CPCU SOCIETY INSURING YOUR SUCCESS

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Letter from the Chairman: *Lost* Control

by Debra L. Dettmer, CPCU

Debra L. Dettmer, CPCU, is director of risk management claims and loss prevention for FCCServices, a consulting firm for captives, risk management, and insurance needs. She has been with FCCServices for almost 23 years. She is responsible for the claims administration of 14 different insurance lines for the Farm Credit System's captive insurance company as well as developing loss prevention models and guidelines for this customer. Dettmer obtained her CPCU designation in 1987, and is a past president of the CPCU Society's Colorado Chapter. She also teaches CPCU classes on occasion.

Six of your committee members traveled to the CPCU Society's Leadership Summit held at the beautiful Rosen Shingle Creek Resort & Golf Club in Orlando, Florida. My experience getting to the resort reminded me that loss control should be an everyday focus in everyone's life—here's what happened and what I learned.

My husband wanted me to take our new portable GPS system so he was more comfortable knowing I wouldn't get lost traveling around Orlando. He programmed the unit to go from the Orlando airport to my hotel—all I needed to do was plug it into the car and turn it on!

Unfortunately, the rental car agency is located on the bottom floor of the parking garage and when I turned it on, it could not locate the signal. I was instructed to proceed out of the garage on my first call to my husband, it would pick up the signal and soon "Sally" would be directing me to my destination. Now MCO only has two exits—north and south and as luck would have it, Sally hadn't started directing me by the time I hit the fork, so I chose south. Her first words were "recalculating."

After a couple more "recalculatings" I found myself heading west on Highway 417. A few dollars in tolls and a lot of "where the #*%& is this hotel" under my breath, 45 minutes later Sally instructed me to travel west on the Florida Turnpike for 374 miles. Needless to say, that initiates call number two to hubby to let him know the blooming machine is taking me back home in Denver—not my hotel. After a crash course in programming the GPS and talking myself out of a ticket for pulling over in a construction zone (I think the officer thought I was just another dumb blonde) I was on the way back to the hotel. Thank goodness for modern technology—I managed to make a 10-minute trip last almost two hours.

So here's how I should have applied my loss control techniques:

- **Avoidance**—Take a cab instead of renting a car (or some may say, don't listen to my husband).
- **Loss Prevention**—Learn how to program the GPS myself before I left home so I would have noticed the wrong destination on the unit.
- **Loss Reduction**—Looked at a map or asked directions from the rental agency so I knew when the unit was taking me out of the way.

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- **Separation, Duplication, Diversification**—Mapped the directions on the Internet and carried those with me as a backup.

On a more serious note, your Loss Control Section Committee met all day Saturday, April 21, to discuss our activities. We have arranged two seminars for the 2007 Annual Meeting and Seminars—one on pandemic planning and one on fleet safety. We discussed recruitment of section and committee members, our newsletter (did you know you can earn CE credits on your CSP designation by writing an article that is published in our newsletter?). We spent quite a bit of time on the improvements **Eli D. Stern, CPCU,** (I erroneously referred to him as Eli E. Shupe Jr., CPCU, in the previous newsletter—so sorry Eli) has made to our web site and the ones he is planning for the future. Stern created an e-mail address to facilitate communication with us, cpculosscontrol@gmail.com. This e-mail can also be reached by a link located on the left side of the Loss Control Section of the CPCU Society web site at http://losscontrol.cpcusociety.org. I encourage you to send us your requests and suggestions at any time . . . after all, your Loss Control Section is only as good as the input from its members.

The Society is undertaking a major project to improve its sections, making them ambassadors to other organizations. This is an exciting time for the all the Society sections, including Loss Control, to reinvent themselves and improve their usefulness to the Society and its members. A large task force is being formed so I encourage anyone who wants to have a say in the future direction of this organization to apply for that task force by e-mailing your name and e-mail address to Mary Drager at mdrager@cpcusociety.org. The task force for this project is hoping to get the help of more than 100 people on the various sub-task forces so everyone has a say in this direction. Your Loss Control Section along with all the other sections will be conducting SWOT (Strengths, Weakness, Opportunities, and Threats) analysis over the summer so this project can kick off in Hawaii. Once we start that analysis it will be available to all section members to see—you'll just need to give us your input and suggestions by e-mail.

I am very proud of your Loss Control Section Committee members. We inherited a committee that was depleted by term limitations so we lost a lot of continuity and this group has worked hard to meet its section member needs. Aloha! ■

Don't Miss Your Loss Control Section's Seminars at the 2007 Annual Meeting and Seminars in Honolulu

Register today at www.cpcusociety.org

Correction

In the Chairman's Corner of the March 2007 issue of *LCQ,* Eli E. Shupe Jr., CPCU, was incorrectly identified as the Loss Control Section web master.

In fact, **Eli D. Stern, CPCU,** is your web master, and he and his wife have added some interesting material to the web site. We apologize for the error!

Check out the Loss Control Section web site at http://losscontrol.cpcusociety.org.

What Does Nanotechnology Mean?

by Julie L. Sealey, CPCU, CSP, ARM, ALCM, CHSP

Julie L. Sealey, CPCU, CSP, ARM, ALCM, CHSP, is a product line consultant with AIG Consultants in New Jersey. Having more than 20 years of professional experience, she has worked as a chemist in the flavor and fragrance industry, an insurance loss control consultant, and an independent safety consultant. Sealey is a member of the CPCU Society's Loss Control Section Committee and is a professional member of ASSE's New Jersey Chapter. She has a B.S. in chemistry from Moravian College.

Introduction

Nanotechnology is being called a major technological breakthrough, possibly bringing the next industrial revolution. It is believed that nanotechnology will be the means to a future filled with a multitude of new opportunities and applications. Although controversial and mostly unregulated, nanotechnology is rapidly growing. Global government investment in nanotechnology has increased significantly since the mid-1990s. An estimated $10 billion for research and funding was allocated worldwide for nanotechnology in 2005.

What is Nanotechnology?

Nanotechnology is the manufacture and manipulation of materials at the molecular or atomic level to produce new materials, structures, and devices that demonstrate new and unusual behavior. Nanotechnology can be thought of as the smallest things get or the science of the small. A nanometer is one-billionth of a meter. To illustrate: A sheet of paper is 100,000 nanometers thick while in comparison particles used in stain resistant pants are less than 100 nanometers in diameter. Nanomaterials can be hundreds of times smaller than the diameter of a human hair.

Nanotechnology is the ability to measure, see, manipulate and manufacture things usually between 1 and 100 nanometers (nm). The limit of the human eye's capacity to see without a microscope is about 10,000 nm. Materials begin to exhibit distinct properties that affect their physical, chemical and biological behavior at these length scales.

Nanotechnology is a field of applied science and technology covering a broad range of topics. The main unifying theme is the control of matter on a scale smaller than 1 micrometer, normally between 1 to 100 nanometers, as well as the fabrication of devices on this same length scale.

Nanotechnology covers diverse lines of science. It is a highly multidisciplinary field, drawing from several scientific fields. It cuts across many disciplines, including colloidal science chemistry. A colloid or colloidal dispersion is a substance with components of one or two phases. A colloid mixture is a heterogeneous mixture where very small particles of one substance are distributed evenly throughout another substance. A colloid mixture's particles are between 1 nm and 1,000 nanometers in diameter. Many well known substances, such as

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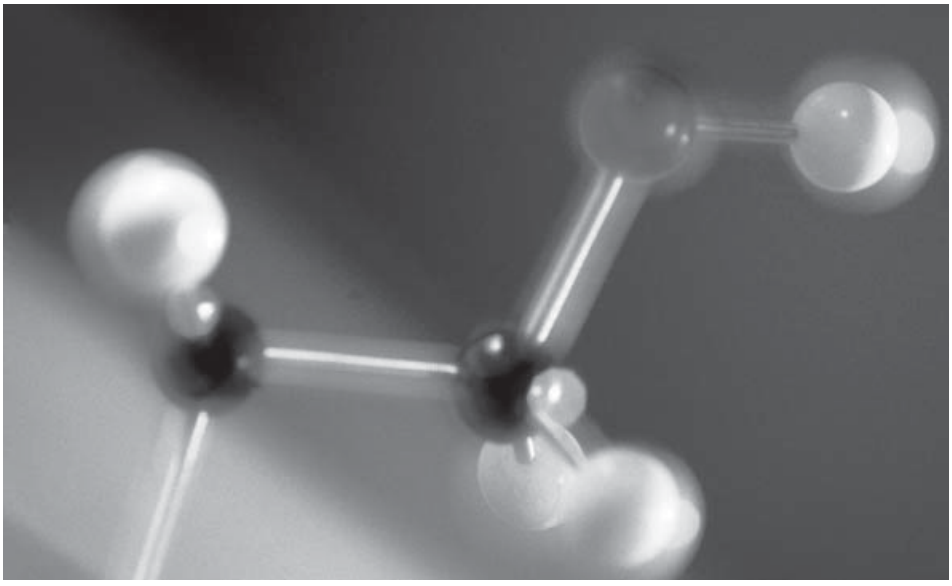

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milk, cream, aerosols, asphalt, inks, paints, glues, and sea foam are colloids, chemistry, applied physics, materials science, as well as mechanical and electrical engineering. Nanotechnology can be viewed as a recasting of existing sciences using a newer, more modern term or as an extension of existing sciences into the nanoscale.

Nanotechnology has been described also as a marketing term that describes pre-existing lines of research applied to the sub-micron size scale.

The U.S. National Nanotechnology Initiative (NNI) defines a technology as nanotechnology only if it involves all of the following:

- "Research and technology development involving structures with at least one dimension in approximately the 1 to 100 nanometer range, frequently with atomic/molecular precision.
- Creating and using structures, devices and systems that have novel properties and functions because of their nanometer scale dimensions.
- Ability to control or manipulate on the atomic scale."

According to NIOSH, three approaches are used in nanotechnology which lead to specific products and applications. One is a top down approach where materials and devices are built from molecular components which assemble themselves chemically using principles of molecular recognition. A given bulk material is reduced in size to produce nanometer-scale particles, which are then either systematically inserted into larger structures or used as an admixture to other materials. The second is a bottom up approach where larger structures are built up atom by atom or molecule by molecule or are allowed to grow through self-assembly and nano-objects are constructed from larger entities without atomic-level control. The third approach is Self-Assembly where components spontaneously assemble, usually by moving in a solution or gas phase, until a stable structure of minimum energy is reached. A living cell is the most successful "nanofactory" known to humankind.

History

Nanotechnology and nanoscience began in the early 1980s with two major developments. One was the birth of cluster science and the invention of the Scanning Tunneling Microscope in 1981 and the other was the study of the synthesis and properties of semiconductor nanocrystals. The invention of the Scanning Tunneling Microscope led to the discovery of fullerenes in 1986 and carbon nanotubes a few years later.

Fullerenes were discovered in 1985 by researchers at Rice University. They are a family of carbon allotropes named after Richard Buckminster Fuller and are sometimes called buckyballs. Richard Buckminster Fuller was an American architect, designer, visionary, author, and inventor. He worked mostly in the field of architecture and was the inventor of the geodesic dome. He also worked in the development of numerous inventions, chiefly in the fields of design and architecture.

Fullerenes are molecules composed entirely of carbon, in the form of a hollow sphere, ellipsoid, or tube. Cylindrical fullerenes are called carbon nanotubes or buckytubes. Fullerenes are similar in structure to graphite, which is composed of a sheet of linked hexagonal rings, but fullerenes contain pentagonal (or sometimes heptagonal) rings that prevent the sheet from being planar.

The term "nanotechnology" was defined by Tokyo Science University Professor Norio Taniguchi in a 1974 paper (N. Taniguchi, "On the Basic Concept of 'Nano-Technology'," Proc. Intl. Conf. Prod. Eng. Tokyo, Part II, Japan Society of Precision Engineering, 1974): "'Nano-technology' mainly consists of the processing of, separation, consolidation, and deformation of materials by one atom or one molecule."

Nanostructured materials are not a recent phenomenon. For example, the red and yellow hues in stained glass dating from medieval times result from the presence of nanometer-diameter gold and silver particles. But the ability to understand, probe, manipulate, and engineer matter at atomic scales has only just come within our reach. The Nobel Laureate Professor Richard P. Feynman introduced the idea of a new and exciting field of research based on manipulating matter at the atomic level in a 1959 lecture titled, "There's Plenty of Room at the Bottom." Feynman's predictions in that lecture were based only on theoretical speculation. Yet, technological developments such as the invention of the Scanning Tunneling Microscope in 1981 have since made nanoscale science a reality. Nanotechnology is now a rapidly growing field of research and development. There is a lot of speculation as to what new science and technology might result from these lines of research.

Products

Many commercially available products contain materials made through the science of nanotechnology. According to NIOSH, several kinds of nanoproducts or nanomaterials are being produced and used in the United States. These include devices having a nanostructure, composite materials, nanoscale powders, and solutions and suspensions of nanoscale materials.

A 2006 inventory of nanotechnology-enabled products available to consumers identified more than 380 products in more than 17 countries. An increase of 70 percent in only one year in the number of nanotechnology-enabled drugs and biomedical devices in development pipelines for regulation was noted by a study, 2006 Nanomedicine, Device, and Diagnostics Report. There have been some estimates that 50 percent of all products manufactured in the next 10 years will involve nanotechnology.

Consumer products include stain- and wrinkle-free resistant fabrics, toothpaste, suntan lotions, paints, coatings, composites, and cosmetics. Nano-composites and nano-coatings are used in a range of products including automobiles. Nanoscale titanium dioxide is used in cosmetics, sun block creams, and self-cleaning windows. Nanoscale silica is being used as filler in a variety of products such as dental fillings.

Nanoparticles are currently used in the biomedical, pharmaceutical, cosmetic, optoeletronic, electronic, magnetic, energy, catalytic, and materials industries. Areas that produce the greatest revenue for nanoparticles include sunscreens, automotive catalyst supports, biolabeling, optical fibers, chemical or mechanical polishing, magnetic recording tapes, and electroconductive coatings.

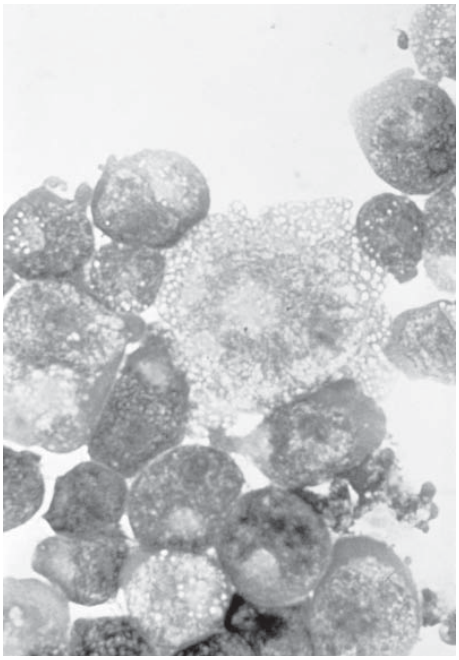
Nanoparticles are used in the medical field to aid in drug delivery and medical imaging. It is anticipated that nanotechnology will contribute to new treatments for infections and brain diseases, new cancer therapies, and new drugs with fewer side effects.

Advanced nanotechnology is expected to grow significantly, which is working with artificial intelligence, nanorobots, and self-assembly (as described above).

Nanotechnology is forecast to play a major role in environmental protection. Nanomaterials could be used in environmental decontamination, filtering and cleaning methods, contaminant neutralization, magnetic techniques, and in the production of energy-efficient devices.

Safety and Health Risks

There is a lot of speculation as to what new science and technology might result from these lines of nanotechnology research. However, the rapid growth of nanotechnology research and product development is leading to the development of new materials, devices, and processes that are far beyond the



current understanding of human and environmental impact. A controversy is growing since there is a lack of definitive research into the safety of nanomaterials, no one knows whether they are hazardous or irrefutably safe.

The occupational health risks associated with manufacturing and using nanomaterials are not yet known. Many nanomaterials and devices are formed from nanometer-scale particles (nanoparticles) that are initially produced as aerosols or colloidal suspensions. Exposure to these materials during manufacturing and use may occur through inhalation, ingestion, and dermal (skin) contact. Very little information is currently available on dominant exposure routes, potential exposure levels, and material toxicity. The information that does exist comes mostly from the study of ultrafine particles.

Nanotechnology can impart hazardous characteristics to harmless materials because particles become more reactive as they decrease in size. The harmful effects of a substance could increase as reactivity increases. Nanoparticles have a large relative surface area which makes them have a stronger effect in reactions with other substances in their environment.

According to NIOSH:

> Nanomaterials that can be inhaled, ingested, or that can penetrate the skin will likely raise questions of potential health effects. Processes that lead to airborne nanometer-diameter particles, respirable nanostructured particles (typically smaller than four micrometers) and respirable droplets of nanomaterial suspensions, solutions, and slurries are of particular concern for potential inhalation exposures.

As noted in a recent article in *The Lancet*, nanoparticles on the size of 2 to 10 atoms, or less than 100 nanometers could possibly enter body systems with possible health damages. Nanomaterials, such as metal oxides and carbon nanotubes, for example, could theoretically behave like quartz dust or asbestos particles and result in the same damaging effects on the human respiratory system. Studies to date show that the human body's normal defense mechanisms treat nanoparticles like micro-organisms but nanoparticles could link together to form fibers that are too large to be handled by the body or engulfed by macrophages. Nanoparticles with a high proportion of transition metals might have reactive surfaces that could alter the particles' toxicity and then damage human cells.

Studies have indicated that low-solubility, ultra fine particles are more toxic than larger particles on a mass-for-mass basis. It is strongly indicated that particle surface area and surface chemistry are primarily responsible for observed responses in studied cell cultures and animals. The ultra fine particles can penetrate through the skin, or translocate from the respiratory system to other organs. Research is continuing to determine how these new ways of biological interaction may lead to certain health effects. There have been recent developments in gene therapies, targeted drug-delivery systems, array techniques,

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molecular imaging, and implant devices. Most of these rely on techniques that manipulate nanoparticles so that they can bypass the human body's defense mechanisms. This can indicate that less desirable nanoparticles could also penetrate into cells or cross natural barriers. It is significant in considering and predicting health effects that nanomaterials can translocate to other organ systems and that they can cross the blood brain barrier. This is highly significant since the blood-brain barrier protects the brain from the many chemicals flowing around the body.

NIOSH is conducting research on nanotechnology and occupational health within the scope of its mission to help answer questions including:

> Are workers exposed to nanomaterials in the manufacture and use of nanomaterials, and if so what are the characteristics and levels of exposures? Are there potential adverse health effects of working with nanomaterials? What work practices, personal protective equipment, and engineering controls are available, and how effective are they for controlling exposures to nanomaterials? NIOSH is addressing these questions through a program of multi-disciplinary research, communication, and partnership with other agencies, organizations, and stakeholders.

Along with health exposures to humans in the workplace and the purchasers of products made with nanotechnology, exposures to the environment and general public, to properties via fires and explosions exist from nanotechnology products.

Regulation

Due to the lack of knowledge of exposures and controls, nanotechnology is raising questions about the adequacy of the current federal oversight system. The Food and Drug Administration (FDA) is evaluating the effectiveness of the agency's regulatory approaches and authorities to meet the potential unique challenges presented by the use of nanomaterials. The Environmental Protection Agency (EPA) is working on understanding how laws, such as the Toxic Substances Control Act (TSCA), apply to nanotechnology. ANSI established the ANSI Nanotechnology Standards Panel (NSP) at the request of the Office of Science and Technology Policy (OSTP) of the Executive Office of the President of the United States.

A report by former EPA official Mark Greenwood, "Thinking Big About Things Small: Creating an Effective Oversight System for Nanotechnology," urges policymakers to focus more attention on how core assumptions about risk assessment and risk management that underlie existing health and environmental regulations will translate from the macro world to the nano world. It also emphasizes that how the government ultimately oversees nanotechnology will have major impacts on business strategies, intellectual property, and the evolving structure of the industry. It argues that these issues should be discussed now, in the early stages of commercialization, rather than later.

Conclusion

A significant amount of research is still needed to understand the impact of these nanotechnology driven exposures on health, and to determine appropriate exposure monitoring and control methods. The similarity between the structures and health effects of nanoparticles and asbestos and silica should be of great concern. Until more research is completed and regulations and standards are developed, caution must be used when nanotechnology is used in products, the workplace, and the environment. ■

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Safety Management Program
Essential Elements

by Joseph M. Boslet, PE, CPCU, CSP, ARM, ALCM, APA

Joseph M. Boslet, PE, CPCU, CSP, ARM, ALCM, APA, is vice president of Safety Management Services at Inservco Insurance Services, Inc. in Harrisburg, PA. He is a past chairman of the CPCU Society's Loss Control Section Committee.

I was asked the other day by one of my clients, "What are the most important things I could do to make a difference in my safety program?" That is just a great question and not so easily answered on the fly. For those of us who have been in the business for more than a few years, that could just about cover anything but, if we think about this a bit, there are some essentials in this practice.

If you had to limit the list to 10 items—just like David Letterman's Top 10 List, what would you include? I am sure if you asked 10 safety professionals who had been practicing for any length of time, you might get different items here and there but I would bet there would be agreement on most major points. Our work is very basic in general applications but can get complex in others. If you wanted to consider what might be essential, here is my list:

- **Performance Measurement**—Just as Edwards Deming did for modern industry, if you can't measure it, it ain't important (or something like that—I don't necessarily believe that is true in all cases). For our business, measuring your performance is critical for several reasons: (1) how are we doing against our own experience; (2) how are we doing against the rest of the universe; and (3) what is the information telling us? Federal OSHA uses injury frequency rate for accident activity, and DART (Days Away from Work or Restricted Activity) for accident severity. This "how are we doing" stuff is pretty important. Insurance rating organizations use similar yardsticks, one called the experience modification factor which is a cost-based indicator that impacts premiums businesses are charged; and another called loss ratio—simply claims paid out divided by premiums paid in. Generally, this loss ratio number needs to be less than 60 percent in most lines of coverage for insurers to remain interested in underwriting the risk. These indicators, when compared against other similar businesses or industry averages, can identify areas for safety management attention. A poor injury/accident rate can indicate problems with housekeeping, worker injuries in a specific activity, equipment problems, and even supervisory issues.
- **Compliance with Applicable Regulations**—In a civilized society, there are rules, lots of rules. It is just a fact of life in a mechanized/automated world that we have to deal with standards, laws, and regulations. They are not going to go away so you need to get used to the fact that we need to find a way to comply with basic standards. And, this isn't all bad. In order to have some control of the working environment and to encourage appropriate behaviors, there are certain things that need to be done to provide order out of chaos. Federal OSHA has standards, insurance carriers have underwriting requirements, local governments have building codes, and so on. Most of what is in these documents was developed from actual events, events that caused damage, destruction, and injury. So, the purpose of these codes, regulations, etc. is to provide information in order to control certain factors in the environment. In short, common sense has been codified to save the rest of us the trouble of having to learn it all over from scratch. You want to know what standards apply to your business operation and make every effort to meet (or exceed) the requirements. (Note: Standards are only minimums; often, you need to do more in order to get the best results for your people and your organization.)
- **Condition of Workplace**—You need to provide a working environment that is safe and healthful for your workers (regulatory obligation as well). It is important to control hazards and risks in the workplace. Any fault conditions could lead to or contribute to an accident, causing disruption of work,

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Safety Management Program: Essential Elements

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injury to workers, damage to physical plant, and increase costs. You need to make this as accident-free as possible. You will find lots of guidance through safety standards, codes, regulations, insurance company underwriting criteria, and a little common sense. That loose extension cord lying across a walkway will eventually result in a tripping accident—easily preventable by providing a cover, or even getting the cord off the floor, e.g. ceiling drops.

- **Continuous Safety Education of a Workforce**—A challenge for supervisors and team leaders is to monitor the workforce. You need to empower everyone to take care of business and the safety piece needs to be in there. Everyone is accountable for safety in the workplace but you need to provide the tools. In this case, education and training: education is making someone more knowledgeable about a subject and training is showing them how to do it. One of the more frequent management system deficiencies we find on program assessments is the lack of safety education/training. Little wonder why employees are not sure of what to do. This program needs to be continuous and on subject matter relevant to situations in the workplace. I just love people who brag about training their people on the use of portable fire extinguishers but their evacuation plan covers only initial notification, and then leave the building! I think everyone should know something about fire extinguishers but if you aren't doing the necessary things with your evacuation training, you are missing the point here.
- **Motivating Proper Safety Behaviors**—People need to be encouraged to do the right thing. First, they have to know what the right thing is; second, know that it is important to the company and fellow workers that they do it; and third, know that somebody is going to be monitoring appropriate behaviors, e.g. the Hawthorne Effect, Specific Adaptation to Imposed Demands (SAID Principle), conditioned response, etc. Also, you need to keep this in front of them within the context of their work assignments. Management needs to "walk the talk" but don't beat people over the head with the concepts. The safety piece needs to be integrated into all aspects of an individual's job duties and responsibilities.
- **Recognizing Positive Results**—There is risk-reward in everything we do. Why not reward people for having good safety experience. We certainly find unique ways of "penalizing" them if they don't do it right. Some of these penalties are indirect, e.g. management does not do a good job containing insurance program costs, there is less money available to fund employee benefit program. Program administrators need to establish a program for recognition that is based on serious results, a program that everyone understands, and one where people have the best chance to "win." Also, adjust the bar so people are not "beat up" for minor issues that don't really impact the organization such as charging incidents against the results that carry the same weight as a lost time case for workers compensation.
- **Absolute Bias for Making Improvements**—Management must have dedicated commitment to making necessary upgrades, improvements, and/or corrections as required. Don't wait two months to cover a switch box for lighting controls used every day. And, when you make a "fix," make it permanent. Stop-gap measures might be realistic in some cases but finish the job. I have found stop-gap solutions in work environments that have been in place for more than two years (electrical tape covering a blank opening in a panelboard!). If your accident experience is indicating soft tissue injuries from material handling, you need to get some training ASAP before someone has a "big one." The most effective training is on the job site, the five- and ten-minute quick hitters covering a subject from the workers' perspective. Don't wait for a better opportunity. You can do the formal stuff later. If you aren't looking for ways to get better, you are standing still and will likely lose your "edge" in the business.
- **Cost Containment Strategy**—Find ways to reduce, control, and minimize costs in the insurance program. Whether its property/fire, liability, fleet, workers compensation, products liability, time element, stock covers—whatever, find ways to manage closer to the bottom line. If the business has better than average loss ratios, modification factors below 1.00, accepting higher deductibles on business auto coverage, you will save money—money that comes from profits of the business. You might find that moving inside storage of flammable gas cylinders to an outside location could reduce property/fire rates; closing off public access to retail floor space could reduce liability insurance costs; and providing workers with safety glasses could eliminate eye injuries. And, get everyone who drives for you in seat belts. They work and they save lives.
- **Safety Program Goals/Objectives**—One of two initial questions I will ask insurance program administrators, business owners, or anyone responsible for safety—what are you trying to accomplish? [Note: the other question is covered under Performance Measurement, e.g. how is your program doing?] Most of the time, it is a rather blank look. It's like sailing a boat around the ocean with no place to go. If there are no goals or objectives, how is anything going to be accomplished, how do you know your program is delivering on your efforts, are you getting the results you need to minimize costs, etc? How do your people know what you are trying to do or what is expected of them?

- **Management Investment**—This needs to be a priority in the business operating plan. It doesn't have to be number one, two, or three but it needs to be on the hit parade. It needs to be something that is part of the organization's culture, part of the organization's operating philosophy, and part of the organization's processes. You don't get really good until this becomes something the company values and pays attention to on a routine basis. Management sets the tone for the organization. They make things important for people. People will only buy into a concept if it is of some value (their value perception) and can provide positive benefit. If you really care about being the very best organization, the safety piece will be in there—just like the ingredients in Prego italian sauce.

So that's my list of essential elements. Under each one of these elements there can be any number of supporting activities. For example, emergency response plan would be addressed under employee education/training, workplace conditions (clearance to exits, functioning detection, and suppression systems), compliance with applicable regulations (Life Safety, Fire and Panic, CA Senate Bill 198, etc.). As you work through the elements, it should stimulate particular issues with your program. Completing a basic administrative inventory will help you find the important matters you need to address safety management efforts.

Don't get tied up in the process; get things in place that really matter and make sure everyone in your organization is on the same page. Active communications is vital in any work you do, especially safety management. And, if you are not sure, ask. No one expects you to know everything because the professionals don't either. We all have our own network and you need one, too. Final advice: get interested and get something done. ■

Loss Control Section Developing Two Seminars for the 2007 Annual Meeting and Seminars in Honolulu

Avian Flu Pandemic: This Is No Drill!

Tuesday, September 11 8:30 – 10:30 a.m.

An avian flu pandemic would affect the global economy, so this crisis management table-top exercise is a "must-participate" for professionals responsible for risk management, crisis management/disaster preparedness, information technology, underwriting, and claims management. Participants will learn the processes and methodologies required for developing a disaster preparedness, crisis management, and business recovery plan for their organizations. Attendance will be limited to 100.

Developed by the Loss Control and Information Technology Sections.

Moderator

Robert L. Siems, J.D., CPCU
Law Offices of Robert L. Siems PA

Speakers

Debra L. Dettmer, CPCU
FCCServices, Inc.

Mitchell Christian Motu, CPCU
Marsh Risk and Insurance Services

Driving Miss Daisy: Safety Is No Accident!

Tuesday, September 11 10:45 a.m. – 12:45 p.m.

This seminar will focus on the challenges faced worldwide to make roadways safer. Speakers will discuss changes associated with an aging population and how driver training programs might be utilized; and how the latest technological advances are being used to track and promote safe driving habits. Risk managers and agents/brokers will learn how to play a leading role in changing bad driving habits.

Developed by the Loss Control Section.

Moderator

Debra L. Dettmer, CPCU
FCCServices, Inc.

Speakers

Paul Farrell
SafetyFirst Systems, LLC

Richard Harkness, Ed.D.
Advanced Driver Education Products and Training, Inc. (ADEPT Driver)

Register today at www.cpcusociety.org.

Security Concerns for Long-Term Care and Assisted Living Facilities, Group Homes, Apartment Houses, and Condominiums

by Nina H. Nobile, CSP, HEM, AHRME

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One of the first lines of defense against unwanted visitation in apartment complexes and condominiums is proper security. This means locks on exterior doors, recording cameras and close circuit TVs, security attendants, and access identification devices for those who are allowed to access the premises. More and more crimes are occurring because security is being overlooked. This could be due to budgetary concerns, poor management, or just poor planning. The following paragraphs discuss some things to keep in mind to enhance security and minimize crime.

Security equipment is becoming more and more sophisticated. There are locks available that allow access into an area only when the lock clears the fingerprints of the individual attempting to access it. Fingerprints can be recorded and added or deleted to the locks reading device by the system administrator, as desired.

A wide range of access controls of a variety of types allow for either the identification of the individual seeking entry, or else just perimeter protection by means of an access code. Various levels of security are available depending upon the exposures and the level of security desired.

Security cameras offer a level of security that later can be used to identify problems with a system, or details of an incident needed to thoroughly investigate an area.

In order to win in a premises liability lawsuit where security is the issue, documentation as proof that the proprietor and/or management company acted reasonably to protect the residents is essential.

Each locking device should be tested and the test documented. The resident or group home manager of the unit should be asked to indicate that the documentation is verifying a test of each of the locking devices securing his unit.

The easiest way to gain entry through a door is by kicking it opened. The strike plate, which holds the lock in place, is the point that is most vulnerable. The average door strike plate is held in place by ½-inch wood screws, which are set in the doorframe molding. The molding is generally lightly tacked into the doorframe. The optimal approach is to upgrade the strike plate hardware with a four-screw heavy-duty plate. Three-inch door studs should be used to secure the strike plate into the doorframe stud. This single act will deter or even prevent most forced entries attempted through the front door. Be sure to document the fact that this precaution was taken with respect to the doors that have been reinforced in this fashion. Such documentation will subsequently serve as evidence that the owners/managers have acted reasonably to provide a reasonable measure of security under the applicable circumstances.[1]

Key control is essential. When management and staff have access to resident keys, they must ensure that the keys remain in their possession by locking them and limiting access to all locked areas. Some organizations use a cabinet to house all keys, and access is granted only to designated individuals using a special access system. All access is recorded so that should a question arise as to who got into the cabinet, and when, would be adequately documented. Needless to say, with every change in occupancy, the locks to the affected unit should be changed immediately to preclude any potential security lapses. ■

Endnote

1. Chris E. McGoey, The Crime Doctor, "Premises Liability"

Sections Strategic Implementation Task Force Report Summary

by Kathleen J. Robison, CPCU, CPIW, ARM, AU

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A Brief History

At the CPCU Society's 2005 Annual Meeting and Seminars, the Board of Governors created a Sections Strategic Task Force. The task force developed a strategic vision for sections. It was presented to the Board at the 2006 Annual Meeting and Seminars in Nashville, in September.

The Sections Strategic Task Force proposed the Sections' Strategy should be, "to position sections as a provider of readily available, high-quality, technical content to stakeholders." The level of content and delivery would vary based on the audience. To successfully accomplish the strategy the task force recommended a series of strategic initiatives aligned with four key perspectives: Organizational Structure (OS), Leadership Development (LD), Membership (M) and Value-Added Services (VA).

The Board of Governors accepted the report and referred it to the Executive Committee to develop detailed recommendations for consideration by the Board at the April 2007 Leadership Summit meeting. The Executive Committee created the Sections Strategic Implementation Task Force to develop the detailed recommendations.

Board Approved

The Sections Strategic Implementation Task Force outlined implementation steps for each of the Sections Strategic Task Force's categories of recommendations. On April 20, 2007, the CPCU Society's Board of Governors approved and accepted the Sections Strategic Implementation Task Force report.

The Board approved the formation of the Interest Group Resource and Governance (IGRC) Task Force to manage the implementation of the various tasks recommended except for OS4—Open Interest Groups to all Society members. The Board requested that the Sections Strategic Implementation Task Force remain in existence to undertake the necessary research on OS4 and present to the Board at the 2008 Leadership Summit meeting.

The Board decided it will announce at the 2007 Annual Meeting and Seminars in Hawaii the timetable for moving from the name sections to interests groups. Until that time the title will remain "sections."

This article summarizes the Sections Strategic Implementation Task Force report and recommendations.

Task Force Members and Structure

W. Thomas Mellor, CPCU, CLU, ChFC, chaired the task force. Members of the task force were: Karl M. Brondell, CPCU; Nancy S. Cahill, CPCU; Robert Michael Cass, J.D., CPCU; Donald William Cook, CPCU; Todd G. Popham, CPCU, CLU; Kathleen J. Robison, CPCU, CPIW, ARM, AU; Brian P. Savko, CPCU, CLU, ChFC; and John J. Kelly, CPCU, as CPCU Society liaison. Tom Mellor, CPCU; Nancy Cahill, CPCU; and Kathleen Robison, CPCU, served on or consulted to the previous Sections Strategic Task Force.

The original Strategic Sections Task force distributed its recommendations into four categories: Organization Structure, Leadership Development, Membership, and Value Added Services. The current task force agreed on a division of work and organization structured around these four categories and divided themselves into four teams. Each team identified steps to be undertaken in order to implement the recommendations.

Special Note: *The task force understands that the actualization of its recommended implementation process will not be*

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accomplished quickly. It will require the contributions, deliberations, and efforts of a large number of society volunteers. It will also take time. The task force believes a two to three year timetable is realistic.

Organizational Structure

OS1—Re-brand Sections as Society Interest Groups

1. Authorize and implement new interest group names specifically using the words *Interest Group* in the title (e.g. *Claims Interest Group*) and formally identify interest groups collectively as *CPCU Society Interest Groups*.

2. Determine appropriate interest groups that should exist by aligning the groups with current industry functions or by roles (such as leadership or project management.)

3. Institute changes in verbiage from *Section* to *Interest Group* in all formal Society communications and materials (current sections publications, Society web site, stationery, etc.) to be effective on a specified date.

4. Communicate the changes to Society members, including impacts and rationale, via print and electronic media. This should be done in advance of the change date and also after the change date.

Special Note: *The re-branding of sections as Society Interest Groups will be announced at the 2007 Annual Meeting and Seminars in Hawaii. A timetable will then be established for items 3 and 4.*

OS2—Create CPCU Society Interest Group Resource and Governance (IGRG) Task Force

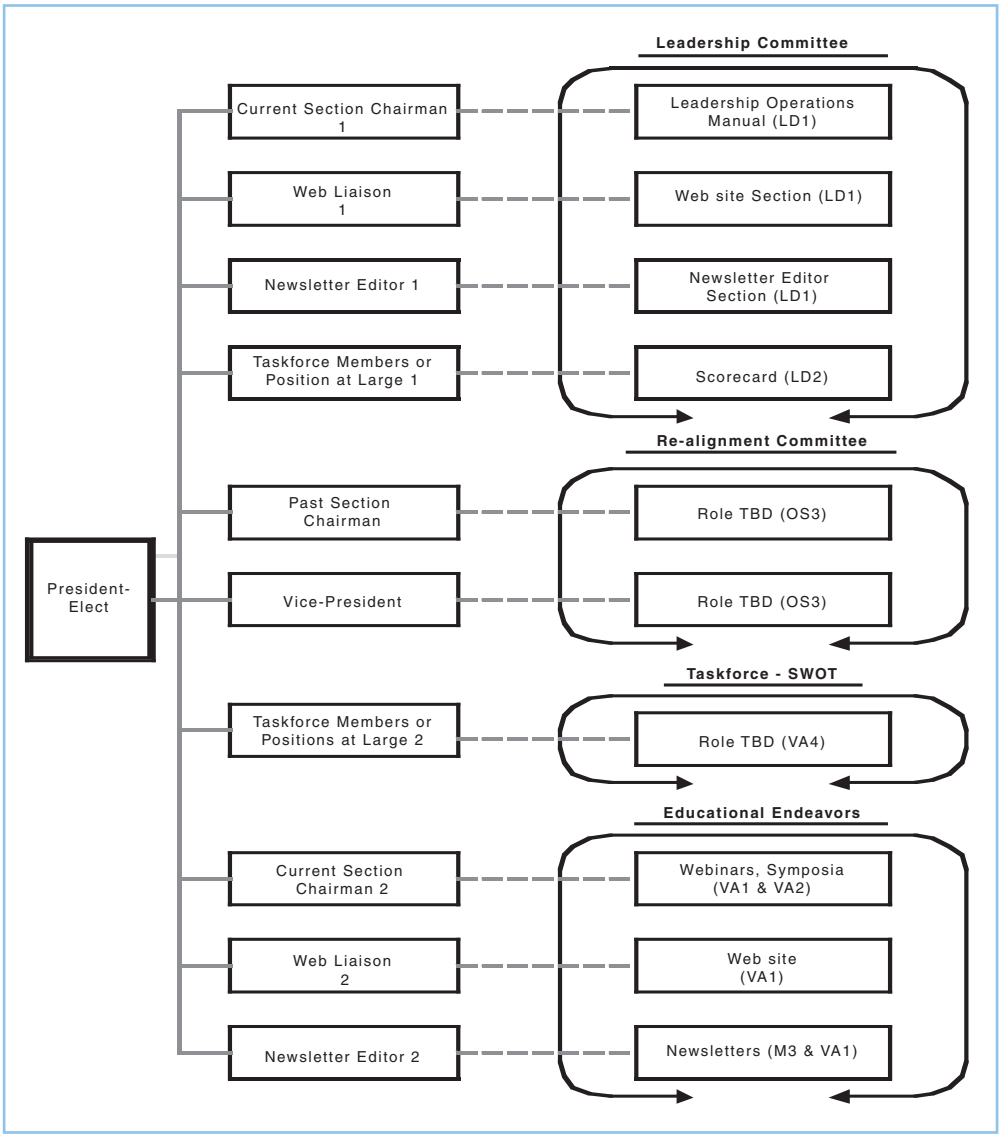
To manage and direct all of the changes recommended, the Task Force proposes the formation of the Interest Group Resources and Governance Task Force (IGRG). The IGRG's leadership and direction will provide continuity, consistency, and quality to this crucial transformational project.

The CPCU Society's president-elect will chair the IGRG. Each of the other members will be responsible for chairing a specific sub-committee dedicated to the implementation of a recommended group of tasks. (See Table 1.)

The recommended composition and responsibilities of the IGRG members are as follows:

- Society president-elect—chairman.
- Society vice-president—assistant to the committee chairman/re-alignment.
- Two current section chairmen—leadership operations manual/ educational webinar and symposia.
- One past section chairman—re-alignment.

Table 1
Proposed Interest Group Resource and Governance (IGRG) Task Force and Sub-Task Forces



- Two current or past web liaisons—leadership operations manual and web liaison section/educational endeavors (web site).
- Two current or past newsletter editors—leadership operations manual and newsletter edition section/educational endeavors (newsletter).
- Two task force members from the 2006–2007 task force or from the 2005–2006 task force. Immediate responsibilities to include Scorecards/SWOT Analysis.

Special Note: *These recommendations encompass both the breadth and depth of sections' organization, products, services, and membership. The Sections Strategic Implementation Task Force quickly realized the enormity and complexity of the undertaking. It requires a large number of section and Society volunteers. If the reader is interested in servicing on this task force please let the Society know by e-mailing your name and e-mail address to Mary Drager at mdrager@cpcusociety.org.*

OS3—Assess Current Sections and Align them with Major Industry Functions

1. Form a representative group of section members to determine the best alignment, including the possibility of combining, broadening, or eliminating current sections, and/or fostering the creation of new groups based upon industry findings. This group should undertake a research effort that focuses on aligning groups with current industry functions. (See Table 1).

OS4—Open Interest Groups to All Society Members

1. Determine the reaction and position of companies and members to this proposed change—especially if section membership dues are incorporated into general membership dues.
2. Determine a dues policy for members who wish to belong to more than one interest group (i.e. should they be surcharged for this?)
3. Determine a dues policy for lifetime retired members who wish to belong to one or more interest groups.
4. Determine the expense impact to the Society that would probably result from a significant increase in the interest groups' collective population.
5. Determine the impact to Society administration from an organizational, staffing need, and technological perspectives that could result from a significant increase in the interest groups' collective population.
6. Examine any potential negative consequences (e.g. possible dilution of perceived value in belonging to an interest group) that might result from including interest group membership within general membership.

Special Note: *The Board requested that the Sections Strategic Implementation Task Force remain in existence to undertake the necessary research on OS4 and present to the Board at the 2008 Leadership Summit meeting. The IGRG will not be responsible for OS4.*

Leadership Development

LD1—Formalize Standard Section Leader Training and Orientation for the Chairman, Newsletter Editor, and Web Liaison. This Training will Include an Operations Manual and an Updated List of Best Practices.

1. Form a task force to develop an operations manual on leadership requirements for interest group chairmen, web liaisons, and newsletter editors. The task force should establish a formal process for continuously updating the best practices. This should be a how-to manual on how to lead a section. The operations manual should include an overall section on the section leadership responsibilities. Within the operations manual there should be specific sections devoted to the responsibilities, tasks, checklists, timelines, etc. for the chairman, web liaison, and the newsletter editor.
2. Provide leadership training for incoming section chairmen, web liaisons, and newsletter editors. This training should occur before the person assumes his or her section leadership position. This training should occur at Leadership Summit, mid-year meetings, or chapter sponsored Society/NLI courses. Variations in leadership experience among interest group leaders should be taken into consideration when developing the leadership training. Outgoing interest group chairmen should continue to be a resource to the incoming leaders.

   Leadership training for incoming section leadership should consider that those who have no leadership experience will require both basic management training (organizing, planning, controlling, decision making, motivations, and leadership), as well as training in "virtual leading" and/or leading volunteers. Those who have prior on-the-job leadership experience may require leadership techniques for motivating volunteers and/or leading "virtual teams."
3. In addition to leadership training, specific training for incoming web liaison and newsletter editors should be established. Two taskforces should be formed, one for the web liaison

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position and one for newsletter editors. The taskforces should develop the training curriculums for both positions. Training could be done by Society staff in Malvern or as an online course. The outgoing web liaisons and newsletter editors should continue to be a resource to the person coming into the positions.

LD2—Create a Developmental Scorecard for Section Volunteers and Society Members. *(This is something that section members and volunteers can present to their employer evidencing the technical and developmental value of membership)*

1. A task force should be formed to develop a "tactical scorecard" that can be used by section leadership to measure the section's progress toward strategic goals and related tasks. The scorecard criteria should be developed based on the results of the section SWOT analysis, as proposed under section VA4—Conduct SWOT analysis for each section. Each criterion should have a set of tasks, which are required to achieve the goal.

2. A task force should be formed to develop a "value scorecard" which can be used by section members to evidence the technical and developmental value of membership. Consideration can be given to expanding this scorecard to the value of membership in the Society, not just interest group membership. Development of the "value scorecard" should consider:

   a. The value to the member and the member's employer of involvement in particular activities.

   b. The role of the individual during the particular activities, i.e. leader, committee member, etc.

   c. The skills and experience obtained as a result of involvement and role in particular activities.

Membership

M1—Create Value Statements and other Communications Tools to Promote Interest Groups

1. Collect the value statements and other communications currently used by the existing sections. Assess the current state of the value statements and communications against the new interest group branding strategy.

2. Assess and incorporate branding strategy for interest groups.

3. Solicit feedback from interest groups on gaps between current state and future state (focus groups, surveys, etc.)

4. Draft language for new value statements and communications, targeting the increased value (technical content, reduced cost, etc.) to existing members and incorporate new value statement and communications messages into society publications.

M2—Establish Affiliations between Interest Groups and other Industry Organizations (e.g., PLRB, The "Big I," and RIMS)

1. Identify key organizations to focus our research by soliciting feedback from sections and the CPCU Society.

2. Assess the current collaboration between interest groups and key industry organizations (focus groups, surveys, etc.)

3. Assess the current collaboration activity against new opportunities with joint sessions with interest groups and key industry organizations.

4. Draft and validate an action plan to build collaboration.

5. Confirm plan with interest groups and industry organizations.

6. Publicize new direction in CPCU Society publications.

M3—Refresh the Interest Group Newsletters

1. Examine alternative publication options to current newsletters, including the potential use of a magazine-styled compilation of comprehensive interest section information and articles in a journal-style publication.

M4—Designate Liaison(s) to Promote Interest Group Benefits to Chapters, Major Employers, and the Insurance Services Community

1. Identify the key major employers and insurance services community organizations.

2. Assess the current outreach underway between interest groups and local chapters, major employers, and the insurance services community (focus groups, surveys, etc.) and identify gaps.

3. Identify responsibilities of a liaison and prepare training conducted for liaisons by the Society.

4. Identify liaison volunteers, establish a process for selecting them and introduce and promote them through various industry publications.

M5—Strengthen Connection between CPCU Society and Accredited Risk Management and Insurance Degree Programs

1. Identify the key major insurance degree programs to focus our research by soliciting feedback from sections and CPCU Society.

2. Assess current outreach underway between sections and key insurance programs (focus groups, surveys, etc.)

3. Identify new collaboration opportunities with joint sessions between interest groups and industry organizations and develop and implement an action plan to institute collaboration between interest groups and insurance degree providers.

4. Publicize new direction in CPCU Society publications.

Value Added Services

VA 1—Develop Consistent Format and Content Standards for Core Interest Group Offerings (Newsletter, Web, Symposia)

1. Create a committee for each—newsletter (this dovetails with M3 and might best be accomplished there), web, symposia. Each committee should be composed of section members responsible for the format. Each committee chairman would be a member of the Interest Group Resource and Governance Committee.

2. The committee establishes guidelines and templates for each; newsletter, web, symposia.

3. The committee is responsible for coaching and mentoring the sections on the guidelines and templates.

VA2—Expand Delivery Methods of Technical Content

1. Establish a vehicle, guidelines, and templates for webinars. The webinars would focus on pertinent and timely topics that are delivered in one hour or less. The structure should be such that it will easily facilitate the rapid development and presentation of a topic.

2. Establish guidelines, templates, and vehicles for teleconferences and videoconferences.

3. Expand delivery of technical content by partnering with other insurance organizations and presenting at their meetings.

4. Each committee outlined in VA1 would also be charged with the responsibility of identifying avenues to expand the delivery methods of technical content.

VA3—Encourage Interest Groups to Convert Highest Rated Annual Meeting Technical Seminars into Symposia

1. Within 30 days of the Annual Meeting and Seminars the Interest Group Resource and Governance Committee selects three to five technical seminars. The selection is based upon the rating feedback sheets, number of persons attending the seminars, and the pertinence of the information content.

2. The Society and the Section Seminar Liaisons will format and package the seminars making them available to the chapters and as regional meetings as in VA3.

3. The top three to five seminars would be packaged into a day of training, knowledge transfer, and held four to six months after the Annual Meeting and Seminars at three different strategic sites around the country.

VA4—Conduct SWOT Analysis for Each Interest Group; Implement Findings

1. Introduce the SWOT concept to the section chairmen during the sections leadership meeting with reference material with at Leadership Summit in Orlando.

2. At the 2007 Leadership Summit, the section chairmen would identify a committee member responsible for the SWOT analysis as a "point person" for contact.

3. Designate a SWOT coordinator to liaison and assist the section SWOT "point persons" in conducting the SWOT within each section. The SWOT coordinator would be a member of the section task force and ideally would transition to serve on the initial Interest Group Resource and Governance Committee. This group would develop a SWOT template to be used by all sections. In addition, they would develop and conduct a SWOT training program.

4. Before the 2007 Annual Meeting and Seminars, a SWOT training program for section chairmen and all other interested section committee members would be conducted through an appropriate medium.

5. At the 2007 Annual Meeting and Seminars the section chairmen will conduct the SWOT analysis with his or her committee and complete the SWOT templates.

6. Society Interest Group Resource and Governance Committee would review, coordinate, encourage, and challenge each interest group to then create interest group goals based upon the SWOT. ■

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