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A Word from The President



Joseph Badowski, CPCU
Commercial Claims Manager
Harleysville Insurance Company,
a Nationwide Insurance Company

Hello!

My name is Joseph Badowski, and I am looking forward to serving as the 2014 President of the Philadelphia CPCU Society Chapter. I am proud to announce that our chapter has recently achieved Gold Chapter Status, which helps rank the chapter among the best in the nation. We have planned to provide our members with a wide variety of topics to be presented during our monthly business meetings for the upcoming year. In addition, we will be hosting various social events, including our May 14th Phillies Game business persons' special. I encourage all members to join in attending at least one of these meetings or events. Our theme this year is **"Get Involved. Stay Involved."** Help us this year in continuing to make the Philadelphia Chapter the great chapter it is by getting involved and staying involved.

Sincerely,
Joseph Badowski, CPCU

Upcoming Chapter Events

March 20	Breakfast Meeting at The Union League: Ethics
April 9	I-Day at the Philadelphia Convention Center
May 14	Phillies Game with RIMS
May 15	Breakfast Meeting at The Union League: International Underwriting
June 19	Breakfast Meeting at The Union League: General Liability Coverages

“Wait, Don’t I Know That Guy?” or Sixty-five Minutes of Fame, and One of Infamy

Assorted Tales of Being on *Jeopardy!*

—By Larry White

The road to my three appearances on the *Jeopardy!* quiz show during the week of December 23 started ten and a half months earlier, when I tried one of the show’s online tests for potential contestants. Out of 100,000 taking the test, only a couple of thousand get an in-person audition and only a couple of hundred make it onto the show each year. So when I got a phone call from a California area code in September, I didn’t think it would be THE CALL. If I could get myself out there (the show does not pay any expenses), I was going to be on *Jeopardy!* You can prepare for the show – somewhat. After the fact, I found message boards which list things a contestant really should know: state and world capitals, Shakespeare’s plays, US presidents and vice presidents, planets and moons... well, it goes on. I did some review; my favorite source was a children’s book of facts which had lists of the world’s largest seas, mountains, lakes and deserts. My father-in-law even lent me a book on plots of famous operas. However, sometimes it’s just chance which determines whether the categories of clues are things you know. Taping for my shows was in the second week of October. Most contestants stayed at a hotel near the Sony studio near Los Angeles. At 7:30 AM, about 15 of us were dressed up and waiting for a shuttle bus in the lobby. We identified each other by the extra changes of clothes carried in hopes of a second, or maybe even a third game



Alex Trebek with Larry White, CPCU

(all five games shown during a week are taped on one day).

At the studio, we were led to a large conference room. While a producer told us rules, strategies for playing the game, and stories of past shows, each of us got called to a side room for makeup. Finally, after a couple of hours, we go to the set for a brief rehearsal. We’re told what camera to look at for the opening shot, see the monitor where the clue selected is shown, and given a chance to stand at a podium and practice with the signaling devices. The returning champion joined us for this activity. By the time everyone has a chance to practice, the audience starts coming in.

Hidden fact about the set: behind each podium is an 18" or so square which can elevate, essentially providing shorter contestants with an adjustable box to stand on. You might notice during the game that all three contestants are in the same general frame. However, at the end of the show, when everyone is talking with Alex in the middle of the stage, you can see their true heights.

After rehearsal, we went back to the conference room. There, contestants for the first game were chosen by lot—and I’m one of them! I can only wonder what my supporters in the audience, which included not only my wife, but my son, brother, and 85+-year old parents, thought when I didn’t come out initially. After a minute, the returning champ, another challenger, and I walk out onto the set, behind the podiums, and write our names which will be shown on the front. My printing was not embarrassing, but I was nervous enough to grab onto the podium with one hand as the lights go up.

Even a 60" TV doesn’t convey the **expanse** of the *Jeopardy!* set well. It’s a full stage, twenty yards wide, with four sections of seats and hundreds of people watching. It’s only when you catch yourself on a monitor, showing you standing behind a familiar looking podium, and hear Johnny Gilbert call out your name that you really believe; this IS *Jeopardy!*

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November Chapter Meeting: Leading the Way



Reporting by Kathleen S. McNichol
Assistant Professor,
La Salle University

The Society of CPCU Philadelphia Chapter's November breakfast meeting featured **Deb Rodgers**, SVP of Global Risk Management Services at Aramark, on the topic of "Leading the Way". This presentation was a very compelling story of Aramark's ten year journey toward managing their Workers Compensation exposure, which subsequently led to external recognition for Aramark by the industry and for Deb by her peers.

The Scenario

Deb Rodgers took the position in risk management at Aramark in 2003 and immediately faced the daunting task of managing an out of control WC exposure. Aramark was experiencing tremendous sales growth. The business was, and continues to be, decentralized with business units involved in Education, Health Care, Corrections, Business and Industry, and Sports and Entertainment. Each unit had its own safety professional with no two having a common approach. Workers compensation

costs were having a negative impact on the financial position of the firm with frequency and severity of losses on the rise. The firm's experience modification rate was 1.38, indicating that its loss experience was 38% worse than industry norms. Projected workers compensation losses were \$100 million.

Never one to turn away from a challenge, Deb headed into this one as she has throughout her life with the words of Robert Frost as motivation:

Two roads diverged in a wood, and I—

I took the one less traveled by

And that has made all the difference.

The Journey

Deb's story is one of a collaborative effort driven by a focus on *Safety and Risk Control, Claims Management, and Metrics*. As she explained, nobody knew how big the problem was at Aramark with its multi-function and multi-level characteristics. Task forces were created and, working collaboratively, recommendations were made. Gathering performance data helped to open the eyes of all concerned. The Safety and Risk Control and the Claims Team were consolidated into the Risk Management Department to encourage a more unified approach. Resources began to be dedicated to the effort. New people were hired and *A Return to Work Program* was established. As effective leadership evolved and these units began to have an influence, the journey began to drive down claims and costs.

It became apparent that safety was not a value held uniformly throughout the firm; it was all about costs. Deb found that until the term *safety* is concretely defined, a culture can not be created. Change managers were needed. As the right people were brought into the organization and collaboration ensued, Aramark's Safety Vision was created: To create and sustain a workplace

where "No One Gets Hurt".

Deb referenced John Kotter's work in the area of change leadership. He professes an eight step program which was certainly reflected in Aramark's journey. These steps include: 1) Establishing a sense of urgency; 2) Creating a guiding coalition; 3) Developing a change vision; 4) Communicating the vision for buy-in; 5) Empowering broad-based action; 6) Generating short-term wins; 7) Never letting up; and 8) Incorporating changes into the culture. Deb described moving toward achievement of the first step by announcing in a meeting that "the baby is ugly". This started some very serious conversations that lead to building the right team which created the vision "No One Gets Hurt". Significant time and energy was expended to engage the whole organization. This effort required going to each business unit and laying out the story and vision for the journey. Metrics helped to tell the story. Metrics development and performance monitoring was greatly enhanced by the creation of a data support team and the customization of an information system. Armed with credible performance results, a competitive situation evolved where business units who were doing well were highlighted in monthly operating reviews. Other business units began to take notice. Employee involvement and empowerment are crucial to the creation of a safety culture. Regional safety leaders were put into place and a *Rewards and Recognition Program* was established. Recognition for safety achievements is powerful way to create the culture but money rewards reinforce this message. A safety excellence plan to hold people accountable is a proven approach.

Philadelphia CPCU Society Chapter Welcomes New Designees

On December 5, 2013 the Philadelphia CPCU Chapter held a dinner at Dave & Buster's in Philadelphia to celebrate the achievement of new designees as well as the holiday season.

The evening began with a time to network and enjoy cocktails followed by a buffet dinner.

Alex Vandevere, Senior Vice President of Strategic Marketing at The Institutes, gave a presentation that emphasized the importance of achieving the CPCU designation.

However, he also told all of the chapter members that achieving the designation is just the beginning of the journey. It is essential that all members of the CPCU Society support each other and our industry through engagement in our local chapters and beyond.

Each new designee received personal congratulations and a gift from Alex. These were the new designees present at Dave & Buster's:

Nate Brown, CPCU

Kimberly Calarco, CPCU

Wayne Cheng, CPCU

Philip Dunn, CPCU

Sibanengi Masuku

Sue McCormick

Dan Moore

Teron Richardson

All our new designees are listed on our chapter website.



Playing the game was stressful. Reading the clues, figuring out the answer, beating the others to the buzzer all has to take place in a second or two, and then you do it again and again. But after a couple of questions in the first game, I realized I knew most of the clues, and was consistently buzzing in fast—I was winning!

During the breaks, contestants find themselves no longer on a game show but in a NASCAR pit stop. While Alex Trebek chats with the audience, a flock of producers and assistants check out the contestants' make-up, offer bottles of water to drink, and recheck the signaling devices. After a few words of encouragement, all but contestants swirl away backstage seconds before the next lap (round). Five questions into Double Jeopardy I hit a Daily Double, where you can bet any amount in the category "Flags". Figuring this was my big chance, I bet \$5,000. When I answered correctly, my total was \$14,200 compared to my opponents' \$2,200 and \$1,600. I began to realize "I can win this!" I was so far ahead going into Final Jeopardy that I couldn't be caught; when I got that clue correct, I had won \$25,200, as well as the title of *Jeopardy!* champion.

A Jeopardy champion has little time to enjoy a victory. Immediately after the show, he/she goes backstage to change clothes for the next "day's"

show. The new challengers have been selected, and all of you get a touch up of make-up, and out onto the set. Total time – about 12 minutes between tapings.

There were certain perks coming back for my second show, especially the thrill of Johnny Gilbert announcing my name last, as "returning champion". My second show was more challenging, but I again found, bet aggressively on, and won Daily Doubles, and ended up with another runaway win. Another quick change, and we're taping the game scheduled to show on Christmas Day (I put on a red tie for the occasion). One new challenger, a law professor, was particularly fast and sharp, and I got anxious, jumping in and guessing at a couple of clues. Going into Final Jeopardy, I was leading \$19,600 to \$11,000, not enough for a runaway. The final clue, in the category of "Authors" was "The American Tolkien" was what Time magazine called this author with the same two initials as Tolkien". When my opponent got it right (George R. R. Martin, of *Game of Thrones* fame), and I missed, that was the end of my reign. Total real time for taping my three shows: about 2 hours.

Jeopardy! contestants must sign a contract not to discuss the results of the tapings before the show is aired. So I spent two and half months re-

peating, "You'll have to watch on December 23 to find out how I did." Because the audience was not given a similar admonishment, my family in the audience started calling selected (and hopefully discreet) other relatives as soon as I was done!

Competing – and winning – on *Jeopardy!* gave me a certain amount of notoriety for a time. I was recognized in the supermarket, waiting for a train, and even from the pulpit in church! I even was asked by the CPCU Society to relate it to my work experience in the field of risk and insurance (<https://community.theinstitutes.org/pg/blog/read/503362/at-risk-on-jeopardy>). While I ended up winning \$49,624, the warm wishes and shared excitement of family, friends and colleagues throughout the process is what made the experience so wonderfully memorable.

Editor's Note: You can discuss Larry's *Jeopardy!* Experience with him at most Chapter events.

Philly I-Day is April 9
At
The Philadelphia Convention Center

January Chapter Meeting: The Federal Flood Insurance Program



Reporting by Kathleen S. McNichol
Assistant Professor, La Salle University

The Philadelphia Chapter CPCU Society's January meeting featured **Phillip Rager**, AIC, ANFI who is a Flood Business Development Consultant & Senior Technical Training Specialists with the Harleysville Insurance Flood Operations Department. Mr. Rager, who is a self-proclaimed "Flood Geek", provided a clear and enlightening presentation about the federal flood insurance situation.

Mr. Rager began by emphasizing important definitions crucial to the determination of whether a particular loss is covered by the flood insurance program. Flood, as referred to in the Standard Flood Insurance Policy is defined as "a general and temporary condition of partial or complete inundation of **two or more acres** or normally dry land areas or **two or more properties** (at least one of which is the policyholder's property)" arising from several different situations, which are clarified in the booklet. He emphasized the bold faced terms above because these qualifiers play a prominent role in determining if the loss is covered. Mr. Rager used helpful analogies as well. For instance, one condition that is covered under the flood

insurance program is *mudflow*. This is different from a mudslide, which is not covered. He urged the audience to think of mudflow as a chocolate shake that is runny vs. a mudslide, which is like chocolate cake that is more solid. His training expertise was demonstrated as he took the audience through different scenarios and quizzed us about whether there would be coverage or not.

Program coverage limits were discussed that include a basic limit and additional limits for both building and contents. There exists a separate deductible for building and contents. Noteworthy is that contents are covered on an actual cash value basis with no replacement cost option available. Flood zone designations were discussed with a variety of designations falling into the high flood zones, and moderate and low flood zones. The high flood zone categories are identified by the letters A (for accumulation) or V (for Velocity – wind and water). Understanding the category under which a particular property falls is crucial to the correct placement of coverage by the producer.

Flood maps that are available include the Flood Hazard Boundary Map (FHBM) and the Flood Insurance Rate Map (FIRM). Both originate from FEMA. Important also is the Base Flood Elevation (BFE). Information from this resource "indicates the water surface elevation resulting from a flood that has a one percent chance of equaling or exceeding that level in any given year".

The BFE and information about whether the building is Pre-FIRM or Post-FIRM help determine if the property may need an Elevation Certificate. Such a certificate must be obtained by the insured from a licensed architect, surveyor, or engineer. The cost can vary between \$400 and



Phillip Rager, AIC, ANFI

\$1,300 depending on the location of the property.

Mr. Rager next took the audience through the official definition of the term *basement*, and the building and content items that are covered and the elements that are not. The technicalities of these and other terms are crucial to the correct placement of coverage by the producer.

Changes to the National Flood Insurance Program were discussed. The major incentive behind the Biggert-Waters Reform Act of 2012 and subsequent changes in October 1, 2013 is to make the flood program more actuarially sound. The Act itself is controversial and currently still under discussion. But there is no doubt that the National Flood Insurance Program needs restructuring in order for it to be financially viable in the future. The session was lively with many questions from the audience who appreciated Mr. Rager's insight.

Editor's Note: Since this presentation, the United States Congress has passed new legislation concerning the National Flood Insurance Program.

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Deb supports the “5 Whys” to uncover the source of an accident because it allows you to drill down into the real cause, which in many cases can be prevented or reduced with a change in process. Timely reporting of claims is essential to any risk control program. One way that Aramark was able to successfully encourage this was to establish a policy that anytime a business unit had a loss time claim, a \$15,000 charge was placed on top of the claims cost. If a claim was not reported in a timely way, it took longer to return the injured employee to work. To turn this penalty into an incentive for improvement, a business unit could earn back a percentage of the \$15,000 by demonstrating to what percent they had complied with the safety plan. A business demonstrating 100% compliance, earned 100% of the dollars back. A SAFE Platform was built into Aramark’s guiding principles. This is a top down mandate of how to run

the business. A **Safety Assurance** in **Food and Environment** website was created on Aramark’s portal, which became a source of information about the initiative and served to build a more holistic process. Each year evaluations are done to determine how much has been accomplished. To that end, Aramark’s WC incidence rate has gone from 12 per 100 employees in 2003 to 6 per 100 employees in 2012. The Experience Modification Rate is down to .90. While Deb recognizes this is a significant improvement, she acknowledges there is still more work to be done if the goal of “No One Gets Hurt” is to be accomplished. Deb emphasized that this initiative is not just about the statistics and driving profitability. It is about the people and Aramark’s commitment to the safety of its employees, customers, and other stakeholders. This vision has led to an expanded emphasis on safety in the areas of occupation, food, environment, marine, and fleet. Internal risk control is growing. The Claims Team has instituted a major educational campaign to include all business units and all employees.

So the journey continues. Deb referenced the usefulness of the Leadership Jigsaw which emphasizes the interrelatedness among Empowerment, Vision, Communication, Motivation, Relationships, and Example. All of these elements are demonstrated in the journey of Aramark. Employees are **empowered** through the creation of a **vision** that is effectively **communicated** by highly **motivated** individuals whose passion helps to successfully develop **relationships** throughout the organization and who influence by their **example**. The collaborative effort has been recognized externally when ARAMARK received the 2009 *Theodore Roosevelt Workers’ Compensation and Disability Management Award* from Risk & Insurance magazine for its employee safety and claims management programs. Then in 2010, Deb was named *Risk Manager of the Year* by Business Insurance magazine for her leadership in propelling Aramark to this holistic approach. In Deb’s words, “A boss says ‘Go’ while a leader says ‘Let’s go’.”



Deb Rodgers, SVP of Global Risk Management Services, Aramark, speaks at the November Chapter Meeting

Philadelphia CPCU Chapter Installs New Officers and Board of Directors

On November 14 Bob Boerner, CPCU Society Governor, conducted the installation of the new officers and the board of directors of the Philadelphia CPCU chapter following the regular chapter meeting.

These are the officers for 2014:

President—Joseph Badowski

President-elect—Michael Fields

Immediate Past President—Samantha Miller

Vice President—Chris Hampshire

Treasurer—Michael Povich

Secretary—Donna O'Brien

These are the chapter directors:

Anita Devan

John Grantland

Theresa Gregory

Joseph Kolakowski

Judith Vaughan

Larry White

According to the new chapter bylaws, the officers and board are elected in November and serve for the upcoming calendar year.

All the chapter members present on November 14 approved the slate of officers for 2014.

Chapter board meetings are held immediately following regular monthly chapter meetings. All chapter members are welcome to attend any of the board meetings.



Front Row (from left): Donna O'Brien, Samantha Miller, Joseph Badowski, Judith Vaughan

Back Row (from left): Michael Fields, John Grantland, Bob Boerner, Chris Hampshire, Michael Povich, Joseph Kolakowski



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<http://Philadelphia.cpcusociety.org/>

Please send news to
Vaughan@theinstitutes.org



The Insurance Information Institute reports that the winter of 2014 has already resulted in insured losses of more than \$1.5 billion in the United States.

New and Noteworthy

Do you have a child or grandchild, brother or sister, who is a college student or a graduating high school senior?



Applications for scholarships for members of the Philadelphia CPCU Chapter are being accepted until April 1.

The form is available on the chapter website.