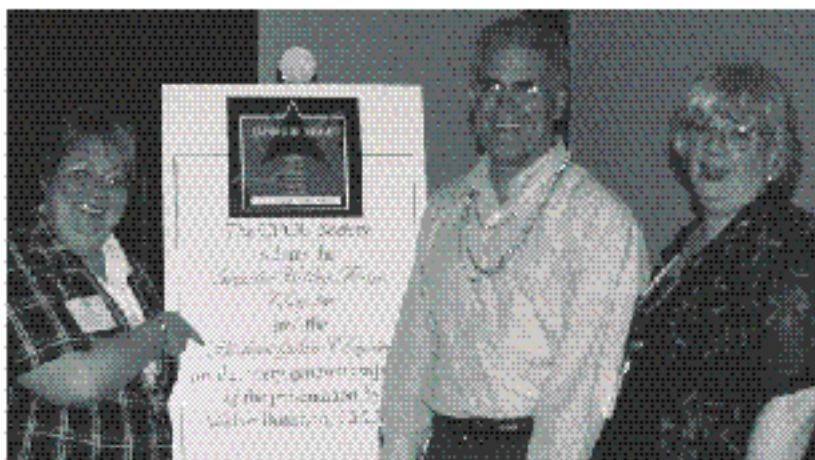
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National Leadership Institute, Tampa FL — April 2003

Chapter President Ann Myhr (right) and former President Val Ullman-Kacz flank National CPCU Society President James Nau at the spring meeting of the National Leadership Institute in Tampa, Florida. Val is gesturing toward the display which recognizes the Philadelphia Chapter's sponsorship and contributions to the success of the meeting.





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CLOSE ENCOUNTERS OF THE DEER KIND

By: Lance Mallinson, CPCU

In a heartbeat, a deer flashes into your headlights. If luck is with you, the deer disappears into the night. If not, a sickening crash follows and you become one of the thousands of motorists that collide with deer each year.

The economic costs of these accidents are staggering. Colliding with a 200 pound animal at 40 or 50 miles-per-hour can result in a body shop bill in the thousands of dollars. Car repair costs escalate quickly when you add in windshield replacement and air bags. Plus, with today's sleek, plastic composite cars, even a small impact may require total replacement of the part.

Human costs are high as well. The trauma of running into a deer is significant, especially if there are young children in the car. In some accidents deer have actually been thrown through the windshield. In an accident in Princeton, New Jersey, the hind legs of the deer came through the windshield; and the kicking legs created a bloody scene inside the car ... to the horror of the woman behind the wheel. Fortunately, most injuries are not serious, unless the motorist loses control of the car, flips over or hits an immovable object. Fatalities are rare, but they do occur and people on motorcycles are especially vulnerable.

In many suburban and rural areas, deer are as common as family pets. Most people only have cursory knowledge of these graceful, golden-brown animals. National Geographic specials seem to cover the more exotic animals but the omnipresent, whitetail deer remains a stranger. A buck can reach four feet at the shoulder and weigh 250 pounds or more. Deer can reach a top speed of 40 miles per hour ... broad jump 30 feet in a single leap... and can clear an eight foot fence. They breed in late September through November and bear fawns in the spring. Does give birth to one, two or three offspring ... and twins are very common.

Deer rest during the day, picking spots where they can see ahead of them, with a log or a ledge behind them for protection. They are extremely well camouflaged so most people don't see them until they are close enough to scare. As they bound away, it's then that we see them with their characteristic white tails up in the air. They are most active in the late afternoon through evening when they forage and feed. Not surprisingly, this is the time when most accidents occur.

One might assume that a collision with a deer would be covered under the collision coverage in their auto policy but it's not. Insurance policies state that contact with a bird or animal is not considered collision. Rather it falls under "other than collision" coverage commonly known as comprehensive coverage. This is the same coverage that applies if a car is stolen or catches fire. It does not matter whether the deer falls on the car (which has happened when a deer was struck by one vehicle and propelled into another), runs into the car, or is standing still, or is even lying dead and hit by the vehicle. If the policy is strictly interpreted, any such actual contact with the deer falls within the scope comprehensive coverage. However, if the motorist swerves to avoid hitting a deer and there is no contact, collision coverage should pay for the loss.

As more and more rural areas become suburban, the number of deer continues to multiply, and vehicles and miles traveled increase, this problem will only get worse. There are a number of countermeasures available that have had limited effectiveness. Probably the easiest to use and the most publicized deterrent is the deer whistle. For under \$10, you can peel off the paper on the self-adhesive tape and stick two plastic whistles on your front bumper. The theory is at speeds in excess of 35 M.P.H., the air being sucked through the devices creates an ultrasonic whistle that scares deer and

other animals away from the path of your vehicle. However, there does not appear to be any scientific reports that support the deer whistle theory. To the contrary, studies conducted at the University of Wisconsin indicated no visible effect on deer at distances up to 200 meters. And, tests of whistles, blown by mouth near captive deer have produced no response.

Deer crossing signs are helpful to indicate where there is an increased chance of deer being in the road. In many towns, after a high number of collisions with deer are recorded in a particular location, a deer crossing sign is automatically installed. If most people took these signs seriously and adjusted their driving accordingly, these signs would be effective. Unfortunately, the vast majority of motorists routinely ignore these warnings. Fences can help keep deer off the road. However, unless they are totally fenced in, deer will simply go further down the road to find an open crossing spot. Since they are excellent high jumpers, it is relatively easy for deer to simply jump over fences up to eight feet and proceed on their way.

Control of mushrooming deer populations must be addressed but this is often a very "emotional" issue. Especially in suburban locations, there are simply too many deer coexisting with people. Controlled hunts, lengthened deer hunting seasons, deer contraception methods can be utilized to help reduce the number of deer but each of these approaches is often met by an organized group speaking out against it.

Better education of motorists to this problem could help prevent many deer accidents. Three weeks after passing his road test, my son swerved to avoid a deer and rolled over his 1985 GMC Jimmy. He survived the crash with many bruises and a concussion; but the car he worked 2 years at the local supermarket to buy was a total loss. After his accident, I read the drivers manual that he still had in his room and there was no mention of the threat of deer accidents and how drivers might better prepare themselves to prevent them.

"A buck can reach four feet at the shoulder and weigh 250 pounds or more. Deer can reach a top speed of 40 miles per hour ..."

This is a problem where awareness can help make a difference -- especially for young and inexperienced drivers. Some simple guidelines that can help drivers reduce their chances of crashing into a deer include:

- Use extra caution in high-risk zones during high risk times.
- Deer collisions peak during spring when deer begin moving over their entire range in search of food and in the late autumn when they are more mobile, evading hunters and mating.
- The time of greatest danger is two hours after sunset when deer are moving in search of food and water and there are a high number of cars on the road. Two hours before sunrise is also a high risk time.
- Be alert to areas with deer crossing signs since deer collisions caused the sign to be posted in the first place. Deer are creatures of habit and they often follow the same paths to get to food and water on the other side of the road.
- Be extra cautious in areas where vegetation and trees are close to the road since there is little room to spot deer before they cross. The deer that my son swerved to avoid came out of a Christmas tree farm that closely bordered the road. He never saw the deer until it was right in front of him.
- Drive defensively
- In rural areas, drive more towards the center of the road to give yourself more reaction time. Be careful not to overreact when a deer is in your path. In some cases you may have no alternative



CLOSE ENCOUNTERS OF THE DEER KIND, continued

- but to hit the animal rather than lose control or go into oncoming traffic.
- People that drive motorcycles or vehicles with a high center of gravity need to take extra caution for obvious reasons.
- Keep a broad range of vision to pick up the motion of deer just off the side of the road.
- Since most deer accidents occur at night, keep your headlights clean for maximum illumination. Low beams may be more effective to use since they have a wider area of illumination to pick up the glint of eyes in the night along the roadside.
- If a deer is frozen in your headlights, the flicking back and forth of your lights and blowing your horn may break the deer's fixation.
- Take extra care not to follow the car in front of you too closely since a deer may cause them to stop very suddenly.
- Know the patterns of deer
- Deer are social animals. If you see one, immediately slow your speed and look for others. Cars are sometimes hit broadside by deer leaping out of the forest to join the rest of the herd that has already crossed the road.
- Deer are unpredictable. They may freeze on the road in front of you or panic and run into the path of your car at the last instant. Be prepared for anything.

"...unless they are totally fenced in, deer will simply go further down the road to find an open crossing spot..."

In the future, as deer and people populations continue to grow, there will be more and more close encounters of the deer kind. It's a problem that will have no easy or immediate solutions, but, by better educating all motorists to this threat, we can help control it.

OFFICERS INSTALLED, AWARDS PRESENTED AT THE JUNE 2003 BREAKFAST MEETING

The June program was followed by the installation of officers and directors for the 2003-04 year by CPCU Society's Ron Arthur. At the same meeting, President Ann Myhr presented service awards to several chapter members. Pictured below, top row from left: Ann Myhr presents award to Rita Hoffstein; Ann thanks Pete Palestina for his service with the Chaptergram; Chapter Officers at induction — John Cury, Dave Shepherd, Deborah Somers, Martin Frappolli, Ann Myhr; Ann presents the President's Award to Dave Shepherd.

Bottom row, from left: Ann presents Certificate of Appreciation to Peggy Dence of ISOP; Val Ullman-Katz and Jon Hensinger with Achievement Plaques; Ron Arthur addresses the audience and installs officers; Charlie Butler receives Achievement Plaque from Ann Myhr.





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President's Message—Ann E. Myhr, CPCU, ARM, AIM, AU

Welcome to the 2003-2004 chapter year; there are many plans in place to make this another successful CPCU year. The chapter's committee chairs have been working over the summer to ensure that this year will provide many opportunities for our members to develop professionally, keep up to date on industry issues, and make contact with colleagues in the industry. The real key to success, however, is the full participation and support of the over 650 members of the Philadelphia Chapter. I urge all of our members to make an effort to attend the monthly breakfast meetings, to learn about committee activities, and to get involved.

I am also pleased to announce that the Philadelphia Chapter has achieved the Gold Level Circle of Excellence for the 2002-2003 year. The chapter will be recognized at the Annual Meeting in New Orleans in October,

2003. This award is based on meeting the criteria as established by National and reflects the efforts of chapter officers, directors, and committee chairs over the last year.

The first event of the year will be our View from the Top panel discussion at the September 25, 2003 breakfast meeting. On October 23, 2003 Chapter Treasurer David Shepherd, CPCU will provide an overview of Sarbanes Oxley and its impact on the industry. In November, there will be a special joint meeting with the Brandywine Valley Chapter featuring National Board of Directors Vice President Donald Hurzeler, CPCU. Please mark your calendar for Tuesday, November 11, 2003 and note the change of location to the ACE Building, Beaver Valley Road, Wilmington, Delaware. Further details on this special meeting will be included in the November flyer and on the Philadelphia Chapter Website, www.philadelphiacpcu.com. The annual I-Day meeting will be held at the Wyndham Hotel on December 10, 2003. The I-Day Luncheon will include the Philadelphia Chapter's local Conferment for our 51 New Designees. There is also a Mix and Mingle event planned for early fall, so stay informed by checking the website regularly. These are just the plans for the first half of the year and, with Ethics Awareness Month, the Franklin Awards, and much more planned for the second half of the year, there should be something for everyone.

If you have any comments or suggestions, please share them with me or any of the other members of the Chapter Board, listed below and on the Chapter Website.

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D. Milynn Swofford, M.B.A., J.D.

June Meeting Recap—Effective Leadership, With Speaker D. Milynn Swofford, M.B.A., J.D.

By: Martin Frappolli, CPCU, AIS

As our featured speaker at the June 2003 Breakfast Meeting, D. Milynn Swofford shared the latest business research on leadership issues. Milynn holds the position of Director of Global Organizational Development at Wyeth Pharmaceuticals.

There are four fundamental questions that she posed to the audience, addressing the most relevant areas in the business arena's research on leadership. First, what is driving the current interest in leadership? How do you distinguish management from leadership? What does great leadership look like? And finally, what are leaders doing today?

Regarding the current interest in leadership issues, Milynn reminded us that we are living in an unprecedented period of change. Business and personal life have been transformed by technology such as cell phones and the internet, the globalization of commerce, and evolving work force demographics that for the first time includes four generations of workers. Some have asked if the pace of change will slow; Milynn's outlook is "Sorry, these are the good old days" – in other words, we will look back on this period as a time of stability. The pace of change will only accelerate. For this reason, she says, Change Management has become the number two issue of current business research.

The number one issue? Leadership. How does one differentiate leadership from management? Milynn says that these are complementary skillsets, and both are required in successful organizations. Management is about dealing with complexity, breaking issues down into simple, manageable concepts. Management skills include planning and budgeting for complexity, staffing and organizing, and execution by controlling and problem solving.

The focus of leadership is dealing with change. As the pace of change grows, so does the need for leadership. A leader must set a vision and a direction, align people in support of that vision, and motivate and inspire staff. Although organizations need both management and leadership, Milynn feels that most are over-managed and under-led.

What does great leadership look like? Milynn cited the five keys to great leadership that recent research has identified. First is "challenging the process." This means willingly taking on change, active risk taking, and being innovative. "Experiment – do things you've never done before." The second key is "inspiring a shared vision" and enlisting people in that vision. Next, "enabling others to act" by plugging people into power. Milynn explained that the act of enabling is that of giving power away, and that there are many kinds of power beyond authority power, such as relationship power and information power. The fourth key is to "model the way" by being ready to do the same things that you ask of others. Finally, "encouraging the heart" is the fifth key to great leadership. This is not a mere feel-good "group hug" technique, but a recognition that change is not easy to accept or embrace.

What are today's great leaders doing? The key aspect Milynn reports is "Competing for the Future," which is also the title of the most popular article ordered from the Harvard Business Review. Research has shown that persons in positions of leadership typically spend 40% of their time on issues external to the company (competitors, products, customers, etc). Of that time, they spend 30% thinking about the future. Of the time they spend thinking externally about the future, they spend 20% with colleagues to build a shared understanding. Do the math, and you see that the typical leader spends less than 3% of the time leading for the future. This is the area where growth is needed, since the future will surely be different from today's business issues, and leadership is about dealing with change.

Milynn concluded with a reminder that leadership is not a position, but a process, and that great leaders are not born leaders, but become that way using skills that we all can learn. She took some audience questions, and left us with three book recommendations to learn more about leadership: 1) Good to Great: Why Some Companies Make the Leap... and Others Don't by Jim Collins; 2) The Leadership Challenge by James M. Kouzes and Barry Z. Posner; and 3) Leading Change by John P. Kotter.

"Do the math, and you see that the typical leader spends less than 3% of the time leading for the future."



Audience members listen to D. Milynn Swofford at the June Breakfast Meeting.



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2002-2003 ANNUAL REPORT TO THE PHILADELPHIA CHAPTER MEMBERSHIP — June 19, 2003

Ann E. Myhr, CPCU, ARM, AIM, AU

On behalf of the Board of Directors of the Philadelphia Chapter, I am pleased to provide the following report of chapter activities for the 2002-2003 year. Through the efforts of the Board and our Committee Chairs, this has been a terrific year with many accomplishments. Some of the highlights include:

- A great September kick-off "View from the Top" Breakfast Meeting featuring leaders from three area insurance operations.
- The first-ever CPCU Insurance Supplement to the Philadelphia Business Journal, an effort led by Philadelphia Past-President Val Ullman-Katz and Brandywine Chapter President Jonathan Hensinger.
- A By-Laws Revision was completed this year and the new Chapter By-Laws were approved by the National Board of Directors in May 2003.
- I-Day in December 2002, with an informative General Session, Exhibitors, and three seminars, as well as the Philadelphia New Designee Conferment with Terrie Troxel, Ph.D., CPCU, President of the Insurance Institutes as conferring officer.
- The Franklin Award was presented to Dominic Frederico, Chairman, ACE-INA Holdings on March 13, 2003 with Pennsylvania Governor Ed Rendell in attendance as Keynote Speaker.
- The chapter was recognized with the CPCU Society's Gold Circle of Excellence at the Annual Meeting in October of 2002 for outstanding achievement during the 2001-2002 year. Based on this year's activities, the Chapter has again qualified for the Gold Circle of Excellence and the submission has been forwarded to the Society for review.

Here is a recap of the activities completed by the Chapter Committees:

By-Laws Revision *Peter F. Palestina, CPCU, Parliamentarian*

The Chapter By-Laws have been revised to more closely conform to the Society's current structure and model By-Laws. The revised By-Laws were approved and ratified by the Philadelphia membership as of January 20, 2003. The ratified revision was then forwarded to National for approval by the Board, which was received in May 2003.

Candidate Recruitment & Development/ Personal Sponsorship *Rina Williams, CPCU, Chair*

The committee manned an information table at Philadelphia I-Day in December 2002 to meet candidates, provide information on the Society and the Chapter, and to answer questions. Also available were sign-up sheets for both candidates and potential mentors for the Personal Sponsorship Program. The committee maintained an active list of current candidates and invited these individuals to attend the fall and spring Mix and Mingle events and chapter meetings. Candidate members were also contacted as part of the Annual Membership Calling Campaign.

Chaptergram *Peter F. Palestina, CPCU, Chair*

Four issues of the Chaptergram were completed in 2002-2003. Each issue contained a message from the Chapter President, summaries of the monthly chapter meetings, committee activity reports, and many photographs of chapter events. The June 2003 edition of the Chaptergram includes advertising from local firms. This is a first time effort and all revenue from advertising will be used to fund chapter scholarships and for expenses connected with hosting the Annual Meeting, which will be held in Philadelphia in October, 2008. Pete Palestina has served as Editor of the Chaptergram since 1983 and done a great job. This will be Pete's last year as Editor, as he has decided to "retire" from these responsibilities as of fiscal year end 2003. Pete is working with Marty Frappoli, CPCU, who will be assuming editing responsibilities for 2003/4, to ensure a smooth transition.

Continuing Education

Several monthly breakfast meetings have been filed for CE credits and the

chapter has sponsored seminars, which also received CE credit approval. The Chapter coordinated one of the breakout seminars at I-Day, which was approved for CE credits in Pennsylvania and New Jersey, as well as Continuing Legal Education (CLE) credits, and CPE credits for CPA's.

Fire Essay — *Council Rock School District Peter F. Palestina, CPCU, Chair*

The 19th annual "Fire Safety in the Home" essay contest was held in conjunction with the Council Rock School District in October during National Fire Prevention Week. The awards were presented to the winning elementary school students during two public meetings. Pennsylvania State Senator Tommy Tomlinson and State House of Representative member Scott Patri were in attendance for one of those meetings and presented commendations from the Pennsylvania Senate and House.

Franklin Award *Val Ullman-Katz, CPCU, Chair*

The Franklin Award committee chose Dominic Frederico, Chairman of ACE-INA as this year's recipient. The luncheon was well attended by representatives of agencies, companies, law firms, and other Philadelphia businesses. President Ann Myhr gave an ethics presentation as part of her remarks to the audience during the ceremony. Edward G. Rendell, Governor of Pennsylvania, served as Keynote Speaker for this event.

Good Works *Charles Butler, CPCU, Chair*

Several Good Works activities were held, including a function at several of the monthly membership meetings, as follows:

October — collection of school supplies for the LEAP Academy in Camden, NJ

November — donations to the American Heart Association in memory of member, Stephanie Ladson

February — food donations for Philabundance, a local food bank

April — clothing donations to Career Wardrobe, which serves women returning to work from welfare or following abuse situations

May — participation in the Philadelphia Special Olympics and in the United Cerebral Palsy Insurance Education Run

June — American Cancer Society, Relay for Life, Medford, NJ- sponsorship

I-Day *Ann E. Myhr, CPCU, Chair*

The Philadelphia Chapter once again co-sponsored this event with the Insurance Society of Philadelphia, IIA of Philadelphia and Suburbs, the Greater Valley Forge Chapter CPCU, and RIMS. This year's theme was "Insurance in America ... 250 Years and Counting." I-Day included an Opening General Session featuring insurance executives and Toxic Mold, Corporate Governance, and Emerging Vulnerabilities seminars. A conferment for Philadelphia Chapter New Designees was conducted by the American Institute for CPCU's President, Terrie Troxel, during the I-Day Luncheon.

Membership *Matthew Malley CPCU, Mayleen Gallagher CPCU, Co-Chairs*

The Membership Committee has been one of the most active committees this year and has coordinated their efforts with members of the Candidate Development and New Designee Committees. Two Mix and Mingle events were held during the year, giving members and their colleagues an opportunity to network as well as learn more about the Philadelphia Chapter. The committee also conducted a calling campaign to contact individuals who had not renewed their chapter membership. This committee met regularly to develop new approaches for maintaining and increasing chapter membership and to keep contact with existing members.

New Designees *Amy Hackett, CPCU, Chair/ New Designee Representative*

This committee sent letters to New Designees to welcome them into the chapter and to encourage attendance at meetings. A reception for New Designees was held at I-Day prior to the local conferment ceremony. New Designees also received a personal invitation to attend both the September and April Mix and Mingles. The Chapter also placed an ad in the Annual Meeting Yearbook, which listed the name of each Philadelphia New Designee. This Yearbook was provided to all attendees at the October CPCU Annual Meeting in Orlando, Florida. (continued on page 10)

2002-2003 ANNUAL REPORT TO THE PHILADELPHIA CHAPTER MEMBERSHIP, continued**Programs** *Debbie Somers, CPCU, Chair*

Our monthly programs this year covered a wide variety of topics and thought provoking presentations. These included:

September – View from the Top – Capacity Issues

October – Agent's Perspective on the Market

November – Auto Insurance Availability in New Jersey

January – Career Management and Coaching

February – TRIA and Terrorism Insurance

April – Earnings, Enron, Ethics, and Enterprise Risk Management

May – Coverage Law Developments

June – Effective Leadership

Public Relations *Theresa Mc Carthy-Gawes, CPCU, Chair*

In addition to the Philadelphia Business Journal Supplement (PBj), several articles covering chapter events were published in local periodicals. The PBj supplement was a pilot project, which received attention from chapters throughout the country who are considering undertaking similar projects in their areas.

Scholarships

The Philadelphia Chapter conducts two scholarship efforts each year. The first is a scholarship program for college bound high school seniors. This committee is chaired by Richard Lee, CPCU, and this year two children of Philadelphia Chapter members received scholarships at the June meeting. These students are Katherine Hillegas and Kerrie O'Rourke.

The chapter also supports a Temple University Risk Management scholarship, which is funded by a golf outing held in May. This event is co-sponsored with the Greater Valley Forge Chapter and honors the memory of former Philadelphia Chapter member Bob Hodges, CPCU and Valley Forge member Ernie Gaugler, CPCU. In November 2002, Pete Palestina and Ann Myhr were invited by Temple professor Norm Baglini, CPCU to attend a Risk Management Seminar and Luncheon at Temple University to meet some of the exceptional students in the Insurance and Risk Management Program.

Seminars *Cindy Walkiewicz, CPCU, Chair*

The chapter sponsored two seminars this year: Commercial Property Policy Changes – October, 2002, and Toxic Mold – June, 2003

Website *Peter F. Palestina, CPCU, Chair*

The Philadelphia Chapter's Website is one of the largest chapter websites and contains information on all chapter events, committees, monthly meetings, and other pertinent information. There are also many, many photographs of current and past events. The site has received over 4,000 "hits" this year.

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or contact Elit R. Felix, II, in our Philadelphia office at 215-931-5870.

SCHOLARSHIP RECIPIENTS OF PHILADELPHIA CHAPTER CPCU GRANTS

The Philadelphia Chapter of the CPCU Society has a Scholarship Fund for annual grants-in-aid to those meeting our qualifications and criteria. The amount of each Grant will vary and is discretionary with the Chapter Board of Directors. Eligibility requirements are posted on the chapter website, www.philadelphiacpcu.com.

We are pleased to note our deserving students who were awarded Grants from our Scholarship Fund. For the 2002-2003 Chapter Year, scholarships were awarded at the June 19, 2003 Annual Meeting.

Katherine Hillegass, Academy of Notre Dame High School senior, was awarded a \$750 Grant. Katherine resides in Paoli, PA and will attend St. Joseph's University. Kerri O'Rourke, a Haverford High School senior, was awarded a \$500 Grant. Kerri and her mother joined us for the award at the June Breakfast Meeting. She resides Bryn Mawr, PA, and will attend Penn State.



KERRI O'ROURKE



KATHERINE HILLEGASS

WELCOME NEW DESIGNEES!



Hello, I am Scorm Wilkins, the New Designee General Chairperson for 2003-2003. As a fellow new designee, I understand your joy, relief, surprise, etc. at completing your CPCU. It is an accomplishment of which we can all be proud!

I completed my CPCU in January of this year. Since that time, I have attended a number of events hosted by the Society including breakfasts and mixers. I can tell you without a doubt that participation in the CPCU Society is extremely rewarding. The speakers' series is informative and collegial. All of the events offer excellent opportunities to meet new people and network as well as catch up with former acquaintances in the insurance industry. I encourage all of you to become involved in our Chapter. Also, please consider joining our New Designee Committee so that we can plan exciting events for the Class of 2003!

I look forward to meeting you all!

Scorm Wilkins, Esquire, CPCU — Precedent Corporate Training, LLC
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Eric R. Felix, II, Esq. (Margolis Edelstein) enlightens the audience at the May 2003 Breakfast meeting in Philadelphia.



Eric Fitzgerald, Esq. (Marshall, Denny) shares a case experience at the May 2003 Breakfast meeting in Philadelphia.



Kerri and her mother at the June Breakfast Meeting



President Ann Myhr presents scholarship to Kerri O'Rourke

MAY 2003 Meeting Recap

By: Rita Hoffstein, CPCU

Our May Meeting covered "Far Reaching Developments in Coverage Law" with speakers Eric Fitzgerald, Esq. (Marshall, Denny) and Eric R. Felix, II, Esq. (Margolis Edelstein). They shared some interesting case law with our audience.

Eric discussed Uninsured/Underinsured Motorists Waiver forms. He traced the history of Financial Responsibility laws and the reforms that have occurred. The 1990 Reform resulted from the question "how do we give the consumer information to make a "knowing and intelligent" decision?" The answer: provide policy language in a "common sense" format (Important Notice). Eric then spoke about the CGL policy, and whether it provides coverage for "Defective workmanship". Your work product is not covered; however, someone else's work product (your sub-contractor, for instance) is covered. Lastly, Eric mentioned case law regarding Bad Faith litigation and Punitive Damages. Scope of discovery is narrowing and it is sending a message regarding frivolous lawsuits/punitive damages.

Eric Felix posed some questions and cited case law applicable. What is an insurable risk? In order to be an insurable risk, there must be actual damages assessed and liability imposed. What do the words mean in an insurance contract? "Sudden & Accidental" as per the Pollution exclusion. Sudden means brevity & abruptness, Accidental means unexpected & unintended. "Reasonable Expectation", "Expectation of Parties", are terms used to support an insured's perspective in a claim. The carrier must be sure that all exclusions are conspicuously displayed in the insurance contracts.

Several cases and details were presented by these distinguished speakers to give us a flavor of what is happening in the Courts today. This writer merely touched on the breadth of material presented.



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FROM THE EDITOR



I'm Marty Frappolli, the new editor for **your** Chaptergram. I want to emphasize that this indeed is your Chaptergram. I hope to continue all of the good things that Pete Palestina has accomplished with this publication over his twenty year tenure, and I hope to have you contribute. The look has changed a little, and will continue to change both to fit the needs of our Chapter and the changing business environment of our industry. Your feedback is always welcome – tell me what you like and what you would change about this or any issue. Even more, I'd love to get your input. Pictures, story ideas, or articles you've written or will write. There's room in **your** Chaptergram for articles that you author. Email me at frappolli@cpcu.org and let me know of your interest. In the age of electronic communication – email and internet – we have examined the merit of continuing with a paper-based Chaptergram. For the near term, this ancient medium still has utility that isn't found in email or the internet, a factor of portability and convenience. At some point, we may offer members the option to receive the Chaptergram in traditional or email format. Meanwhile, enjoy this issue and let me hear from you!