

Chapter Link

Your connection to the Philadelphia Chapter

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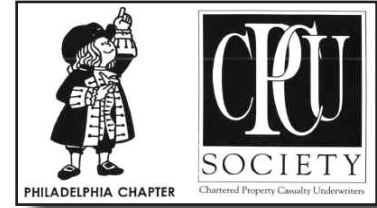


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Upcoming Events

- CE Workshops: Wednesday, June 9th, 8:00 AM and 12:30 PM, ACE Office, Philadelphia*, Commercial Crime Policy AM & Mergers, Acquisitions and Joint Venture Liability PM
- A Night at the Phillies: Thursday, June 10th, 7:05 PM game with pre game social, event package with RIMS includes pre game Event & Dinner at McFadden's Ballpark & Game Ticket to Phillies vs Marlins
- June Meeting/Business Meeting: Thursday, June 17th, 8:00 AM, The Union League, Philadelphia, Topic "Leadership for Business Professionals" featuring Brian O'Neill Founder and Chairman of O'Neill Properties Group

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

President's Message

Our last quarter has flown by in a flurry of activity! Since the beginning of the year, we have had multiple monthly meetings, I-Day and the Franklin Award presentation, our first 'Under 40' networking event, the UCP run, and this year's scholarship issuance. I want to thank the 2009-2010 Board of Directors and all of our volunteers for all of the hard work that they have done both this past quarter and all year. Our chapter runs smoothly and efficiently and we have these dedicated volunteers to thank for that!

The current Board met in July of 2009 to plan this year. We wanted to focus on what our membership identified via survey as our biggest hurdles. Growing our membership was our first priority. Our second priority was to make active membership more accessible for our members by offering various meeting times, selecting a wider variety of programming topics, and planning more networking events. I hope you have had the chance to attend at least one of our events this year. I think that what you would see is a lot of new faces, increased attendance, and members having a great time! No one said that insurance couldn't be fun! We'll be reviewing the metrics over the summer to quantify our increased participation and I am anxious to share what I am sure will be stellar results with the membership in the September newsletter.

I am a little sad as I write what will be my last President's Corner message. I have had a great year serving the chapter. If you are on the fence about volunteering for chapter service, shoot me an e-mail or give me a call and I will give you tons of reasons why you should go for it! The Philly Chapter has one of the best CPCU volunteer leadership development programs in the country. Reach out to us- we'd love to have you on our team and we can find an interesting and challenging job for every interested member.

I'm also excited about moving on from the President position because I am excited about the future of our chapter- we have an exciting slate of both new and experienced volunteers proposed for 2010-2011 and I know that they will continue to run with all of the initiatives that we have so diligently worked on implementing. As for me, I'm moving into the next stage of my life as well- my husband and I are expecting our first child in June and we can't wait to meet her! Thank you for allowing me to serve you this year and have a great summer! See you in September!

Sincerely,

Kellie Goldfien, CPCU
President, Philadelphia CPCU
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Your Board: **Slate of 2010-2011 nominees**

The June Breakfast Meeting will include a review of the elections for Chapter Officers in the upcoming 2010 -2011 Chapter year. The slate of nominees are:

President - Mary Ann Cook President Elect - Joyce Shefsky
Vice President - Samantha Miller Treasurer - Bill Fish
Secretary - Donna O'Brien

Director - Anita Devan Director - Michael Fields
Director - Theresa Gregory Director - Joseph Badowski
Director - Larry White Director - John Grantland

Come out and show your support for your valuable volunteers!

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Recent Chapter Events: Franklin Award, All Industry Day (former I-Day), UCP Run, Ethics Meeting, First "Under 40" Social

Franklin Award



We had a very large turnout for the award luncheon!



From left, Kellie Goldfien, Peggy Dence, Jim Sherlock, Donna O'Brien



Jim Sherlock giving his acceptance speech

The Franklin Award was celebrated this year for the first time in conjunction with I-Day and the turnout was outstanding. Franklin Award recipient, Jim Sherlock, attended with his family members and many of his colleagues from ACE.

If you were to ask any insurance student in the Philadelphia area who the most integral and inspirational individual is in their studies you will surely get one common answer- Jim Sherlock. For over 24 years, Jim has been leading insurance related courses in our community. He has helped countless students pass Institute exams, he has dedicated numerous lunch hours to explaining the intricacies of claims-made versus occurrence-based coverage, and he has inspired many students of the industry to move their careers (and their education) forward.

Although Jim's current position at ACE requires him to spend some of his time training ACE staff, he consistently goes above and beyond the requirements of his professional position. Jim is always available to assist students of insurance in all educational matters- whether or not he is leading the course. He assists in all aspects of education; Jim is a course leader, professor, guidance counselor, emergency tutor, eleventh-hour crash study partner, career resource, mentor, and a leading insurance professional at the same time.

Jim started his insurance career as a claims representative in 1971 and has worked for ACE and its predecessor companies since 1974. During this time he has held a series of insurance technical and management positions in the claims, finance, operations, and training and development areas.

Since earning his CPCU designation in 1982, Jim taught over 100 semesters of CPCU classes. He has taught classes for the Insurance Society of Philadelphia, the American Institute for CPCU and ACE. In recognition of his teaching excellence, he received the Jack F. Derickson Award for Outstanding Course Leadership and the Dr. Mariellen Whelen Award for Excellence in Education. Jim is also a seven-time recipient of the Outstanding Course Leader Award from the Institutes.

Jim has a Bachelor of Science in Business Administration degree and a Master of Business of Administration degree from La Salle University. He is an adjunct at the La Salle University School of Business where he teaches Finance in the MBA program.

Many of today's industry leaders in the Philadelphia region have passed through at least one of Jim's courses. Jim has received numerous local and national awards for his dedication to furthering insurance education. He is a deserving recipient of the Franklin Award for his sheer dedication to the insurance industry and to its people.

All Industry Day



Moderator Dianne Salter with panelists George Haitzch, Kevin H. Kelley, Chuck Romberger, Gregory C. Case, Brian Dowd



Proud Temple representation!



PLM's Eileen Sleutaris and Linda Foster



Kellie Goldfien and Joyce Shefsky manning the Chapter's Table



Katie Bowman and colleague at the ACE table

Ethics Meeting



Donna Popow skillfully breaking down the issues

Ethical Decision Making: April 22, 2010 Recap by Rick Hartmann III

Today's headlines tout ethical issues, but by definition these issues are "moral" or "legal" and the popular press continues to blur the lines between the two. Meanwhile, an undercurrent of mistrust has spread throughout the Insurance Industry, which has placed an emphasis on leadership to create and sustain a high ethical corporate culture. This article offers a synopsis of Donna Popow's Ethical Decision Making presentation to the CPCU Society's Philadelphia Chapter.

Why Should Ethics Concern You?

- Failure to invoke ethical decision making could lead to insolvency, bankruptcy and/or legal action.
- Ethics and professionalism are important because "we" (the Insurance Industry) handle assets of others on a daily basis
- The Industry has an ethical responsibility to insurers, policyholders and the general public

What are our expectations of human behavior?

- **Morality:** Personal behavior as measured by community standards
"Right vs. Wrong" decisions
- **Laws:** Body of rules governing human behavior within a community
Note: Acceptable behavior in one community may not be acceptable in another
- **Ethics:** Codes of expected behavior derived from morals
"Right vs. Right" decisions

Ethical standards come from each other and mirroring each other

Ethical Standards for Insurance Professionals

- Regulatory Requirements: you need to know what's legal ie. if you are doing business in every state than you need to know the regulations in each individual state.
- Social Responsibility: Need to be careful stewards of the money of our policyholders.

Ex: Workers Comp

Decision Making Process

1. Identify a moral issue or conflict
2. Determine who is responsible for resolving the issues
3. Gather the relevant facts
4. Is this a moral issue or a right vs. right dilemma
5. Determine what Principle applies
6. Look at creative ways to resolve the issue
7. Implement the decision
8. Monitor the impact of your decision

Approaches to Ethical Decisions

1. Situation- Based: What is the best possible outcome given these circumstances?
 - a. Perform a Cost Benefit Analysis to see who will be helped and who will be hurt and then choose the decision that will do the greatest good for the most people
 - b. Weakness: Do the ends justify the means?
2. Rule-Based: Follow the rules ie make a decision based on the validity of the rule
 - a. Strength: can simplify the decision making process
 - b. Weakness: ignores unique aspects of a situation and long term consequences
3. People-Based: Follow the Golden rule: what would others do in the same situation?
 - a. Weakness: who is to say if the moral code of the decision maker is good or bad?

Codes of Ethics

- Provide set, agreed-upon guidelines for the behavior of those who adhere to them
- Create your own personal code of ethics: identify values of importance and rank them
- Ethical Decisions can't be made in a vacuum, you have to make them in the context of the world. These decisions need to be made with a long-term mindset and not short-term.
- "An organization is only as ethical as their least ethical employee." – Dr. Norm Baglioni

Barriers to Ethical Decision Making

- (1) Physical, (2) Procedural, (3) Administrative
- If Revenues & Profitability are held in higher regard than there is a barrier.
- Good Ethics can be a powerful asset, when motivated by altruism, the customer's well-being and concern for employees.

Rick Hartmann is entering his third year as a Global Property Facultative Underwriter for General Reinsurance. He graduated from the College of

William & Mary with a B.A. in Government and a concentration in Economics. Rick is originally from Wallingford, PA and now enjoys living in downtown Philadelphia while actively pursuing his CPCU designation.

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“Under 40” Social

The beer was flowing, the cheese was tasty and our first chapter ‘Under 40 Event’ was a great success, with over 25 people in attendance! The Beer and Cheese tasting took place at Trinity Brewing Company in Old City Philadelphia and is one of the many tours offered by Food Tours of Philadelphia.

The evening started with cocktail and networking time in Trinity’s upstairs private room. The group then entered a private dining room where 6 beers were waiting for every participant to sample. Our food guide walked us through the various beers, explaining how they were made and sharing different anecdotes about the beers. We also sampled barley, hops, and other beer making ingredients. The evening later moved toward cheese. A plate of artisanal cheeses was provided to each guest and like the beer, stories and anecdotes about each cheese were shared. It was a very fun, interactive session.

The ‘Under 40’ initiative was implemented this year to build up our membership ranks with our younger CPCU’s. The chapter plans to host similar events in the future to keep our younger members engaged and active with the chapter. Please submit your ideas and join us for our next event!

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Guest Writer: “The Winter of 2009 - 2010” by Munich Re’s Senior Research Meteorologist Mark C. Bove

Over the past six months, Philadelphia and the surrounding Mid-Atlantic region experienced the most disruptive and damaging series of winter storms in over 15 years. Four significant snowstorms impacted the region, one in mid-December and three in February, shattering snowfall records along the Northeast Corridor. In Philadelphia, the international airport received a total of 78.7” of snow, breaking the previous record by 13 inches. Of that amount, 51.5” fell in February alone, the snowiest month ever observed in the city and enough to rank the month, by itself, among the top 5 seasonal snowfalls on record in Philadelphia.

However, the heavy snowfall was just one facet of the brutal 2009-2010 winter season in the Mid-Atlantic states. Rain, wind, and frigid temperatures also wreaked havoc across the region, and serves as a reminder that snow is not the only hazard associated with the peril of winter storm.

“Winter storm” is a generic term for any non-tropical mid-latitude cyclone, and is a bit of a misnomer as these types of weather systems occur year-round. However, they are at their strongest during the winter, when temperature gradients between the mid-latitudes and polar regions are at their maximum. Compared to other meteorological perils in the United States, winter storms typically affect a much larger geographic area and generate a wider array of hazards. Frontal systems associated with a winter storm can stretch for thousands of miles. Severe thunderstorms can develop along the front’s southern section, spawning tornadoes and hail, while a large swath of rain, snow, sleet, and freezing rain can occur further north. Powerful coastal winter storms, often called nor’easters, can also produce coastal flooding and winds in excess of hurricane force. Finally, deep freezes that often follow winter storms can cause damage to both property and agriculture.

The wide variety of hazards associated with winter storms also results in several types of property damage, many of which are unique to the peril. Among the most common type of property damage due to freeze are ruptured pipes and damaged plumbing, caused by the force of ice expanding within the pipe as the water freezes. In addition to damaging the pipe itself, a ruptured pipe can cause further water damage to a building and its contents. Other types of winter storm damage are often the result of frozen precipitation or excessive snow accumulation on a building’s roof, causing building collapses. Ice damming and repeated freeze-thaw cycles can also be a problem, allowing for water to back up under shingles and penetrate into a building. Winter storms also create unique hazards for automobiles and the traveling public, as frozen roadways often lead to an increase in accidents.

For the Mid-Atlantic region, frozen and liquid precipitation, freezing temperatures, and high winds are the largest drivers of property damage from winter storms, all of which occurred during the winter of 2009-2010. While not very snowy, the month of January began and ended with a series of deep freeze events. While the freezes were not very severe as compared to previous years, temperatures were cold enough to cause localized damage to poorly insulated pipes and buildings. Two months later, several coastal storms brought torrential rains and high winds to the region in March. Monthly rainfall records were broken across the Mid-Atlantic states and New England and the combination of heavy rain and frozen, saturated soils triggered severe flooding along many rivers in the region. The nor’easter of March 13-14 also brought winds up to hurricane force to the region, causing coastal erosion, significant tree fall, and property damage across the region.

According to ISO's Property Claims Services division, Pennsylvania and New Jersey sustained over \$500 million dollars in property damage during the winter of 2009-2010, the largest seasonal winter storm loss in these states since 1993-1994. Though severe, insured losses from the winter of 2009-2010 are far from a worst-case scenario for the region. A major freezing rain event, the most damaging form of winter precipitation, has the potential to cause much higher losses. One such freezing rain event occurred in 1998 across northern New York and New England, causing over \$200 million in insured losses. If a similar event occurred in the more heavily populated Northeast Corridor, losses could easily be an order of magnitude higher. Fortunately, a freezing rain event of this magnitude in the Mid-Atlantic is extremely rare, but not impossible, and could occur during any winter, given the right atmospheric conditions. But for now, it's ok to put away your rock salt, shovels, and snow blowers. Enjoy the summer, because another winter will be here before you know it.

Mark C. Bove, CPCU, ARe, is a Senior Research Meteorologist with Munich Re.

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Student Support: LaSalle and St. Joes

LaSalle

On Thursday, April 8th, William Fish, CPCU (Harleysville Insurance Inc.) attended the LaSalle University School of Business Spring Reception. The event was held in the LaSalle University Student Union's Music room, and began at 5:30 p.m. with a reception that was followed by the awards ceremony.

The Philadelphia CPCU Society has a great working relationship with LaSalle's Risk Management and Insurance Program, and the spring reception honors students who've excelled in this program, as well as other business programs offered by LaSalle. According to Mr. Fish, "It was a nice event. I was very honored to be able to help recognize these exceptional students who've worked hard throughout their college careers."

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St. Joe's

Philadelphia Chapter CPCU 'Represents' at Saint Joseph's University 4th Annual Scholarship Information Dinner

The Academy of Risk Management and Insurance at St. Joseph's University Haub School of Business held its 4th annual Scholarship Information Dinner on April 8th. The Philadelphia CPCU Society's president-elect, Mary Ann Cook, CPCU, who is also a member of the Academy of Risk Management and Insurance Board of Governors attended, representing the Chapter as well as the American Institute for CPCU. Gina Mazzulla, the AICPCU's Director of Student Relations and also president of SJU's National Alumni Association also attended. Philadelphia Chapter Board member Anita Devan, CPCU, of Zenith Insurance, is also on the ARMI Board of Governors.

Guest speaker was Stephen J. Johnson, Deputy Insurance Commissioner of the Insurance Department of the Commonwealth of Pennsylvania. Danielle Carr, a current student and ARMI scholarship recipient, spoke of the value of her SJU education and the difference the scholarship has made in her studies. Dr. Joseph DiAngelo, Dean of the Haub School, noted that nearly one in five students at SJU's business school were hired by insurance firms last year, and that the Haub School is ranked in Business Week's Top 100 B-School Undergraduate Programs.

The event was well-attended and is designed to encourage students who have not yet made a college selection to choose SJU, and to influence those who have selected SJU to consider a major in business—particularly a career in risk management and insurance. SJU is one of the few universities in the area to have a major in risk management and insurance, and it is one of the fastest growing. The international risk management, insurance, and actuarial science collegiate fraternity, Gamma Iota Sigma, also has a chapter at SJU, and students from the St. Joseph's program often attend monthly chapter meetings.

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Member Corner

Kellie Goldfien, CPCU, has been named a National Sales Leader by her employer Chubb Group. Chubb honored fewer than 50 people nationwide with this recognition. Please join us in congratulating Kellie on her accomplishment!

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