CPCU SOCIETY
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Personally Speaking

# Message from the Chair — Catastrophes in 2011: The Bad News and the Good News

by Robin "Rob" K. Olson, CPCU, CRIS, ARM, AAM, ARP

**Robin "Rob" K. Olson, CPCU, CRIS, ARM, AAM, ARP,** is director of training and education for the International Risk Management Institute (IRMI) and editor of IRMI's *Personal Lines Pilot*. He contributes articles on personal risk management and auto risk management to the Expert Commentary section of IRMI.com. Olson also serves as an adjunct professor at the University of North Texas, where he teaches risk management classes. Before joining IRMI in 1998, he was an underwriting manager for two national insurance companies, where his experience encompassed both personal and commercial lines.

As your Personal Lines Interest Group (PLIG) Committee begins preparing for a CAT-related seminar at our CPCU Society Annual Meeting and Seminars in Washington, D.C., this September, it reminds me of an incident back in 1980. I had just started to work at Republic Insurance Company as a casualty underwriter trainee. My beginning salary was quite impressive — a whopping $787 per month. During the second week on the job, I was at the cafeteria having lunch with some Republic claim adjusters. They were talking about all the CAT claims, and I thought to myself, how can little kitty cats cause all this damage? Well, I eventually figured out what they were taking about. And more than 30 years later, we are still talking about it.

What a rough year our country and the insurance industry went through in 2011 with all of the devastating catastrophic losses. According to the Insurance Information Institute (III), the federal government declared natural disasters a record 99 times, easily breaking the previous record (81) set in 2010. And do you know what the annual average number is dating back to 1953? 34.

Here are a few of the heartbreaking statistics:

- Joplin, Mo., tornado on May 22 — At least 160 people died with nearly 1,000 injured in the deadliest single U.S. tornado since modern record-keeping began 61 years ago. Winds reached speeds of 200 miles per hour — a 5 on the Fujita scale — destroying approximately 8,000 buildings.
- Tornados and storms on April 27 in seven southern states — More than 173 tornadoes were spotted during a 24-hour storm period with more than 300 killed (more than 200 died in Alabama alone). The National Weather Service reported that this overall storm system was the worst in more than four decades. For the month of April alone, 610 tornadoes were reported in the U.S.
- Mississippi River floods in April and May — Flood waters covered about

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3 million acres of farmland, with more than $2 billion in economic losses, according to some agricultural economists. Tens of thousands of people became homeless as a result of these devastating floods. And most did not have flood insurance. According to the Louisiana Department of Insurance, only 29 percent of Louisiana residents have flood insurance.

- Southern Plains/Southwest drought, heat wave and wildfires (spring-summer) — States affected included Texas, Oklahoma, New Mexico, Arizona, Kansas, Arkansas and Louisiana. In Texas alone, the drought contributed to scores of fires that destroyed 1,091 homes and consumed 3.6 million acres, an area roughly the size of Connecticut.

On a positive note, remember that one of the great things about our industry is its ability to help people put their lives back together after a major catastrophe. And despite these types of massive losses on underwriting, insurers emerged from these events in a strong and well-capitalized position. According to the Property Casualty Insurers Association of America, "insurers had $538.6 billion in policyholders' surplus as of September 30, 2011 — 125 times all the direct insured losses to U.S. property from Hurricane Irene."

On a closing note, we are looking for additional volunteers to join the PLIG Committee. If you are interested in getting involved with some *dynamic, good-looking and politically-diverse* CPCUs in enjoyable settings (e.g., Miami; Washington, D.C.; Phoenix), please complete the Application for Society Service that can be found on the Society's website, www.cpcusociety.org. Select "Members" in the top menu bar and click on "Volunteer for CPCU Society Service." The deadline to apply is May 15, 2012. You'll be glad you did. ■

# Note from the Editor

by Daniel L. Blodgett, CPCU, AIM, AIS, PMP

**Daniel L. Blodgett, CPCU, AIM, AIS, PMP,** is a project manager in the Systems Department of State Farm's home office in Bloomington, Ill. He started with State Farm in 1990, holding positions such as auto underwriter and supervisor in the State Farm Payment Plan. Blodgett is on the board of directors of the CPCU Society Central Illinois Chapter, and is past president of the Southwestern Michigan Chapter and past chair of the Personal Lines Interest Group.

Seems like it's the same cycle — the holidays absolutely fly past, and then I find myself trying to acclimate to a new year on the calendar. Thankfully, I use electronic banking and bill-pay, so I won't have too many checks hand-written with "2011" on them over the next several months! What's your trick to adjusting to the New Year? Do you have any tips or hints to share with our membership?

Please enjoy the first 2012 issue of *Personally Speaking* and be careful writing the date on your checks.

- Personal Lines Interest Group (PLIG) Chair **Robin "Rob" K. Olson, CPCU, CRIS, ARM, AAM, ARP,** offers a note with his thoughts on the good news and bad news for catastrophes in 2011. He also offers some thoughts on "The Pros and Cons of Pet Insurance."
- A recap of the Personal Lines' sponsored "Channel Fusion" seminar from the 2011 CPCU Society Annual Meeting and Seminars in Las Vegas by **Jeffrey C. Schultz, CPCU,** who also moderated the program.
- An introduction "Spotlight" article for our newest PLIG Executive Committee member, **Donald P. Roinestad, CPCU, CLU, CIC,** to help us get to know him better.
- Is one of your New Year resolutions to provide more recognition to deserving peers? Then **Marsha D. Egan, CPCU, PCC,** has an article for you in which "Praise Is a Free Gift."
- **Richard F. Walsh Jr., CPCU, ANFI, SCLA, AIS, CPIA, RWCS, CRIS, CLCS, PLCS, MSC**, shares Part Two of his liability on the golf course series.
- Success again! **Lamont D. Boyd, CPCU, AIM,** offers his recap of the ongoing achievement for the CPCU Society Annual Meeting Student Program.

Until next time … ■

# Channel Fusion — The 'Big Money Bet' for Personal Lines

by Jeffrey C. Schultz, CPCU

**Jeffrey C. Schultz, CPCU,** is the product operations senior manager, contract strategy and execution, for Allstate Insurance Company in Northbrook, Ill. Schultz earned his CPCU designation in 2007. He can be reached at jschultz@allstate.com.

The Personal Lines Interest Group sponsored a two-hour seminar, titled "Channel Fusion — The 'Big Money Bet' for Personal Lines," at the 2011 CPCU Society Annual Meeting and Seminars in Las Vegas. The desired state of "Channel Fusion" — a term borrowed, with permission from **Robert P. Hartwig, CPCU, Ph.D.,** president of the Insurance Information Institute — occurs when the sum of a carrier's sales delivery channels is equal to more than the individual channels combined. In other words, the carrier's individual channels synergistically benefit from each other.

The personal lines insurance marketplace has definitely shifted to include a significant "direct" market. However, being an effective multichannel carrier is not as simple as setting up a website or opening a call center — profitability issues must be considered, as well as technological expertise. One of the many issues is how to measure the effect of your marketing dollars. The marketing money coming out of your call center marketing can (and does, in fact, as we learned from one of our presenters) result in additional sales on the agent "side of the house."

We had a robust discussion of the pros and cons of the various distribution channels insurers are using to market their products, as well as how the various channels function not only singularly, but also how they interact with each other. The presentation included ideas on what can be done within organizations to help inform and shape strategy, and tactics around channel marketing, underwriting and pricing decisions.

Our presenters were **Joaquin de los Reyes,** vice president and general manager, MAPFRE USA; **David W. Denaci, CLU,** principal, RPM Direct; **Michael Perugini,** regional marketing manager, MetLife Auto and Home National Sales Direct Response; and **Julie Parsons, FCAS,** product senior vice president, Allstate Insurance.

*David W. Denaci, CLU, makes a point during the "Channel Fusion — The 'Big Money Bet' for Personal Lines" seminar, which drew 33 attendees.*

Joaquin de los Reyes framed the discussion with the topics of channel selection and building/improving capabilities. He stressed that the carrier must be responsive to consumers' preferences in channel selection. Once the carrier has aligned its products with its target market, the carrier must build its distribution channels to meet those needs.

Denaci and Perugini worked together on their presentation, which demonstrated the relationship between direct marketing and multichannel distribution sales. They presented evidence which revealed that direct mail can be designed with the intent to have the consumer telephone a call center, which drives the consumer to call an agent. Their key message aligned perfectly with our theme — the carrier's various channels must work together, not as individual business units.

Parsons concluded our session with current examples of how different carriers are approaching multichannel distribution. Farmers Insurance Group, for example, will market a different product brand for each of three distribution channels. Allstate offers its brand through the internet, call center and captive agents, but also markets a different brand (Encompass) through independent agents.

Parsons neatly summed up the two-hour seminar by citing steps for multiline distribution strategy, as outlined by **Chad Mitchell,** Forester's senior research analyst and author. Mitchell's published "7 Steps to Developing a Solid Multi-Channel Distribution Strategy" provides his insightful research in the development of clear multi/cross channel strategies, including the planning needed and why it's critical to our industry. ■

# Spotlight on Don Roinestad

Submitted by Daniel L. Blodgett, CPCU, AIM, AIS, PMP

The Personal Lines Interest Group welcomes our newest member to the Executive Committee — **Donald P. Roinestad, CPCU, CLU, CIC.** We asked Don to introduce himself to our membership with this "Spotlight" questionnaire, and he was eager to participate.

***Personally Speaking:*** *What are your primary work responsibilities?*

**Roinestad:** As the director of compliance at Unitrin Direct, a Kemper Corporation company, I am responsible for managing the unified compliance and regulatory program for all Unitrin Direct offices. Basically, I am accountable for ensuring adherence to existing state-specific and federal requirements relative to property-casualty laws, regulations and mandates across the organization; analyzing regulatory and legislative data to incorporate compliance into the structure of the organization; and leading the forms and filings development team as well as managing internal audits and state market conduct examinations.

***Personally Speaking:*** *Why did you pursue the CPCU designation?*

**Roinestad:** After graduating from San Diego State University, I landed a job as assistant underwriter with The Hartford in Garden City, N.Y. My manager at the time was pursuing his CPCU designation, and he would often tell me about what he was studying and how important continuing education is in the insurance business. I was intrigued. At the first opportunity, I enrolled in a CPCU I class (a year-long course back then) at the College of Insurance and earned my designation in 1979.

***Personally Speaking:*** *What prompted you to join the Personal Lines Interest Group?*

**Roinestad:** This is my second term of service on the Personal Lines Interest Group Committee (my first term was back in 1999–2002). I have worked in personal lines — underwriting, claim litigation and corporate litigation, and compliance — for more than 35 years. I'm coming off the Regulatory & Legislative Interest Group after serving a three-year term, and I decided it's time to come back to the Personal Lines Interest Group to renew friendships and make new professional connections in the personal lines arena.

**Donald P. Roinestad, CPCU, CLU, CIC**

***Personally Speaking:*** *What is the most unique experience you've had in your career?*

**Roinestad:** I was a member of a small team of insurance professionals representing various operational and functional areas — from marketing, actuarial and product to compliance, claims and technology — who built a direct-marketing automobile company from the ground floor up. The experience of working alongside so many talented insurance professionals dedicated to this singular goal was phenomenal.

***Personally Speaking:*** *What has been your biggest challenge?*

**Roinestad:** When I was with The Hartford, I was asked to represent the company as its 30(b)(6) witness. At the time, I had never given a deposition, much less been involved in court proceedings. I quickly needed to learn not only the details of the case but also how to become an effective corporate witness and prepare for a possible seven-hour deposition. (I was lucky; my first deposition was only six hours.)

***Personally Speaking:*** *Please share an interesting fact about you that our fellow CPCU colleagues may not know.*

**Roinestad:** I love college basketball, am a die-hard UConn fan, and each year look forward to March Madness. Two years ago, I attended the NCAA Championship Game in Indianapolis — the Butler Bulldogs vs. the Duke Blue Devils. What a fantastic game, with the outcome undecided down to the last few seconds! ■

# Praise Is a Free Gift That Keeps Giving

by Marsha D. Egan, CPCU, PCC

**Marsha D. Egan, CPCU, PCC,** internationally recognized speaker, facilitator, author and ICF-certified coach, brings more than 25 years of outstanding leadership experience in both corporate and volunteer America to all her presentations and programs. As the CEO of the professional coaching firm INBOXDETOX.COM, a division of the Egan Group Inc., Egan blends her experiences as a successful businesswoman, training as an ICF-Certified Coach and insight into human nature to develop crucial communication skills and enable personal, professional and financial growth. She was the 1999-2000 president of the CPCU Society.



I'll bet you could tell me exactly when the last time someone gave you a meaningful compliment. In fact, I'll bet you can remember exactly what the person said that made your day.

Sadly, one of the main reasons these moments stick in our heads is that they're all too infrequent. So when someone does make the effort to acknowledge something you've done, it stays with us a long time.

However, a proverbial "pat on the back" is more than just a memorable occasion. It's also hugely motivating. I'm sure that, as well as remembering what was said, you can remember the energized, positive and warm feelings that the acknowledgement gave you.

If you translate all this into your business, organizational, or home environment, it becomes a no-brainer to realize how you can easily inject energy and positively motivate the people around you — it costs nothing to motivate someone with genuine praise, so why are we so reluctant to do it?

Recognition of someone's efforts and achievements is one of the simplest, yet most effective ways to reinforce positive behavior patterns and to empower people. It then follows that, the more you recognize and appreciate people's efforts, the more of a positive influence you can be on their life.

Of course, throwing random compliments around isn't going to cut it. You need to provide an appropriate and realistic acknowledgement if it's going to have the desired effect. Here are a few points to maximize your influence:

- Be sincere. Much as people love praise, if it isn't honest and appropriate, they're going to wonder what your agenda is! It will also impact negatively on your credibility.
- Timing is everything — in the same way that we punish our children quickly after a transgression to reinforce our views on negative and unwanted behavior patterns, so your praise needs to be as soon as possible after the event.
- Use your imagination! If you can mix it up and provide different forms of acknowledgement, it stays fresh.
- Be specific. Tailor not only the content, but also the style of your appreciation. A shy person won't thank you for a loud and public endorsement in a big meeting, but some people thrive on it. And while we're on the subject, make sure the person is in no doubt why you're pleased with them, to guarantee that they know what positive behavior is being reinforced. Instead of "Nice presentation," say "I thought you brought the subject to life and added a lot of new material. You must have spent a lot of time researching."
- Don't worry about singling out individuals on a team project. If one member of a project group stood out, tell them why their contribution was particularly valuable, rather than paying lip service to thanking the whole group.
- Remember to do it! It's all very well to have good intentions, but until you speak out and do it, that's all it will remain.

By showing people that they are valued, appreciated and respected, you'll unlock a huge amount of discretionary effort and energy. It's easy, it's quick, it's simple and, above all, it's free. SO, the big question is … What's stopping you? ■

# From Liability to the Links — Part Two

by Richard F. Walsh Jr., CPCU, ANFI, SCLA, AIS, CPIA, RWCS, CRIS, CLCS, PLCS, MSC

**Richard F. Walsh Jr., CPCU, ANFI, SCLA, AIS, CPIA, RWCS, CRIS, CLCS, PLCS, MSC,** is a senior training consultant for the Motorists Insurance Group in Columbus, Ohio. He provides continuing education (CE) classes for agents, producers and underwriters for its group of companies in nine states. He teaches CE classes dealing with commercial lines, personal lines and ethics. Walsh is also responsible for corporate training at Motorists, where he trains associates in underwriting, soft skills, leadership and management.

**Editor's note:** This is Part Two of our personal lines discussion regarding liability insurance and the great world of golf; the first installment was published in the September 2011 issue.

In the game golf, are you a walker or a rider? Do you like the faster pace of play versus the slow walk? Does your country club or municipal track allow walkers? Are walkers just terms used for the undead in a few zombie movies? Is your golf staff bag so big that it contains a giant television and microwave, and you absolutely have to ride for fear of falling over? Or, do you appreciate the exercise of a nice walk around the links? There are schools of thought and mutual benefits on which is a better way to enjoy the game of putting a little white dimpled egg into a 4.25-inch diameter hole in the ground with a graphite stick.

If you are a rider like most weekend golf types, there are several potential liability exposures to be wary of involving the use of a golf cart. For our discussion, we will focus on the ISO 2000 Edition of the HO-3 Special Form and the standard ISO PP 00 01 Personal Auto Policy.

To start, let's begin with a discussion of bodily injury or property damage on the golf course caused by using a golf cart. Imagine you are a playing inspired golf one Saturday morning at your track. You hit the best cut 4-iron of your life on the long par three 14th hole, which happens to be the toughest tee shot on the entire golf course. The shot has eyes for the pin! You are in a mad rush to drive up to the green to see if you just happened to hit a hole-in-one, the rarest of all weekend feats. Pulling up to the green in great haste, you see your group getting out of its cart and slam on your brakes — running over one of your playing partner's feet, breaking two of his toes.

Where would you pick up coverage for the bodily injury? Your 2000 HO-3 Special Form excludes personal liability (Section E) and medical payments (Section F) coverage for motorized vehicle liability *except* for golf carts while on a golfing facility. However, if the motor vehicle law in your state, city, township or other area requires the golf cart to be registered, you do not have Sections E and F to rely on. There are industry carriers that offer specifically endorsed auto or golf cart liability policies that could provide coverage for unlucky golfers in circumstances like these. Sadly, to add further insult to injury, your ball rolled over the green and ended up plugged in the bunker. At least you could have gotten the ace?

Next, let's discuss off-the-course liability issues and your golf cart. After your round of beautiful Sunday morning golf, you can't wait to hurry home and tell your spouse the great news. You broke 80 for the first time! Your family has a nice house in the local golf course community with a great fairway view. It is well worth the $200 a month you are spending on homeowner's association fees.

You leave the course in your golf cart (a nifty model capable of speeds up to 20 miles per hour), and drive north on Fairway Boulevard to your street, Watson Way. After turning left onto Watson going a mere 20 miles per hour, you negligently hit and injure a cyclist practicing for a triathlon.

Would the 2000 HO-3 Special Form pick up liability for the accident you just caused? Sections E and F of the Homeowners form can apply here because of exception 2.e.2 of Motor Vehicle Exclusion A whereby:

> e. A motorized golf cart that is owned by an "insured," designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence," is within the legal boundaries of:
>
> > (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

Unfortunately, you won't find coverage for your embarrassment or bruised ego, and now the story of your breaking 80 has an entirely different twist.

You might ask, what about my auto policy? Yes, you admit it is a simple, unendorsed policy, but you hope it will provide some coverage for your hitting that cyclist? Some auto policies like the '98 PAP do extend liability coverage to a *non-owned golf cart* that is involved in an accident, but not to a cart that is owned or regularly available for your use. The '94 edition does not have this additional language, so you could not rely on this policy or any auto policy without this extension.

Lastly, what about accidentally crashing and damaging a course-owned golf cart while playing? If you are a bad weather player, you probably play in the worst weather imaginable. This means you will drive a cart in the rain on slippery paths and over dangerous muddy terrain even if it is a cart owned by the golf course. What happens if you damage other property while driving a cart owned by the golf course, including damage to the golf cart itself?

Imagine it is raining. You are driving down a steep, hilly, wet path and suddenly have to stop to avoid crashing into another cart at the next tee box. Sound familiar? The majority of homeowners policies exclude coverage for damage to property in your care, custody and control. However, under the 2000 Edition of the HO-3 Special Form, there might be coverage under Damage to the Property of Others ($1000) under Section II. In fact, most homeowners policies would provide some coverage under this section since the golf cart is designed for recreational use off of public roads. As a prudent insurance customer, you will want to check with your agent to make sure you know what coverage you might have for golf carts.

In closing, whether you are a walker or rider, 3 or 30 handicap, driving range pro or well-dressed, over-equipped golf magazine subscriber, it is just as important to know your personal insurance risks as it is to supinate or pronate.

Always striving to keep it in the short grass … ■

# 2011 Annual Meeting Student Program — 'Ongoing Success'!

by Lamont D. Boyd, CPCU, AIM

**Lamont D. Boyd, CPCU, AIM,** director, insurance scoring solutions, with FICO® (Fair Isaac Corporation), is responsible for client and partnership opportunities that make use of FICO's credit-based insurance scoring and property risk scoring products and services. Speaking regularly to various groups on behalf of FICO for the past 18 years, he is recognized as a leading expert in predictive scoring technology. In addition to coordinating the CPCU Society Annual Meeting Student Program, he is a member of the Underwriting Interest Group Committee and the 2012 Annual Meeting Task Force.

Dozens of notes from chapter and Society leaders, risk management/insurance students and professors, mentors and others involved in our CPCU Society Annual Meeting Student Program for 2011 inspired me to express my own sincere appreciation for all who contributed time, effort and money to make this program another in a series of "ongoing successes"!

Here are just a few of the comments we've received about the 2011 Student Program:

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**Tyler Cockrum,** Missouri State University, expressed appreciation very similar to so many others:

"I would like to begin by saying how grateful I am that I had the opportunity to participate in the Student Program. The Annual Meeting was a very successful trip for me. I had the opportunity to learn about several different career paths (the majority of which I had not even considered). I also was given countless opportunities to meet new people, and network with both students and professionals in the industry. This experience is something that has had a positive impact on me and will greatly help to advance me in my future career."

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**Brigid Tarpey,** University of Southern Maine, shared her thoughts and plans for the future:

"I just wanted to thank you for all you did to make the conference as successful and meaningful to me as you did. I can't imagine all the hard work and organization that goes into setting up something like this, and I want to thank you for making it possible for my fellow classmates and me to have attended such a fantastic conference. We all benefited greatly from attending and enjoyed all the networking we did. I look forward to graduating in the spring, and furthering my education and career in the insurance field."

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**Erika Villavicencio,** University of North Texas, offered insight into her CPCU study plans:

"I just wanted to tell you how much I appreciated your time throughout this whole process and for getting the Student Program to be so successful. It was a great experience for me, and I fully enjoyed my time with the rest of the CPCU members. The whole week there made me excited to start my journey with CPCU and start studying for the exams. I'm hoping to get everything done by 2016!"

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**Le'Yante Williams,** Florida State University, also expressed her appreciation:

"I would really like to thank you for extending the opportunity to attend the CPCU Society Annual Meeting. I had a fantastic time learning about the industry, listening to the fascinating stories of the speakers, and also being able to not only network with professionals, but make some friends along the way. I will definitely relay the awesome experience I had at the meeting to help increase awareness of the outstanding possibilities the meeting had to offer."

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**Steve McElhiney, CPCU, MBA, ARe, AIAF,** 2011–2012 CPCU Society president and chairman, shared his thoughts for the future:

"The pipeline issue is the core strategic challenge faced by the insurance industry and the Society in the next 10 to 15 years as a generation of knowledge workers retire, and new talent needs to be identified, trained and developed to fill these technical roles. This program, going now into its third year, serves as a prototype for success for the industry as bright and eager insurance students from programs based around the country gain an opportunity to be immersed into a vibrant CPCU Society Annual Meeting and Seminars, and network with professionals at all levels and discover various career options. At this point, I cannot imagine an Annual Meeting and Seminars where students are not present as an integral part of the meeting experience for all of us — this program has had this profound of an impact in such a short period."

**Warren L. Farrar, CPCU, CLU, ChFC,** 2011–2012 CPCU Society immediate past president and chairman, offered the following observations:

"I continue to be impressed with the level of excitement and commitment demonstrated by the students attending our annual event. They, too, benefit by gaining insight into our industry, having the opportunity to meet with leaders of the industry and developing new relationships that can enhance their careers as they develop. This is a small, but important, effort at attracting young professionals into our industry — a critical issue for the industry and the CPCU Society."

"A Look into the Future" — our very unique "student-focused" seminar in Las Vegas — was a rousing success, as well. The seminar highlighted the property-casualty insurance industry's need for the "best and brightest" now and in the future, and provided the unique perspective of students working toward risk management/insurance careers. The seminar was specifically designed to help risk management and insurance students understand more fully the variety of paths available to them in the property-casualty insurance industry. Students also gained a clear understanding of the value of the CPCU designation in helping them on their chosen path.

Many thanks to our seminar speakers: **Noelle Codispoti, ARM,** executive director of Gamma Iota Sigma, the international risk management, insurance and actuarial sciences collegiate fraternity; **Dale M. Halon, CPCU, CIC,** vice president of sales, ISO Innovative Analytics; **Connor M. Harrison, CPCU, ARe, AU,** director of custom products, The Institutes; and **James R. Jones, CPCU, ARM, AIC,** executive director of the Katie School of Insurance and Financial Services at Illinois State University.

Our hope is that all students, new designees and industry veterans walked away from this seminar with great ideas and a clear understanding of what is needed to grow our industry through the development of talented individuals. The CPCU Society is uniquely positioned — in large part due to the direction and support provided by chapter and interest group leaders — to offer a bridge between those who are seeking a rewarding future

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*Forty students from some of the country's leading universities and colleges attended the 2011 CPCU Society Annual Meeting and Seminars in Las Vegas. Participating students, in alphabetical order: Alexander Abbott, St. John's University; Scott Adams, Illinois State University; Masmoudath Anjorin, Morgan State University; Matt Baber, University of Southern Maine; Ashleigh Buchanan, University of North Texas; Cheng Cheng, University of Illinois; Tyler Cockrum, Missouri State University; Erin Connell, University of Colorado-Denver; Danielle Corde, Boston College; Walter Filmore, University of North Texas; Brendan Francis, Howard University; Dan Fuld, Illinois State University; Kaitlin Graf, St. John's University; Weijing "Lilia" He, University of Illinois at Urbana-Champaign; Jocelyn Horton, University of Colorado-Denver; James Howe, UNC Charlotte; Jonathon Jaeger, University of Iowa; Christopher Juntura, University of Southern Maine.*

*Jennifer Medeiros, St. John's University; DeAndrai Mullen, Morgan State University; Jin Na, University of North Texas; Jacqueline Negrete, Southern Methodist University; Mason Novess, Olivet College; Christina Oda, University of Illinois; Kwesi Ofori-Atta, Georgia State University; Rachel Patterson, Appalachian State University; Linda Pollock, University of Southern Maine; Mary Rhodes, University of Louisiana at Lafayette; Ashley Rieger, Illinois State University; Benjamin Robbins, Appalachian State University; Sanae Russell, St. John's University; Catherine Sebolt, University of Iowa; Olena Shchukina, Georgia State University; Marcus Somerville, Georgia State University; Brigid Tarpey, University of Southern Maine; Ottonian "Toni" Tate, University of North Texas; Edward Van Strate, Olivet College; Erika Villavicencio, University of North Texas; Le'Yante Williams, Florida State University; and Dahao Zheng, University of Illinois at Urbana-Champaign.*

# 2011 Annual Meeting Student Program — 'Ongoing Success'!

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in the industry and those who are seeking people to contribute to a successful future.

## 2012 Student Program

As a direct result of the efforts of so many of you and your colleagues over the past two years, the Society has given our Student Program an enthusiastic "green light." Our next stop will be in Washington, D.C., for the 2012 Annual Meeting and Seminars.

Being ever mindful of chapter interests, overall expense considerations and very complicated coordination efforts, the 2012 Student Program has been amended slightly:

- The Society will waive Annual Meeting and Seminars registration fees for 24 students. This will allow for greater, focused attention on each student. As in previous years, registrations will be taken in the order of contact with the Society's Member Resource Center. The first 24 qualifying students will receive the waiver. A waiting list will be available in the event of student cancellations.
- Students must be juniors, seniors, or graduate students in risk management, insurance or actuarial sciences programs to qualify for the Student Program. This helps focus our attention on those students who have clearly chosen the insurance industry as their career path.
- All students must be individually recommended by their professor/advisor.
- Each participating university/college will be able to recommend up to two students.
- Qualifying students who do not receive direct chapter sponsorship will receive "out-of-pocket" expense reimbursement based on chapter contributions to the 2012 Student Program.
- A chapter directly sponsoring a qualifying student for 2012 can reserve one spot among the 24 students within the program. This student must be named prior to Aug. 1, 2012, or the spot will be opened to the next student on the waiting list.


At the request of some chapter leaders, there is an option available for students who would not otherwise qualify under the 2012 Student Program guidelines. A chapter can choose to fully sponsor (including payment of full registration fees) a "non-qualifying" student (e.g., business major). This student will be included in all Student Program activities and, if possible, will be "paired" with another student to help mitigate hotel expenses.

A final note: Once again, my sincere appreciation to all who contributed in so many ways to the success of our 2011 Student Program. Since "ongoing success" is fully expected again in 2012, please don't hesitate to contact me (lamontboyd@fico.com) with any thoughts you may have, or assistance you're willing to offer to help us attract bright, young minds to the insurance industry and the CPCU Society! ■

# The Pros & Cons of Pet Insurance

by Robin "Rob" K. Olson, CPCU, CRIS, ARM, AAM, ARP

**Editor's note:** This article first appeared on International Risk Management Institute Inc.'s *Personal Lines Pilot.* To sign up for the no-cost *Pilot,* register at www.irmi.com/newsletters/default.aspx. This article is reprinted with IRMI's permission. 

My 11-year-old Doberman Pincher, Gabby, is struggling with a multitude of health issues common among older dogs, with resulting veterinarian bills. Vet bills, particularly for older animals, can escalate quickly. Although my wife and I do not have pet insurance, we have periodically talked about it. As in many insurance purchasing decisions, the pros and cons of specialty policies such as pet insurance should be weighed.

There are several good reasons to procure pet insurance. First, veterinary costs are rising rapidly, with some studies showing vet bills rising at twice the rate of inflation. For example, major surgeries for cats and dogs often exceed $10,000. Pet insurance can mitigate these high costs. Second, pet insurance can provide peace of mind and help to avoid "economic euthanasia." This term refers to when a pet owner has to put the animal to sleep because he or she cannot afford the surgery.

Third, pet insurance provides more comprehensive coverage than in the past, with a host of options. There are no age limits or breed exclusions with pet insurance, and consumers can choose their limits, deductibles, and coinsurance.

Detractors look at pet insurance, though, and point to financial downsides for this specialty coverage. Some studies show that it is typically not a smart financial decision. That's what *Consumer Reports* recently concluded after it completed an analysis of nine different pet insurance plans. The publication used a typical 10-year-old beagle as an example with the dog having common ailments over the years. With those circumstances, none of the nine health insurance plans would have been financially worthwhile. In fact, the owner would have been in the red $2,500 to $4,300, as compared to simply paying the vet bills out of pocket.

Pet insurance can also be quite confusing, with coverages and prices varying widely. Some cheaper policies provide insurance for accidents but not illnesses and others cover certain diseases such as cancer but not others. All of this variety makes it difficult to comparison shop.

Much of the decision depends on how a person sees his or her pet. If the pet is not viewed as a full-fledged family member and is considered an animal that can be fairly easily replaced with another one, pet insurance is probably not a wise decision. But if the pet owner is emotionally close to the animal and sees it as a loving family member that is nearly irreplaceable, pet insurance may help keep Buddy around as long as possible. ■

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**April 2012**

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