

## Looking at the Person in the Mirror . . . Would You Buy a Used Car from that Person?

by Dale M. Halon, CPCU, CIC

■ **Dale M. Halon, CPCU, CIC**, is a national account executive with ChoicePoint Precision Marketing where he is responsible for direct sales and consultation for insurance companies' marketing programs. Halon has addressed numerous industry groups on predictive models, databases, and underwriting tools and marketing programs. He has published articles for insurance trade publications and industry groups on predictive modeling, the use of consumer credit in insurance, and multi-channel marketing. Halon serves as the chairman of the CPCU Society's Personal Lines Section Committee.

### What's in this Issue?

Looking at the Person in the Mirror . . . Would You Buy a Used Car from that Person? . . . .	1
Data and the Power We Gain From It . . . . .	3
Are You Professionally Obsolete . . .	5
A Risk Manager's Guide to the Web . . . . .	8
Sections Circle of Excellence Recognition Program . . . . .	11
Favorite Web Sites . . . . .	11
Of Interest to CPCUs . . . . .	12

**H**ave you ever noticed that every time people are alleged to have committed a bad deed they say they're innocent? I wonder if they really believe it or are they just trying to save themselves? It seems like one literally has to be caught on videotape, digital photography, or leave a DNA trail to be connected enough with an event to be held accountable. Eyewitnesses even get questioned on their credibility by the accused. Think of the current cases involving Martha Stewart, Scott Peterson, and the Tyco, WorldCom, and Enron scandals. Then we have corporate governance and mutual fund market timing indictments. Smile for the camera.

If a tree falls in the middle of the woods and there is no one there to hear it, does it make any noise? Well, if the tree had ears, the tree would hear it.

"What they don't see won't hurt."

"Everyone does it."

"Who knows the real truth if I tell a little white lie?"

The answer is, *you* will know the truth.

I've been reflecting on these things on a regular basis but they came more to the front of mind during March, which was Ethics Awareness Month for CPCUs. Trust me, I really don't think the world is going to heck in a hand basket. Let's face it, it is difficult to do the right thing all of the time. It's very tempting to compromise a decision or action to make something come out in our favor. My point is not to preach ethics. But it is to look inside ourselves so at least we can give an honest assessment of the world around us.

Everyone's appetite for tolerating "wrongs" is different. A true personal measurement is when we look at ourselves in the mirror in the morning. If we can look at ourselves and like what we see, it's at least a good foundation. After all, we know what is best for us. You can fool others but it's hard to fool ourselves. You also can't run away from yourself. What you do stays with you.

Of course, we are CPCUs. We have all "signed up for" the CPCU canons of ethics. Even though I got my CPCU so long ago I can't remember how many there are, I remember what they say. I hope all of us can take a few minutes to think about this and take a look in the mirror.

Oh, lest I forget, don't forget the commitment for continuing education. There are two great venues coming up this year, the National Leadership Institute and the Annual Meeting and Seminars. The details are available on the Society web site, [www.cpcusociety.org](http://www.cpcusociety.org).

For responses, please call or e-mail or check our my new web site [www.ancientcynic.edu](http://www.ancientcynic.edu). (Just kidding!) ■

# Data and the Power We Gain from It

by Celeste Marx, CPCU



■ **Celeste Marx, CPCU**, is a 24-year employee with Allstate Insurance Company. Marx began her career in the Claims Department but has spent the majority of her time in risk management. Currently, she is a risk management operations administrative manager for the Home Office Risk Management Center of Expertise, working remotely from its Florida Office.

**Editor's Note:** Thanks to Celeste Marx, CPCU, who attended the CPCU Society's 2003 Annual Meeting and Seminars and submitted this report on the "Leveraging Third-Party Data to Improve Claims Management" seminar developed by the CPCU Society's Information Technology Section. The views expressed in this report do not necessarily reflect views or policies of the CPCU Society or of Allstate Insurance Company.

**E**xactly what is data and how does it apply to the world of insurance? Data is synonymous to information, statistics, facts, figures, numbers, or records and, without it, insurance companies would be at a loss in managing their business. **Patricia L. Saporito, CPCU**, from Teradata, a division of NCR, and **G. Victor Guyan** from Accenture Insurance Solution Group, talked about this topic at the CPCU Society's Annual Meeting and Seminars last October. Both agreed that without accurate, consistent, and organized data, insurance companies would not be able to operate as efficiently and effectively as they do today. So, where do companies obtain this data, how is it applied, and does it make companies stronger and more powerful?

Saporito presented "Leveraging Third-Party Data to Improve Claims Management" and spoke about the opportunities and challenges data presents to companies. To illustrate the key issues CEOs are concerned about, she referred to the Tillinghast, Towers and Perrin 2000 Financial Services Industry CEO Survey Report. CEOs of major banking, life, and property and casualty companies basically have late-night thoughts about the following categories:

- distribution effectiveness
- increased competition
- changing customer demands
- information and technology management
- expense and cost management

Counting ways to improve stockholder value takes precedent over counting sheep. Dreams of improving financial performance and employee/customer satisfaction take precedent over dreams of vacation plans, golfing expeditions, and the like. Many sleepless hours are devoted to how revenue can be enhanced for greater effectiveness and how costs can be reduced to increase efficiencies. So, how can a company be both effective and efficient?

According to Saporito, key factors to enhance effectiveness and efficiency are customer knowledge along with operational excellence. Product and service differentiation are critical to a company's effectiveness while asset and operational productivity play a major role in assessing efficiency. Obviously, companies need data in order to make smarter, faster decisions that will enable them to grow and have more effective business processes. They need data about the likes, dislikes, behaviors, and needs of their customer; historical data about what has worked operationally and what has not is required in order to improve their efficiency. And then there is the analysis of all of the data! Where does a company begin?

Essentially, the beginning point is capturing the data. Data can be obtained in a variety of ways such as direct mail, vendors, Internet, or agents. It can also be obtained from external sources such as property inspections or credit bureau information. Once the data is retrieved, Saporito explained, it should be organized in a single respository—a data warehouse to make for easier analysis. Analysis is a critical factor because it equates to insight. If inadequate or incorrect analysis is performed, it is likely that inadequate or incorrect decisions will be made by the



■ **Patricia L. Saporito, CPCU**, spoke about the opportunities and challenges data presents to companies.

end-users such as underwriters or claims employees. Once the analysis is performed, relevant information must be produced in a timely fashion. Old news may subsequently lead to antiquated decisions! There is so much data, so much analysis, and so much communication to the right people involved, the question arises: How can a company manage all of this?

There is no doubt that data continues to increase, and managing the volume can be a challenge. Studies show that total data will quadruple in the next two years! Because of this, there is a high demand for automated/assisted decision support as well as a demand for current and accessible data. Companies can fulfill this demand by utilizing enterprise data warehousing, analytic technologies, and services. Saporito explained the company she represented, Teradata, has such services. Its enterprise data warehouse, for example, assembles a company's internal/external source data into a single repository and gives clients a 360-degree view of their business or . . . a single version of the truth. The data is clean, accurate, organized, available, and accessible. This solution provides high-performance technology, a variety of management tools, and data mining capabilities. With this technology, the challenges associated with managing dramatic volumes of data are greatly minimized. So what kind of information is exactly in this warehouse and how is it used to make better decisions?

The point of a good data warehouse is to load data once and use many times. Normally, claim information is often the first data loaded and can assist claims in managing an array of opportunities. Saporito used four specific examples to demonstrate how stored third-party data helps to manage the following:

- **Catastrophe reinsurance recoveries** often depend on a CAT code that may, in fact, be missing. Data can be mined for certain elements such as date of loss, peril/cause of loss, or location of loss to recognize claims that should be coded for reinsurance recovery.

- **Subrogation on SUV rollovers from Firestone tires** involved identifying clusters of claims from SUV rollovers and tied the rollovers to the type of tires. The claim data was then linked to the policy data and the subrogation claims were pursued against Firestone.
- **Fraud patterns** can be learned through the use of common data elements to recognize claims with fraud potential.
- **Medical management** of data regarding diagnoses, procedures, or health care providers can allow claims professionals to customize strategies that regulate the assignment and workflow of medical management referrals.

Important to note is that claim data can also be used across business processes such as:

- **Risk management** personnel can utilize data to identify emerging exposures, potential underwriting guideline changes due to mold or asbestos, or new product opportunities. Misclassified exposures can also be identified.
- **Loss prevention/control** personnel can utilize to develop or modify loss prevention programs such as the use of back belts during heavy lifting.
- **Actuarial personnel** can analyze data from a frequency or severity aspect.

Obtaining third-party data and organizing it in a flexible and accessible way is advantageous to many groups of employees within an organization. Without it, companies would not be in as powerful a position to make decisions to grow profitably nor operate efficiently and effectively.

Guyan presented his points of view regarding third-party data in his presentation "Leveraging Claims Data for Operational Effectiveness and Efficiency." According to Guyan, information is "what we do" and ratios are not always an effective way to run a business. Managing regulatory issues, risk exposures, operational profit/loss, as well as managing vendors drive the dramatic increase in the demand for information. Although there is a wealth of very useful, high-quality information available to



■ G. Victor Guyan discussed how to effectively and efficiently use third-party data.

claims operations, it must have the capability of being accessed directly to eliminate data acquisition costs as well as prevent errors. The question is how to most effectively access the information and make good use out of it. Access to data depends on a multitude of factors such as quality of the existing systems that interact with outside services, timing of the interactions, and the business process that triggers the interaction. Although Guyan fully supports accessing data, he stressed that it must be used consistently. He also stressed that you must do more than just assemble a collage of outside services or data providers to build an effective claims process. Lastly, organizing business processes and internal systems to take advantage of available outside services gain effectiveness.

Guyan also shared some very valuable lessons learned in relation to data:

**Lesson #1: Good information must be a by-product of good operational activities.** Operational activities such as building natural language systems for ease of use and allowing the appropriate amount of time to gather data will fortify its use.

*Continued on page 4*

# Data and the Power We Gain from It

Continued from page 3



■ Attendees at this seminar learned about leveraging internal and external data to improve claims effectiveness and efficiency. This seminar also identified various types of data, as well as analysis conducted and areas for business improvement.

## **Lesson #2: You will not get good data from a bad process or a poor system.**

Incomplete or poor processes, essentially, lead to inaccurate data. Good data requires good definitions that are clearly understood throughout the entire organization. Furthermore, it is not always a matter of “garbage in, garbage out” training issues if, in fact, garbage is the only thing that an antiquated technology demands.

## **Lesson #3: Oftentimes, the people side of data is challenging to say the least.**

Some may resent being evaluated on data quality errors while others may feel too accountable for the measurement data provides. In addition, some may misinterpret the data so the need to have clear definitions is critical.

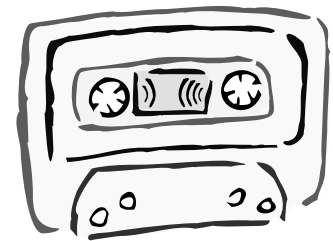
**Lesson #4: Effective companies that display characteristics that distinguish them from the rest will have an information advantage.** Some examples of characteristics that may give companies a competitive advantage are:

- Making the most out of current processes and technology.
- Solidifying operational processes and building technology around those processes.

- Simplifying reports to a few unambiguous metrics.

In summation, Guyan pointed out the fact that effective companies will behave based on operational realities. Source systems must be designed to retrieve accurate, detailed data in a timely fashion, which will produce high-quality data in return. Appropriate interfaces should be developed, as employee data input should not be the point of integration. And of course, an automatic event-based trigger should be developed to access outside services and information, as reliance on an employee's memory to access data should be avoided.

The bottom line is data once captured, organized, stored, retrieved, managed, and analyzed can be a very powerful solution to improve a company's efficiency and effectiveness. And, although data equates to a lot of hard work, done well, it is worth the journey. ■



## **Order Your Annual Meeting Recordings Today!**

Seminar recordings are still available from the CPCU Society's 59th Annual Meeting and Seminars.

To order, contact The Sound of Knowledge at (858) 635-5969 or order online at [www.tsok.net](http://www.tsok.net).



# Are You Professionally Obsolete?

by Donna J. Popow, J.D., CPCU, AIC



■ **Donna J. Popow, J.D., CPCU, AIC**, is the director of curriculum and intellectual property manager for AICPCU/IIA. She can be reached at (610) 644-2100, ext. 7556 or by e-mail at [popow@cpcuiia.org](mailto:popow@cpcuiia.org).

**Editor's Note:** This article originally appeared in the CPCU Society's Claims Section quarterly newsletter, *CQ*, Volume 21, Number 4.

**A**ccording to H.G. Kaufman in his book on obsolescence and professional career development, obsolescence is the degree to which professionals lack up-to-date knowledge or skills necessary to maintain effective performance in either their current or future work roles.<sup>1</sup>

Everyone suffers from professional obsolescence in some area. No professional can keep up to date on every aspect of his or her job. If we spent all of the time needed, which is estimated at about 20 percent of our working time, we wouldn't get any real work done.<sup>2</sup>

Professional obsolescence will hit each and every one of us at some point. Age, gender, education, and performance

rating have no effect on professional obsolescence.<sup>3</sup> We are all susceptible to it. In 1972, S.S. Dubin, writing for the *American Psychologist*, described the half-life of a professional's competence as the time after completion of professional training when, because of new developments, practicing professionals have become roughly half as competent as they were upon graduation to meet the demands of their profession.<sup>4</sup>

We have a professional and ethical obligation to avoid professional obsolescence. The CPCU Code of Ethics requires that we continually maintain and improve our professional knowledge, skills, and competence. Continuing education is one of the primary ways to meet this obligation.

To meet this ethical obligation, each one of us must examine our own areas of competence. Ask yourself if you are able to handle each claim assigned to you. Are your professional skills and resources sufficient to do so? Are you a professional?

Many different authors have described the characteristics of a professional. They include such things as:

- high ethical standards
- increased competence in problem solving
- capacity to use complex knowledge
- independence
- formal training such as AIC or CPCU
- self-enhancement or self-improvement
- scholarship
- integrity
- enthusiasm

A professional is someone who conforms to the technical and ethical standards of a profession. Professionalism is a word used to denote the qualities that characterize a professional. Above all, professionalism is an attitude.<sup>5</sup> Regardless of what profession you are in, when your professionalism is being discussed, it connotes a pride in your work, a commitment to quality, a dedication to the interests of the client, and a sincere desire to help.<sup>6</sup> I can't think of a more fitting description of a professional adjuster.

*Continued on page 6*



■ Attendees of the CPCU Society's 59th Annual Meeting and Seminars took advantage of the numerous educational offerings and could have earned up to 16 CE credits.

# Are You Professionally Obsolete?

Continued from page 5

However, the term professional is not one that you get to give yourself.<sup>7</sup> It is a term conferred upon you by your clients and associates. There is a distinct link between high professional standards and consumer confidence. Consumer confidence or client satisfaction is one of the most important values of professionalism. If your clients are satisfied, your business and your reputation will grow.

Professionalism can give you a competitive advantage, whether you are trying to win a new client or are asking for a promotion. An IIA survey found that 75 percent of the respondents said that designations were important in positively affecting promotion, and 66 percent said it was somewhat to very important in hiring.<sup>8</sup>

Continuing education is a building block of professionalism. It can positively impact employee retention. It has been found that companies who support career development by including it in performance reviews experience a 1 to 3.5 percent lower turnover rate than companies who do not.<sup>9</sup>

Professionalism also contributes to personal growth. By expanding your knowledge base, you not only perform your current job assignment more accurately and efficiently, you begin to position yourself for your next career move.

## ■ . . . if you don't carefully plan your continuing education, you lose time and money.

There are costs associated with continuing education. It costs money to provide courses, travel to seminars, and lose productive work days. Rather than focus on these costs, instead focus on the cost of professional obsolescence. You lose productivity if you aren't aware of the latest technology and case law developments. Or you can be subject to a bad-faith judgment.



And, if you don't carefully plan your continuing education, you lose time and money. All too often, we have suffered at the hands of an instructor who had been coerced into giving a lecture on a topic with which he or she was not entirely familiar, because the timing and location of the class were convenient and enabled us to put in enough hours of attendance to meet a CE requirement.

That is not productive continuing education and it is certainly not evidence of professionalism.

The benefits of education belong to the individual, regardless of who pays for the course. Therefore, take personal responsibility for your job improvement and career improvement.

Here are some suggestions on how to get the most value from your CE dollar and hour. Begin by viewing CE as your own personal research and development.<sup>10</sup> Focus on what will benefit your career, not just your current position. Link your learning objective to your business objectives. Do a self-assessment of the skills your clients or customers will need you to have in the next five years. Those skills that your customers will need are where you should put your CE dollar and hour. Put these two assessments in

writing. Keep them with your business plan or your personal file. Every time you participate in CE, put a copy of the course curriculum in the file. At the end of the year, review this file. Did you meet your CE objectives? Do you need to reassess your objectives based on changes in the marketplace?

Your CE goals can be as focused as learning a new line of coverage to as broad as learning project management or presentation skills. Remember this is your personal research and development. It will be a continuous process, throughout your working life, so it should be broad-based and structured.

Before you sign up for another CE course, there is one other assessment that you need to do. Determine what your learning style is. Go to [www.engr.ncsu.edu/learningstyles/ilsweb.html](http://www.engr.ncsu.edu/learningstyles/ilsweb.html).

Take the test. It takes about five minutes. You will get results immediately. Scroll down to the bottom of the page and click on the link for the description of learning styles. Once you have some insight into your learning style, you can make better CE selections.

I also think that our work environment dictates what type of CE we should look for. Our learning must be integrated into

our work. Our work regularly presents us with choices between different courses of action and ethical dilemmas. Textbooks and case histories are fine for our formal education or credentialing, but they may not be the best source of CE for adjusters. It may be more meaningful for you, depending upon your CE objectives, to find courses and workshops that use your work experience as a starting point for the participants to engage in analysis and discussion.

Here is my challenge to you. When you go back to your office, figure out the number of hours you spend at work. Then figure out how many of those hours are billable. By billable, I mean how many hours in a day you spend actually adjusting claims, as opposed to doing administrative work. Take the non-billable hours figure and cut it in half. One-half of that time will be used for administrative work. The other half of the non-billable time is the time you will invest in CE. Notice I said invest. Because if you invest this non-billable time carefully, it will redefine your client relationship, give you new skills, and determine your future.<sup>11</sup>

Now, many adjusters will say that they do not have the time for continuing education, but they really do. So let me give you an example. A typical accountant spends 2,640 hours per year at work. He or she will normally bill out 1,200 of those hours. That leaves 1,400 non-billable hours.<sup>12</sup> Surveys show that most of that time is not used productively.


By carefully mapping out your CE objectives, you can put the 700 hours of CE time into producing concrete results.

My goal here was to make you all a little uneasy. None of us wants to be professionally obsolete. So take stock of your skills. Assess the needs of your clients. Create a plan for growth that links your learning objectives to your business plan. Determine your learning style. Then get the most value for your CE dollar and hour by taking CE courses that support your objectives and match your style.

Continuing education is not a luxury. It is a necessity. ■

## Endnotes


1. Kaufman, H.G., "Obsolescence and Professional Career Development," 1974, AMACON, NY., p. 23.
2. Kaufman, p. 15.
3. Kaufman, pp. 29-30.
4. Dubin, S.S., "Obsolescence or Lifelong Education: A Choice for the Professional," *American Psychologist*, Vol. 27, May 1972, No. 5, p. 486.
5. Stephenson, Jack. L., "Ethics, Professionalism and Consumer Protection for the Insurance Adjuster," 1996, Atlanta, Ga., p. 16.
6. Maister, David H., "True Professionalism," 1997, *The Free Press*, NY, p. 17.
7. Maister, p. 17.
8. Woods, Randy, "Does CE Equal 'Career Enhancement,'" *Claims*, Feb. 1999, p. 48.
9. Altman, Yochann, "The Big Match: Career Management in Organizations," *People Management*, Vol. 4 No. 23, 1998, pp. 42-45.
10. Quinley, Kevin M., "185 Success Tips for the Adjuster's Career," 2001, *National Underwriter*, Cincinnati, OH, p. 102.
11. Maister, p. 46.
12. Maister, p. 49.



## Register Today for the CPCU Society's 60th Annual Meeting and Seminars

Reach for the stars and attend the 60th Annual Meeting and Seminars October 23-26, 2004, in Los Angeles, CA. Register online at [www.cpcusociety.org](http://www.cpcusociety.org).

Check the Society web site and look for future issues of *Personally Speaking* for more information about the Personal Lines Section-sponsored seminars.





# A Risk Manager's Quick Guide to the Web

by Bill Coffin, Morgan O'Rourke, and Laura Sullivan

■ **Bill Coffin** is managing editor, **Morgan O'Rourke** is associate editor, and **Laura Sullivan** is editor in chief at *Risk Management Magazine*.

**Editor's Note:** This article appeared in the October 2003 edition of *Risk Management Magazine*, the monthly publication of RIMS. We thought it was very well done and the content would be useful to our section members. It is being reprinted with permission from *Risk Management Magazine*. Copyright 2003 Risk and Insurance Management Society, Inc. All rights reserved.

There is a lot to do between 9 a.m. and 5 p.m., and to most professionals those parameters are more wishful thinking than realities. Spending even 30 minutes browsing the web is a luxury risk managers often do not have. But the online world does have a lot to offer, if you know exactly where to go.

The following selections are provided to help you spend less time looking and more time getting the information, tools, and contacts you need. These are not web site reviews; these are the key sections and useful services—sometimes hidden from view—that you may not be aware of. Of course, this is not an all-inclusive list, so send RM your suggestions on what we might have missed.

## Searching

One of the most powerful aspects of the web is the sheer volume of data it contains. On the one hand, the Internet is perhaps the most extensive encyclopedia ever created. On the other hand, massive amounts of spam, trivia, and prurient content can make it difficult, if not impossible, for the casual user to find specific information. That is why knowing how to search the web, and knowing how to use search engines in particular, is fundamental.

There are dozens of search engines, ranging from familiar meta-engines (engines that

search other search engines) to obscure niche engines. There are also sites that cover search engines in general, cataloging them, reviewing them, and keeping tabs on new engines that might provide the next big leap in speed, quality of searching, or ease of use. Particularly good is [www.searchenginewatch.com](http://www.searchenginewatch.com), but there are others. If the goal is to cultivate searching skill, researching which search engine works best for you is a great way to start.

Once you are familiar with search engines, figure out which general-purpose engine you want to use. Household names like Google, Yahoo! and MSN Search are perhaps the most commonly used. All three are excellent, but do not use one just because your web browsing software defaults to it. Compare the kinds of results different sites return and how easily you can use them.

Even the best general-purpose search engine, however, might not be the best tool for your needs. Chances are, there is at least one specialty engine for you, whether you regularly search for economic data, want to match phone numbers to addresses, need medical documents, or require some other specialized kind of data. To find a specialty engine, using a general engine is your best bet.

## Research and Data

Knowing how to find information on the web is one thing. Actually getting data is something else. Often, promising leads fizzle, resulting in bad information or advertising.

Government web sites contain huge amounts of fairly reliable data, depending on the nature of the agency. The Centers for Disease Control and Prevention publications page, for example, links to hundreds of studies on a wide range of healthcare topics aside from infectious disease.

The Overseas Private Investment Corporation is a government agency that fosters U.S. private investment in

developing countries. On the left side of the main page, the Investors Info Gateway link provides extensive governmental, economic, and political information on nearly every country.

The Bureau of Labor Statistics has dozens of links on its main page to statistics on workplace safety, earnings, unemployment numbers, industry performance, labor demographics, and a host of related topics. Despite these examples, however, many other government sites are poorly maintained and difficult to navigate.

Commercial sites that provide large data archives usually do so as a means of drawing in potential customers. While some firms provide thin content, other companies, such as Swiss Re, take their role as data centers seriously. On Swiss Re's main page, for example, a Research and Publications link will take you not only to an archive of its must-read insurance research publication, *sigma*, but to a mountain of additional research materials as well. Likewise, the Current Publications link on the main page of Munich Re provides a series of detailed research reports on topics such as high-rise buildings, recent disasters, natural catastrophes, and issues of its publication, *Schadenspiegel*, which chronicles unusual losses across the world.





While the quality of non-profit trade associations and research groups data ranges, certain examples set a good standard. The Geneva Association is a global research organization monitoring the economic importance of risk and insurance activities; [www.genevaassociation.org](http://www.genevaassociation.org) provides PDFs of its research newsletter under the Risk Management link on its main page.

The main page of the Public Entity Risk Institute features a Symposium Center link containing dozens of research papers on a wide range of topics, but all particular to public entities. And the Insurance Information Institute links to numerous industry statistics, overviews of hot insurance topics, industry financials and outlooks, an insurance glossary, and numerous studies directly from its main page.

### ■ **Educational sites are also trustworthy sources because they have an academic reputation to maintain.**

Educational sites are also trustworthy sources because they have an academic reputation to maintain. Not all will contain information applicable to risk management, but those that do can be valuable sources. The Natural Hazards Center at the University of Colorado, Boulder maintains a clearinghouse for research on natural hazards and how to deal with them. The main page links to papers and research files as well as to the center's online library database, the Natural Hazards Information Services Program. Meanwhile, the Wharton Risk Management and Decision Processes Center provides links on its main page to useful research resources, including a PDF archive of risk management papers on topics such as disaster preparedness, insurance trends, and risk analysis.

Knowing what not to look for can also be very important. Sites that are the work of just one person, or that cite facts and figures without attributing them are suspicious. Accountability is the greatest

insurance against bad data. The more a site has to lose by presenting false or incorrect information to the public, the greater the chance that what it offers is worth your consideration.

## **Rules and Regulations**

Various organizations and governing bodies, both in this country and abroad, have created standards and laws that affect risk managers. Online resources can simplify the search for this information.

Most U.S. government web sites devote sections to the laws and regulations by department. For instance, the U.S. Securities and Exchange Commission site offers the full text of Sarbanes-Oxley and other legislation by clicking on About the SEC and following the Laws & Regulations link.

The sites for the Occupational Safety and Health Administration and the Environmental Protection Agency have links to their laws and regulations on the main menus. OSHA also includes Frequently Cited OSHA Standards, which lists citations by industry classification and number of employees.

At GPO Access, the site of the U.S. Government Printing Office, you can access the official record of all U.S. laws in the United States Code database, public and private laws passed by Congress, and even the U.S. Constitution, under the Legislative Resources section.

THOMAS, another resource for legislative information, is a service of the Library of Congress, named for Thomas Jefferson. You can find bill summaries and status reports from 1973 to the present and the full text of all bills from 1989 on. There are also House and Senate roll call vote records, committee rosters and reports, and days-in-session calendars.

For Canadian risk managers, the Department of Finance Canada, and the Canada Safety Council are good resources, while in the United Kingdom, users can visit the U.K. government site at [www.open.gov.uk](http://www.open.gov.uk). Eur-Lex is helpful for European legislation.

Many risk management standards are also readily available online. Risk managers can download for free the recently published U.K. Risk Management Standard at any one of three organization sites—the Association of Insurance and Risk Managers, the Institute of Risk Management, or the Association of Local Authority Risk Managers.

Meanwhile, Standards Australia lets you sign up for the free StandardWatch service to receive automatically e-mailed updates on the international standards and publications of your choice. Standards Australia also maintains a risk management portal for additional access to standards, products, and articles.

## **The News, Delivered**

Although it is not likely to force the extinction of the printed newspaper or magazine, web-based, e-mailed news reports are offered by nearly every news organization and publication and most companies with an online presence. The sheer number of reports that you can have customized and delivered to your inbox is part of the argument against the Internet's counterproductive barrage of information. You end up with so much material you do not read any of it.

Sample one service for one week from the the suggestions that follow (or others on your own list). After your trials, choose one general news service and perhaps two industry-specific news services that you actually read. More important than the marketing behind the services is whether the format, the stories, and the delivery made it easy for you to read.

For general news, the *Wall Street Journal*, *New York Times*, *Financial Times*, and the *Economist* all offer similar online delivery options—subject-specific updates, daily reports, and weekly summaries. The *Wall Street Journal* even offers midday market update or closing summary options.

Although *New York Times* articles are free (up to one week after they are published) to users who register (for free) the other services separate content into premium

*Continued on page 10*

# A Risk Manager's Quick Guide to the Web

Continued from page 9

and public categories. For the purpose of news summaries, however, all offer sufficient information free of charge.

Specific to the field of risk management, there is the Risk and Insurance Management Society's *Risk Wire*, which provides an option of daily or weekly synopses of articles concerning risk management from publications around the world. (Click on *Risk Wire* on the top of the home page at [www.rims.org](http://www.rims.org).) Covering fewer sources, KPMG provides morning news capsules in its *KPMG Insurance Insiders Daily Alert*. And at the close of the day, *Business Insurance* sends out insurance market-focused one or two-sentence briefs of its own stories in *BI Daily News*, similar to the more elaborated and regulatory focused InsuranceNewsNet's *eNewsWire*.

## Other Professionals

Understanding how risk management affects other departments can be as helpful to your own career as it is beneficial for your colleagues. Several professional societies' web sites offer information to the general public that pertains directly to risk managers and the different aspects of their field.

For example, the Casualty Actuarial Society offers its perspective, definitions, and a bibliography on enterprise risk management, which can be found by clicking on Research and then scrolling down to Enterprise Risk Management Web Site. On the same topic, the Committee of Sponsoring Organizations of the Treadway Commission (COSO), representing accountants, auditors, and financial executives, offers its 150-page *Enterprise Risk Management Framework* in PDF format. (Click on The Framework.)

The Institute of Internal Auditors has set up a special section dedicated to corporate governance, available in the Guidance section by scrolling down and clicking on the icon on the right side of the page. Material includes newsletters, task force reports, and IIA risk management readings.

If you are looking for a better understanding of the numbers world, CAS has also posted the Exposure Draft of Underlying Actuarial Science—in the Research section; click on the title under Committee/Task Force Projects and Web Sites.

## ■ . . . web-based, e-mailed news reports are offered by nearly every news organization and most companies with an online presence.

On the legal side, the American Bar Association presents PDF Fact Books (click on Press Room on the left-hand side of the home page), covering privacy and cyberspace and the U.S. judicial system. And at [www.abanet.org/lawlink](http://www.abanet.org/lawlink), visitors can search various prescreened legal sites.

## Interaction

One of the most successful uses of the Internet has been its ability to foster debates and discussions, provide help desks, and establish question-and-answer sessions between people on opposite ends of the earth with common concerns.

For risk managers, by far the largest of these are the RIMS e-groups, specifically the Risk Professionals E-group, which has 12,000 subscribers and over 200 postings each month ([www.rims.org](http://www.rims.org)). A similar question and debate format, RiskMAIL, has been online longer but has fewer participants.

There are also several small groups that have been created by individuals through the Yahoo! groups service. (Click on Groups at [www.yahoo.com](http://www.yahoo.com).) These include emergency management, litigation management, and a surprisingly large indoor air quality group, with 2,013 members.

Less of a chatroom and more of a service, free technical advice is available for not-for-profits from the professionals at the

Nonprofit Risk Management Center under the Advice tab.

## Everyday Practicalities

The Internet also provides countless tools to help a risk manager face the challenges of the business day.

Bloomberg offers news, market data, and analysis along with the ability to personalize your own market monitor with graphs and charts, updated throughout the day. In addition, the Bloomberg University section features free online tutorials to teach you the best ways to invest your money.

The *Economist* offers its own guides with *The Business Encyclopedia*, found under Research Tools. It has practical advice for everyday business activities in four categories—finance, personnel, marketing, and e-commerce. These guides answer questions such as how to calculate risk-adjusted return, how to plan an advertising campaign, or how to negotiate a raise. There is also a helpful dictionary of business terms, abbreviations, and acronyms.

Barry Klein's UltimateInsuranceLinks contains links to thousands of insurance company web sites with brief descriptions of each in categories such as property and casualty, life and health, MGAs, excess and surplus, vendors, trade and professional organizations, and publishers. With a new browser opening on each click, navigation between company sites and UltimateInsuranceLinks is simplified for the risk manager shopping for multiple companies.

After finding an insurance company, registered users can check its rating with A.M. Best's company reports by following the Rating Services link on the main menu.

Finally, no day would be complete without some comic relief to break tension and raise spirits. To that end, The Onion serves up satirical news stories, updated weekly. By maintaining mental health, this could very well be the most practical site of all. ■

# Sections Circle of Excellence Recognition Program



In May 2002, the CPCU Society's Board of Governors approved the implementation of a Sections Circle of Excellence Recognition Program, similar to the chapter program. This program aligns interest section activities with the CPCU Society's 2002-2007 strategic plan and is a tool to assist section leaders in providing value for their section membership. Thus, the objectives in the Circle of Excellence parallel the objectives of the Society.

The Sections Circle of Excellence Recognition Program recognizes sections for their efforts to achieve certain levels in performance. Interest sections earn Bronze, Silver, or Gold recognition by undertaking activities that promote the CPCU Society, its interest sections, and insurance education in general.

Last year, the Personal Lines Section was awarded the Silver recognition, an accomplishment we would like to improve upon this year. Our goal for 2004 is to receive the Gold recognition. We are now actively gathering accomplishments from June 1, 2003, from any of the Personal Lines Section members. The following are some areas we can cite for this program:

- Conduct symposia, workshops, classes, or turnkey projects.
- Publish articles, research projects, or newsletters.
- Publish or edit insurance textbooks.
- Develop an innovative program.
- Perform employer or community outreach.
- Enhance the web site for member value.
- Conduct local chapter outreach.
- Develop sponsorship program for new designees.
- Conduct e-mail or letter outreach.
- Staff Annual Meeting and Seminars Sections booth.
- Staff I-Day booths at chapter meetings.

In short, what have we done to promote and elevate the CPCU organization, insurance education, and our Personal Lines committee? Please e-mail your activities including dates and details to Rob.Olson@IRMI.com as soon as possible. Your help and involvement are appreciated. ■

## Favorite Web Sites

In past issues, we have taken the opportunity to share favorite web sites. In keeping with this article, it seemed appropriate to organize these sites into one source for your reference. If you have others to share, please send them to the editor. These links are also available on the Personal Lines Section web site at <http://personallines.cpcsociety.org>.

### Vol. 3 No. 3—August 2001

<http://www.floodalert.fema.gov/>  
<http://www.fema.gov/>  
<http://www.nuco.com>  
<http://www.roughnotes.com/>  
<http://www.claimspages.com/>  
<http://www.actuarialjokes.com/>

### Vol. 3 No. 4—December 2001

<http://www.kumite.com/>  
<http://www.nfpa.org>  
<http://www.iso.com/>  
<http://www.propertyandcasualty.com>

### Vol. 4 No. 1—February 2002

<http://www.profusion.com/>  
<http://www.searchengineguide.com/>  
<http://www.yahoo.com/>  
<http://www.altavista.com/>

### Vol. 4 No. 2—June 2002

<http://www.moldupdate.com/>  
<http://www.epa.gov/iaq/molds/>  
<http://www.allianceai.org/>  
<http://www.iii.org/media/hottopics/insurance/mold2/>



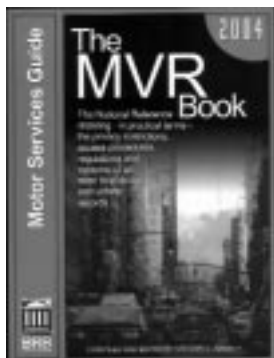
### Vol. 4 No. 3—August 2002

<http://www.insure.com/>  
<http://www.irmi.com/>  
<http://www.ultimateinsurancelinks.com/>  
<http://www.ambest.com/>  
<http://www.naic.org/>



# Of Interest to CPCUs

## 2004 MVR Books Offer a Comprehensive Source of Driver History and Motor Vehicle Records



**The** MVR Book and The MVR Decoder Digest, published by BRB Publications, offer a complete listing of driver

restrictions and access procedures for all 50 states and the District of Columbia. Now in their 15th editions, these are the only comprehensive source books for information on driver history records and motor vehicle records. These resource tools, through practical terms, help P/C insurance professionals to stay up to date

on all the changes that state motor vehicle departments are making, such as updated violation codes and restrictions on release of driver information.

The MVR Book is a national reference guide to all privacy regulations, access procedures, regulations, and systems of all state-held driver and vehicle records. The MVR Decoder Digest, companion to The MVR Book, translates all state codes and abbreviations of violations and licensing categories that appear on motor vehicle records in all states.

To order your copy of either publication, or for an online subscription, visit [www.publicrecordsources.com](http://www.publicrecordsources.com) or contact BRB Publications at (800) 929-3811. ■

### Personally Speaking

is published four times a year by and for the members of the Personal Lines Section of the CPCU Society.

### Personally Speaking Editor

Diane G. Baker, CPCU  
Allstate Insurance Group  
Building E1N  
2775 Sanders Road  
Northbrook, IL 60062-6127  
Phone (847) 402-7998  
Fax (847) 326-7843  
E-mail: [dbak8@allstate.com](mailto:dbak8@allstate.com)

### Personal Lines Section Chairman

Dale M. Halon, CPCU, CIC  
ChoicePoint, Inc.  
#325  
12 Westerville Square  
Westerville, OH 43081  
Phone (614) 895-8806  
Fax (614) 895-5327  
E-mail: [dale.halon@choicepoint.net](mailto:dale.halon@choicepoint.net)

### Sections Manager

John Kelly, CPCU, API  
CPCU Society

### Managing Editor

Michele A. Leps, AIT  
CPCU Society

### Production Editor/Design

Joan Satchell  
CPCU Society

CPCU Society  
PO Box 3009  
Malvern, PA 19355-0709  
(800) 932-2728  
[www.cpcusociety.org](http://www.cpcusociety.org)

Statements of fact and opinion are the responsibility of the authors alone and do not imply an opinion on the part of officers, individual members, or staff of the CPCU Society.

© 2004 CPCU Society



Printed on Recycled Paper

## What's in this Issue?

Celebrate Ethics Awareness Month by Looking at the Person in the Mirror . . .	
Would You Buy a Used Car from that Person? . . . . .	1
Data and the Power We Gain from It . . . . .	3
Are You Professionally Obsolete? . . . . .	5
A Risk Manager's Guide to the Web . . . . .	8
Of Interest to CPCUs . . . . .	12



## Personally Speaking

Volume 6

Number 2

PL  
May 2004

CPCU Society  
720 Providence Road  
Malvern, PA 19355-0709  
[www.cpcusociety.org](http://www.cpcusociety.org)

PRSR STD  
U.S. POSTAGE  
**PAID**  
BARTON & COONEY