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2004-5 Officers Installed; President Honors Members

Concluding the 2003/4 Chapter Year, the new officers for 2004/5 were installed at the June Breakfast Meeting and sworn in by Past President Val Ullman-Katz. Incoming and continuing officers include President Martin J. Frappolli, CPCU; President-Elect Jon Hensinger, CPCU; VP Lilly Cowan, CPCU; Treasurer Larry White, CPCU; Secretary Cindy Wolkiewicz, CPCU; Directors Rina Williams, CPCU, Donna Popow, CPCU, Jarrod Collins, CPCU, John Curry, CPCU, Mayleen Gallagher, CPCU, and Storm Wilkins, CPCU.

Outgoing President Ann Myhr, who served with great distinction for two full terms, used the occasion to honor mem-

bers with service awards and certificates of appreciation. Valerie Ullman-Katz, Past President of the Philadelphia Chapter CPCU Society, tireless organizer of the Franklin Award Luncheon, and co-sponsor of the *Philadelphia Business Journal* insurance supplement, was selected for the President's Member Of The Year Award.

Ann was also honored by her fellow chapter officers and committee chairs, who presented her with a plaque in recognition of her selfless service to the Chapter and a gift certificate to the Capital Grille as a gesture of thanks for her steady mentorship and faithful stewardship of our Philadelphia Chapter.

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LEFT: Val Katz accepts from Ann Myhr the President's Member-of-the-Year Award.
RIGHT: Past president Val Ullman Katz swears in new officers, from left: Larry White, Storm Wilkins, Lilly Cowan, Cindy Wolkiewicz, Donna Popow, and Marty Frappolli.



Reach for the Stars! Don't miss the CPCU Society's 60th Annual Meeting and Seminars in Los Angeles, CA, from October 23-26, 2004. See <http://www.cpcusociety.org> for details.

MARK YOUR CALENDAR FOR UPCOMING EVENTS

Sep 9: Breakfast Meeting, 8:00 am, Doubletree Hotel, Philadelphia. *View From the Top.*
Sep 22: Golf Outing at Paxon Hollow to benefit Temple insurance students.
Oct 14: Breakfast Meeting, 8:00 am, Doubletree Hotel, Philadelphia. *Tort Reform.*

Nov 18: Breakfast Meeting, 8:00 am, Doubletree Hotel, Philadelphia. *TQ & Continuous Improvement.*
Dec 9: I-Day, 2004. Landmark insurance event at the Wyndham Hotel in Philadelphia.
Details: www.philadelphiacpcu.com

President's Message—Martin J. Frappolli, CPCU, AIS



Our Chapter has an ambitious agenda for the 2004-5 year, and you should be an active participant. We are lining up a dynamic series of speakers for our monthly Breakfast Meetings, beginning with September's "View From The Top" featuring John Phelan, CEO of American Re, Thomas Routson, ARM, VP with Zurich North American, and Dennis Rowe, CEO of Penn National.

Programs Chair Lilly Cowan has a varied slate of topics planned. The Breakfast Meetings present the opportunity to stay informed on a variety of insurance topics (it's so important to know more than just those things that you encounter in your work each day) and to network with other credentialed insurance professionals. We hold the meetings at breakfast so you can have a good meal, hear an informative program, and get on with your day. This year, we will be starting the presentations a little earlier so that we can conclude earlier. See you there! Naturally, our members will be repeating many of the events that bring value to us and to the community each year — good works, I-Day, scholarships, seminars, Fire Essay contest, and the Franklin Award. We are always seeking members who want to help these efforts succeed; send me an email at frappolli@cpcuiia.org to let me know that you want to participate. One major new undertaking

is the formation of a regional group whose focus will be on preparing to host the 2008 Annual Meetings & Seminars here in Philadelphia. President-elect Jon Hensinger and I will coordinate this effort with help from the CPCU Society staff in Malvern. Once we have set the goals, we will be forming a regional panel to serve through 2008 for this purpose. New faces are most welcome! Take advantage of what your CPCU designation will do for you now.

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Congratulations New Designees!



The officers and directors of the Philadelphia Chapter CPCU Society offer a hearty congratulations and a welcome to our 2004 New Designees! We hope you can attend the national conferment ceremony in Los Angeles; whether you do or not, be sure to attend your local conferment event, which will be held in Philadelphia in conjunction with I-Day on December 9, 2004. You have done the hard work to earn your CPCU designation; now get the rewards that come from networking with other CPCUs in the Philadelphia region.

Here are the 2004 Philadelphia Chapter New Designees:
Jacques Arragon, CPCU, Marsh, Inc.

Amy E. Fitzpatrick, CPCU, Resolute Management, Inc.

Brigita Gorberg, CPCU, Towers Perrin

Hou-wen Jeng, CPCU, Towers Perrin

Kevin McEvoy, CPCU, State Farm Insurance Cos.

Susan Lee Monahan, CPCU, Brown and Brown Inc.

Dennis J. Owens, CPCU, State Farm Insurance Cos.

Stephen G. Sobocinski, CPCU, Selective Insurance Cos.

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Chapter Awards Two College Scholarships

The Philadelphia Chapter of the CPCU Society has a Scholarship Fund to make annual grants-in-aid to those meeting our qualifications and criteria. The amount of Grant varies between \$250 and \$1,000 depending on the number of worthy applicants during any given year.

To be eligible the applicant must: be a relative of someone employed in the insurance industry in the Philadelphia Chapter territory or employed in the industry elsewhere, but reside in the Philadelphia territory; be enrolled at an accredited 2 or 4 year college or university; send a completed application to the Philadelphia Chapter before the May 1 deadline.

The two scholarship winners, Brian Petronchak and Mike Casey, were invited to our June Breakfast Meeting. President Ann Myhr presented the grants to Mike Casey, who attended the breakfast meeting with his mother, and to Brian Petronchak's father. Mike tells us that he plans to study cell biology and neuroscience at Rutgers College in New Brunswick, NJ, and then pursue med school. Best wishes to both Mike and Brian!

Find a copy of the 2005 Scholarship application and additional information on the Scholarship Grant on our website:

www.philadelphiacpcu.com/grant.htm.

Pictured below at our June Meeting, Left to Right: Scholarship winner Mike Casey; Chapter President Ann E. Myhr presents the scholarship award to Mike and his mother, Diane Casey, CPCU; Scholarship winner Brian Petronchak; President Myhr presents Brian Petronchak's scholarship award to Brian's father.



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

RECENT INSURANCE COVERAGE DECISIONS – MAY BREAKFAST MEETING

Recap by Donna Popow, CPCU

The May 20, 2004 breakfast meeting gave attendees the opportunity to learn about recent insurance coverage decisions in Pennsylvania, New Jersey and California that will have an impact on underwriters and claims professionals. Elit R. Felix, II, Esq. from Margolis Edelstein and Douglas Kent, Esq., from Marshall, Dennehey, Warner, Coleman & Goggin, informed and entertained the audience with their insights into these decisions.



May breakfast meeting attendees listening to Elit Felix and Doug Kent on coverage issues.

The following case information came directly from Elit's meeting handout, Synopsis of Case Presentation. Elit opened the discussion with the New Jersey Supreme Court decision in the case Spaulding Composites Company, Inc. v. Aetna Casualty & Surety Company, 176 N.J. 25, 819 A.2d 410 (2003). This case concerned the application of a non-cumulation clause. The non-cumulation clause in the policy stated that an insured liable for damages that occurred over multiple years but that arose from a single occurrence could not "cumulate" the limits under successive policies. The New Jersey Supreme Court held that this non-cumulation clause is ineffective under New Jersey's "continuous trigger" theory and pro-rata allocation by years and limits.

Elit's second case, also from the New Jersey Supreme Court, was Benjamin Moore & Co. v. Aetna Casualty & Surety Company, 179 N.J. 87, 843 A.2d 1094 (2004). This case also used the "continuous trigger" theory and pro-rata allocation by years and limits to require that the insured pay the full amount of every per-occurrence deductible in the successive policies in effect when the progressive environmental harm had taken place.

The third case Elit discussed was EnergyNorth Natural Gas, Inc. v. Underwriters at Lloyd's, 2004 N.H. LEXIS 76 (NH, April 23, 2004). This 2004 New Hampshire decision is of concern to us because it may cause Pennsylvania to revisit its position on the "sudden and accidental" pollution exclusion. In this case, the Court held that modern occurrence-based policies embody in their own terms an "injury in fact" trigger of coverage. The Court also found that earlier accident-based

policies embody an "exposure" trigger and that the London occurrence-based policy (which defined occurrence as a "happening") was analogous to the early accident-based policies.

Doug's first case dealt with a workers' compensation issue. Taylor v. Woods Rehabilitation Service, 2004 PA Super 89, 846 A.2d 742, concerned an injured worker's allegation of vocational malpractice, breach of contract and intentional infliction of emotional distress on the part of a vocational rehabilitation provider. The Court held that these injuries were separate and distinct from the work-related injury. As a result, the vocational rehabilitation provider did not have immunity from the suit under the Workers' Compensation Act. This ruling may result in more suits against vendors, as well as vendors attempting to include indemnity clauses in their contracts.

The second case Doug discussed, Hameid v. National Fire Insurance of Hartford, 31 Cal.4th 16, 71 P.3d 761, 1 Cal RPTR.3d 401, is a California Supreme Court decision involving the meaning of "advertising injury". A beauty parlor sued a competitor over a stolen customer list. The list was used by the competitor to send a solicitation in a value-pak mailer. The Court held that this was not advertising because the value-paks were individual solicitations and not a widespread promotion to the public. Although the Court does not address the internet in its opinion, there are implications as to whether SPAM e-mail is or is not advertising.

The final two cases that Doug discussed concerned Pennsylvania UM/UIM rejection forms. In Allstate v. Seelye, 2004 Pa. Super. 103, 2004 Pa. Super. Lexis 342 the insured claimed that the insurer's rejection form did not conform to the statute because it had 3 additional words, not included in the statutory language. In Vosk v. Encompass, 2004 Pa. Super. 168, 2004 Pa. Super. Lexis 1208, the insured argued that the form had to match the statutory language verbatim. The insurer argued that this interpretation would result in strict liability for a typo on the form. The Superior Court, in both of these cases, allowed minor deviation from the statutory language. It is anticipated that both cases will go to the Pennsylvania Supreme Court some time next year.

Both lawyers answered questions from the audience and discussed the cases one on one after the meeting adjourned.



Elit and Doug don Chapter baseball caps presented as a token of thanks by president Ann Myhr.

2003/4 ANNUAL REPORT TO THE PHILADELPHIA CHAPTER MEMBERSHIP

Ann E. Myhr, CPCU

On behalf of the Board of Directors of the Philadelphia Chapter, I am pleased to provide this report of chapter activities for the 2003/4 year. By the efforts of the Board and our Committee Chairs, it's been another great year with many activities and events. Highlights include:



- A great September kick-off "View from the Top" Breakfast Meeting on Sarbanes-Oxley and its effect on the insurance industry.
- A second insurance supplement to the Philadelphia Business Journal, a joint effort of the Philly and Brandywine Chapters that is co-edited by our Past President Val Ullman-Katz, CPCU and Brandywine Past President Jon Hensinger, CPCU.
- I-Day in December 2003, "The Insurance Marketplace: Challenges and Solutions", with many dynamic sessions and panels.
- The Franklin Award was presented to Terry Macko, CPCU, President, Insurance Society of Philadelphia in March, 2004.
- Sponsorship of a local offering of the CPCU Society's National Leadership Institute program, "Developing Resilience in a Rapidly Changing World," March 24, 2004.
- Recognition with the CPCU Society's Gold Circle of Excellence at the Annual Meeting in October of 2003 for the 2002-2003 year.

To recap the many activities completed by the Chapter Committees:

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

The committee manned an information table at Philadelphia I-Day in Dec. '03 to meet candidates, provide info, and recruit candidates and potential mentors for the Personal Sponsorship Program. Candidates were invited to our Mix'n'Mingles & chapter meetings. Candidate members were telephoned in the Annual Membership Campaign.

Chaptergram: Marty Frappolli, CPCU, AIS, Chair

Four issues of the Chaptergram completed in 2003/4 were mailed to members and posted to the website. Marty signed on additional advertisers and the Chaptergram has grown to 12 pages. He has changed the editing process to reduce overall production costs.

Continuing Education

Several Breakfast Meetings and chapter sponsored seminars were filed/approved for CE credit. Our I-Day seminar "Financial Futures" was approved for CE credits in PA, NJ & DE, Continuing Legal Education (CLE) credits, and CPE credits for CPAs.

Fire Essay - Council Rock: Peter F. Palestina, CPCU, Chair

The 20th 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.

Franklin Award: Val Ullman-Katz, CPCU, AIS, Chair

Terry Macko, CPCU, President of ISOP was honored at a luncheon attended by producer, insurer, law, and other professionals. President Ann Myhr gave an ethics presentation and ISOP's Chairman, Joseph A. Gerber, Esq., served as Keynote Speaker for this event.

Good Works: Mayleen Gallagher, CPCU, Chair

Good Works activities held throughout the chapter year, included:

October - a collection of clothing and other items for Laurel House, a safe have for abused women and their children in Norristown, PA; **April** - clothing donations to the Career Wardrobe, an organization serving women returning to work from welfare programs or following abuse situations; **May** - participation in the Phila. Special Olympics & the United Cerebral Palsy Ins. Education Run.

I-Day: Marty Frappolli, CPCU, AIS, Chair

We co-sponsored I-Day with ISOP, IIA of Phila. & Suburbs, Valley Forge Chapter CPCU, & RIMS. Theme: "The Insurance Marketplace: Challenges & Solutions" with an Opening Session & panels on *Financial Futures, Bottom Line Enhancers, Claims & Coverage Lessons from 9-11, and Going Global; Staying Covered*. AICPCU CEO Terrie Troxel conferred our NDs; Marty coordinated the *Financial Futures* session.

Membership: Matthew O'Malley, CPCU, Chair

Our most active committee, Membership coordinated efforts with Candidate Development & New Designee committees. 2 Mix'n'Mingles were held for members & colleagues to network and learn more about our Chapter. The committee ran a calling campaign to contact non-renewing individuals and obtained many membership renewals.

New Designees: Storm Wilkins, CPCU, Chair / ND Rep

This committee sent letters to NDs to welcome them and encourage attendance at meetings. A reception for NDs was held at I-Day. NDs also were invited to our Mix'n'Mingles. The Chapter placed an ad in the Annual Meeting Yearbook with the name of each Phila. ND.

Programs: Debbie Somers, CPCU, Chair

Monthly breakfast meeting topics: **Sep.** *View from the Top: Sarbanes Oxley-Susan Rivera, ACE USA, Jon Ingersoll, AON Re*; **Oct.** *Sarbanes-Oxley: A Legal & Accounting Perspective-Torpey White, CPA, CISA, Goldenberg Rosenthal, LLP, Linda S. Kaiser, Esq., CPCU, Cozen O'Connor*; **Nov.** *joint meeting w/Brandywine-Breaking Into Senior Management - Marsha Egan, CPCU*; **Jan.** *Workplace Accident Investigation-Paul J. Sharkey, AARM*; **Feb.** *Medicare Secondary Payer Program - John D'Alusio*; **Apr.** *Ethics & Financial Markets - Fred Sherman*; **May** *Recent Insurance Coverage Decisions in PA, NJ, CA - Elit R. Felix, II, Esq. and Douglas Kent, Esq.*; **Jun.** *Leadership Dynamics & Challenges-Ron Thornton, CPCU, IMUA President*.

Public Relations: Jarrod Collins, CPCU, Chair

Several articles on chapter events were published in local periodicals and the national CPCU News featured the Fire Essay Contest. The Chapter published a second insurance supplement to the Philadelphia Business Journal in a joint effort with the Brandywine Valley Chapter.

Scholarships: John Curry, CPCU, Chair / Donna Popow, CPCU, Golf Outing Chair

Scholarships for college bound seniors (children of Phila. area insurance professionals) were awarded to Michael Casey and Brian Petronchak. We also support the Temple University Risk Management scholarship, funded this year by a donation from USLI insurance.

Seminars: Cindy Wolkiewicz, CPCU, Chair

We sponsored 3 seminars: *Alternative Risk Financing* - Oct. '03; *Developing Resilience in a Rapidly Changing World (NLI)* - Mar. '04; *Umbrella and Excess Liability* - Apr. '04.

Website: Matt O'Malley, CPCU, Chair

Our Chapter website is one of the largest, with info on events, committees, meetings, job postings & more. Matt took over from Pete Palestina, who established and ran the site for many years.

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JUNE BREAKFAST MEETING RECAP: THORNTON ON LEADERSHIP

Recap by Donna Popow, CPCU

The June 17, 2004 meeting provided a thought-provoking and entertaining look at leadership dynamics and challenges. Ron Thornton, CPCU, President and CEO of the Inland Marine Underwriter's Association (IMUA) shared his thoughts on the difference between management and leadership. The basic distinction Ron drew is that management manages people and processes while leadership sets direction, goals and objectives. In his career, Ron has relied heavily on the writings of Peter Drucker, who has established the following ten rules of leadership:

- Ask what needs to be done
- Ask what is right for the enterprise
- Develop action plans
- Take responsibility for decisions
- Take responsibility for communication
- Focus on the opportunity and not the problem
- Make meetings productive
- Think and say "we"
- Listen first, then speak

Ron recommends a book by Robert Greenleaf entitled *The Servant Leader* as must reading for aspiring leaders. It is a fictional story that teaches organizations that there are servants who step up and assume leadership roles for specific projects and then fall back into the organization.

So to encourage leadership in his own career, Ron has accumulated a top ten list which he refers to every day:

1. *All progress is based on a desire to live beyond your means* — Samuel Butler
2. *Lop away superfluous branches so bearing boughs may live* — William Shakespeare
3. *If you do what you have always done, you will always get what you have always gotten* — Pecos Learning Center
4. *Avoid antagonizing nobles but they are the people who matter most to your continued rule* — Machiavelli
5. *Each of us has a different dream* — Navaho proverb



6. *We have done so much with so little for so long that now "they" think we are capable of doing everything with nothing* — Roman centurion
7. *A man can not change the direction of the wind but he can adjust the direction of his sails* — Anonymous
8. *Be direct in your speech, still more in your actions* — Plato
9. *We have met the enemy and he is us* — Walt Kelly 'Pogo'
10. *Life can only be understood backwards but life must be lived forward* — Peter Drucker

In closing Ron left us with an Underwriter's prayer: *Please let there be a continued hard market. I promise not to squander it all away this time.*

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Ron Thornton pauses after the breakfast meeting with Chapter Director Donna Popow.

CPCU Society's NLI Yields a Real ROI!



Jon Hensinger, CPCU

Last year, Jon Hensinger, CPCU, returned from the CPCU Society's 59th Annual Meeting and Seminars with cutting edge ideas and concepts he learned from a pilot NLI seminar on "Leading Organizational Excellence." He presented these ideas to his employer and is now part of a new and exciting organizational development team working on continuous improvement initiatives.

"When I returned from New Orleans, it occurred to me that my department at State Farm could benefit from some sort of formal continuous improvement training, similar to what the course had presented," explains Hensinger. "I went to speak to my division manager about my idea and was later hired into the organizational development unit with the primary mission of creating and running a continuous improvement program for Fire Underwriting in the Northeast Zone!"

Philly Members at National Leadership Summit

At the NLI Leadership Summit in April, Left to right: Jim Marks, Pres of CPCU Society; **Ann Myhr**, Phila Chapter Pres 03-04; **Jon Hensinger**, Phila Chapter Pres-Elect, 04-05; Incoming National Society President Don Hurzeler; **Val Katz**, Phila Past President; **Donna Popow**, Philadelphia Director; Hugh McGowan, National Society President.



Six Sigma Quality in Insurance Organizations—Will It Work?

John Pryor, CPCU, ARM, AAI, AIS

When the CPCU Society's annual meeting was in Chicago a few years ago, the Total Quality Section sponsored a seminar on Six Sigma Quality. I was pleased and honored to serve as its moderator.

A major question during this seminar is a question many still raise today:

Six Sigma is working marvelously in manufacturing firms like Motorola and General Electric – but can it work in a financial services organization?

I'm pleased to report there are many success stories to show that Six Sigma Quality is unequivocally relevant and entirely applicable to a service organization – whether it's a local insurance agency or a major regional or even international insurance company.

Let me give you a few insurance industry specifics.

According to Kennedy Smith, Associate Editor of *Quality Digest* magazine, one large insurance company's cycle time for claims was 41 days. Because nearly 89% of past claimants deemed 14 days sufficient time for completion, customer satisfaction was at an all-time low. In less than five months, this company's Six Sigma project team not only assessed the organization's defect rate and identified the key factors involved, but it also reduced the defect rate by more than 70%. The company's savings from this project exceeded \$250,000 in the first five months. Needless to say, customer satisfaction increased dramatically!

In the June 2003 Claims Quarterly of the Society's Claim's Section, author Jonathan G. Stein, JD, CPCU commented, "Insurance adjusters are notorious, unfortunately, for their poor customer service . . . There is a connection between exceptional service and business profitability . . . The solution is easy: Fix it! Provide customers with excellent service. To do this, concentrate on these four areas: easier, faster, closer, and better."

Everything Stein reports in his article is accurate in terms of the problem definition and its overall solution of faster, better, etc. What needs to be added is HOW claims adjusters "get from here to there".

The best answer within the insurance industry is the Institutes' course in quality and continuous improvement entitled, *Delivering Insurance Services* – AIS-25. This provides all players – from senior management to the all-important receptionist (otherwise known as "manager of first impressions") – with the foundational methodologies to make these good outcomes happen. You can enhance these fundamentals with Six Sigma Quality techniques of minimizing defects to 3.4 per 1,000,000 opportunities.

One of the panelists at our seminar in Chicago was from Employers RE and deeply entrenched in Six Sigma disciplines and methodologies. He admitted his company was, at that time, only about Four Sigma. Although individual departments can improve to a Six Sigma level in a few months, an entire company understandably will require a longer time frame to do so. (But, as Stein reported, the payoff is big!)

.....continued on page 9

Six Sigma Quality in Insurance Organizations—continued

At the same time, the panelist also admitted that another GE subsidiary that manufactures jet engines for airliners also was not Six Sigma. He asked how many of us had flown to Chicago – and just about every hand in the audience went up. Then he said, “I must admit to you that GE’s jet engines are not Six Sigma – but I want to assure you they are SEVEN Sigma!” Obviously, that’s as close to zero defects that any organization can reasonably operate. We each breathed a little easier as we boarded our return flights home.

Here’s another example from *Quality Digest*.

A firm believed it was paying an inordinate amount of money to provide customer service. Although using the web-based contact approach was the least expensive, customers continued to turn to the call center to get account information. The firm wanted to keep its tradition of high customer service but needed to deliver it in a less expensive way.

A Six Sigma project team examined the organization’s call center and web site data. It found that if the web site were reconfigured in a way that reflected the questions being asked at the call center, costs would decrease as the quality of customer service increased.

The result was the movement of customers to the web site, rather than to the phone, to get their account information.

The key here is the initial element in the Institutes’ AIS-25 program in continuous improvement (*Delivering Insurance Services*): **customer focus**. It’s truly amazing how many problems – and their concomitant expenses -- disappear when we simply look at issues from the perspective of our customers.

As an insurance broker, I particularly like the outcome of another example from *Quality Digest*. The question addressed was: **Does wining and dining prospective customers lead to sales?**

Conventional wisdom is that such entertaining is necessary to close the deal. But a Six Sigma project team examined sales data and found that although face time with customers is important, wining and dining is not.

Data showed that regular face time helped close sales, but that same time – or a lot less time -- could be spent over a cup of coffee instead of golfing at a resort. In addition, the data showed that *too much* face time with customers is counter-productive. A regularly-scheduled customer picnic was found to be detrimental to closing sales because it was held at a busy time of year when customers preferred not to be away from their offices.

Changing this process resulted in an increase of more than 10% in sales. No mention was made in this report about reductions in individual expense accounts. I suspect that’s the subject of an entirely different study!

How do you “get on board this train” – and not “get left standing at the station”? You don’t do so by “throwing rocks at the train”, as some are inclined to do. The best strategy is to learn how these leadership and knowledge-based techniques can be applied to your organization – by section or by department or overall. Again, the Institutes’ AIS-25 program should be the starting point for everyone in your section or department – or your entire organization.

Test it in a single section of your organization. That is what the AIS-25 program itself recommends. It’s called “PDCA”. In Six Sigma Quality, it’s DMAIC. You can learn what these acronyms mean by enrolling. Incidentally, AIS-25 is the fastest-growing program within the Institutes at this time.

Once completed, you can learn more about the Six Sigma form of continuous quality improvement at web sites such as isixsigma.com or through the American Society for Quality at asq.org.

John Pryor is the former chairman of the Society’s Total Quality Section. He currently serves on the Society’s Board of Governors and the Institutes’ Board of Trustees. He is a principal and founder of KIA Insurance Associates in California and past president of the California “Big I”.

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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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Circle of Excellence Recognition

Congratulate yourself! Your Philadelphia Chapter has once again been honored by the National CPCU Society for achieving the Gold level for the 2003- 2004 Circle of Excellence Recognition Program. Thank you for all your hard work on behalf of the CPCU Society.

According to Hugh B. McGowan, CPCU, 2003-2004 CPCU Society President, "The response to the Circle of Excellence Recognition Program has been great, 100 chapters completed submissions for the recognition program this year. I hope the Circle of Excellence Program will continue to provide direction for your chapter's activities and help your officers deliver value to your members next year.

"In September your chapter will receive a Circle of Excellence circle in the mail. Your chapter will be recognized in Los Angeles, at the Annual Meeting and Seminars, during the Chapter Recognition Luncheon on Tuesday, October 26, 2004. I hope to see you there! I am looking forward to recognizing you and your chapter members at our Annual Meeting, October 23-26, 2004, in Los Angeles, California."

**ANN MYHR HONORED AT ISOP FETE**

The Insurance Society of Philadelphia held their Annual Awards Banquet on June 23, 2004 at the Ballroom of the Downtown Club in the Public Ledger Building. Over two hundred insurance professionals gathered to honor ISOP award winners in various categories. One of these honorees was our own Ann Myhr. Ann received a Faculty Service award for her many years of outstanding service to ISOP

and her students. Paul Forbes, CPCU, ARM, Eric Geisy, CPCU and Steven Huntington, Esquire also received faculty service awards.



Ann Myhr, immediate past president of our Philly Chapter, holds her ISOP Faculty Service Award at the June Banquet.

I Tawt I Taw Da Fine Pwint!

The Claims Interest Section will feature Dick West, VP Risk Services, Warner Brothers Studios at the box lunch they are hosting at the Annual Meeting in Los Angeles. Mr. West will be discussing the unusual risk management and claims issues found in the motion picture industry. The box lunch will take place on Sunday, October 24 at 11:30. It is open to all attendees with an interest in this topic. Be sure to include this event in your registration! **Th-Th-That's All Folks!**


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TEMPLE SCHOLARSHIP WINNER THANKS CHAPTER

Each year, our Philadelphia Chapter helps fund scholarships for insurance students at Temple University. Dr. Norm Baglini, retired President of the Institutes and current professor at Temple, shares this correspondence from recent scholarship recipient Lee Snelgrove, CPCU, ARM, ARM-P:

"The CPCU-Loman Foundation scholarship sponsored by the Philadelphia area CPCU Chapters allowed me to spend more time studying and less time working during my last year of college. Without it, I might not have achieved the grades necessary to pursue a dynamic career at Marsh Inc. Since graduating from Temple University with a double major (BBA in Risk Management & Insurance and Finance) in May 2002, I

have continued my insurance education by attaining the Associate in Risk Management and Associate in Risk Management for Public Entities designations in 2003 and the CPCU professional designation in 2004. I am now looking forward to a long and rewarding career in the field of Risk Management and Insurance."



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The Society Claims Section

If you handle claims you should be a member of the Claims Section of the CPCU Society. The Claims Section is the largest of the Society's fourteen Interest Sections with over 1,540 members. The Claims Section Committee, which consists of Claims Section members who have volunteered for national service, is one of the largest with 17 committee members from across the country.

The Claims Section Committee meets twice a year, at the Annual Meeting in October and at the Mid Year Meeting in May to discuss the Claims Section Business & Activity Plans for the year. The Claims Committee is an active Committee and works all year long to bring these claim programs to the Claims Section Members. The Claims Committee will host a box lunch at the Annual Meeting in October. This is an chance for new designees to network with section members.



The Claims Section continues to be a great source for technical, functional and personal development information for the claim professional. We are dedicated to the enhancement and recognition of the claim profession through continuing education, research and publication, and the promoting of ethical behavior. Throughout the year the Claims Section sponsors seminars in many local areas as well as provides several seminars at the Annual Meetings. The CQ Newsletter is always packed with relevant claim information, and the Claims Section interactive web-site, www.claims.cpcusociety.org, is another added resource for claims information. A new Claims Section initiative has been rolled out – the Claims Section Chapter Liaison. This Liaison position is created to help promote the claim profession and encourage claim people to join and participate at the local Chapter level.

Donna J. Popow, Esq., CPCU, AIC is the Claims Section Chapter Liaison for the Philadelphia chapter. Donna can be contacted at popow@cpcuiia.org or by phone at 610-644-2100, ext. 7556. The Claims Liaison is here to serve the members of the Claims Section and the Chapter so feel free to contact Donna with your comments on any claim related topic or to just chat and introduce yourself.



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Section Membership adds value for the CPCU Chapter Member. It offers the opportunity for additional learning in the discipline selected. The **Total Quality** section spans all insurance disciplines. Our focus is to bring greater awareness to our industry of the need to achieve and increase the quality of our service, processes and procedures to our customers, both internal and external.

The **Total Quality** Section focuses on individual, departmental, company and industry improvement from our intake of a customer service call, issuing policies, handling a claim, request for reinsurance reimbursement and improving our reputation with the consumer. We provide a source of information of new developments and trends for increased competitiveness within the industry.

To properly introduce ourselves to Philadelphia chapter members, in this issue on page 8 we have shared an article featured in one of our prior sec-

The TQ Section

Valerie Ullman-Katz, CPCU, AIS



tion newsletters. In addition, see our more current newsletter available on line at our section website:

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

Our committee provides speakers to local Chapters to discuss how **Total Quality** applies to the insurance industry.

We know that you will find our Section of value, once we are properly introduced. If I may answer any questions or be of any assistance, please contact me at 302-476-7832 or email Valerie.ullman-katz@ace-ina.com.

Valerie Ullman Katz, CPCU, AIS
Total Quality Section Chair