CPCU SOCIETY INSURING YOUR SUCCESS 1944-2004 Celebrating the Past, Shaping the Future

Agent & Broker Solutions

A&B

Volume 17 Number 4 December 2004

Chairman's Corner

by Richard C. Lambert, CPCU, ARM, AIM, ARP

Richard C. Lambert, CPCU, ARM, AIM, ARP, is market strategy manager of The Hartford, Phoenix branch. Lambert has been chairman of the CPCU Society's Agent & Broker Section Committee since 2001. He began his national CPCU Society involvement in 1985. Previously, he has been a regional vice president, director, and chairman of the Chapter Affairs Committee; chairman of the Leadership Development Committee; chairman of the Annual Meetings and Seminars Task Force; and has served on several other committees or task forces. In addition to his CPCU, Lambert also holds the ARM, AIM, and ARP designations.

Your committee has just returned from the Annual Meeting and Seminars in Los Angeles. We had a lot to talk about with the usual activities we have as a committee. These discussions were exacerbated by the suit filed by Eliot Spitzer in the state of New York. The varied "opinions" made our meeting, and the overall convention, more interactive and "entertaining" than normal. We still managed to accomplish what we needed to keep the Agent & Broker Section on track.

This year's meeting is now behind us. The most seminars were presented, by my count, in the history of the CPCU Society. There was something for everyone, from leadership development to technical seminars that qualified for CE credits. Too often, one had too many quality seminars in the same time slot to choose from—a pleasant, but frustrating problem. At other times, the opportunity to network was available. This is a great time to catch up with old friends and to make new ones.

During Tuesday's Circle of Excellence Chapter and Section Recognition Luncheon, local chapters and national sections were recognized with Circle of Excellence awards for their work in the past year. These efforts were directed at supporting the CPCU Society in its goal of achieving its strategic plan. Last year the Agent & Broker Section achieved the Bronze level. This year we were able to achieve the Silver level. I am proud of the work of our committee members in achieving this recognition.

During our Saturday meeting, the committee discussed the following issues:

- We were able to establish the plan for our contribution for the 2005 Annual Meeting and Seminars in Atlanta. We will be partnering with the Ethics Committee on a seminar surrounding fraud, collusion, and antitrust. Details of the seminar will follow as the planning progresses.
- We reviewed our New Designee Contact Program and confirmed its expectations. Last year we only contacted those new designees that indicated they were agency/broker related. This year we sent a mailing to all new designees welcoming them to the Society and giving them an overview of our activities. We received feedback from some of the recipients and will be continuing this program.
- We are trying to put more relevant content on the Agent & Broker Section web site. We posted two poll questions, closed-ended, on our web site so we can gain feedback from our membership on their thoughts on some current topics. Please go to http://agentbroker.cpcusociety.org and fill out the survey. Your responses will help us during our April meeting.
- Our discussions on the content of this newsletter are always critical. We have achieved our goal of four newsletters per year for two years now. We are always looking for feedback on the content or articles to print. If you ever have any suggestions, please let one of the committee members know.

By the time you receive this, the holidays will be upon us. I want to wish each and every one of you best wishes for the holidays and the happiest New Year ever. As always, thank you for your support. ■

Emerging Issues: Unsolicited Communications and Silica

by Domenick J. Yezzi Jr., CPCU

Domenick J. Yezzi Jr., CPCU, is vice president, specialty commercial lines for Insurance Services Office. He provides overall direction and leadership, as well as client service, for specialty commercial lines such as business owners, farm, inland marine, and crime; and for the electronic versions of ISO's core products.

A CPCU since 1979, Yezzi has more than 30 years' experience in the insurance industry, 25 of them with ISO. Before joining ISO, he was an assistant director of research with the Independent Insurance Agents of America and a property and casualty insurance agent. Yezzi originally began his career as a life insurance agent.

Yezzi holds an M.S. degree from Long Island University and an undergraduate degree from Siena College.

Changes in technology and in societal attitudes have been testing the skills—and the patience—of many insurers. Some of these changes follow the same theme, thereby allowing them to be categorized as trends that might affect many policies. Within insurance entities, the job responsibilities of key managers have been expanded to include identifying and tracking these emerging trends. But just because an item is placed on an emerging issues list, it doesn't necessarily follow that a major impact on insurance coverage will result, or that the issue will have a negative effect on insurance rates. Sometimes just heightened awareness within the underwriting or claims settling ranks are sufficient to handle an issue, while at other times a resolution may not be achieved until the other end of the spectrum—legislative or regulatory action—has been taken.

Here are a few examples of the current issues that analysts are following:

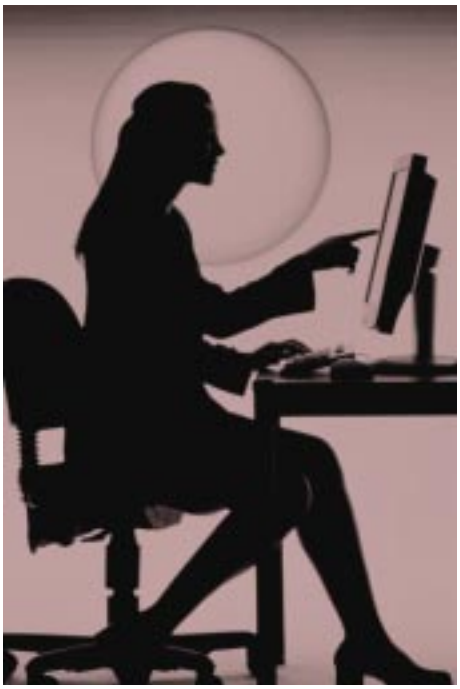
- Genetically Modified Organisms—Genetic modification of crops and animals for greater yield, better taste, or medicinal purposes may have as yet unknown and unintended consequences.
- Identity Theft—Much has been written about identity theft, and more work needs to be done to implement more stringent safeguards.
- Nanotechnology—Questions have arisen over the breakdown of materials or machines built through this process, which involves manufacturing at the molecular level.
- Pressure-Treated Wood—The current chromate copper arsenate mixture (which has been found to leach arsenic, with possible attendant health consequences) is being replaced with an alkaline copper quaternary mixture, which requires a specific type of fastener for long-term structural integrity.
- Spyware—Software that monitors Internet usage or records keystrokes and can be used for more nefarious purposes.

Two emerging issues—violations of statutes in connection with e-mail, facsimile transmissions, or phone calls, and silicon and mixed dust—are worth looking at in more detail, since they have raised such a level of concern as to cause some insurers to adjust the wording of some insurance contracts.

Violations of Statutes in Connection with E-mail, Fax, or Phone Calls

In 1991, the Telephone Consumer Protection Act (TCPA) became law. It addressed concerns about certain telephone marketing practices. This law permits the Federal Communication Commission to establish a national do-not-call registry for consumers who wish to avoid telemarketing calls. The TCPA also prohibits the use of any device to send an "unsolicited advertisement" to a telephone facsimile machine. An unsolicited advertisement is defined as "any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person's prior express invitation or permission." A company placing any such telemarketing calls is subject to fines as much as $500 per junk fax. Willful or knowing violations can be punished by tripled fines.

Several attempts to gain coverage for the liability attached to such violations under the personal and advertising injury liability coverage of the commercial general liability (CGL) policy have been successful, in some cases treating the "junk fax" as an invasion of privacy. There have also been successful attempts to gain coverage for such acts under "property damage" coverage for the lost ink, facsimile sheets, and loss of use of the recipient's facsimile machine. In *Prime TV, LLC v Travelers Insurance Co.*, the



court explained that, although the marketing company intentionally sent faxes to recipients who had no desire to receive them, the marketing company believed that the recipients wanted the information concerning their satellite television services.

There are currently many do-not-call registries operated by individual states, and the possibility exists that attempts at coverage, similar to the claims described above for faxes, will be made with regard to the federal and state registries.

A similar area that causes liability insurers concern is e-mail spam. Congress passed the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM), which imposes limitations and penalties on the transmission of unsolicited e-mail messages. Many states have passed legislation that imposes legal restrictions on the sending of unsolicited commercial e-mail. Some state laws require that commercial e-mail include a label in the e-mail subject line or header showing it is an advertisement. Other states require that unsolicited bulk commercial e-mail messages must include opt-out instructions and contact information.

Although insurers have not yet seen similar cases relating to spam e-mail, the insurance allegations are potentially similar to those involving mass facsimile transmissions; that is, attempts may try to gain coverage as property damage by alleging that the volume of e-mails caused the loss of use of a computer system, and as personal and advertising injury due to the e-mails being considered an invasion of privacy.

The intentional nature of these acts, and the general awareness of the negative reaction of many to such unsolicited contacts, provide support for the conclusion that insurance for such acts is not appropriate. These are also key reasons for the laws being passed to prevent and punish such acts.

It is not likely that insurers intend to provide coverage for property damage or personal and advertising injury claims that arise out of these intentional acts in which the kind of alleged damage is generally known in advance, given such provisions as the Intentional Acts exclusion under Coverage A and the Knowing Violation of Rights of Another exclusion under Coverage B. However, the apparently widespread violations of the TCPA, spam e-mail, or do-not-call lists seem to invite a specific reaction to eliminate any issue on that score. Even if such an exclusion did not apply in a given case, coverage is inappropriate given the intentionally intrusive nature of such acts and the statutory efforts to prohibit them.

The intentional nature of these acts, and the general awareness of the negative reaction of many to such unsolicited contacts, provide support for the conclusion that insurance for such acts is not appropriate.

An additional exclusion under Coverage A and Coverage B would support the preclusion of coverage for liability arising out of unsolicited faxes, phone calls, and e-mails. ISO has developed a general liability endorsement that will be triggered by a violation of the federal statutes, which prohibit the sending of certain unsolicited material. The exclusion will apply to "bodily injury," "property damage" or "personal and advertising injury" arising directly or indirectly out of a violation of the TCPA, the CAN-SPAM Act of 2003, or any other similar laws or regulations prohibiting the sending, transmitting, or communicating of certain material or information.

This exclusionary endorsement, and a similar exclusionary endorsement for commercial liability umbrella, have been filed as mandatory endorsements for a March 2005 effective date.

Silica and Mixed Dust

The past year has seen an increase in silica-related claims and lawsuits. While patterned on asbestos, these suits will probably never reach the level of the immense asbestos litigation in its impact on business and insurers. This new wave of lawsuits is on behalf of thousands of workers who have silicosis, the oldest known occupational disease. It is a respiratory disorder caused by inhaling silica particles from quartz found in rocks and sand. Defendants include companies involved in stone and quartz mining, industrial sand processors, construction, refinery operators, and safety-equipment manufacturers. Mixed dust or pneumoconiosis claims are also on the rise, and may be used in attempts to get around labeling the claim as either asbestosis or silicosis.

Beyond the plaintiffs who have actually developed symptoms of disease, there is a whole body of claims being made out of fear of a disease. Claims could be submitted when traces of silica or mixed dust have been found in a person's house or lungs, although no symptoms have resulted from the contact. These "fear claims" need not be limited to diseases, but include medical devices as well, such as breast implants and heart valves.

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Although the full impact of these various cases on general liability insurance is not yet clear, the frequency of these claims and the apparent similarity of these claims to asbestos claims have made silica an area of concern for many insurers. Currently, the majority of the silica claims seem to arise out of workplace exposures and, as such, would appear to be subject to the workers compensation exclusion in the General Liability form. However, as we've seen with asbestos, there also may be attempts to submit claims under different areas of insurance coverage or policies, for example, products liability or premises/operations under general liability insurance.

The National Institute for Occupations Safety and Health (NIOSH) and the Department of Labor (DOL) have indicated that the following industries have the greatest potential exposure of silica dust:

- construction (sandblasting, rock drilling, masonry work, jack hammering, tunneling)
- mining
- foundry work
- stone cutting
- glass manufacturing
- agriculture
- shipbuilding
- ceramics
- railroad
- manufacturing of soaps and detergents
- manufacturing and use of abrasives

Ohio has passed laws that specify the medical criteria for filing asbestos and silica lawsuits. The statutory asbestos and silica medical criteria place limits on lawsuits, requiring a plaintiff to provide medical evidence to prove that exposure to asbestos or silica was a substantial factor in causing his or her illness. The laws were passed amid allegations that unimpaired claimants were clogging the justice system and, in some cases, potentially prohibiting the truly sick claimant with a severe asbestos-related illness from receiving equitable legal and financial remedies. The laws also provide that no damages shall be awarded for fear or risk of cancer in any tort action asserting only a silica claim or a mixed-dust disease claim for a nonmalignant condition.

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While it has long been ISO's practice not to single out specific types of products or materials for exclusion, concern about these materials has led insurers to file with state insurance departments exclusions for silica and mixed dust. Given this concern, ISO filed an optional silica and mixed-dust endorsement for a March 2005 effective date.

Collateral: Minimizing the Crunch

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Originally published in Captive Insurance Company Reports, August 2004, based on a session at International Captives Congress conference in Bermuda. Speakers included: Joseph Davide, AIG Global, and Robert Davis, ACE, both located in New York.

Collateral continues to be a priority for insurers doing business with captives, while simultaneously banks have tightened their requirements for letters of credit. Hence, captives can expect to continue to wrestle with collateral demands.

Most captives use fronting insurance companies. Fronts provide the admitted paper required to underwrite risk in the states in which a captive does business. To state regulators, the fronts are technically "on the hook" for any losses, regardless if the risk is reinsured elsewhere. Unfortunately, pricing does not anticipate credit risk; hence, the need for collateral from reinsurers—including captives—to protect the front from the credit risk.

What Do Insurers Need to Be Securitized?

Securitize Deductible. Many policyholders have large deductible programs, particularly for workers compensation. A commercial insurer fronts the risk for a policyholder, and then is reimbursed for any paid claims. The credit risk, in case the policyholder (or its captive) doesn't pay its claims, leads to the collateral demand. The same applies for reinsurance provided by captives to a fronting insurer.

Securitize Reinsurance. Schedule F penalties are an accounting hammer. For U.S. insurers, if reinsurance is purchased from a non-admitted licensed insurer (such as a Bermuda captive), the U.S. insurer cannot take credit for this insurance unless it obtains collateral. Therefore, its surplus will be reduced accordingly. This collateral needs to equal outstanding losses and unearned premium reserves.

Avoid Schedule F Penalties. Furthermore, the acceptable forms of collateral are strict: withholding premium cessions, letters of credit, Section 114 trusts, and the like.

Rating Agency	Rating		
Moody's	Ba3	B+	Lower
S&P	BB-	B+	Lower
Dun & Bradstreet	3A	3a	Lower
Credit Composite Score	1 or 2	3	4
ACE Grade	Good	Acceptable	Poor
Required Collateral	Expected losses	Expected losses +20%	Higher loading

Calculating Expected Collateral

Ultimate expected losses include allocated loss adjustment expense (ALAE) for:

- New/renewal year
- Expiring year
- Prior years

Plus:	Credit surcharge (of captive's parent)
Less:	Paid losses; paid ALAE
Less:	Paid deposit (escrow) fund
Plus:	Unearned premiums
Plus:	Catastrophe allocation

How Much Collateral Is Required?

There is no standard required amount—it varies case by case. Nevertheless, fronts want collateral up to the aggregate attachment point, and if another reinsurer provides some of that coverage, its credit worthiness needs to be evaluated too. The key considerations an ACE underwriter considers of both the captive and its owner include:

- Debt to equity: Ratio of 3:1 or better.
- Positive cash flow: Adequate to pay interest and debt maturities for next 12 months.
- Positive stockholder equity: After deductions for goodwill and other intangibles.
- Stability of revenues: positive profitability trends.
- Material footnotes in the 10k or financial reports that can affect financial health (e.g., off-balance sheet commitments, contingent risk, litigation risk, acquisitions or divestitures, etc.)
- Industry and competitors: Will these issues affect future claims-paying ability?

In addition, ACE also looks at the credit scorings of the various rating agencies.

Factoring the Catastrophe Exposure

Especially now that some captives are writing potentially catastrophic property risks, such as terrorism, how is collateral calculated?

1. Gross versus net retentions: ACE doesn't want captives to front more than $250 million. Furthermore, it does not want net limits to exceed $10 million, the balance to be secured by reinsurance. However, this can be increased to $25 million with a parental guarantee.
2. Parental guarantees: The stronger a parental guarantee, the lower the

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collateral demands. For instance, frequently no collateral is necessary for an "A"-rated parent that guarantees performance. Also, if a captive has a surplus twice its retention, this could eliminate the collateral need.

3. Capital considerations: Form, security, and liquidity are all important.
4. Scheduled policies: This limits the risks.
5. Approved retrocessionaires and reinsurance agreements:
   - follow-the-fortunes clause
   - cut-through clause
   - simultaneous-payments clause
   - midterm changes

Evaluating the Captive Itself

A captive's business plan becomes the most critical element to a fronting insurer. It will look at:

- Business plan and its feasibility study
  - ownership details
  - pro forma financials
  - actuarial study
  - certification of incorporation
  - bylaws
  - confirmation of capital contributions
  - reinsurance arrangements
- Other considerations include:
  - Independent actuarial reviews, separate from insurer.
  - Retained limits and volatility of loss pick.
  - Stacking of collateral—over multiple years, calculated to ultimate. For older, outstanding years, when will capital be reduced? Maybe never!
  - Long-term relationship—this is a powerful reason. As an insurer becomes comfortable with an account, it is more willing to negotiate on this point. *CICR comment:* Then again, the deeper the relationship, the harder to move an account to another insurer, as the old insurer has control of all of those outstanding years and can unilaterally determine the amount of required collateral—and it can be punitive!
  - Policy coverages—sometimes fronts will allow coverages to be fronted that it would rather not insure itself. Collateral may be asked to cover the sublimits.
  - Group programs are always a challenge, given the many diverse members.
  - Regulators and domiciles—for poorly or weakly regulated domiciles, credit concerns increase accordingly.

How Can Collateral Be Minimized?

There are many options that are effective in reducing collateral demands. These include the following:

- Using self-insured retentions versus deductibles. The former requires no collateral; the latter does.
- Insuring on a claims-made basis versus occurrence. This eliminates stacking of collateral.
- Predicting expected losses better. The better the information, the higher the confidence level, the better the ability to negotiate collateral amounts.
- Setting retention levels. As retentions rise, collateral needs increase disproportionately higher. Why? As losses in the higher discrete layers are less predictable, collateral needs increase to cover any unexpected or unanticipated amounts.
- Long-term relations. Again, the more familiar an insurer is with an account, the more it is willing to be flexible.
- Improving loss experience. As trends improve, credit demands will reflect this.
- Closing out prior years' losses. Outstanding claims need to be collateralized. As individual claims are closed, collateral needs disappear.
- Novating, or having a loss portfolio transfer. As with individual claims, closing out a book of claims will eliminate collateral needs.

Forms of Collateral

Letters of credit (LOC) continue to be the most popular form of collateral, with probably 90 percent of the market. But banks have tightened their requirements, too, including charging higher fees and requiring compensating cash balances—in essence, collateralizing the collateral!

What are some LOC alternatives? There are two. Funds withheld are when a fronting company withholds that portion of ceded premium being assumed by a captive, such as a loss pick within a captive's limit of liability. The fronting company will pay interest on those funds while they are withheld as collateral. A collateral trust is a three-party agreement among the captive, a fronting company, and a bank. The trust permits the captive to invest in a range of permitted securities as defined in the agreement, and the securities are collateral for the front.

Funds Withheld versus LOC. Funds withheld is the preferred option if the rate of return on the funds withheld is greater than the rate that could be earned by the captive (less LOC fees) and/or if the captive has run out of LOC capacity.

Funds Withheld versus Collateral Trust. Funds withheld is preferred if the captive is not looking to assume any interest rate risk and would rather have a guaranteed rate as provided by the fronting company.

Collateral Trust versus LOC. Collateral trust would be preferred if the aggregate rate of return on the investments within the trust (less administrative fees to the front and the bank) is greater than the rate that would be earned by the captive (less LOC fees) and/or if the captive has run out of LOC capacity.

Collateral Trust versus Funds Withheld. Collateral trust is the preferred option if the captive felt that it could earn more than the guaranteed rate normally provided in a funds withheld transaction, as the trust provides for greater control over the investment selection process. The captive via this product is assuming all interest rate risk. *CICR comment:* Gone are the days when collateral was an afterthought. In some cases, credit and collateral now dictate how a risk will be financed instead of the other way around. ■

Editor's Corner

by Chris O'Donnell, CPCU, ARM, AMIM

Chris O'Donnell, CPCU, ARM, AMIM, is the director of corporate risk insurance management for M&T Bank, which is estimated to currently be the eighteenth largest commercial bank in the United States. He remains affiliated with M&T's Property & Casualty Insurance subsidiary Matthews, Bartlett & Dedecker, Inc.

I've recently returned from the 2004 CPCU Society Annual Meeting and Seminars in Los Angeles. What a week! Amidst the glitz of Hollywood, Halloween came early to the insurance industry.

This year's conference commenced within days of New York attorney general Eliot Spitzer's lawsuit against Marsh & McLennan, the world's largest insurance broker, and that issue certainly shadowed the events of the week. The New York Attorney General alleges in his complaint a number of wrongful practices. Whatever the outcome, the changes already occurring are impacting our industry.

Marsh's unfolding tragedy continues to ripple not only through that company, but also through our industry. There is likely a tremendous personal toll that is being suffered by the many dedicated, honest, and hard-working professionals at Marsh, who had nothing whatsoever to do with the allegations made by Spitzer. Whether we are clients, agents or brokers, insurers, regulators, or just observers, these events cannot be taken lightly. Our industry, which has seemingly always struggled with adverse publicity, self-inflicted more often than not, is again under a microscope.

Much has already been written about this matter. Already, Marsh has replaced its CEO and a number of other key employees. Spitzer continues to bear down on questionable practices that firms allegedly conducted in the property and casualty and now employee benefits sides of the insurance industry. Other AGs and regulators are following New York's lead. The calls for greater scrutiny and even possible federal regulation of the insurance industry are growing louder.

The business meeting of your Agent & Broker Section, which occurred the day before the opening day of the general conference, was quite lively considering the unfolding events of the day. Considering the finer distinctions of what constitutes an agent versus a broker dominated much of the discussion, it may result in a seminar topic from our section in next year's meeting in Atlanta.

My experience in this section is that most, if not all of the members of the Agent & Broker Section, are independent agents—not brokers, not captive agents. Although a seemingly fine distinction previously, this may be a resounding difference now and in the future. As we all recollect, agents work on behalf of and are compensated by their contracted insurers, and brokers work as representatives of the insured clients. That distinction, and who pays the freight, has been dangerously blurred in the past.

Eliot Spitzer is helping to clarify that distinction now because we have not, collectively, done that for ourselves and our clients very clearly up until now. There cannot be a limited, diverse, almost self-regulatory environment without self-discipline.

As many who know me are aware, I am a former company claims professional, former and future consultant, independent agent, and currently a client of the industry both personally and as a corporate risk manager. I am confident that these allegations of bid rigging are not a widespread industry practice. Profit sharing or contingency arrangements are common and, when properly structured and practiced, as most surely are, do not harm the client relationship. Nevertheless, even a limited occurrence of the alleged bad practices in our business "of utmost good faith" can be severely damaging.

As the Society's Board of Governors has stated, we, as an industry, must work to understand the practices and actions alleged to be illegal by Spitzer. This understanding must be transformed into knowledge so that CPCU Society members and others may be guided as to how to avoid practices that violate the CPCU Society's Ethics Code.

The general business press has also not been too kind in its review of the entire mess. Just read the New York complaint and follow the allegations laid out by Spitzer's legal interns in New York. A louder indictment of the alleged questionable broker practices is found in the pages of the business publications such as *The Wall Street Journal* and *Business Week*.

The transparency and honesty in business dealings that we all expect in our personal business dealings will now be enforced upon our industry. It's not that the laws were not already there. They were. Eliot Spitzer used one law that was more than a century old to ensnare Marsh in these allegations. Many other reasonable laws likewise exist; they are just sometimes ignored, unfortunately. Our patchwork of varying state laws, lax regulatory enforcement, and alleged self-dealing by only a small segment of the practitioners caused this mess, not New York's attorney general.

Though some may criticize Spitzer as grandstanding in order to seek higher elective office, it was alleged self-dealing, selfish, and unprofessional behavior by only a very few insurance practitioners that gave him a platform. But for the wrongdoing, albeit merely alleged as of this time, there would be no unfolding tragedy in our business.

It is clearly the time now to finally clean up the mess! There is a silver lining. Not all practitioners act unprofessionally and unethically. Quite the contrary, actually. Most of us, as a second nature, always do the best for our clients and are fairly compensated only when we offer to them the best risk management solutions that best suit their needs.

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Editor's Corner

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Two of the finest moments of the 2004 Annual Meeting and Seminars were provided, quite fittingly, by our outgoing President Hugh B. McGowan, CPCU, and, later, by our incoming President Donald J. Hurzeler, CPCU, CLU.

Hugh took time from his prepared address to recite the CPCU Oath:

> As a Chartered Property and Casualty Underwriter:
>
> I shall strive at all times to live by the highest standards of professional conduct;
>
> I shall strive to ascertain and understand the needs of others and place their interests above my own;
>
> I shall strive to maintain and uphold a standard of honor and integrity that will reflect credit on my profession and on the CPCU designation.

It was truly an inspiring moment. In order to correctly write this, I had to look up the oath despite having had to recite it literally dozens of, if not a hundred times, over the 22 years that I have had the CPCU designation. It should be on the back of our membership cards (it isn't), and it should be written on plaques on the walls of our offices to remind us all of what we already know. Simply put, it is the Golden Rule, restated.

Merely following that oath would have prevented the entire sad episode!

The second great moment came when Don said he was proud to be a CPCU! We all should be proud. Our professional ethics dictate fair treatment of our clients and peers. All we need to do is adhere to them.

I won't reprint the Canons and Rules of the CPCU Society professional ethics here. It is available on the Society web site, and I invite our entire valued readership to visit the site and revisit our Code of Professional Ethics. They really are common sense!

Hopefully, we can and will provide a forum for dialogue that builds public confidence in the insurance mechanism and the insurance industry. This also is an objective of the Society's Board of Governors.

Despite the early Halloween tricks, Thanksgiving followed. We all have much for which we ought to be thankful. The recent course of events will yield what should be welcome changes. After that, the Christmas and Hanukkah holidays will precede a New Year. Hopefully, we have all learned some valuable lessons and will resolve to practice them as the events continue to unfold. ■

Agent & Broker Solutions
is published four times a year by and for the members of the Society's Agent & Broker Section.

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Printed on Recycled Paper

Agent & Broker Solutions Section Quarterly

Volume 17 Number 4 December 2004

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CPCU Society
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