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

International Insurance Quarterly

IQ

Volume 18 Number 3 September 2004

From the Editor

by Iverne "Joan" Greene, CPCU, ARM, AMIM, CPIW

Iverne "Joan" Greene, CPCU, ARM, AMIM, CPIW, is owner and managing director of Joan Greene and Associates, Inc., Insurance and Risk Management Consultants located in Danville, California in the San Francisco Bay Area.

We are very pleased to offer you two excellent articles on this subject authored by two well-known international claims practitioners.

The focus of this issue—international claims—is an enormous and intricate subject to attempt to cover in a few pages. However, we have been fortunate in being able to prevail upon our first author, **Herman J. Nieuwenhuizen**, to demystify the process. This he has done. He has provided our readers a path to follow when handling an international claim and/or when designing a claims program for an international insured; he does a masterful and interesting job in both.

Our second author, **Lorenzo Berenguer, CPCU,** has chosen to discuss the subject of risk, from the claims-handling perspective, in the post-Enron environment of improved corporate governance. This is a timely and thought-provoking article that asks if the underwriting information used in the past is the way to go in the future. Are we asking the right questions?

Berenguer is a founding member of the CPCU Society's Europe Chapter and we are truly pleased to receive articles from our international members. This kind of shared information helps close the geographical gap between us and is one reason we continue to be the premier international insurance educational organization. ■

Demystifying International Claim Handling: A Universal Concern

by Herman J. Nieuwenhuizen

Risk exposures, loss events, and insurance policy terms and conditions may differ widely throughout different jurisdictions, yet one thing is universal—the importance of settling claims promptly and equitably. Prudent carriers, brokers, and insureds know that in some locales this may be difficult to accomplish, and will overcome many such difficulties by planning in advance.

When multinational insurance programs are involved and exposures in dozens of countries are grouped in a single program, effectively mitigating claims can be complex due to numerous, atypical local constraints or idiosyncrasies that can come into play. These present significant barriers to the prompt, satisfactory settlement of claims matters. What might be a routine matter in one location may be an immense challenge in another, more remote locale.

The following discussion will illuminate some of the issues that can be anticipated when seeking to optimize the handling of multinational claims.

The Value of Forethought

Insurance providers most successful in assembling and managing multinational programs generally assign each large insured to a dedicated multi-disciplined team of underwriting, loss control, and claim specialists. This team is assembled when the account is in its infancy, preferably before initial insured/broker presentations are made. It is critical that they have extensive knowledge of the local markets in which the insured operates and the countries to be included in the multinational program. Drawing on this intelligence, team members can collaborate with the insured and broker to anticipate factors that might affect the speed, efficiency, and effectiveness with which specific claims will be handled throughout various locales.

This forecasting process is worthwhile, as no one, including insureds, likes surprises. Confronting a major loss event is bad enough; being ill prepared to manage and recover only compounds the difficulty and magnifies the loss. Time and time again, a lack of proper communication among the insured, broker, and provider prior to and after a loss-causing event is the root of problems that hamper management of and recovery from a loss.

All parties involved with the insured—the underwriter, risk engineers, claim specialists, and broker—should convene pre-loss to gain an early understanding of the multinational

Continued on page 2

Demystifying International Claim Handling: A Universal Concern

Continued from page 1

Herman J. Nieuwenhuizen, chief marketing officer and manager, branch operations, is responsible for the development and execution of marketing programs, as well as the development of agency, broker, and customer initiatives, for Zurich Global Energy® around the world. He has extensive experience in the global insurance market, in particular in the area of international claims. Born in the Netherlands, he has been involved in the development of and global implementation of product development processes, lead generation, cross-selling techniques, and improved claim processes in the United States, as well as in several countries in Continental Europe. Prior to joining Zurich, he was most recently at ACE USA where he was vice president, international operations. In this capacity, he had operational responsibility for the international handling of ACE USA-produced multinational P&C programs.

account's unique issues and potential concerns about claims occurring in various world jurisdictions. Such meetings can be invaluable in preparing everyone to respond most effectively to a loss event. For insureds, the greatest value lies in helping to ensure that its business will not only be adequately compensated for loss and/or damages quickly following a covered event, but that it will weather a loss event with the least disruption of day-to-day business operations. Here is a brief discussion of issues that should be jointly understood ahead of time.

Who will handle claims?

This is a basic but critical question. An insurance provider that handles claims within its wholly owned network can most effectively manage and control the claim-handling process. Implementing insured-specific standards is likely to be significantly less cumbersome when done through one wholly owned global network, giving provider and insured a significant advantage over those that must rely on non-affiliated fronting partners.

A carrier working through non-affiliated fronting partners to provide coverage for a multinational is likely to use reinsurance agreements. The ceding company may insist on independent third-party (TPA) claim handling unless other handling is agreed upon in the reinsurance contract. In that case, insured, broker, and provider should mutually agree in advance on choices of adjusters and/or legal counsels whose skills and resources match the expected frequency, severity, and/or complexity of claims.

If the insured and provider agree to outsource claims up to a certain settlement level, prior to any loss, the TPA should be made familiar with the account and should have the technology tools and resources to service it. Appropriate authority must also be delegated.

Additionally, when TPAs are appointed, all parties should realize that extra time is likely to be required to complete approvals.

Will claim-handling abilities be restricted?

Some emerging markets may severely limit the practice of insurance. When insurance is non-admitted or nationalized in a particular foreign jurisdiction, adjusters from abroad are often unwelcome. Selecting local adjusters with proven experience in the various foreign arenas involved is vital and should be done prior to any loss event. Once an event has occurred, the selection process is subject to severe time pressure, and the provider's buying power is markedly reduced.

What local customs, culture, and practices must be considered and accommodated when developing claim-handling strategies?

Widely different practices exist around the world. Providers that lack comprehensive international knowledge often raise unnecessary questions and can cause unreasonable delays in claim settlements. While these differences are so numerous that it is impossible to mention them all, here are a few of the most critical:

- non-issuance of letters of reservation, a common practice around the globe
- significant restrictions on witness hearings and/or depositions
- prohibition or impermissibility in court of surveillance of claimants and taping of conversations
- cumbersome or unusual requirements for obtaining information from police and/or other authorities, which could delay the claim process
- varied legal practices and court procedures
- unique disclosure obligations—or a lack thereof
- jurisdictional clauses adverse to the insured and the provider
- different negotiation styles and practices
- unusual valuations or interpretations of forensic evidence
- diverse currency import and export rules
- varied rights of labor unions and work counsels to advise and/or vote
- political influences
- unique accounting principles

Adjusters and insurers must be knowledgeable about, and sensitive to, such differences if they are to be effective in mitigating multinational claims. Even among developed nations, where insurance policies and claims practices are similar to those of the United States, differences can be considerable. Markedly dissimilar tort systems are an example. Whereas the litigiousness of American society makes mitigating liability litigation, claims, and defense costs an urgent concern, the claims environment in most European, Asian, and other countries is entirely the opposite. Outside the United States, liability claims are far more likely to be settled by an adjuster in an office rather than by a lawyer in court.

Will the nature of the insured's business present special challenges at claim time?

Losses that strike insureds in specialized industries can be more difficult to manage. This is particularly true in the case of business interruption losses. Ensuring timely replacement of sophisticated equipment can be complicated and sourcing such equipment can extend the business interruption period. This complexity is compounded when the loss occurs in a remote location.

Brainstorming various potential business interruption scenarios and how the insured, broker, nominated adjusters, and providers will respond can significantly enhance the likelihood of returning the insured to productivity quickly. Planning for an optimal response will often include discussion of, and even contractual arrangements with, suppliers that could facilitate replacement of specialized machinery and provide other needed services.

What is the appropriate chain of communication within the insured and provider organizations at claim time?

Perhaps most important of all is establishing a common understanding of the chain of communication about claims within the insured's and the provider's organizations. The key question the insured must answer at the inception of any multinational program is "Who should know what about a loss event—and when?" If a significant loss-causing event occurs, insurance providers generally want to know about it immediately.

After claim-reporting procedures are agreed upon by the insured, broker, and insurance provider, both the provider and the insured have critical roles to play in enforcing compliance with these procedures. It is up to the insured to instruct its foreign subsidiaries on approved claim procedures and to make sure that these procedures are followed.

Similarly, providers should document agreed-upon procedures along with other claim-related decisions such as claim-handling standards, the use of nominated adjusters, and the flow of cash, in an insured claims bulletin. Moreover, providers need to make certain that these account-specific bulletins are read and referred to when a claim is reported. In claim handling, large problems often have small causes. The simple failure to read an insured claims bulletin is a primary cause of confusion and frustration for insureds, brokers, and providers at claim time.

Are proper data quality controls in place?

Ensuring accurate data is of the utmost importance, and most loss data is shared with major insureds and brokers online. Insureds are rightfully concerned about whether the data is input accurately. Proper safeguards must be in place to provide this assurance. In addition, applicable privacy laws and regulations must be followed whenever loss data is intended to be shared.

Optimizing Provider Response

Aligning the behavior of all those involved in the claim process to meet or exceed the insured's expectations is among a provider's greatest challenges in successfully handling multinational claims. To ensure its ability to consistently meet or exceed the expectations of insureds, a provider is wise to settle key questions, including:

- Is responsibility for managing a claim best delegated locally or centralized at the provider's headquarters?
- Will the provider's headquarters have information on a loss or potential loss early on, so that all constituents and stakeholders can be advised in a timely fashion if needed, and appropriate action can be taken immediately to mitigate the loss?
- Do the insurer's practices of granting claim payment and settlement authority guarantee prompt local payments when necessary in the case of a multinational program involving multiple foreign locations?
- Is the provider's headquarters in a position to provide ample direction and support to affiliated and non-affiliated fronting partners?
- Does the provider's staff have a skill base wide enough and resources deep enough to understand and address the local idiosyncrasies of the jurisdictions involved in a multinational program?

The interests of multinationals run the gamut of risks and industries and span diverse geographies. The challenges of particular locales, unique cultures, and specialized risks must all be addressed if a claim is to be resolved effectively. Certain issues can have a particularly strong impact on how a claim is handled virtually anywhere, for any line of business and any risk.

Communications and Advance Preparations Are Critical

As discussed previously, a provider that has an owned global claims network is logically better positioned to enforce uniform standards of claim service and maintain greater control over the claim process. A network of non-affiliates, or TPAs, typically more loosely construed, is less likely to exercise the same control and consistency in accommodating unique claim-handling requirements.

In either case, a meticulous focus on communication and planning ahead are paramount to claim-handling success. The real key to successful claim handling does not lie in activities after a loss event takes place. Rather, it depends on the provider's ability to prepare its organization, and help its insured prepare, to optimize claim response. Most failures in international claim handling are the immediate consequence of poor planning. To overcome this, the issues highlighted in this article should be explored to the satisfaction of all parties during a planning phase, before all parties are in post-loss crisis mode.

Underwriters know the risk well, and should be a major part of this pre-claim planning process. Assessing an insured's claim needs up front as carefully as assessing its risk exposures is the key to effective international claim handling. Only with such forethought will providers achieve their ultimate objective of exceeding the claim handling expectations of multinational insureds. ■

Claims Handling for Captives in the Post-Enron Environment: Do Uncertainties Abound?

by Lorenzo Berenguer, CPCU, SCLA, ARM

This article discusses the subject of risk, from the claims-handling perspective, in the post-Enron environment of improved corporate governance. An area that continues to deserve constant attention in the ambit of international insurance claims operations: fronting of business and the handling of claims for a captive may represent potential, significant risk for an insurer. For instance, an insurer can be placed in a position where recovery of funds paid in claims is no longer possible. The "credit risks" generated in many captive contracts is particularly important.

The reader should consider this basic point: as part of the underwriting process, the captive furnishes the fronting entity/insurer with adequate financial statements. Once the policy is issued to the captive, the claims process may commence immediately upon reporting of covered losses. The captive is committed to reimburse the insurer for covered losses that occur within the applicable policy period.

What reasonable steps must an insurer follow to properly monitor this commitment to avoid financial risks arising from insufficient controls and the associated risks from captives? Do audited financial statements represent sufficient proof of financial stability? Do CFOs follow a code of ethics (SOX 406)? Are letters of credit and/or parental guarantees necessary? The more complex the operations of a given captive (and associated, organic entities) become, the greater the opportunity for financial risk to the fronting insurer, because of potential undisclosed risks, potential underreserving, and/or potential aggregation of the risks.

Captives that serve as special purpose vehicles (SPV) present an additional challenge, because they cannot only be financially weak, but they may operate in loosely regulated domiciles transferring risks beyond the insurance and into the capital market and vice versa. One recent scandal allegedly had hundreds of such SPVs in operation. It is reported that these SPVs did not appear on balance sheets, but had direct financial impacts on the broader organization. What is the worth of the parental guarantee when the parent defaults? Similarly, what is a letter of credit worth if it is conditional and/or revocable?

In many respects the claims function serves as the proverbial "line of defense" to the insurer, by ensuring that claims personnel are knowledgeable of relevant management, reporting, and claims-handling procedures of the captive. Adequate fraud-detection and fraud-prevention procedures are a must for any insurer dealing with captive business, as part of a sound control environment (i.e. COSO framework). Adequate procedures along with competent claims personnel provide necessary information to an insurer to monitor the quality of the information received from a captive.

In the post-Enron environment, from the claims-handling perspective, risks abound in the area of claims where a captive is involved. Insurers must remain mindful of the limitations of Sarbanes-Oxley, and mindful that dealing with claims from captives requires close cooperation and sharing of information with the risk management, underwriting, and the finance functions. ■

■ **Lorenzo Berenguer, CPCU,** heads the audits/operations, global claims management in Zurich, Switzerland. He has had 17 years of experience in insurance claims (liability, property, and workers compensation) in the United States and abroad.

He has a political science/economics undergraduate degree and has earned the CPCU, SCLA, and ARM industry designations.

Berenguer has authored the following article: "Hiring Trial and Commercial Counsel: The Manufacturer/ Producer's Perspective," which is used in the course book issued by the Defense Research Institute, Inc.

Berenguer is a founding member of the CPCU Society's Europe Chapter.

He lives with his wife, Silvia, in Zurich where he enjoys his hobbies of running, reading (history and biographies) and travel.

Editor's Note: *The opinions expressed in this article are those of the author and do not necessarily reflect those of the company.*

News from Home and Abroad

Compiled by Iverne "Joan" Greene, CPCU, ARM, AMIM, CPIW, from information provided by our members, others in global insurance, and the Internet.

Australia

Reinsurance Australia (ReAC), the Australian reinsurance company that was put into run-off in 2000 after making heavy losses, may be on the verge of re-entering the market. Early this year, it stated its intention to apply for a new domestic general insurance license from the Australia insurance authorities.

Asia-Pacific

Despite a six-year period of turbulence caused by investment volatility and the impact of SARS, among other things, the Asia-Pacific market has demonstrated its resilience. Competition in this area, defined as Australia, China, Hong Kong, Japan, Korea, New Zealand, Singapore, Taiwan, and Thailand, is leading insurers to lower rates, according to S&P rating service.

Recently, French reinsurer Scor began implementing a strategy to increase its presence in Asia. It applied for a license to set up reinsurance operations in China. It also received a license to start writing business in South Korea.

Bermuda

The Bermuda insurers representing the so-called "Class of 2001" generated unprecedented levels of capital and premium for start-up insurance operations during their first two years, according to a new report from rating agency Fitch Inc.

Hamilton—Merrill Lynch & Co. has formed a reinsurer, becoming the third U.S. investment bank to make the move. It follows Goldman Sachs and Lehman Brothers into the reinsurance marketplace. As traditional reinsurance rates have soared, these companies are hoping alternative reinsurance involving capital markets will become more attractive.

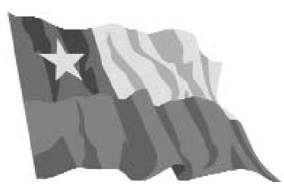
Brazil

In his address at the International Insurance Society (IIS) conference in London, the chief executive of Brazilian insurer Itau Seguros, Luiz de Campos Salles, advised that the challenges facing the insurance industry in the United States and Europe today will hit South America tomorrow.

Canada

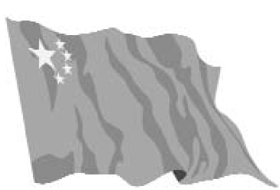
Ottawa—Canada has leveled the playing field for new airlines by giving them temporary war risk insurance indemnity under the same terms provided to existing air service operators. This insurance extension applies to any airline, airport, or related supplier that started operation after the September 11 attacks in New York. This extension is meant to temporarily fill the need while countries and industry players work on a permanent insurance product.

Chile



Pembroke, Bermuda—PartnerRe has announced plans to strengthen its market position in Latin American by opening an office in Santiago, Chile. The new office will manage the business opportunities in Chile, Argentina, Peru, Bolivia, Paraguay, and Uruguay.

China



Reinsurance broker Benfield has placed what is believed to be the first reinsurance program for a Chinese government agency. It has arranged a proportional treaty program for the China Export/Credit Insurance Corporation (Sinosure). Sinosure is China's official export credit agency (ECA).

A number of Chinese insurance companies have either floated or are planning to list to take advantage of a strong investor demand for shares in Chinese insurance companies.

U.S. reinsurer General Re has been granted a nationwide license to operate as a composite reinsurer in China. It will set up its first branch office in Shanghai. It is the third foreign reinsurer to be granted a license to write in the country, behind Munich Re and Swiss Re.

American International Group (AIG) has agreed to buy a 19 percent stake in China's largest non-life insurer, PICC Property & Casualty. This will allow AIG access to the Chinese health and accident insurance market before any other foreign player.

Hong Kong—In June the long-awaited initial public offering of China's second-largest insurer, Ping An Insurance, finally arrived. The insurer is now listed on the Hong Kong Stock Exchange. This has been in preparation for more than a year.

Denmark

Royal & SunAlliance (RSA) announced recently that it has sold its 71.7 percent share in Codan Life, its life and pensions operation in Denmark.

European Union

Most EU states want the sex directive amended. Seventeen EU members reject plans to ban the use of sex-related information in calculating insurance premium. This is good news for the insurance companies, observers say.

Continued on page 6

News from Home and Abroad

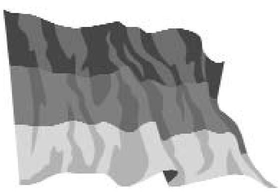
Continued from page 5

France

Paris—AXA and BNP Paribas have concluded an agreement in principle with regards to acquision by AXA Banque of 100 percent of the capital of Banque Directe, subsidiary of the BNP Paribas Group. This agreement is pending the opinion of employees' representatives. BNP Paribas operates in 87 countries and focuses on three core businesses—banking, asset management, and insurance.

French reinsurer Le Mans Re has changed its name to XL Re Europe. It is now fully owned by Bermudian insurer XL Capital. Le Mans Re was created in 1999 as a joint venture between X, which has a 49 percent state, and French mutual Mutuelles du Mans Assorances, which has the balance.

Germany



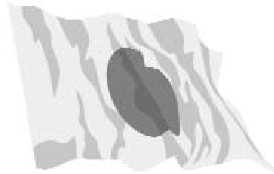
The German government has issued a draft of its plans to change the country's insurance supervisory law. This includes plans to supervise reinsurers. According to Barbara Hendricks, secretary of state of the German finance ministry, the idea is to strengthen Germany as an international marketplace.

The German financial services watchdog Bundesanstalt Fur Finanzcienstleistungsaufsicht (BaFin) is investigating Germany's reinsurers to discover whether and on what conditions they acquired credit risks information from banks.

Guy Carpenter and Eqecat are jointly developing Germany's first probabilistic flood model. These two companies say they are looking to expand the model to other Europeans countries.

The Leo Zagel German pool is reducing its limits capacity for Extemus, the German terrorism policy because of low demand for the policy, not low demand for the insurance. Price appears to be the problem.

Japan



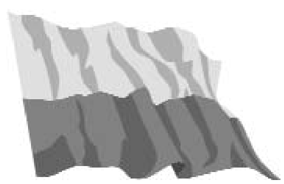
In July, Swiss Re Capital Markets closed a new catastrophe bond for a Japanese primary insurer. The $125 million five-year deal, called Gi Capital, transfers Japanese earthquake risk into the capital markets.

Many countries' weather derivative markets were founded with high-value, temperature-based contracts for big energy companies. Japan's, however, was started with smaller rainfall-based derivatives. The result is that Japan is ahead of the pack in realizing the potential of these risk management tools.

Middle East

Dubai and Bahrain are competing to establish an insurance hub for the Middle East. They are hoping that international players' capital and expertise will help tap the area's high potential for growth.

Poland



London—XL Insurance Co. Ltd. has received permission from Polish regulators to enter Poland's insurance market. The company's new operation in Warsaw will
be licensed as a branch of XLICL. The Polish branch will offer coverage and services to the Polish operations of XL's multinational clients.

International

Shipowners' Liability—As compensation limits for claimants has been increased, a major amount of shipowners are facing increased financial liability for accidents under an agreement that took effect in May. To date, 10 countries have signed: Australia, Denmark, Finland, Germany, Malta, Norway, Russian Federation, Sierra Leone, Tonga, and the United Kingdom.

Recently, the International Olympic Committee (IOC) said it has bought cancellation insurance worth $170 million for the 2004 games. This is the first time the committee has bought cancellation coverage in the history of the games. It said it will also buy similar coverage for future events.

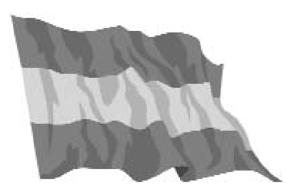
The addition of 10 countries to the EU could attract international insurers keen to take advantage of the new members' high growth levels. They are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.

The Madrid bombing could increase demand for terrorism cover in Europe. However, worried managers should get in quick because insurers are becoming wary of exposures.

New Zealand

The storms that swept across New Zealand in February, causing heavy flooding, will result in at least NZ$100 million ($70.1 million) of economic losses according to recent estimations. However, many believe the losses could be higher.

Spain



Lloyd's recently announced that it has strengthened its presence in Spain by appointing a full-time representative in Madrid, as part of its strategy to expand in the Spanish market.

Madrid—The March bomb blasts that tore through this Spanish capital have highlighted the global threat of terrorism anew. This has increased the demand for terrorism cover in Europe.

South Africa

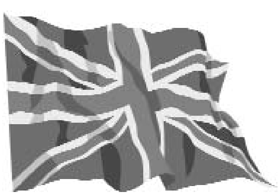
Lloyd's managing agency Kiln has acquired a 25 percent stake in South African marine insurer International Marine Insurance Managers. The company will operate as an extension of Syndicate 510, which writes marine and special risks.

Thailand

Dutch-Belgian insurance and banking group Fortis is expanding its operations in Asia by entering Thailand. It has agreed to buy shares in the Muang Thai Group.

United Kingdom

London—In July, Lloyd's announced that slips for all placements of binding authorities will need to comply with London Market Principles (LMP) standards from the start of 2005. This move is to improve the certainty, clarity, and efficiency of Lloyd's policies by bringing 5,000 binding authority contracts, representing more than 20 percent of Lloyd's premium, within the existing mandate. The new binding authority slip is a development of the LMP slip, which is already in use for the vast majority of Lloyd's business.



New York—Lloyd's recently announced that it will donate $300,000 to the Derek Hughes/NAPSLO Educational Foundation, Ltd. to encourage the education of students and professionals interested in the excess and surplus lines business. These funds will allow colleges, universities, and other educational institutions to obtain grants for research studies and other insurance-related projects, and will support scholarships and financial aid for the students pursuing studies in insurance at the college or graduate-school level.

London—The government has proposed the creation of a fund to compensate workers who already have lost promised pension benefits when their employers went bankrupt. This Pension Protection Fund would be similar to the Pension Benefit Guaranty Corp. in the United States.

London—For the first time, FSA, the UK regulator has taken disciplinary action against individual directors of any insurance company. The watchdog indicates it intends to be more willing to hold individuals personally responsible for misconduct in the future.

Warren Buffett has signed up to a plan to create a vehicle designed to acquire smaller quoted companies at Lloyd's. Buffett's Berkshire Hathaway group will take a 25 percent stake in Capital Insurance Holdings, a new business organized by the Rostrum Group.

Lloyd's—Chairman Lord Levene recently announced that the FSA has authorized Lloyd's to write direct business in eight of the new European Union accession countries. Lloyd's is already a licensed insurer in Malta and Cyprus. The other countries are: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

There is a climate change in the United Kingdom. There is international consensus that, as a result of increasing concentrations of carbon dioxide from burning fossil fuels, the Earth's climate is hanging. This phenomenon can be observed in certain countries. The 1990s was the United Kingdom's warmest decade since records began.

United States

Florida—According to the Florida Department of Financial Services, the expansion of the Florida Hurricane Catastrophe Fund is expected to attract new insurers to the state and encourage existing carriers to write more coverage this year.

Houston, TX—Earlier this year Halliburton reached a $757 million settlement with London-based Equitas Ltd. over the energy company's asbestos claims against Lloyd's of London syndicates. However, it will need to finalize its settlements with other insurers before the company's $4.2 billion plan to settle asbestos and silica claims can be implemented.

Nashville, TN—Tennessee is making reforms to its workers compensation act by eliminating "dueling doctors" litigation and cap at 1.5 the impairment multiplier for permanent partial disability awards, as well as requiring mediation before proceeding to court, establishing a medical fee schedule with caps, and increase weekly compensation for disability payments.

Waltham, MA—Raytheon Co. said it expects its insurers to cover about one-fifth of a $410 million settlement of a securities class-action suit, even though the insurers had not approved the settlement. What portion is attorneys' fees was not specified.

Washington, DC—Legislation to extend and expand the Terrorism Insurance Act of 2002 has been introduced by the Senate by sponsors from both parties. The bill would extend the original legislation through 2007 and would add several amendments. Among those changes is a provision requiring insurers through the last year of the program to make terrorism coverage available that is in effect for at least 12 months. The extended program also would apply to group life insurers under an amendment in the legislation. ■

The International Insurance Section Is Proud to Announce that It Will Sponsor an Informative Seminar at the 2004 Annual Meeting and Seminars in Los Angeles!

Insurance South of the Border

Monday, October 25, 10 a.m. - Noon

What You Will Learn

For many insurance professionals, cultural differences and international issues are difficult barriers to overcome when conducting business with foreign clients and organizations. This seminar will examine insurance coverage and claims issues that can arise when dealing with countries that are "south of the border," specifically Mexico and Chile. Attend this seminar for valuable lessons on cultural differences and political risks that can occur when entering into insurance policies with these countries.

Presenters

Tina Dobleman
Levi Strauss & Company

Fernando Ortega
Marsh & McLennan Companies

Douglas N. Smith
AIG WorldSource

Register today at www.cpcusociety.org!

International Insurance Quarterly
is published four times a year by and for the members of the International Insurance Section of the CPCU Society.

***International Insurance Quarterly* Editor**
Iverne Joan Greene, CPCU
Joan Greene and Associates
123 Zephyr Place
Danville, CA 94526
Phone: (925) 820-8722
Fax: (925) 855-9694
e-Mail: jga12345@aol.com

International Insurance Section Chairman
Deborah Ann Kerr-Orlik, CPCU
Public Communications Services, Inc.
11859 Wilshire Boulevard, Suite 600
Los Angeles, CA 90025
Phone: (310) 954-3034
Fax: (310) 954-2143
e-Mail: deborah.kerr-orlik@teampcs.com

Sections Manager
John Kelly, CPCU
CPCU Society

Managing Editor
Michele A. Ianetti, AIT
CPCU Society

Production Editor
Joan Satchell
CPCU Society

Design
Susan Chesis
CPCU Society

CPCU Society
720 Providence Road
Malvern, PA 19355-0709
(800) 932-CPCU
www.cpcusociety.org

International Insurance Quarterly

Volume 18 Number 3 September 2004

CPCU Society
720 Providence Road
Malvern, PA 19355-0709
www.cpcusociety.org