

PHILLY ROCKS THE ANNUAL MEETING

By Theresa Gregory, CPCU

The Philly Chapter plays a home game!

Held this September in Philadelphia, the Annual Meeting of the **CPCU Society** included a series of educational seminars, interest group committee meetings, and a great hall for vendor displays. In addition, one day was set aside for the Conferment Ceremony for new recipients of the CPCU designation.

We Philly Chapter members had the unique experience of attending the 2008 Annual Meeting in our own backyard. We heard from a cadre of informative and energizing speakers highlighting key issues and concerns for the insurance and risk management communities and met colleagues from across the nation and around the world.

At the same time, we welcomed visitors to our great city of Philadelphia and showed off her best side with our fabulous restaurants and historic sites.

Many visitors took advantage of the resources at our Philadelphia Chapter Booth, especially when the soft pretzels were hot! Overall it was a great event and every chapter member and local industry colleague seems to have come away from it impressed.

Much like the **World Champion Philadelphia Phillies**, the local chapter members made our home town look good to the entire world.

The conferment ceremony was conducted by the **American Institute for CPCU (AICPCU)**. The AICPCU is the organization that develops the curriculum, conducts examinations, and confers the CPCU professional designation. Following the conferment, the AICPCU “hands over” the class of new CPCUs to the CPCU Society, which is the professional network of persons who have obtained the designation.

New Designees, their guests, and other attendees at the conferment ceremony were treated to a scintillating keynote address by Phil Keoghan, host of **The Amazing Race**. Following the conferment ceremony was a gala reception in honor of the new designees, including a book signing event with Phil Keoghan. More pictures inside!



Theresa Gregory and Jon Hensinger were among the many volunteer ambassadors supplied by the Philadelphia Chapter



Donna Popow with Phillies CFO John F. Nickolas, who spoke at the Society's Claims Interest Group luncheon

MARK YOUR CALENDAR FOR UPCOMING EVENTS

Dec 4: Philly 1-Day 8:00 am –4:15 pm, Loews Philadelphia Hotel.
Topic: Insurance and the Law—Serving Society

Dec 9: Joint Breakfast Meeting with RIMS, 8:00 am –10:00 am, The Union League, Phila. **Speaker: Insurance Commissioner Joel Ario**

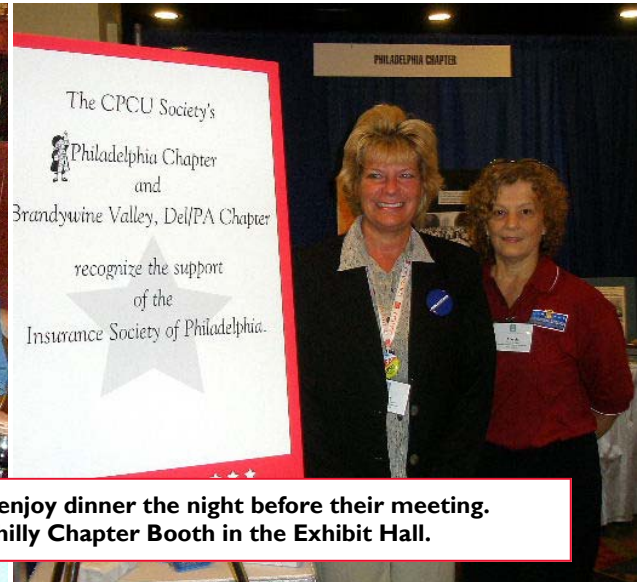
Jan 15: Dinner Meeting, 5:00 pm –7:00 pm, The Union League, Philadelphia. **Topic to be determined**

Details for all events always available first on our website:
<http://Philadelphia.cpusociety.org>

IMAGES FROM THE ANNUAL MEETING



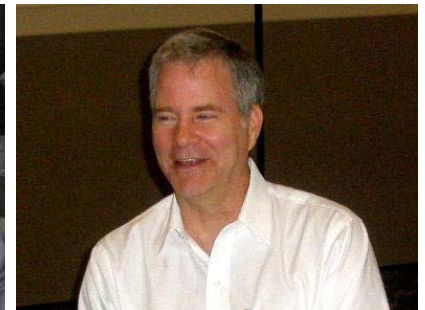
Above LEFT: Conferment keynote speaker Phil Keoghan of *The Amazing Race* is flanked by California New designees Duc Nyugen and Son Nguyen. RIGHT: Doris Kearns Goodwin, in the CPCU Society's keynote address, spoke of the power of presidents with stories of Abraham Lincoln and Franklin Delano Roosevelt.



LEFT: Members of the Risk Management Interest Section enjoy dinner the night before their meeting. RIGHT: Terry Macko and Marcia Nigro staff the Philly Chapter Booth in the Exhibit Hall.

LEFT: AICPCU Marketing Director Gina Mazzulla with conferment speaker Phil Keoghan at his book signing event.

RIGHT: AICPCU Director of Content Development Rich Berthelsen at the Risk Management Interest Group Committee meeting.





ABOVE: New Designee Farouk Yassine traveled to South Philadelphia to sample the heralded cheesesteak sandwich (with sharp provolone) at John's Roast Pork on Snyder Avenue. Farouk also manned the IDMA booth in the Exhibit Hall.



New Designee Carlos Lopez, wife Lindsey, and their daughter enjoying the New Designee Reception.



Above LEFT: Rick Myhr joins AICPU staff Marty Frappolli, Rich Berthelsen, Mary Ann Cook, and Chris Ketcham. **RIGHT:** Ann Myhr with Kellie and Benjamin Goldfien at the President's reception.



Past-President Jon Hensinger trades notes with Marsha Egan over lunch at The Reading Terminal Market



Jon Hensinger and Dawn Upperman present Host Chapter Prize to Linda Gomez

October's View From the Top: Effect of Elections on P&C Industry

Recap by Michael Etemad, CPCU

On October 7, the Philadelphia Chapter CPCU Society began its first breakfast gathering after the 2008 Annual Meeting held in our hometown. The "View from the Top" discussion focused on the potential impact of the upcoming elections on the property/casualty industry. President Dawn Upperman introduced the speakers, noting that the "View from the Top" was moved from September to October due to the CPCU Annual Meeting here in Philly. Also, Upperman announced that Chapter officers will now wear ribbons so that members can approach the officers with questions during breakfast meetings.



Joseph Murphy, Zurich; Kirk Larsen, Travelers; Peter Austen, Willis; Susan Kearney, AICPCU

The panelists included Regional Executive of Zurich Joseph Murphy, Regional President of Travelers Kirk Larsen, and CEO of Willis Peter Austen. Susan Kearney, CPCU, Senior Director of Knowledge Resources at the AICPCU, was moderator. Kearney called the presidential elections a close race and commented that there will be more regulation no matter the outcome. She noted that the discussion would not be a political debate but an analysis of politics on the insurance industry.

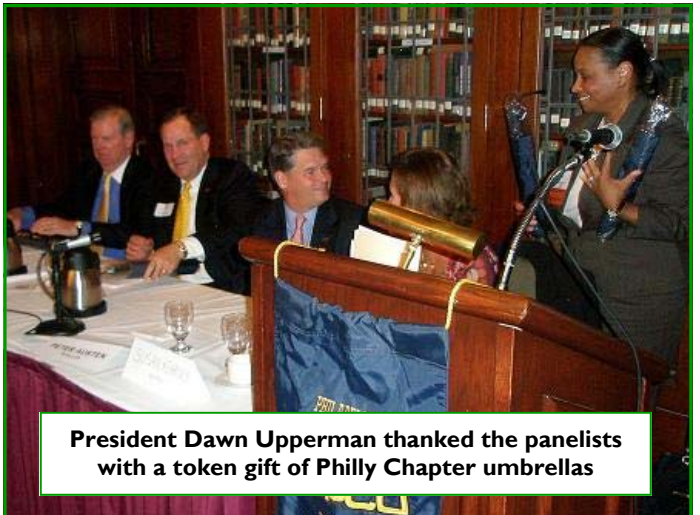
Peter Austen commented on the industry from the perspective of an insurance broker. He said that the world looks different from three months ago when the US was not plagued by a severe financial crisis that required a government bailout. Austen wants a nationally based insurance licensing structure with courtesy (reciprocal) registration from other states. He also answered the question on whether the soft market will continue by saying that insurance companies will continue to cut prices but the market should bottom out.

Austen stated that premium growth is not supported by the economy because rates are being cut and volume is down. Austen cited the lack of credibility in financial rating agencies with international investors confused about US investments. Austen said that the election could go either way, questioning the Senate's competency to address sophisticated security instruments as the government bails out the economy.

Kirk Larsen analyzed the situation based on coastal insurance. He stated that half of Americans live fifty miles from the coast and unexpected natural disasters have the potential to wipe out all the premiums collected by an insurance company. To prepare for the series of natural disasters in the past two decades, insurers considered increasing rates but were confronted by the obstacle of an affordability & availability crisis.

Larsen suggests a catastrophe fund that would be an alternative to private reinsurance. The catastrophe fund will serve agents by not allowing the withdrawal of coastal insurance from the private market. Larsen argues that hurricanes do not respect state border so the risks of catastrophic loss should be spread. He proposed that insurance rates should be set with transparency and assign credits if calculations were wrong. Reinsurance should also be on an aggregate seasonal basis to provide protection for a series of catastrophes.

Joseph Murphy predicted that a lot of blame is going to be passed around along with plenty of partisan finger pointing. Despite these distractions, Murphy told his audience that the key question to ask is "What does this mean for regulatory reform?" If a federal charter for insurers was proposed right now, Murphy believes that Congress may add federal regulation on top of state regulation, which will create an even more unbearable situation for the insurance industry.



President Dawn Upperman thanked the panelists with a token gift of Philly Chapter umbrellas

Murphy also addressed Larsen's suggestion of a natural disaster fund. According to Murphy, Congress will not tackle this issue because natural disasters are seen as a regional phenomenon and cross subsidies are too expensive. Murphy also raised concern about growing xenophobia in the United States. This fear of foreigners may create a backlash against global corporations such as Zurich, which actually create jobs in America contrary to public opinion.

Continued on page 4

October's VFTT: Effect of Elections on P&C Industry (continued)

After the opening remarks, the panelists answered several questions posed by the audience. One listener asked if government interference may have prompted the economic collapse. Austen responded to this question by saying that regulation protected AIG policyholders when the government wanted to provide liquidity for shareholders with AIG premiums. Austen also suggests that the little regulation in reinsurance may cause the collapse of this industry.

Murphy also believe the answer to this question was no but qualified his answer by saying the government may have contributed to the downfall. According to Murphy, the government set low interest rate that gave incentives for individuals to seek higher returns in riskier enterprises.

The government also encouraged everyone to buy homes and gave the impression that if something goes wrong then the government will step in to fix it. Kirk adopted a different approach by saying that the government could potentially own 80% of AIG and that were need to wait and see what this level of government involvement will entail.

The panelists offered insight into why the financial collapse was so sudden. Three reasons were naiveté, greed and lack of regulation. Naiveté and greed led people to purchase financial vehicles with impossibly higher returns compared to other instruments. Austen showed that credit default swaps led to a chain reaction of failures because these instruments were not regulated even though they behaved like insurance contracts. Following the formal panel discussion, all of the panelists stayed to take individual questions from audience members.



LEFT: Peter Austen chats with Susan Kearney after the panel. RIGHT: Over 80 guests turned out for the discussion on the elections and the P/C industry.

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CHAPTER LEADERSHIP CHANGES



**CPCU Society
Philadelphia Chapter**

Consistent with our by-laws when confronting a vacancy in an officer position, the Board has elected **Mike Etemad**, who was an incoming Director, to the Vice President position. Mike has already been a strong addition to our leadership group and we are confident that he will continue to serve our membership well.

Please join us in congratulating Shannon on her new opportunity in Rhode Island. She has been a tremendous addition to the Board over the last year and she will be missed. Also,

join us in congratulating Mike!

We are further pleased to announce that the Board has been successful in completing its transition by unanimously selecting **Mary Ann Cook** as Director, filling the vacancy.

Mary Ann serves as Director of Content Development for the American Institute for CPCU and the Insur-

The Philadelphia Chapter CPCU Society's Board of Directors has recently experienced some changes.

Shannon Rodgers, our incoming Vice President, has transferred to a new position in Rhode Island with her employer, Amica. Consequently, she has resigned her position as Vice President of the Philadelphia Chapter. Shannon was graciously concerned about leaving the position vacant.



Shannon Rodgers, CPCU



Mike Etemad, CPCU

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ance Institute of America (AICPCU/IIA) in Malvern, PA.

Mary Ann has authored several texts for the Institutes, and she has industry expertise in areas of personal lines coverage, insurance financial dynamics, risk management, the agent/broker community, and customer service issues.

More than once, Mary Ann has had the occasion to serve as the moderator on behalf of the Philadelphia Chapter during breakfast meeting events, including our September 2007 **View From the Top** session and our November 2008 Producers session. She will make a tremendous contribution to the Board. Please join us in congratulating her!



Mary Ann Cook, CPCU

ANNUAL MEETING TO BE OPENED UP TO NEW ATTENDEES

The national CPCU Society has decided to expand the universe of persons eligible to attend the Annual Meeting and Seminars, as detailed in the following release from the Society:

MALVERN, Pa., Oct. 29, 2008 - In a historic action underscoring its support for ever-increasing levels of professionalism throughout the property and casualty insurance industry, the CPCU (Chartered Property Casualty Underwriters) Society is opening its registration for its next Annual Meeting and Seminars. Throughout its previous 64-year history, only Society members and their guests had been permitted to register for this event. The new policy, announced by 2008-2009 Society president Marvin Kelly, CPCU, MBA, becomes effective with the Society's Annual Meeting and Seminars scheduled for August 29-September 1, 2009 in Denver.



Marvin Kelly

"The Society must venture outside its comfort level and embrace the future by expanding its base of potential participants," said Kelly. He also noted that with thousands of Baby Boomers eligible to retire each year, it is critical that the skill levels of the industry's workforce be replenished. By holding the doors wide open for its Annual Meeting, the Society hopes the exposure of non-CPCU attendees to the CPCU community will fulfill that need by

introducing them to the prestigious CPCU designation and to those who have attained it.

Kelly said the Society's action focuses on the entire CPCU experience, which begins with the American Institute for CPCU, the group that creates the curricula and examinations for CPCU candidates and participates in the planning for the Annual Meeting. "The Institutes and the Society are partnering to assure that the CPCU experience is so valuable that a growing number of people will be persuaded to earn the CPCU designation and join the Society,"

Kelly explained. He added that the Society's new policy will give previously-excluded attendees the opportunity to observe first-hand the quality of the seminars and services the

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Society provides, and offer them a first-hand look at the professional expertise of its members.

Kelly added that the Society's action will assist in the critical need to increase minority participation in the ranks of the industry's premier professionals. He noted that only 1.9 percent of the Society's nearly 28,000 members are African American; only 1.7 percent are Hispanic; and only 1.4 percent Asian. "Our new policy supports the Society's 2008-2009 Annual Meeting theme of 'Embracing Changes' by creating a new avenue of outreach to the minority community," he said.



The Society is making plans for an aggressive multifaceted campaign over the next several months to assure widespread awareness of this new broadly inclusive approach to its Annual Meeting and Seminars.

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La Salle Celebrates Risk Manager In Residence Program

Immediate past-president **Rina Williams** joined our friends in the La Salle community at a social event connected with La Salle University's hosting of the Eighth Annual **Risk Manager in Residence** Program.

The RMIR Program is made possible by a grant from the Spencer Educational Foundation which allows a practicing risk manager to visit a college campus for up to three days to lecture in classes, meet with students regarding career related issues, and discuss the risk management discipline. This year the visiting risk manager was Mel Bangs, who is risk manager with Omni Hotels.



Seated (left to right): Rina Williams; Dave Martin - Associate Dean of the School of Business; Mel Bangs - Risk Manager with Omni Hotel.

Standing (left to right): Jim O'Neill - student; Simone Brewster (alumna) - Philadelphia Insurance Companies; Dennis O'Neill (alumnus) - Aon Risk Services; Kathi McNichol - Assistant Professor in the Risk Management and Insurance Program; Kristen Theysohn - student.

Philly Chapter Member Lends Expertise to Brandywine Valley Chapter

On October 14 2008, Philadelphia Chapter member **Livia Hillmeyer** was the featured speaker at the breakfast meeting of our neighbor CPCU chapter, Brandywine Valley.

Livia is the lead underwriter for the flood insurance program at NJM Insurance Group in West Trenton NJ, and she spoke at length about the nature of the federal government's flood program.

Livia has particular expertise in how the flood program applies in residential coverages, and she covered topics including history, eligibility, limits, and how the program has evolved. The Concordville offices of State Farm insurance hosted the Brandywine Chapter's breakfast meeting.



Left to right: Karen Porter, President-elect, Brandywine Chapter; Philly Chapter member Livia Hillmeyer of New Jersey Manufacturers Insurance Group; James Reagan, President, Brandywine Chapter

NAAIA Meets in Philadelphia—September 2008

The **NAAIA (National African-American Insurance Association)** convened in Philadelphia in September 2008. A reception was held on September 10.

Pictured on the right are **Peter Miller**, President of The American Institutes; **Jim Marks**, Executive Vice President of the CPCU Society; Philadelphia Mayor **Michael Nutter**; CPCU Society President **Marvin Kelley**; Philadelphia Chapter members **Theresa Gregory** and **Rina Williams**; **Jacqueline Kelley** (wife of Marvin Kelly).





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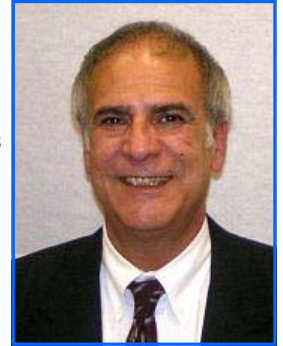


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25th Annual Fire Safety Awards

Philadelphia Chapter member Pete Palestina recently prepared a news release regarding the Chapter's 25th annual "Fire Safety in the Home" essay contest. Following are excerpts from the article in the 10/2/08 edition of the *Advance of Bucks County* newspaper:



Pete Palestina

The Philadelphia Chapter of the CPCU Society (Chartered Property Casualty Underwriters) will be conducting its 25th annual "Fire Safety in the Home" essay contest in the elementary schools of the Council Rock School District during National Fire Prevention Week, Oct. 5 - 11.

The contest has been held each year in conjunction with the school district, and students are asked to write an essay or do a creative work or poster on Fire Safety during National Fire Prevention Week.

The contest is open to all Council Rock elementary school students, grades one through six. There will be three levels of competition: first and second graders, third and fourth graders, and fifth and sixth graders.

The awards are expected to be presented Nov. 20 at the Council Rock School Board meeting and on Dec. 10 at the Northampton Township Board of Supervisors meeting. Council Rock School District covers Newtown Borough and Northampton, Newtown, Wrightstown and Upper Makefield townships.



Winners & officials at the 2007 Fire Safety Essay Awards

Check our website for a link to read the full story.

Article compliments of: *The Advance of Bucks County - Intercounty Media Group*

DAWN UPPERMAN — PRESIDENT'S MESSAGE

It is hard to believe it is already December. We started off the term in September with a very successful 2008 Annual Meeting and Conferment Ceremony. We received positive feedback from the attendees, who were very complimentary of our city.

The National CPCU Society was pleased with the Ambassadors who volunteered from our Chapter. They helped to make the meeting run smoothly and orderly, a great feat for an event that large. They did a great job and should be commended.

As we move forward, we need to think about how to best plan our time in the next year. How about taking a few of the new workshops offered by ISOP to sharpen your skills? You can access their website via a link on our website homepage: <http://philadelphia.cpcusociety.org> or go directly to ISOP's website for details: www.insurancesociety.org.

We are well on our way to developing a mentorship program. Those of you who are on the cusp of completing your CPCU exams will be hearing from us. Our plans include offering you much needed encouragement and support as you proceed through those last few exams. We have also ap-



Dawn Upperman

pointed a team to coordinate our volunteers. If you have offered to volunteer, we will be in touch. We understand that you have busy schedules so we expect to accommodate that as we provide opportunities for you to help with the Chapter. We appreciate your willingness to volunteer, and new volunteers are always welcome.

Our website homepage appearance has changed since the summer. Hopefully, you are pleased! Samantha Miller has done a great job reformatting it. Michael Etemad has also contributed substantially with the archiving of historical data. They both have been a tremendous help and, for the most part, have taken over the management of the website. We welcome suggestions to make our site more useful to you.

We have an exciting slate of educational/social events and opportunities for Good Works coming up in the next several months. Keep your eyes and ears open for details. The plan for 2009 is to continue to grow and develop. Through these events and opportunities we look forward to helping you accomplish that.

Don't miss out on membership benefits listed on the CPCU Society website at: <http://www.cpcusociety.org/page/49449/>. Make sure to pay your CPCU Society dues for 2009!

Dawn Upperman, CPCU, ARe, AIT



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TEMPLE STUDENTS ENJOY VIEW FROM THE TOP

The Philadelphia Chapter CPCU Society is especially interested in the next generation of insurance leaders. To that end, we've formed partnerships with local universities, especially LaSalle and Temple.

Students of risk management and insurance at those schools are eligible for complimentary passes to our breakfast meetings. The programs at those schools reciprocate by inviting our chapter members to several of their on-campus events.

At our October 2008 View From the Top breakfast meeting, Jarde Johnson, Edward Boyanoski and Chelsea Balerno from Temple joined us.

Jarde Johnson is a senior at Temple University graduating in December of 2009. Jarde is a dual major in Risk Management and Insurance and Marketing, and a member of the Sigma Chapter of Gamma Iota Sigma. Jarde has been a full-time employee of the Union League of Philadelphia for the past four years and holds a passion for excess and surplus lines. She hopes to intern with a surplus lines carrier in the summer of 2009.

Edward Boyanoski is a senior at Temple University graduating in December of 2008. Edward is a dual major in Risk Management and Insurance and Marketing, and is the Director of Career Development of the Sigma Chapter



Jarde Johnson, Edward Boyanoski, Chelsea Balerno

of Gamma Iota Sigma. Edward has previously held internship at Lexington Insurance and EmigrantDirect.com.

Chelsea Balerno is a senior at Temple University graduating in December of 2009. She is an Actuarial Science Major and is the Executive Vice President of the Sigma Chapter of Gamma Iota Sigma. Chelsea has previously held internships at Towers Perrin and SMART Business Consulting.