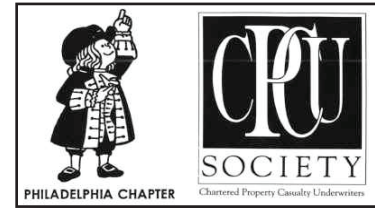


Chapter Link

Your connection to the Philadelphia Chapter



Volume 1, Number 1
Spring 2010

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Welcome to the "Chapter Link", the next evolution of the ChapterGram!

We surveyed you on the ChapterGram last summer. Thanks to everyone who participated! Your feedback helped us create this new format. Here's what you asked for and how we've responded:

- Feedback: Give us the ability to "turn off the paper".
- Result: We're going "green" with all electronic delivery in a printer-friendly format for paper-lovers.
- Feedback: Make the publication easy to read and to the point.
- Result: This format is streamlined, casual, variable length, and scrollable with built in links for easy navigation to and from the Table of Contents.
- Feedback: Provide details on board activities such as what are we doing to maintain and improve the chapter.
- Result: New segments such as Committee Spotlight and Your Board that will give you a clear

view behind the scenes and highlight opportunities for member involvement.

-Feedback: Offer personal and professional news on chapter members such as moves and achievements.

-Result: We've created a Member Corner for networking and keeping up with fellow members.

-Feedback: Offer business focused articles from a variety of contributors.

-Result: We are seeking "Guest Writers" for feature articles. Be one! You'll have over 850 local and thousands of national insurance professionals as your audience (think Google). Members and non-members can submit insurance-related articles or commentary for consideration.

The objective of the ChapterLink is to further communication, collaboration, growth, and development of chapter members and the insurance profession. Put simply, you worked hard for your CPCU designation. Together we can maintain and improve its value! So write an article. Send in a picture from your event. Tell your fellow members about your recent move.

Let us know what you think of the new format and content. And please keep the feedback coming!

Sincerely,

*Theresa Gregory, CPCU
Editor
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Upcoming Events

- Philly All Industry Day (former "I" Day): Friday, March 26th, Pennsylvania Convention Center*
- "Under 40" Beer Tasting Social: Wednesday, April 21, Triumph Brewing Company, Philadelphia*
- UCP Corporate 5K Run/Walk: Thursday, April 22, Philadelphia Art Museum*
- Workshops on Emerging Issues & Factors Affecting Insurance Contracts: Wednesday, April 28th, ACE Office, Philadelphia*

For event details visit the chapter website: <http://philadelphia.cpcusociety.org/>

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President's Message

The board of directors and I are thrilled to be working through another exciting year with the Philly chapter of the CPCU Society! We spent the first half of the year adding new activities to our schedule and we will continue to bring you new events and to incorporate some twists and variations on activities that we already know work well. These changes are in response to your feedback from our membership survey and our efforts to increase our visibility in the local market.

In this tough economy, many of you requested additional networking events and more opportunities to meet new people. Another common theme throughout the results was your concern over the changing demographics in the industry and how the CPCU Society was addressing the talent drain that will be created as baby boomers exit the workplace. We heard you!

You may have noticed that we are experimenting with meeting times and season tickets this term. Over the past few years, we have been mixing up the traditional breakfast meeting with the occasional dinner meeting. This has brought many new faces to the Union League. This year, we have been adding a few lunch meetings as well. So far, lunch meetings have been a smashing success with a substantially increased turnout for this timeslot.

One surefire way to grow our chapter is to create more CPCU's. The AICPCU introduced some changes to the CPCU program over the next few months in order to encourage more people to begin the designation such as the Each One Reach One initiative. I hear from many candidate members that the most important component of their fulfilling the education requirement is support from another CPCU. I know that I started (and completed) my CPCU because one of my co-workers told be about it- and then followed up with me throughout my studies. Let's all make an effort this year to encourage just one person to start their CPCU. Imagine the reach we could have in the insurance community of Philadelphia if we could each just support one person!

The chapter will continue to grow our new mentoring program this year. If you haven't had a chance to check out this initiative, jump onto our chapter website and click on the link. Our chapter enjoys a healthy mix of young insurance professionals who are just starting their careers and seasoned professionals with a lot of great advice and insight to share. Whichever category you fall into, the mentoring program could be a great way to reach out and meet a new colleague. Sign-up's are available on the web.

I would love to hear your comments and ideas, suggestions for speakers, your interest in volunteer leadership opportunities within our chapter, or any other feedback that you would like to provide! I look forward to working with the chapter over the next term and I hope to see you at a chapter meeting soon!

Sincerely,

*Kellie Goldfien, CPCU
President, Philadelphia CPCU
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Your Board: Changes to “I” Day

Traditionally, the “I” in Philly I-Day stood for “insurance”. In 2009 the Philly I-Day Committee decided it was time to re-brand the day to “Philly All Industry Day”. The purpose of doing so was to broaden the event to include those in roles related to other risk management industry professions. Also, the event was moved from December to March in hopes that would allow for higher attendance away from year end and holiday functions, not to mention weather issues.

The Philadelphia Chapter has historically presented the Franklin Award for outstanding achievement and contribution to the insurance industry in the Delaware Valley. When the I-Day re-branding was announced, the Board recognized the opportunity to reposition the Franklin Award with I-Day and carefully considered the pros and cons of doing so prior to making the decision. Benefits of combining the programs are expected to include an increased awareness of the award given the likelihood of a broader audience and reduction of separate event expenses for the Chapter and participants.

We hope you enjoy the format of the new “Philly All Industry Day” and look forward to your feedback!

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Meet your new board members!



Mary Ann Cook, MBA, CPCU, AU, AAI

*Senior Director of Content Development
American Institute for CPCU
Insurance Institute of America*

Mary Ann Cook is responsible for developing the textbooks, course guides, and other educational material for various CPCU and IIA courses, programs, and custom products.

Before joining the Institutes, Mary Ann was vice president, personal lines, with USI MidAtlantic in Trooper, Pa. Previously, she was vice president, personal lines and select commercial lines, for Warren Welsh & Thomson in Exton, Pa., and also had an extensive background in sales, marketing, and underwriting.

Mary Ann earned her MBA from Rosemont College, graduating with academic honors. Her undergraduate degree, a B.A. in organizational management, was earned Summa Cum Laude from Cabrini College in Radnor, Pa. She holds several professional designations, including the CPCU designation from the American Institute for CPCU. She also holds the Insurance Institute of America's Associate in Underwriting (AU) designation, and its Accredited Adviser in Insurance (AAI) designation. Currently, she serves on St. Joseph's University's Academy of Risk Management and Insurance Board of Governors, in addition to the Philadelphia CPCU chapter board.

She lives in Conshohocken, Pa.



William E. Fish, CPCU

William E. Fish, CPCU, has worked for Harleysville Insurance Company for ten years, currently as a Senior Applications Developer focusing mainly on personal auto applications. Before entering the insurance industry he served as an officer in the United States Air Force. He holds a B. S. in Aerospace Engineering from Virginia Tech and an MBA from Westchester University. In the fall of 2007 William attended his first CPCU annual meeting in Hawaii where he obtained his CPCU designation. This is Bill's first chapter position.



Sam Miller, CPCU

Samantha is currently a Sales and Client Services Supervisor in the Philadelphia Regional Office of Amica Mutual Insurance Company. This is a recent promotion from Senior Account Manager in the Southern New Jersey branch office. She is a 2005 graduate of Penn State with a degree in Spanish and International Studies and recently received her CPCU in April of this year. Her four years of experience is in the management and coaching of sales and service professionals in the personal lines insurance field.

Samantha has previously been involved in updating the Philadelphia Chapter's website. Currently, as a member of the board of directors, she is the chair of the Candidate Development and Web committees. Her interests include travel, reading and watching Penn State and Pittsburgh football!



John Grantland, CPCU

John's professional experience consists of 31 years of insurance industry experience, with his current position as Vice President for American Alternative Insurance Company. He's working with MGA's handling primarily unsupported Umbrella Programs. John also has 9 years of reinsurance experience with Munich Re America and other casualty expertise including Workers Compensation, GL, Automobile, Professional, and Excess Casualty lines.

John received his MBA in Finance from Widener University and his BS in Management from

Susquehanna University. He has also taught graduate classes in Finance and Economics at the University of Phoenix and CPCU Classes in the following areas: Management, Insurance Accounting and Finance, Economics, Issues in Insurance Ethics. His personal interests include golf and going out to dinner on the weekends. This is John's first chapter position.

*Lorie Cardoni, CPCU
(No Picture Available)*

Lorie Cardoni, CPCU is a Client Operations Manager charged with designing and implementing workflows for Hartford Steam Boiler's Client Company reinsurance partners. Lorie is a 20 year veteran of the insurance industry, and in addition to Operations, she has worked in Customer Service, Compliance, Contracts, Underwriting, Product Management and Marketing. Lorie holds a Bachelors Degree from Temple University.

Lorie achieved her designation in 2007 and is past chair of the Philadelphia Chapter's Mentoring Committee. She is excited about new ideas and how to get more people actively involved in the chapter. She is a huge Big 5 Basketball fan and loves the Temple Owls, and she shares that passion with her five year old twins, Robbie and Lexy.

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Committee Spotlight: Mentorship

The board formed this new committee to offer members another avenue for professional and personal growth. Committee members work as a team to design and carry out the program. To date the committee is excited to report that this opportunity is up and running. Members created guidelines along with a database of available mentors and mentees. They also hosted a successful "speed matching" event where equal numbers of mentors and mentees have a chance to meet for a few minutes each. The goal is to help you find a match. The amount of time you invest is up to you both. Want to help with this program? Join the committee! Or better yet, take advantage of this opportunity and become a mentor or mentee! For additional program details and upcoming "matching" events please see the sidebar titled "Mentoring Program" on our website.



Here are photos from the 2009 Mentorship Kickoff held at the Comcast Center in Center City. The thirty attendees mingled over drinks and hors d'oeuvres, then mentors took their places on one side of the table while mentees rotated ensuring that everyone had the opportunity to meet.



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Meeting Recaps: September, October, November, January

Here are the summaries or “recaps” of past meetings for those members who could not attend or want to revisit the information presented. Volunteers take notes and pictures during the meeting and submit a write-up including the presentation of the speaker(s) and other valuable information such as business conducted. Once completed, recaps and photographs are forwarded for editing and publishing. Recaps and pictures are a valuable communication resource for the chapter and we need volunteers to assist. This is an easy way to get involved so contact the editor to volunteer today! Examples of other recaps can be viewed on our web site <http://philadelphia.cpcusociety.org/>. Just select Meeting Recaps from the selection of parent pages on the left side of the page.

September 17, 2009: “View from the Top”



From left, Donna O'Brien, Gary Bakalar, John Sherlock, John Wright, Kellie Goldfien



From left, Temple Students Danni Zhu, Jenna Gallo, Cidney Thomas

Recap by Andrew J. Still, Class of 2011 - La Salle University

George Agyen, Mid-Atlantic Zone Officer for CNA, John Sherlock, President of Chartis U.S. Insurance, Gary Bakalar, Regional Executive from XL Insurance, and John Wright, CPCU, President of Johnson Kendall and Johnson made for an excellent panel for this September's View From the Top breakfast meeting. Former past President, Marty Frappolli, posed questions that touched on current events and issues impacting today's insurance industry.

The first question asked how the recent financial crisis and bailout would shape the future of the insurance industry. Gary Bakalar stated that claims are currently being paid but he looks for more regulation in the future. George Agyen added that the financial crisis and current interest rate environment puts more onus on the underwriting process. Most agreed that the insurance industry has shown resilience. The consensus was that the increasing regulation and legislation, whether appropriate or not, is creating big challenges especially for the claims process. George warned to, "keep an eye on all corners", as there is an increased level of concern on the financials of the industry.

Marty followed by asking the panel for their opinions about the current outlook for our economy. George Agyen said that there is ample capacity but inflation would, "be a game changer". John Wright added there is no abject fear in the market as, "the shoe has not dropped". John Sherlock was quick to note that, in the past, the industry has had very little exposure with troubled assets and collateralized debt obligations. He stressed that while there is some industry specific rate firming, an increased focus on the balance sheet, specifically liabilities, and the need to preserve capital and surplus is essential. Interest rates are low, which is good for short-term reinsurance; however, in a few years, long tail reinsurers who will face higher costs in the legal, medical, and underwriting sectors will see the effects of inflation. Therefore, increased preparation and planning for elevated future costs needs to begin now. Mr. Bakalar indicated that net capacity is down and with interest rates at low levels, the industry needs lower combined ratios to generate profitability.

Enterprise risk management tactics was the topic of the next question and the agreement among the panel was that insurance is different than investment banking. Panelists noted that there is a great comfort level with their ERM programs, but no matter how comfortable, the future is impossible to predict. The panel stressed the need for identifying, measuring, and monitoring risk in accordance with the risk profile and appetite of each firm. Coordination at all levels and a focus on a more strategic approach is necessary. The panel stated that a simplified model that works is the best option.

Discussion then focused on contingent commissions. Gary Bakalar stated that transparency is the most important issue and the fact that when contingent commissions are involved it is often not a level playing field. He stated that XL does not pay contingent commissions but there is nothing wrong with them, as long as the client understands the remuneration and the rules, as long as the company is transparent. What is the difference between 17% and 12% commission? Transparency.

John Wright, the broker of the group, corroborated Mr. Bakalar's view and added that there is a healthy distribution system within the industry.

On health care reform, the panel agreed that a plus would be the ability to manage costs more effectively; but a negative factor lies in the increased regulation that may ultimately lead to more litigation. Mr. Agyen discussed the differentiating levels of care between public and private and the inevitable bleed over and the need to supplement. "Operational efficiencies are key, the Wall Street Journal is next day efficient, new policies take 30 days to issue", added Mr. Sherlock,

A question was directed to John Sherlock concerning the difficulty for his company to differentiate themselves from the failed AIG and the process of rebranding the AIG holding company to Chartis. He stated it was a big challenge but there is a big difference between a holding company and insurance carrier and that nothing has changed except for the structure. He admitted that customers are asking questions that Chartis has never fielded before but above all it was an educational experience.

John Wright was asked how brokers are growing in a non-growth environment and honestly responded, "They're not". He added that the growth is -.7%, which is the first time in history a negative growth was reported. Wright went on to add that the top 25% are growing at 3.6%.

Finally, with students of Risk Management and Insurance in attendance from several universities, the panel expressed the industry's need for talent. There is a lot of opportunity for talented and passionate leaders who will be able to shape the evolving industry and eliminate its bad reputation. The panel stressed that expertise is rewarded in the business and, to use a cliché, "knowledge is power".

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October 22, 2009: "Insurance Fraud"

Recap by Ada Hoffer-Perkins, Class of 2009 - Temple University

As District Attorney, guest speaker Lynne Abraham oversees a staff of 300 Assistant District Attorneys with a support staff of 275 professionals. She opened the meeting by speaking about how she first became involved with fighting insurance fraud.

In the early 1990's, shortly after being elected DA, Lynne Abraham was approached by a group of insurance business people who adamantly expressed how much worse insurance fraud was in the city of Philadelphia compared to the rest of the state of Pennsylvania. They wanted her to do something about it. Her funding was primarily for violent crimes, and while there are victims in fraud, it is not viewed politically as a violent crime. Her advice to them was that they should form the Insurance Fraud Prevention Authority as well as the Car Theft Prevention Authority to address the problem. She suggested they be funded through contributions from the local insurance

companies. The Insurance Fraud and Car Theft Prevention Authorities have also had remarkable success in applying for grants to further fund their efforts. These authorities work as autonomous entities to investigate and prosecute insurance fraud and car thefts. Both programs have been very successful in their last 15 years.

Some counties in Pennsylvania still have a lot of trouble fighting fraud simply due to their relatively small size and limited resources. For example, they may have only one prosecutor and judge. In some of these areas the funding to fight fraud is simply not there.

Lynne Abraham also spoke about the Drexel Reed case which involved a series of fender benders all occurring when a particular police officer was on duty. Individually, none of the cases would seem significant for investigation, but further scrutiny uncovered that a large number of accidents similar in location, type of accident, and injury occurred while this specific officer was on duty. The names of several lawyers and doctors were repeatedly found in the reports and the victims seemed involved. The case was large enough for the prosecution to be able to take the case to the federal level and press charges. So far 48 people have been prosecuted for their involvement.

Another case that the Insurance Fraud Prevention Authority handled involved a child who suffered brain injury due to a helmet failure. Upon calling the helmet company it was discovered that the damaged helmet presented as evidence was not made until a year after the child was injured. Most likely somebody involved in the child's case bought the helmet after the accident and smashed it so the family could sue.

Lynne Abraham went on to discuss the Auto Theft Prevention Authority and their progress. At the time of conception auto claims were estimated to be around 80-90% fraudulent. Car theft is most often done to get parts, re-plate and sell locally, or export to countries that do not care if the cars are stolen. Some rings operate nationally. One organization the Auto Theft Prevention Authority was able to prosecute was based in Philadelphia and operating in 14 states. The Auto Theft Prevention Authority has helped to significantly reduce the number of auto thefts. One area that they are still working on is car insurance issued in one state, either PA or NJ, while the person lives in the other.

The high profile cases prosecuted by the Auto Theft and Insurance Fraud Prevention Authorities serve to warn other potential perpetrators. The Federal government is scarier to the public so cases prosecuted there serve as a more efficient warning. While this warning may dissuade some, the effort needs to continue since there are always people testing the system.

Lynne Abraham stated that insurers want to pay the legitimate claims. These authorities can be called and can work with the insurance company so they can help with the investigation as well as doing their own. She urged them to be diligent by saying to listen to that nagging voice and look more closely at a claim. This can be the difference between paying a fraudulent claim and the fraud being discovered.

Lynne Abraham answered some questions from the audience.

Question: How does the authority work with the insurance department?

Lynne Abraham stated that the authorities are strictly prosecution, not regulators.

Question: Is fraud as a business increasing because of the economy?

Lynne Abraham confirmed there is an uptick when the economy is bad, but fraud is around all the time. It can be anybody at any time, including rich people, organizations or individuals. She gave two examples of wealthy individuals engaging in fraud. A medical professional had his office broken into and claimed a few high price items (including a watch and luggage set) were stolen. He was in the middle of a divorce and his soon to be ex-wife called the insurance company and told them the high price items were all in the house and she would be happy to let them in to see. A lawyer saw a small leak in the roof and figured if the water damage was bad enough he could remodel the kitchen. Once the inspector came out it was clear the water damage was from something like a hose and not the leak. He was disbarred.

Question: 15 – 20 years ago a lot of chop shops where being broken up. Is that still happening?

Lynne Abraham explained that they are not being broken up as much, but that they seem to be fewer and more secretive. The lower number is because of the auto theft authority. Last year the issue involved more metal work than cars. People were stealing the huge rolls of copper wire from PECO and manhole covers. There is always going to be someone trying to steal something.

Question: What is next for you?

Lynne Abraham answered that after the last campaign she wanted to spend time with her husband and decided not to run again. Since then her husband has passed. She has had her name submitted for US Attorney General and is waiting to see what the results of that are before making any choices. She might take another public position or possibly work for one of her two foundations.

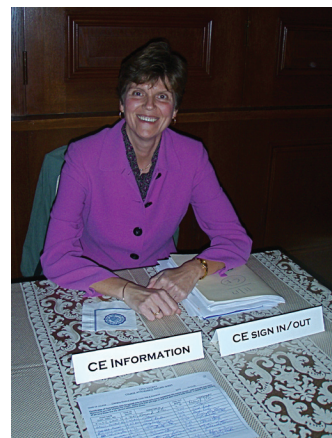
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November 17, 2009: “Cyber Insurance” for 2 CE Credits



From left, Mary Ann Cook, George Allport, Theresa Gregory



Mary Ann Cook manning the CE Registration Table

Recap by John C. Grantland, CPCU

The theme of the Philadelphia Chapter's November 17th Union League dinner meeting was: Managing Cyber Risks Threats, Insurance & Risk Management Principles. The evening's program was presented by George N. Allport, Vice President, Chubb Specialty Insurance.

The program began discussing some of the early cyber risk exposures: These include Intellectual Property Infringement, Copyright, trademark/trade dress, service mark, Libel, Disparagement and Errors & Omissions.

The privacy section began with George providing a staggering statistic. Between February 15th, 2005 and November 10th, 2009 340,102,273 records containing "sensitive personal information" have been involved in security breaches. Slightly less than 50% of the security breaches came from laptops or other devices. An overview of both state and federal privacy legislation was provided. The security breach statutes deal with two basic triggers: The first is the Acquisition Based Trigger which comes about when there is a breach of the security of the system, as defined in statute. The 2nd trigger is a Risk Based Trigger which involves a breach of the security of the system and determination of threat of identity theft or other fraud. He provided some insight into where there would or would not be coverage through the various ISO forms.

First and Third Party Risks were the next topic discussed. In the area of first party risks, there would be both Notification and Publicity Costs along with any crisis management expense associated with that breach. Two other first party risks could be Business Continuity Expense or Cyber Extortion. Third Party Risks would include either alleging negligence in protecting information or failure to protect the network against denial of service.

The final section provided an overview to Cyber Insurance. The buyer should seek to determine how the coverage form responds to the Defense Expenses & Damages, Notification Expenses and Other Crisis Management Expenses. Under the area of first party loss, they buyer should see how the coverage form responds to Extra Expense & Business Income Loss from Denial of Service, Extortion Related Loss and Corruption or Destruction of Data. The coverage form should also be reviewed to determine if there is coverage for any of the following exposures: access to information by an employee, access to information residing on an "outsourced" system, access to information in "non-electronic" form, and / or negligent release of information.

George concluded the discussions with how firms should address the exposure. Employee Training, Operational Guidelines and Customer Awareness would assist in avoiding the exposures. In addition to avoidance, firms need to Assess & Mitigate the exposure through a combination of Penetration Testing, Robust Patch Management and Ongoing Security Assessments. A combination of crime and cyber insurance would be the final concluding part to a good risk management program.

January 21, 2010: "Panel on Reinsurance"

Recap by Kathleen S. McNichol, MBA, CPCU, ARM, - La Salle University

Insurance professionals, educators, and students gathered on January 21st at the luncheon meeting of the Philadelphia Chapter CPCU Society to learn what is going on in the reinsurance markets today and expectations for the future. Chapter President, Kellie Goldfien, welcomed those gathered at the Union League. The meeting featured a panel of reinsurance executives including Michael O'Brien – Vice President, Aon Benfield Facultative, Inc., John Vasturia – President Regional Clients, Munich Re America, and Andrew W. Zastrow, CPCU, ARe, Facultative Property Branch Manager, Gen Re. The panelists used their extensive and varied backgrounds to respond to a series of questions prepared by the panel moderator, John Grantland, regarding issues pertinent to the reinsurance marketplace.

The first question sought observations about premium levels for 1/1 renewals. Responses indicated that there seems to be a competitive environment but a disciplined environment. The last phrase is important. The panelists agreed that they did not see under pricing but also observed reasonable policy conditions. The reason for the underwriting discipline is the investment environment. No company can afford to suffer underwriting losses when there is little hope of recovering profit through investment income. Several panelists confirmed that CAT pricing is down 5% but rates are supportable and money can be made. As would be expected, some accounts needed a rate increase due to experience but acceptable terms were achieved.

Another question asked whether there is any evidence that there is a flight to quality. The sense of the panelists was that no doubt credit worthiness needs to be demonstrated but there is a lot of good paper out there. One determinant of the type of security needed is whether the exposure is long-tail or short-tail. Another important perspective expressed was that the P/C Industry is often connected to financial services. Whatever happens to financial services must be happening to the P/C companies - right? Wrong!! In reality we must recognize, and applaud, the fact that the insurance industry is still taking risk, efficiently operating their companies, paying claims, and have taken no government money. To quote one panelist, "Our business works."

A question on the minds of many insurance professionals is whether the earthquake in Haiti will have an impact on the insurance and reinsurance markets. All of the panelists acknowledged the horrible devastation and human suffering experienced in Haiti due to the earthquake. But there was unanimous agreement that this event will not have significant impact on the reinsurance industry. There was not enough insured exposure there. However, several panelists agreed that purchasing patterns for the earthquake exposure is likely to change as a result of this and previous earthquakes. One panelist indicated that recently there have been 30 quakes around the globe at a magnitude of 6 or higher. This information in conjunction with the documented evidence of a significant shifting in the earth's plates will eventually cause people to consider the exposure to be significant enough to rationalize the buying of insurance. Another panelist opined that the increased modeling activity and data quality of that modeling will shift the demand curve to the

right. While these changes are expected in the property side of the reinsurance business there does not appear to be any issues with the casualty side related to earthquake.

Panelists were then asked to take out their crystal ball and comment on what will be happening in the reinsurance markets over the next five years. While all the panelists agreed that it is difficult to forecast what events might impact the reinsurance industry five years from now, they had some opinions to express regarding current and near future concerns. Buying behavior has already changed with buyers taking more net retention and seeking more bundling. Customers are looking for more efficiency in their management approaches to risk. However, as a result of more net retentions, companies will eat up more profit and this may alter their buying behavior resulting in more reinsurance being demanded in the future.

The most uplifting comment was the sentiment that the value of sound underwriting, ability to understand trends and exposures, and accurate pricing are skills that are still valued and in great demand. The students in the audience should appreciate this comment since it signifies a mature perspective from an important segment in the financial system. These are principles taught in the classroom and it was gratifying to hear practicing professionals confirm the importance.

One panelist brought up the issue of inflation as stimulus money flows into the economy. If inflation occurs, it is likely to impact the reinsurance companies from a claims paying standpoint. How reinsurers react to that is the question. Will there be pressure to pay claims out faster thus placing pressure on a firm's liquidity? Time will tell.

Another perspective expressed was the importance of internal controls related to terms and conditions of the policies. Again, this is another reference to the reinsurance firm's ability to operate in a disciplined manner. It is important to deliver capacity and bring it in the most cost efficient manner as possible. There is an expectation that the reinsurance market will deliver value and this will continue to be the challenge to reinsurance companies in the future.

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Member Corner

Lorie Cardoni, CPCU, has relocated to Houston, Texas with Hartford Steam Boiler. Lorie is the Chapter Vice President and also served as Chair of our Mentorship Committee. We wish Lorie well in her new city! Her new contact information is:

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