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APRIL MEETING: FRED SHERMAN ON BUSINESS AND ETHICS

Recap by Donna Popow, CPCU

In celebration of the tax filing deadline, Fred Sherman, Senior Vice President and Chief Economist for Sovereign Bank (and local TV & radio celebrity), took 56 insurance professionals on an entertaining tour of ethics in the financial marketplace at the April 15 breakfast meeting. Fred believes that the SEC is far too lenient when it comes to ethics. Too many offenders are allowed to make a deal, pay a fine and walk away rather than face jail time for ethics violations. One area that serves as a prime example of the SEC's "hands off" attitude is mutual funds. There has not been a new regulation in that area of the financial sector since 1940, according to Fred. While pointing out that a CEO's primary job function is to make money

for the stockholders, Fred noted that this function must be performed within the boundaries of common sense and ethics.

Fred also spoke about the economy and gave some advice to the investors in the audience. He cautioned all to protect their investments by putting stop losses on their holdings and by diversifying their portfolios. Fred's favorite areas for investing are:

- Financial markets, especially regional banks
- Utilities
- Healthcare, especially drug companies

Fred concluded with a prediction for the future – men's vests are coming back into style!



LEFT: Fred Sherman shares an ethics perspective with the audience at the April breakfast meeting. **RIGHT:** Fred Sherman with Chapter Programs Chair Debbie Somers, CPCU.

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MARK YOUR CALENDAR FOR 2004 UPCOMING EVENTS

June 17 Breakfast Meeting, 8am at the Doubletree.

June 20 Father's Day Baseball Outing: Wilmington Blue Rocks. Begins with picnic lunch at 12:30pm; more details on page 9!

December 9 I-Day, 2004. This landmark insurance event will once again be held at the Wyndham Hotel in Philadelphia.

Get details at www.philadelphiacpcu.com

President's Ethics Message Delivered at Franklin Award Luncheon



Following is the text of President Ann Myhr's speech given at the Franklin Awards Luncheon on March 18, 2004.

March is a special month for the Philadelphia Chapter. In addition to the Franklin Awards, March has also been designated by the National CPCU Society as Ethics Awareness Month.

Because of the importance of the ethics topic and to allow for more focus on the Franklin Awards, the Philadelphia Chapter extends this activity into April. At our Breakfast Meeting on April 15th, financial analyst and Philadelphia TV and radio celebrity Fred Sherman will speak on the financial markets and how they have been affected by recent corporate scandals. Over the past several years, alleged accounting irregularities and other wrongdoing at Enron, WorldCom, Tyco, and other companies have been front page news. These multinational, Fortune 500 companies were brought down by greed and disrespect for the rules, and these actions were enabled by inattentive boards of directors. The scandals impacted thousands of em-

ployees and customers, and led to a growing distrust of corporate executives by shareholders. Many of these irregularities were brought to the public's attention by whistleblowers within these organizations. Knowing that rules were being broken, these individuals were faced with the agonizing decision of whether to go along or to speak up. They chose to act with integrity, putting their own livelihoods and reputations on the line.

In 2003 yet another scandal, this time involving mutual fund trading, made headlines. One of the whistleblowers involved in this case was Noreen Harrington, of Stern Asset Management. What troubled Harrington was that institutional investors may have been receiving special treatment that negatively impacted the returns of small individual investors. In a USA Today article, Harrington said that her decision to come forward was prompted by a review of her sister's 401K statement. Harrington is quoted as saying that her sister, who was "one of the hardest-working people" she knew, told her that she may never be able to retire based on the performance of her retirement savings plan.

The lesson to be learned from these events is that the acts of a few honest individuals can begin to shine a dim light on the shadow of unethical practices. This light eventually grows brighter as wrongdoings are brought out in the open and responsible parties are made to answer for their actions. In almost every case, the whistleblowers describe themselves as reluctant heroes who faced difficult moral issues in their jobs.

Most of us, fortunately, will never face ethical dilemmas of this proportion in our work lives.

But we do all face situations that present moral questions or that make us feel uncomfortable. These are the very difficult decisions that never seem to have a clear answer. At these times, it important to go back to the basics and think how our families, local communities, or religious congregations would react to our decision. More importantly, can you look yourself in the mirror and believe you are doing the right thing? If not, this is a clear signal that you may be acting in a less than ethical manner. It is also important to set a good example for our co-workers, colleagues, and direct reports. It has been said that actions speak much louder than words. We need to model integrity and honesty in all aspects of our lives, which is a very, very challenging task.

In conclusion, ethics starts with each of us taking the time to do the right thing day in and day out and having the courage and integrity to make the tough decisions when required.

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GOOD WORKS: CHAPTER MEMBERS AT PHILLY SPECIAL OLYMPICS

Since 1992 the Philadelphia Chapter has participated in the Special Olympic Games held each May at Philadelphia's Northeast High School. Volunteering at the May Games is a great way to support these remarkable athletes. Our charge this year was to cheer for the participants, congratulate them after their respective events and present the winners with their medals. The weather was perfect and the personal rewards tremendous. We hope to see you all out there next year.



Philadelphia Chapter CPCU Society members in attendance, Rina Williams and Mayleen Gallagher, applaud Special Olympics winners as Medals are awarded.



Chapter members Marty Frappolli, Mayleen Gallagher, and Rina Williams pause with some junior volunteers at the Special Olympics Awards area.

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All Should Use Greater Care Handling Underwriting Information

By Akos Swierkiewicz, CPCU

One of the tenets of insurance law is that parties to an insurance policy are expected to deal with each other in utmost good faith. Applicants for insurance or their brokers must disclose all relevant underwriting information fully and accurately to prospective insurers. If the application contains any misrepresentation or omits information that could affect the underwriting decision of the insurer, the standard of utmost good faith is not met and the insurer may deny coverage for claims or rescind the policy. Allegations about misrepresentation or omission usually surface in the course claim investigations by insurers. In many instances the ensuing litigation may result in denial of the claim or rescission of the policy. Even if misrepresentation or omission is not proven, litigation inevitably causes significant delays in claims adjustment and direct and indirect expenses to the parties. Misrepresentations or omissions primarily originate from negligence by the applicant or broker during the course of the obtaining underwriting information and completing the application.

One of the major functions of brokers is to obtain accurate and complete underwriting information, which requires their active involvement in the process of gathering, preparing and communicating such information to the insurers, rather than just being the conduit to pass information from applicants to insurers. Brokers should also take the initiative and explain major provisions or conditions of the policy to applicants to minimize negative surprises when a claim occurs. State insurance laws generally allow the insurer to deny claims or rescind the policy for misrepresentation or omission, including concealment fact or incorrect statement, if: it was material either to the acceptance of the risk or to the hazard assumed by the insurer, or a reasonable insurer would have acted differently had it known the true facts, e.g. would have charged higher premium, restricted coverage or declined to issue the policy.

While most misrepresentations or omissions are unintentional, the insurer's right to deny claim payment or to rescind the policy is not limited to intentional or fraudulent misrepresentation under a number state laws, when either of the above two criteria applies.

The following are examples are alleged misrepresentations or omissions involving litigation:

- the broker asked the applicant to sign a blank application form, completed and released it to the insurer without providing copy to the applicant;
- the applicant did not review an application prepared by the broker, which contained a misrepresentation or omission;



- the broker did not ask the applicant about past losses and provided the wrong answer in the application;
- the applicant and broker did not communicate clearly about the scope of coverage and limits sought in the application;
- an application question was ambiguous to the applicant and the answer was incorrect;
- the insurer did not seek clarification of an ambiguous response to an application question.

The need for greater care with handling of underwriting information is not limited to applicants and brokers. Insurers should ask all pertinent questions in the application form because, in many instances, the applicant may be aware of important underwriting information but does not disclose it simply because it was not asked.

Application questions should be limited to seeking factual information rather than eliciting the opinion or judgment of the applicant. For example, when the applicant answered "no" to a professional liability application question as to whether future claims were expected, based on the applicant's opinion or judgment, the insurer concluded that the response was a misrepresentation or omission just because a claim did occur. In some instances, there may be an appearance of misrepresentation or omission due to the failure by the insurer to clarify responses to application questions. When presented with ambiguous or conflicting information, it behooves insurers to seek clarification prior to binding coverage or issuing the policy. For example, when an applicant found an application question inapplicable to its business, he amended it in a good faith attempt to provide accurate and complete information, and the insurer issued the policy without seeking clarifications. When a claim occurred, the insurer denied it, citing the answer to the modified question as evidence of misrepresentation. In certain circumstances only litigation can resolve allegations of misrepresentation or omission. However, the exercise of greater care in obtaining and preparing underwriting information by applicants or brokers, and clarification of ambiguous information by insurers can substantially reduce the number of cases requiring litigation and inevitable delays and costs.



Akos Swierkiewicz, CPCU is President of IRCOS, LLC, an insurance and reinsurance consulting and outsourcing firm, which also provides expert witness and litigation support. Based in Morrisville, PA., he can be reached at akos.s@ircosllc.com.

ANN E. MYHR: PRESIDENT'S MESSAGE - June 2004

Ann E. Myhr, CPCU



Although it seems like a cliché, it is hard to believe that another Chapter year is rapidly coming to a close. For me, the end of the year also marks the end of my two-year term as Chapter President. It has truly been an honor to serve the chapter

in this capacity and to work with a great chapter leadership team. The past two years have been a learning experience and a great opportunity to meet many new people, develop my leadership skills, and learn more about the insurance industry. I also look forward with great confidence, knowing that the chapter is in the capable hands of Marty Frappolli, CPCU incoming President and Jon Hensinger, CPCU incoming President-Elect. Additionally, many existing Officers, Directors, and Committee Chairs will be continuing with the Chapter and several members are stepping forward to assume new leadership roles. I encourage you to get involved and contact Marty to offer your support for

chapter events in 2004-2005. I will be making my year end report to the membership at the June 17, 2004 Breakfast Meeting. This report will also be published in the September 2004 Chaptergram.

In May, I represented the Philadelphia Chapter at the CPCU Society's 2004 Leadership Summit in Tampa, Florida. During the Summit, I was able to meet Society volunteer leaders and chapter leaders from around the country to learn and share ideas. There were also some terrific presentations and speakers as well as a kick-off to the Society's 60th Anniversary celebration, which will continue throughout this year.

In closing, I want to thank all the Philadelphia Chapter members for attending chapter events over the 2003-2004 year. Thanks also to the 2003-2004 Chapter Officers, Directors, and Committee chairs for all their hard work over this year and for their assistance in making this another great year. I appreciate all of their efforts as well as their advice and support, it certainly made my job a lot easier and very fulfilling.

On a personal note, thanks to my husband Rick for his never-ending behind-the-scenes support.

AIC & CPCU Recognition Breakfast at PLRB in Chicago

By Donna Popow, CPCU

March 2004, Chicago — The Property Loss Research Bureau held its annual Claim Conference at the Hyatt Regency Chicago this year. The three day conference was attended by 2500 insurance professionals. A new feature of the conference was the AIC/CPCU recognition breakfast held on the first day of the conference. The recognition breakfast was hosted by David Thomas, CPCU, Director of Sales, Sandy Masters, CPCU, CPIW, Regional Marketing Director and Donna Popow, J.D., CPCU, AIC, Director of Curriculum. Among the 80 breakfast participants were eight new Associate in Claims designees who were recognized for their achievement.

Also in attendance was Patrick Jeremy, CPCU, AIC, Chairman of the 2004 PLRB Claim Conference and Norman Weisenfluh, AIC, vice chair, as well as Dan Price, CPCU the ACE-SCLA 2004 Claims Person of the Year and James Klauke, CPCU, AIC the ACE-SCLA 2003 Claims Person of the Year. These gentlemen were recognized for their outstanding leadership and their commitment to continuing education.

The 2005 PLRB Claims Conference will be held in San Antonio during the month of April. The Institutes look forward to hosting an even larger gathering of CPCU and AIC designees at that event.

LEFT: The new AIC graduates gather in Chicago with Philly Chapter member Donna Popow of the American Institutes



RIGHT: Philly Chapter member Donna Popow greets an attendee at the AIC & CPCU Recognition Breakfast

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February Breakfast Meeting Recap: Medicare Secondary Payer Program

Story by Donna Popow, CPCU

When does workers' compensation interact with Medicare? When an injured worker is receiving Medicare or will soon be eligible for Medicare benefits.

Why should insurers be concerned about this? When a person is entitled to both workers' compensation and Medicare, coordination of benefits becomes an issue.

Medicare is a secondary payer for the payment of medical benefits to an injured worker. And under a new initiative, the Centers for Medicare and Medicaid Services (CMS) are enforcing Medicare's secondary payer status.

"coordination of benefits becomes an issue..."

John D'Alusio presented a spirited explanation of this enforcement initiative at the February 19, 2004, breakfast meeting. Medicare as a secondary payer has been around since 1980, but CMS has only recently begun enforcement of the regulations. CMS has focused on workers' compensation cases, although the statute applies to liability cases and Longshore claims as well.

CMS requires workers' compensation settlements that seek to limit or close future medical benefits for a "qualified claimant" to obtain CMS approval of the settlement. A qualified claimant can be:

1. A Medicare beneficiary
2. Someone who has a reasonable expectation of Medicare enrollment within 30 months and the settlement amount is \$250,000 or more

If a settlement is made with a qualified claimant and it has not received the approval of CMS, several things can occur. The claimant may be asked to reimburse Medicare. The claimant may not receive Medicare benefits until the Medicare lien is resolved. Each of these scenarios may expose the insurer to a bad faith suit for failure to gain CMS approval. Or CMS will go directly to the insurer and file a lien for Medicare reimbursement. There is no statute of limitations on this, so it is foreseeable that CMS may be allowed to intervene in settlements that have already been concluded. One example of this is CMS intervention in the 1995 settlement of the breast implant class action. In 2003, CMS was allowed to intervene and essentially reopen the settlement.

In order to obtain CMS approval, insurers and attorneys should be preparing settlement proposals that include a Medicare set-aside allocation. The set-aside allocation is a projec-

tion of future medical costs based on fee schedules and past medical payments and liens. These set-aside allocations are usually prepared by a vendor specializing in the process.

Once the set-aside allocation is approved, the funds are placed in a separate account. This portion of the settlement can be funded by a lump sum payment or by a structured settlement. The set-aside fund can be administered by a third-party administrator or by the claimant.

CMS has ten regional offices set up to process set-aside allocations and approve settlements. The regional office seeks to review and make a decision on proposed settlements within 45 to 60 days, once it has received all necessary documentation. However, some offices have substantial backlogs.

Insurers can anticipate the enactment of enforcement regulations for liability claims and regulations regarding the Prescription Drug Bill in 2004. Additionally, bills similar to the Medicare Secondary Payer Program have been submitted to Congress for Veterans Administration medical benefits payments and Medicaid payments.

The practice of including future medical costs in settlements is becoming more complex with these enforcement initiatives. Insurers and attorneys will have to keep up to date on these initiatives if they are to adequately protect themselves and their clients.



Clockwise, from top left: John D'Alusio addresses the crowd; Attendees listen and take notes; More audience members at the February Breakfast meeting; John D'Alusio chats with Chapter New Designee Chair Storm Wilkins.

ISOP Taps Ann E. Myhr for Outstanding Educator Award

Ann E. Myhr, CPCU, completing her second year as President of the Philadelphia Chapter CPCU Society, has been chosen by the Insurance Society of Philadelphia to receive their Outstanding Educator Award. The ISOP Board established this award for faculty members to note exemplary service in ISOP's continuing education programs. Ann will be feted at ISOP's Annual Awards Banquet on June 23, 2004. Congratulations to Ann for this prestigious honor. We in the Philadelphia Chapter are fortunate and proud to have Ann as a teacher, a leader, and a friend.

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2004 Franklin Award Presented To Terry Macko, CPCU, AIS

By Valerie Ullman Katz, CPCU, ARM, AIS, AIM

The Society of CPCU, Philadelphia Chapter recognized Terry Macko, CPCU, AIS at the 2004 Franklin Award Luncheon. Ms. Macko, President and CEO of the Insurance Society of Philadelphia, was honored to accept this prestigious award for her outstanding contribution to our insurance community. Over one hundred and fifty people honored Ms. Macko at the luncheon held on March 18, 2004 at the Doubletree Hotel in Philadelphia. Ms. Macko was introduced as a woman with a mission to promote industry education. Through her efforts, CPCU and IIA classes have been offered at new locations and times throughout the region. Workshops are offered to engage insurance professionals in emerging issues and state of the art industry practice. Ms. Macko is the driving force behind the annual Philadelphia I-Day, a day-long conference attended by over three hundred insurance professionals. The City Counsel of Philadelphia also honored Ms. Macko with a citation for her exceptional contributions to the City. Joseph Gerber, Esq., of Cozen and O'Connor, was the keynote speaker. In an impassioned speech, Mr. Gerber acknowledged that not all change brought about good results. He implored our industry leaders to pay attention to the people



Terry Macko, left, receives her award from Valerie Ullman Katz, CPCU, who did so much of the work to make the Franklin Awards Luncheon such a success. With them is keynote speaker Joseph Gerber, Esq.

that make up our industry. Perhaps contrary to the virtual office providing for a higher return on assets absent the mortar and bricks, Mr. Gerber strongly believes that corporate behavior, knowledge sharing, and the exchange of ideas are vitally important to the health and strength of our industry and the human experience. While acknowledging the various uses of distance learning for employees constrained by time and home/family issues, Mr. Gerber presented a strong case for employers to allow time during the day for class study.

Prior Franklin Award recipients in attendance were:
Bottom Row: Edwin Overman, Ph.D., CPCU (1983); George Head, Ph.D., CPCU, CLU (1986); Walter Bateman, CPCU (2002).
Top Row: Peter Palestina, CPCU (1996); H. Gordon Heile, ARM (1990); Lawrence Brandon, CPCU, AIM (1997); Robert Seltzer, CPCU (2000).



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Book Review: *Leading Change* by John P. Kotter

Jonathan W. Hensinger, CPCU, ARM

The rate of change in the business world has increased tremendously over the past two decades. Powerful macroeconomic forces, like globalization, changes in technology, and increased competition threaten to further increase that rate of change. As a result, more and more organizations will be pushed to reduce costs, improve the quality of their products and services, and increase profitability. But beware. Change requires leadership. And change efforts can fail without the right kind of leadership. Here is the author's eight step process for effectively leading change:

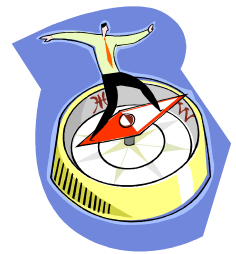
- (1) Establish a sense of urgency**
 - Examine the market and competitive realities
 - Identify and discuss crises, potential crises, or major opportunities
- (2) Create the guiding coalition**
 - Put together a group with enough power to lead the change
 - Get the group to work like a team
- (3) Develop a vision and strategy**
 - Create a vision to help direct the change effort
 - Develop strategies for achieving that vision
- (4) Communicate the change vision**
 - Use every vehicle possible to constantly communicate the new vision and strategies
 - Have the guiding coalition role model the behavior expected of employees
- (5) Empower broad based action**
 - Get rid of obstacles
 - Change systems or structures that undermine the change vision
 - Encourage risk taking and nontraditional ideas, activities, and actions
- (6) Generate short-term wins**
 - Plan for visible improvements in performance, or "wins"
 - Create those wins
 - Visibly recognize and reward people who made the wins possible
- (7) Consolidate gains and produce more change**

- Use increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformation vision
- Hire, promote, and develop people who can implement the change vision
- Reinvigorate the process with new projects, themes, and change agents

(8) Anchor new approaches in the culture

- Create better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management
- Articulate the connections between new behaviors and organizational success
- Develop a means to ensure leadership development and succession

The rate of change will not slow down anytime soon. So what will the organization of the future look like? In the future, successful organizations will have a persistent sense of urgency. They will have teamwork at the top – they will eliminate giant egos and snakes. They will have people who can create and communicate vision. They will foster life-long learning and develop leadership. They will achieve broad based empowerment through flatter organizational structures and by pushing authority down to lower levels of the organization. They will let go of old, unproductive procedures. And finally, they will develop an adaptive corporate culture, one which will allow them to embrace change and move through changes quickly.



CPCU TRIP TO SEE THE BLUE ROCKS!

Save the date! The Philly Chapter CPCU Society is sponsoring a Father's Day Special group baseball outing to see the Wilmington Blue Rocks play Winston-Salem on Sunday, June 20, 1:35pm. Tickets are \$25 and include a pre-game picnic lunch at 12:30pm! Check www.philadelphiacpcu.com for details!

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John Conklin leads the insurance search efforts of Career Concepts, Inc. With over 20 years of management experience in the property casualty insurance industry, John offers a solid knowledge base and has developed an extensive network of professionals throughout the insurance community.

A graduate of Temple University and a member of the Philadelphia Chapter of CPCU, John also holds the SPHR (Senior Professional in Human Resources) designation. John leads a team of recruiters in identifying top quality candidates at all levels in Underwriting, Claims, Loss Prevention, Marketing, Finance, Information Technology and Human Resources.

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IDMA Annual Meeting in Philly

The **IDMA** (Insurance Data Management Association) 2004 annual seminar was held at The Westin in Philadelphia on March 29-30, 2004. The theme was *Data Discussions Have Moved to the Board Room: Do You Have a Data Strategy?* At the meeting Philadelphia Chapter CPCU Society member Chris Jones, CPCU, CIDM, AIS, was chosen as President-Elect for IDMA, and was congratulated for completion of his chairmanship of the IDMA Education Committee. Richard Penberthy, Executive Director of IDMA, noted "IDMA's membership has the task of handling one of the most important corporate assets of the insurance industry: data. As the 'data guys' we determined early on that education would be the only logical way to promote professionalism in the Data Management discipline. The principal means of education is our curriculum to develop insurance data professionals."

The seminar this year brought together 26 speakers and 140 registered participants. Their evaluations reveal it as one of the most successful seminars in 20 years. Next year's seminar is again at The Westin, April 4-5, 2005; every data manager should enter that date on next year's calendar.



Philly Chapter member and outgoing Education Committee Chair **Christopher J. Jones**, CPCU, CIDM, AIS, with incoming Chair **Theresa Szwast**, AIDM.

CHAPTER MEMBERS AT NLI SESSIONS IN TAMPA

Philadelphia Chapter members were active participants at the CPCU Society's 2004 Leadership Summit, which included National Leadership Institute sessions and programs tailored for Chapter and Section leaders. Pictured on the right is Chapter President **Ann Myhr** in one of the roundtable working sessions. Below, Past President **Val Katz**, Director **Donna Popow**, and President-Elect nominee **Jon Hensinger** share thoughts on the day's programs with **Leslie Higgins** of the CPCU Society.



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HELP TEMPLE UNIVERSITY INSURANCE STUDENTS



Each year in May or June, the Chapter has conducted a golf scholarship benefit outing to raise money (eligible for matching funds from the Loman Foundation) for the undergraduate insurance students at Temple University. There will be no spring golf outing this year (one is planned for the fall), but we want *now* to help that excellent program for insurance students at Temple. Please help the Chapter raise scholarship funds so that we can continue

our commitment to the future of our Philadelphia insurance industry. Can you help with a donation of \$25, \$50, \$100, or more? Please make your check payable to Philadelphia Chapter CPCU, and mail to Ann. E. Myhr, The American Institutes, 720 Providence Rd, Malvern PA 19355. Thanks!

FALL GOLF OUTING AT PAXON HOLLOW

Our chapter will host a Golf Outing on Sep. 23 to fund scholarships for insurance undergrads at Temple. Format will be a two person scramble with prizes for various holes; tee times starting at 1 PM at Paxon Hollow in Marple Twp, just off Rt. 3 and the Blue Route. Buffet dinner, with open bar, will follow at 6PM. We need volunteers for the registration table and organizations to donate prizes or sponsor holes. Hole sponsors get a tee promo sign for a \$100 donation. Prize donors are thanked at the awards ceremony. We will be sending out the registration forms in June. To volunteer or for info, call Donna Popow, CPCU, (610) 644-2100 extension 7556 or send an email to Donna at Popow@cpcuia.org. Be sure to mark your calendar!



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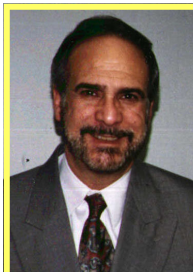
MIX'n'MINGLE 4/15 AT TIR NA NOG

Coordinated by Mayleen Gallagher, another Mix N' Mingle was co-sponsored by our Chapter with the Philadelphia Casualty Underwriters Club and the Mariners Club of Philadelphia. The Mix'n'Mingle concept was developed to foster an environment

of open, relaxed communication among insurance professionals in the Greater Philly region. **Left: guests networking. Below, Left: Mayleen greets fellow CPCUs. Below, right: PMA U/W Executive John Marsh won the t-shirt raffle.**



Palestina Noted on CPCU Society Website



The following is excerpted from the National CPCU Society's website:

Peter F. Palestina, CPCU, Class of 1975, is VP of the Paist & Noe, Inc. agency in Richboro, PA, and was elected chairman of the Board of Supervisors of Northampton Twp, PA, in January 2003. Pete was first elected as a township supervisor in 1983, and has served as a supervisor since that date. An active member of the CPCU Society, Pete has also contributed countless hours to "Spreading the Word!" about CPCU. He has spoken to a number of local organizations about the problem of insurance fraud and was chairman of the Society's Insurance Fraud Speakers Task Force. In addition, Pete is a past president of the Society's Philadelphia Chapter, and currently serves as a member of the Examinations Review Committee for the AICPCU.

The CPCU Society thanks Pete for his many valuable contributions over the years!



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You probably already know that you can leverage your CPCU designation toward a master's degree at schools like Boston University or an MBA at Walden University. According to the AICPCU website, www.aicpcu.org, "Walden will transfer four CPCU courses plus, for students with a bachelor's degree in business or management, you can waive an additional three courses, allowing you to complete your degree in as little as 15 months." In addition, the Institutes are announcing two **new** waiver programs:

AMComp's Workers' Compensation Certified Professional (WCP) Designation

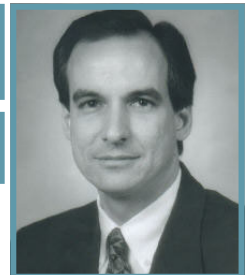
AMComp is a nonprofit corporation dedicated to professional excellence in workers compensation. AMComp certifies WC professionals and raises the professional standards of practice in the field. AMComp grants the WCP designation; the program consists of 3 parts:

Part 1 uses the old CPCU 520 text and AICPCU's Code of Professional Ethics; Part 2 requires three texts on WC loss exposures, coverages, claims, and law; Part 3 requires one text on claim management and a series of readings on current issues. Learn more about AmComp at <http://www.amcompupro.com>.

The AICPCU will grant a waiver of CPCU 520 for those who attain the WCP designation.

FROM THE EDITOR

MARTIN J. FRAPPOLLI, CPCU, AIS



IDMA's Associate in Insurance Data Management and Certified Insurance Data Manager Designations

IDMA offers two designations. The Associate in Insurance Data Management (AIDM) requires 4 IDMA courses — IDMA 1, Insurance Data Collection and Reporting; IDMA 2, Insurance Data Quality; IDMA 3, Systems Development and Project Management; IDMA 4, Data Management Administration & Data Warehousing. The Certified Insurance Data Manager (CIDM) designation requires four additional courses: CPCU 520; CPCU 540; any two of CPCU 551, CPCU 552, CPCU 555, or CPCU 556.

Anyone earning the AIDM or CIDM shows technology proficiency that exceeds the IIA course AIT131. Anyone who has completed the AIT (Associate in Information Technology) program — AIT 131, AIT 132, and AIT 134 — has gained a high level of technology knowledge, comparable to the content in IDMA 3 – Systems Development and Project Management.

The Institutes will waive AIT 131 for persons holding the AIDM or CIDM designation. The IDMA will waive IDMA 3 for persons holding the AIT designation.