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You can read newsletters filled with hot topics, join online discussion boards, initiate idea exchanges, make valuable connections and much more — for every interest group. Have you selected your primary interest group yet? If not, go to the interest group area of the Society's Web site, www.cpcusociety.org, to indicate your primary area of interest. You can also identify your preference as to how you wish to receive an interest group's newsletter. Of course, as a paid CPCU Society member, you have electronic access to all interest group newsletters.

Message from the Chair

by David L. Mowrer, CPCU, CLU, ChFC, ARM, AIM, AIT



David L. Mowrer, CPCU, CLU, ChFC, ARM, AIM, AIT, has worked in auto claims with State Farm for 35 years. He joined State Farm after graduating from Washburn University in Topeka, Kan., with a bachelor's degree in business. Mowrer earned the CPCU designation in 1990. He has been active in the CPCU Society's Central Oklahoma Chapter, having served as president, vice president and treasurer. Mowrer was a member of the Society's Intra-Industry Committee and the Sections Web Site Task Force. He is currently serving a three-year term as chair of the Information Technology Interest Group Committee.

Happy New Year! The CPCU Society actually began its new year in the fall of 2009. At our Denver Annual Meeting and Seminars, CPCUs closed a chapter in what is now part of the Society's history and began a new one. When starting a new year, many of us make New Year's resolutions. The Society's leaders, when taking their oath of office, resolve to work for the benefit of the CPCU Society and its members. I recommend we do the same for the "CPCU New Year."

For new CPCUs and those who have not been active, I recommend you make the resolution to become active in your local chapter. The chapters are the local presence of CPCU — the CPCU of where you are. And most, if not all, chapters can use your help.

You spent a lot of time earning your designation, so don't just let the letters CPCU sit idly beside your name on your business card. Get active and help others get the designation — be a mentor, teach

a class, and help in your local chapter and your community.

For CPCUs who already serve on chapter committees, help with I-Day and attend chapter meetings; also, how about making a resolution to take the next step — volunteer for service with the CPCU Society. There are task forces, standing committees and interest group committees that can use your help. I have heard it said many times that volunteers are the backbone of the CPCU Society. Without volunteers there would not be a CPCU Society.

We want to thank Immediate Past President and Chairman **Marvin Kelly, CPCU, MBA**, for his leadership in helping the CPCU Society address the needs of its members and for his representation of the Society to the insurance industry. We also want to welcome President and Chairman

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Message from the Chair

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Douglas J. Holtz, CPCU, CIC, CSP, CRM, and the other new officers as they start writing the newest chapter of the CPCU Society's history. It is good to know that in these times of economic turmoil, we have leaders who continue to strengthen the Society and help meet the needs of its members.

The Annual Meeting this year was great. The speakers and seminars were informative and targeted today's issues. I am proud that the IT Interest Group was able to contribute to two seminars in Denver. Thanks to **W. Thomas Mellor, CPCU, CLU, ChFC, AIC, ALCM, AIM**, for developing and helping present, "You Mean I Really Can Get What I Want? Using Agile Processes to Get Quality, High-Value Products ... And Organizations."

Not being familiar with the agile process, I attended this workshop and found it very interesting. The presenters took what for some is a complicated process and explained it in layman's terms so that all who attended could understand. Attendees then applied what had been learned by participating in some classroom exercises.

Partnering with the Claims and Loss Control Interest Groups, we helped develop the seminar "Electronic Discovery — Don't Let It Zap You." The speakers brought us up to date on the development of electronic evidence in the courtroom. They discussed some court cases and decisions and gave suggestions on how companies might protect their electronic information.

The Information Technology Interest Group is already planning interesting and relevant technical seminars for the 2010 Annual Meeting.

I would like to introduce you to three new members of the IT Interest Group Committee:

- **Michael E. Dudley, CPCU, AU**, has more than 25 years in the property-casualty industry. Currently,

he is a special projects manager with the Mutual Benefit Group, a regional property-casualty insurance carrier located in Huntingdon, Pa. Dudley is president of the Central Pennsylvania Chapter in Harrisburg. His other affiliations and leadership positions include: vice president of the Huntingdon County United Way; business development committee chair for the Greater Huntingdon Chamber of Commerce; and steering committee member of Leadership Huntingdon County, a program designed to stimulate positive community change through leadership training.

- **Cory L. Heim, CPCU, CLU, ChFC**, is a manager in the systems department at State Farm's corporate headquarters in Bloomington, Ill. He has held management responsibilities in various areas of information security over the past eight years and currently manages a unit providing border protection and integrated encryption services. Heim managed a unit providing electronic commerce services focusing on electronic funds transfer and electronic bill presentment and payment before moving to the information security function. Prior to joining State Farm, he was an audit manager for a global public accounting firm. Active in the United Way of McLean County, Ill., for a number of years, Heim currently serves as chair of its Community Impact Cabinet and as a member of its board of directors. Heim holds a bachelor's degree from the University of Nebraska-Lincoln, and in addition to CPCU, he has earned the Chartered Life Underwriter (CLU) and the Chartered Financial Consultant (ChFC) designations.
- **Charles T. Schaefer, CPCU, CLU, ChFC, FLMI**, has more than 25 years' experience in the management, development, implementation, marketing, sales and operation of computer-based information systems for the financial services industry and is the owner of CTS-Consulting. He leads its

management consulting services, which provides business planning services, aligning information technology to business objectives as well as identifying opportunities to use information technology as a competitive resource to clients. Schaefer joined DEI in 1993 as a principal consultant and general manager. After DEI was sold to NIIT in August 2002, he was retained as DEI's president. Schaefer left NIIT in 2005 to start CTS-Consulting. He served as a medical service corps officer in the 101st Airborne Division, U.S. Army, and received his bachelor's and master's degrees from Rutgers, The State University in New Brunswick, N.J. In addition to being a CPCU, he is a Chartered Life Underwriter (CLU), a Chartered Financial Consultant (ChFC) and a Fellow in the Life Management Institute (FLMI).

As you probably realize, most New Year's resolutions are not kept. Instead they become good intentions with no action. Make your CPCU New Year's resolution and follow through — put action to your words! We have just started the year and there are many things to do. Come help us make this new CPCU year a truly happy and successful one. ■

I'll Take My Insurance and Financial Services to Go, Please

by Ryan D. Misch, MBA



Ryan D. Misch, MBA, is a technology enthusiast with more than 13 years' experience in the technology field. He presently is an analyst in the IT Research and Development Department at State Farm's corporate headquarters. Misch holds a variety of technical certifications as well as a Bachelor of Science in Information Technology and a Master of Business Administration in Information Technology Management. You can contact him at ryanmisch@gmail.com.

Editor's note: The author's commentary and writings reflect his personal opinions and experiences and not necessarily those of his employer, State Farm Mutual Automobile Insurance Company, the CPCU Society and its staff or its membership, or the CPCU Society's Information Technology Interest Group or its members.

More users than ever before are looking to mobile devices to manage their money, their social networking activities and their everyday lives.

Would you ever have imagined that one day while waiting in line for your morning coffee you would be able to review your checking account balance, pay your credit card bill, check your investment portfolio and look over your auto insurance policy coverage — all before your vanilla latte arrives at the counter? More and more this is becoming a reality for consumers who are embracing mobile technology. What once required a user to be in front of his or her PC or laptop is rapidly being achieved from the comfort of ... well, anywhere. Internet-enabled smart phones deliver all types of applications — at our fingertips. And being “connected” isn't just for the ultra technology-savvy user any more. It is becoming a way of life for everyone.

Phones with Internet connectivity are hardly considered new technology, as many phones have had this feature for several years now. However, increasing data network speeds and easier-to-use interfaces have made these phones quite simple to interact with as a matter of course. With evolving technology and more competition entering the marketplace, as well as the ability to manufacture the devices at a lower cost coupled with price-subsidizing provided by most mobile phone carriers, the mobile smart phone is reaching millions more users.

Apple's iPhone™, a popular touch-screen device with high-speed network capability, has an estimated active user base of 6.4 million in the U.S. (as of April 2009). Recent press releases from Apple reveal that not only are more than 85,000 applications available for iPhone users to consume but also that their users have downloaded more than two billion applications worldwide. “There's an App

for That” has become Apple's tagline in recent years, as developers clamor to release applications that have a wide range of usefulness. Research In Motion (RIM), the makers of BlackBerry®, has several new devices, and its own App World is stocked full of useful applications. The availability of these new devices, and their respective development platforms, has caught the attention of consumers and businesses alike.



Likewise, insurance and financial services organizations are right there in the mix. State Farm recently released its Pocket Agent™ application to Apple's iTunes Store, allowing users to find nearby agents, locate repair facilities in their respective areas, file an auto claim and review their auto insurance policies. Other companies in this sector have released applications for mobile banking, mortgage and other financial calculators, home inventory applications and many more. Outside of our industry, countless other companies are jumping in to provide useful functionality for their user bases. In fact, I just saw a commercial the other day where a company was claiming its new line of door locks could be unlocked from your phone if you forget your keys. How cool is that? The mobile phone is rapidly becoming a Swiss army knife of portable devices to make everyday life simpler.

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I'll Take My Insurance and Financial Services to Go, Please

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"Sure, that's cool and all, but when or why would customers ever use that?" This is common feedback I've heard — and in some cases, it can be valid. From a purely business standpoint, however, there are a couple of ways I look at the growing mobile consumer segment. Since consumers are driving the adoption of mobile technology, businesses have to react accordingly. Consumers are vocal in their wanting to interact with companies in newer, more convenient ways. And no company wants to be the last one to show up at this party. Not only does the potential exist to lose customers to the companies that have embraced mobile technology, but you'd also be viewed as totally uncool ... right? This can make a lasting bad impression on the youthful market.

Another way of looking at this is to be innovative in creating new ways for your customers to interact with your business and seizing the opportunities these devices bring to the table. Users want technology to provide them with ways to make their interaction with your business easier. The more innovative applications also tend to generate the most buzz among consumers. Many mobile devices have cameras and (obviously) microphones, so voice recognition and optical character recognition (OCR) features are already on their way. Sure, you can type in your name, policy number or VIN number, but it would be much more convenient to speak or scan them in. And who says your mobile device strategy has to be all functionality and no fun? Many companies are releasing games and other creative applications that perhaps are not core to their business models, but are perfect ways to *market* to the mobile consumer.

There is so much for businesses to consider with regard to the emerging mobile user market, and I've only begun to scratch the surface. Sure, not everyone is going to buy an insurance policy from his or her phone — no matter how convenient you make it. And you have

to find the right balance between making technology easy to use and making it safe and secure while adhering to corporate privacy policies and all that fun stuff. One thing is for certain, though, and that is the fact that mobile devices are in the hands of more users than ever — users that are hungry for anything you can put at their fingertips.

These devices and our society's ever-growing need for instant gratification are here to stay. So, before you dismiss this as a passing technology fad driven by texting-crazy teens, consider this: A first-quarter 2009 Nielsen study indicates that there are almost as many iPhone users aged 55 and over (17 percent) as there are in the 13–24 user demographic (18 percent).

How's this for an anecdotal conclusion: During the time I spent on the last few lines of this article, from my iPhone I managed to pay my credit card balance in full and text message my wife to let her know she can check that one off of my to-do list. Up next is paying my wireless bill from my phone, for which there's an app, too. Now if there were only an app to make my bills disappear and shorten that to-do list ... hmmm! ■

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Information Technology Interest Group 2009 Annual Meeting Seminars

by Celeste Allen, CPCU, CLU, ChFC, FLMI



Celeste Allen, CPCU, CLU, ChFC, FLMI, has 28 years' experience in the insurance industry, having worked in claims, underwriting, business analysis and information technology. She currently is a manager with State Farm. Allen's leadership experiences led her to strengthen her community service participation and make a difference in the lives of young people in her community, including those at-risk. Allen also is a member of two major public service organizations. She earned a bachelor's degree in psychology from Temple University, a master's of business administration degree from Illinois State University and a master's degree in executive leadership from the University of Nebraska-Lincoln.

The theme for the 2009 CPCU Society Annual Meeting and Seminars was "CPCU — Embracing Changes." From a technological perspective, seminars the Information Technology Interest Group helped develop provided pertinent and excellent information regarding changes with far-reaching implications.

The Information Technology Interest Group presented "You Mean I Really Can Get What I Want? Using Agile

Manifesto for Agile Software Development

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

Individuals and interactions over processes and tools.

Working software over comprehensive documentation.

Customer collaboration over contract negotiation.

Responding to change over following a plan.

That is, while there is value in the items on the right, we value items on the left more.

Processes to Get Quality, High-Value Products ... And Organizations" on Monday, Aug. 31. This seminar provided a high-level overview of agile processes, principles and practices, and how they can be applied beyond software development to enable organizations to achieve operational excellence.

Attendees received a handout that defined agile as "a term used to describe any empirical processes used for product delivery that adheres to the Agile Manifesto (see sidebar), penned by 17 agile development experts. Cross-functional, self-organizing teams work iteratively to deliver increments of the product, incorporating feedback and learnings from each interaction into the next."

Presenters indicated that agile development enables developers to respond quickly to change as well as promote collaboration in a different way, heighten creativity and generate excitement about doing the work. Progress is enhanced when agile development principles are understood by both the IT shop and business partners. A sound architectural foundation is built to ensure that future working teams can understand it and rework it as needed. Primary drivers in agile development are resources and high-value functionality that will be delivered (well before items of low value) within the project schedule.

To help seminar participants grasp how to assess high-value/complex items that should be delivered within a specified time frame to the satisfaction of the business partner, seminar facilitators provided an origami backlog (akin to a scrum product backlog) with items that had to be prioritized/valued based on intuition (through a quick scan of instructional diagrams for objects to be developed). Each team (table) of attendees committed to a business partner (one of the presenters) the number of objects that would be completed to his/her specification in a certain time frame. This was a very novel and engaging way to help folks grasp the basic concepts of agile development.

Lowell Lindstrom, currently interim managing director at Scrum Alliance and president and founder of The Oobeya Group LLC, stated that leading change is hard and dangerous. A team's initial reaction to change is resistance, which can lead to chaos ... which, surprisingly, in turn can lead to improved/high performance. A helpful analogy is when one tries to change his or her golf or tennis swing — one's performance initially drops off, then improves.

What takes us from chaos to integration and improved performance is a transforming idea. We have traditionally

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Information Technology Interest Group 2009 Annual Meeting

Seminars

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W. Thomas Mellor, CPCU, CLU, ChFC, AIC, ALCM, AIM, checks in with his agile team during a breakout session at the Information Technology Interest Group seminar on agile processes, which drew 26 attendees.

convinced our business partners of an all-or-nothing approach. The “all approach” provides a lengthy time for development. Given a choice, business partners will elect the “all route” with everything submitted being a top priority.

Agile development allows business partners to assess a flow, and if it does not work, allows for changes before the next iteration. It is best to change along the way than to get to the end only to find that what is delivered does not fit the bill. Agile teams are given guidance, but are not told explicitly what to do or how to get the job done. (Teams are self-directed.) Development occurs in short bursts, which lends itself readily to “aha” moments and periods of providing feedback; then the team gets faster in development of next phases.

As with the origami exercise, teams were assigned completion of certain objects based on team members’ confidence in

their ability to construct objects. All contributed to the best of their ability on assigned tasks to deliver completed objects to the business partner. With each round, experience garnered in prior development stints, helped improve time to market in later stints.

IT Interest Group Committee member and seminar co-presenter **W. Thomas Mellor, CPCU, CLU, ChFC, AIC, ALCM, AIM**, who has more than 30 years’ experience with State Farm, advised that in order to further promote the benefits of agile development, there is a need to share success stories and a need to provide the right incentives and develop the right metrics.

Lindstrom indicated that although some organizations back off from agile effort, it is critical not to abandon investments in this work yet. It takes teams up to six sprints to get to their stabilizing idea.

Agile provides a lot of good data from which to manage.

The third presenter, **Michelle Sliger, MBA**, owner of Sliger Consulting Inc., meshed very well with Lindstrom and Mellor in delivering the seminar and addressing a bevy of questions generated by attendees.

Several articles on agile development penned by Tom Mellor were published in prior editions of the Information Technology Interest Group newsletter *Cutting Edge* (July 2007 and February 2008 issues). If you have not had an opportunity to read them, I encourage you to access them via the Information Technology Interest Group Web site. Log on to the CPCU Society Web site, www.cpcusociety.org, and select “Interest Groups” in the top menu. Click on “Information Technology Interest Group” and select “Newsletter” in the left menu.

On Tuesday, Sept. 1, 2009, the Information Technology, Claims and Loss Control Interest Groups presented “Electronic Discovery — Don’t Let It Zap You.” **Debra L. Dettmer, CPCU**, of FCCServices Inc./Summit Point Consulting, served as moderator and presenters were **Christopher S. Clemenson, J.D.**, Cozen O’Connor; **Richard J. Cohen, J.D.**, Goldberg Segalla LLP; and **Steven A. Hancock, AIC, AIM, SCLA**, SAP America.

Hancock shared that in days of old, claim entries were paper documents — there were no electronic documents to be collected as part of the discovery process. The Northridge, Calif., earthquake was used as an example of when e-mails became part of the discovery process and intent and actual application of earthquake coverage policy language was assessed via collection of e-mail documents. Vendor software became part of the e-discovery process with uninsured motorist claim litigation, which generated an e-discovery nightmare for companies trying to comply with requests.

Cohen indicated that from a production perspective, 90 percent of what is currently produced in today's work environment is not on paper. This leads to a need to know and understand the aspects and impacts of electronic discovery, including development of procedures for how to address it and prevent inadvertent destruction of evidence (leads to electronic preservation issues). For example, something as simple as opening an electronic file could be construed as altering it (and considered spoliation of evidence).

The issue is further complicated when networks and back-up tapes are brought into the picture. IT plays a pivotal role in electronically stored information

(ESI). A road map has to be developed for organizations in terms of how to preserve, identify, produce and place legal hold orders on relevant ESI. Given the aforementioned issues, it is no wonder that ESI contributes to increased costs of litigation.

Clemenson advised that we also need to consider data storage and access in organizations' requests for proposals with vendors, and be forward thinking so as to ensure that ESI is not a factor in potential litigation. Organizations should consider use of an electronic content management system, such as EMC or FileNet, for example, which centrally locates data in one place and helps with retention. Some litigants employ the use

of an e-discovery vendor to help identify relevant ESI. Organizations should develop e-discovery plans in conjunction with IT shops, legal counsel and an e-discovery vendor prior to any litigation.

To gain additional insights on this topic, the article "A New Litigation Challenge — Electronic Discovery," published in the December 2008 issue of *Cutting Edge*, is available on the IT Interest Group's Web site. ■

2009–2010 Information Technology Interest Group Committee

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Information Technology Interest Group

Volume 17 • Number 1 • February 2010

Cutting Edge

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Volunteer Leaders, Rising Stars to Gather in Phoenix

The CPCU Society's current and emerging leaders will focus on strategic issues affecting the Society and your chapter at the 2010 Leadership Summit. The conference will be held on April 29–May 1, 2010, at the Pointe Hilton Squaw Peak Resort in Phoenix, Ariz.

All volunteer leaders are urged to attend this distinguished gathering to chart the Society's future course and participate in a free-flowing exchange of ideas on vital topics.

The Summit will include:

- Board of Directors meeting.
- Committee, task force and interest group meetings.
- CPCU Society Center for Leadership courses. Open to all members.
- Chapter and interest group leader workshops.
- Leadership luncheons with special guest speakers.

Register today at
www.cpcusociety.org.

The Information Technology Interest Group newsletter is published by the Information Technology Interest Group of the CPCU Society.

Information Technology Interest Group

<http://infotech.cpcusociety.org>

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