

The Call to National Service

by Dale M. Halon, CPCU, CIC



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We Want You!



Hello fellow Personal Lines Section members. I hope you are well and that the warm days of spring are finding favor with you.

I want to be totally up front with the message of this short article. So, if you don't have the stomach to be recruited for higher things in the CPCU Society, you can save the time and flip to some of the more technical content of this newsletter.

Thank you for continuing to read this blatant call to action. It was somewhere shortly after I joined the Personal Lines Section that I met one of the leaders as well as some Society staff members. For reasons I can not explain today, they convinced me that I would enjoy a role on the committee. This ultimately led to my current role as chairman. While I had

no idea what I was in for, I now have the benefit of hindsight to be able to share what this national service has done for me. My desire is that some of you will be attracted by the benefits I have come to enjoy and also seek them for yourselves.

- Improvement in my leadership skills by fostering a vision and getting others to commit to and carry out the same vision. This skill development of referent leadership is something I use every day, both in my role in sales and with internal people. Since I have no direct control over the people on our committee, I need to find ways to motivate them to perform.
- The CPCU designation behind my name brings visibility to my employer in my everyday work relations. My involvement at the national service level in the CPCU Society shows the commitment of ChoicePoint to the insurance industry. Each time our newsletter goes out, someone visits our web site, I moderate a panel discussion, write an article, or otherwise am seen as a CPCU Society leader, it shows the high degree of professionalism of our organization.

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- You can imagine the different people with whom I have to communicate. Other committee members, leaders of other committees, Society staff and executives, other CPCUs, and the general public all require different communication styles and skills. This variety of communication requirement has made me learn to think about my audience, the method of communication, as well as the best timing and message to be delivered.
- The CPCU Society is an insurance educational organization. As such, I not only assist in delivering education (which in itself is a learning experience), but have the opportunity to continue my insurance education on a technical level. As such, I am able to keep up with trends in the industry and to converse with most levels of insurance practitioners as a result of having this knowledge.
- All CPCUs subscribe to and live an ethical existence. In order to matriculate to the program, all candidates for CPCU must pledge to abide by a strict code of ethics that is unparalleled in the industry. Industry people familiar with the CPCU designation understand that commitment. This translates directly to the trust my customer contacts have in me as a person.
- All working professionals are on stage at every turn. Whether it be in a client meeting or an internal one, presentation skills are critical. Being able to communicate an idea to a large group of people at one time takes practice and preparation. My role in the CPCU Society has allowed me ample opportunities to exercise this skill, which helps me keep confident as well as find new ways to make presentations effective.
- It is not often that we get a chance to plan for a period longer than a few months. Knowing that I was going to be a committee chairman and then being in that leadership role for three years allowed me to think through key objectives and make plans with others as to how to make those plans come true over that term of time. It allowed the fortune of being able to set a vision, share the vision with others, recruit their help, and make the plans come alive.
- Meetings are some of the most unproductive time spent in organizations. Personally, I pride myself and count on my own productivity. Because of this, I am also careful about how I ask others to use their time. As a result of being a meeting facilitator for the last three years, I have added to my skills in this area. Experience has taught me to be sure the right people are in meetings, every attendee knows why he or she is there, there is a clear objective, and follow ups are maintained. It is also the duty of the meeting leader to allow all people a chance to be heard.
- Most importantly, the interactions, victories, and disappointments along side with others on our team have fostered personal relationships I could not have otherwise gained. I'm thankful to have many more friends than I can count—ones that I know that will be close for many years.

So that's my answer to the question, "What's in it for me?" **We need you as a leader for the section committee.** If you would like to have an opportunity to achieve your personal benefits, please fill out and complete the Application for Society Service that can be found at www.cpcusociety.org under "Membership," "Volunteer for Society Service."

Have a safe and wonderful summer. ■

Senior Drivers and Insurance Concerns

by Robin K. Olson, CPCU, ARM, ARP

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As the baby boomer generation enters the senior years, it is critical and essential to find ways to lessen elderly drivers' frequency and severity of automobile accidents. Insurers, too, must find ways to deal with an aging population of drivers because categorically denying coverage to those over 75 is no longer a viable option.

During the next 30 years, the United States will face increasing challenges concerning the burgeoning number of senior drivers. According to the U.S. Department of Transportation, there are 35 million Americans age 65 and older, approximately 13 percent of the population. By 2030, this figure will double to 70 million persons, projected to be 20 percent of the population. This trend is a major concern because drivers age 65 and older experience higher crash death rates per mile driven than all age categories, other than teenagers. In addition, many studies show that these drivers, particularly those age 80 and over, also pose higher risks to other persons on the road and pedestrians.

This issue is a multifaceted one, in which the goal is to provide a safe driving environment for all persons but also to recognize seniors' important need for independence, greatly enhanced by their automobiles. Fortunately, there are many measures society can take to strike the right balance. For example, proper treatment of functional impairments, including visual problems, is a key ingredient. A reexamination of licensing laws for seniors is important in determining methodologies for seniors to keep their driver's licenses as long as safely possible. Improvements in roadway design and safety advances in vehicle design will also assist in reducing senior deaths on the highways.

Reviewing this issue from various angles is essential in developing solutions. This article focuses on some of the statistics surrounding older drivers and automobile accidents as well as recommendations to insurers that insure elderly drivers. For the full-length white paper on this topic, delving in much greater detail into the societal aspects, licensing laws, road/safety advances, and further research, see "Senior Driver Issues: Upcoming Challenges and Solutions."

Older Drivers and Automobile Accidents

Numerous studies have focused on senior driver involvements in automobile accidents. The conclusions are not always consistent, but the statistical datum generally shows a positive link between older drivers and higher fatality rates, primarily due to greater fragility in this age group. Other research has focused on the types of accidents seniors tend to be involved in and the kinds of functional impairments they often face. It is important to recognize, however, that many elderly drivers become aware of their limitations on their own and reduce their driving exposures accordingly. Automobile insurers should keep abreast of the latest analytical data on senior drivers and not categorically deem them unsafe.

According to the National Highway Traffic Safety Administration (NHTSA), drivers 70 years and older account for approximately 9 percent of the U.S. population. However, these older drivers, who drive far less frequently than other age groups, still account for 12 percent of all traffic fatalities, 12 percent of all vehicle occupant fatalities, and 17 percent of all pedestrian fatalities.

The Insurance Institute for Highway Safety (IIHS) published a major study in 2002 concerning senior drivers and automobile accidents. IIHS calculated driver involvement rates for all police-reported accidents by age group, on a per capita, per licensed driver, and per vehicle-mile of travel for 1990 and



1995. The results indicated that driver crash involvement rates decreased with age when comparing younger drivers to middle-aged drivers, but automobile accident and death rates increased at age 70 and beyond.¹

The American Automobile Association (AAA) Foundation for Traffic Safety published a 2004 study conducted by the Texas Transportation Institute at Texas A&M that analyzed all injury accidents in Texas between 1975 and 1999. (This study consisted of a review of four million accident records.) According to the study, drivers age 65 to 74 are nearly twice as likely to die as a result of an injury accident as those ages 55 to 64. For motorists age 75 and older, the proportion increases to 2.5 times. For drivers age 85 and above, the proportion skyrockets to nearly four times.²

Functional Impairments and Accidents

Various studies indicate that senior drivers tend to become involved in certain types of automobile accidents. For example, because older people lose

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some of their functional capabilities, intersection-related crashes are relatively more frequent for this age group. In particular, left turns appear problematic for seniors. Research also indicates more difficulties for senior drivers when entering and exiting freeways. Also, as people age, their bodies become increasingly fragile and more subject to serious injury or death in automobile accidents. Senior drivers tend to experience more functional impairments—visual, cognitive, and physical—as compared to other age groups.

The National Highway Traffic Safety Administration has noted that senior drivers with cognitive impairments, such as poor visual attention, memory, and reasoning, are at least twice as likely to be involved in a crash as compared to drivers without these types of impairments.³ Various tests have been used to study accident proneness in drivers suffering from the early and middle stages of Alzheimer's disease. Virtually all experts concur that driving is dangerous and unwarranted in persons with moderate to severe cases of Alzheimer's. There is a lack of consensus, however, concerning whether persons in the early stages of this disease should drive.

Poor physical abilities are another functional impairment some senior drivers experience. Several facets of motor skills for driving include strength; gross and fine coordination; range of motion of the head, neck, arms, and legs; and balance. One study found that range of motion is particularly important in avoiding auto accidents.⁴

Senior Driver Awareness and Adaptation

Most studies indicate that seniors tend to drive less as they age. An Ontario study emphasized that not only is exposure reduced overall, but high-risk exposure is reduced even more.⁵ Some senior drivers, particularly those with acute visual problems, make the strategic decision to stop driving. Others will successfully self-regulate their driving, by driving only during the day, only during non-rush hour times, and only on familiar streets while avoiding freeways.

Some surveys, however, indicate that older drivers are not always cognizant of a reduction in their visual, cognitive, and physical abilities. For instance, many do not link their visual problems with an increased chance of accidents. There are numerous treatments available to reduce visual, cognitive, and physical

impairments of elderly drivers. However, elderly drivers often fail to recognize their declining vision, since symptoms can develop slowly. For example, senior drivers with cataracts, a slowly evolving disease common to this age group, experience a restriction in their driving mobility and an increased chance for accidents, especially at night. However, chronic eye conditions such as cataracts and refractive error can normally be remedied through surgery and corrective glasses or contacts.

Elderly Driver Licensing Laws

Although state Departments of Motor Vehicles (DMVs) have increased graduated driving privileges for younger drivers, less action has occurred concerning older drivers. Typically, measuring visual acuity is the most common test state DMVs use to monitor senior driver abilities. However, tougher renewal restrictions for older drivers, often called de-licensing laws, are gaining momentum in some states. Some of the areas the states are focusing on for elderly drivers include the following:

- in-person renewal only
- shortened renewal length periods
- mandatory vision testing
- field driver testing
- simulating driving tests
- increased physician and medical advisory board involvement

Recommendations for Insuring Elderly Drivers

Personal automobile insurers need to regularly review the latest research on elderly drivers and automobile accidents. This relationship is complex and insurers would be remiss by assuming that elderly drivers, as a whole, are inherently dangerous and should pay much higher automobile insurance rates. This situation was often the case in the 1970s and 1980s when many insurers even refused to insure new automobile insurance applicants over age 75 or 80.



With elderly drivers often reducing their driving exposures voluntarily, the pure number of accidents, as the evidence suggests, are fewer than many other age groups. Insurers should look at rating plans that would decrease premiums for seniors who drive a very small number of miles (e.g., 2,000) per year. In addition, since seniors are less likely to speed, their chances of seriously injuring other parties are less, as compared to young operators. Individualized underwriting approaches to senior drivers, such as looking closely at prior accidents and violations and annual driving distances is the wise and fair approach for insurers to take.

Conclusion

Seniors need to maintain their independence, especially regarding their driving, as long as they can safely do so. When the elderly lose their driving privileges and their mobility, they often experience increased isolation, resulting in higher incidents of depression and other health problems. Thus, with the baby boomer generation approaching their senior years, this issue becomes even more critical and it becomes essential to find ways to lessen elderly drivers' frequency and severity of automobile accidents.

This effort should be pursued now, attacking this complex issue from a variety of angles. Proactively addressing this challenge in the near future and not in 30 years will result in great strides toward resolving one of the most important transportation and safety issues the United States will face in the coming decades. ■

Endnotes

1. S. Lyman, et al., "Older Driver Involvements in Police Reported Crashes and Fatal Crashes: Trends and Projections," *Injury Prevention* 8 (2002):116-120.
2. AAA Foundation for Traffic Safety, *Older Driver Involvement in Injury Crashes in Texas* (Washington, D.C.: 2004):8.
3. National Highway Traffic Safety Administration, "Older Drivers Have Some Problems Negotiating Intersections," *Technology Transfer Series*, No.197 (April 1999):1.
4. Cynthia Owsley, "Driver Capabilities," *Conference Proceedings 27, Transportation in an Aging Society*, November 1999 (Transportation Research Board, Washington, D.C., 2004):48.
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Responses to Coverage Questions Posed by Readers

In our last issue we posed two coverage questions that were sent to us by *Personally Speaking* readers. Thanks to those of you who took the time to respond.

Let's hear what you have to say...

Question #1 concerned personal lines coverage and events such as the Richard Petty Driving Experience where individuals actually drive 11 laps on the race track. In brief, the question was: **“Does an individual have any coverage in case he or she wrecks the car during such an event?”**

We had two responses:

1. The ISO personal auto policy precludes liability coverage for the ownership, maintenance, or use of any vehicle “located inside a facility designed for racing,” for the purpose of competing in or practicing or preparing for any prearranged or organized speed contest.” So, in the case of driving inside the Richard Petty Experience, the exclusion does not match the description of what actually occurs, so there would be liability coverage. The insured would have to make sure he or she had physical damage coverage on his or her personal auto policy to pick up damage to the race car.

Diane W. Richardson, CPCU
Associate Editor, FC&S *Bulletins*,
The National Underwriting Co.

2. Under the ISO PAP (98 Version), I would argue that there would be coverage under the physical damage section on an excess basis, subject to the collision deductible. (If insured had no collision coverage under the PAP, there would be no coverage.) The vehicle would fall under the category of a “non-owned auto” as defined under the physical damage section. Non-owned autos include “any private passenger auto, pickup, van, or ‘trailer’ not owned by or furnished or available for the regular use of you or any family member while

in the custody of or being operated by you or any family member.”

The physical damage racing exclusion pertains to a loss to a covered auto or non-owned auto located inside a facility for racing for the purpose of:

- a. competing in; or
- b. practicing or preparing for any prearranged or organized racing or speed contest. This coverage situation is a little ambiguous because the event does occur at a racing facility, but it is not racing; thus, due to the contract of adhesion, the ambiguity should be ruled in favor of coverage.

Liability coverage would also apply in this scenario for the same reasons; coverage would apply on an excess basis since this is a non-owned vehicle.

Rob Olson, CPCU, ARM, AAM, ARP, CRIS
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Question #2 concerned a policyholder who stored some personal contents items at his place of business and there was a subsequent break-in and theft. The question was: **“How should coverage be secured for this kind of scenario? Have there been any interpretations or case law that would call for a different and ‘covered’ outcome?”**

We had two answers to this question also.

1. In both the AAIS and ISO homeowners forms, as well as a few forms that deviate, the preclusion of coverage for personal property away from the premises is for property “usually located at an insured’s residence” other than the residence premises. Is it possible the exclusion is not being read correctly?

Diane W. Richardson, CPCU
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The National Underwriting Co.

2. The situation presented was an individual who stored some personal contents items at his place of

business. The items were stolen. The article states that his homeowners policy will not provide coverage, “. . . because the policy excludes personal items at a location that the insured owns or rents, unless the insured is ‘temporarily residing’ there.”

That's not exactly what the standard ISO HO-3 (10/2000 edition date) says. Below is the policy wording:

This peril does not include loss caused by theft:

- (4) That occurs off the “residence premises” of:
- (c) Property while at any other residence owned by, rented to, or occupied by an “insured,” except while an “insured” is temporarily living there. Property of an “insured” who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

Note that the limitation for theft coverage applies only if the property is at a residence that is owned, rented, or occupied by an insured. Since an office is not a residence the exclusion does not apply, thus the homeowners policy provides 100 percent of the Coverage C limit for personal property kept at the office, assuming of course that the personal property is not used primarily for business purposes.

David Thompson, CPCU, AAI, API
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Again, thanks to our readers for sending in these questions and to Rob Olsen, Diane Richardson, and David Thompson for providing our answers! What questions do you have that our readers can answer? Please let me hear from you. ■

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An Industry Under Siege

by Damian V. Sepanik, J.D., CPCU



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Is more federal oversight of the financial dealings of the insurance industry inevitable? Is the industry just a convenient political target or an industry crying out for regulatory overhaul? The issues that shape this debate are not necessarily new, but have been brought out under a new light in the wake of the headline-grabbing allegations of "corrupt practices in the insurance industry" (*The Wall Street Journal*, October 20, 2004).

Is federal regulation really that novel a concept? As a result of the McCarran-Ferguson Act, insurance is regulated by the individual states. Right? It's not so clear any more. And to what extent it remains under state purview is even a bigger question.

The federal government has encroached more and more into areas that traditionally have been strictly the state regulator's domain. For example, at the

very end of the Clinton administration, there was a fierce battle to allow OSHA to force ergonomic standards on employers and to force insurers to pay benefits that were in conflict with state workers compensation laws. That effort was defeated soon after the Bush administration settled in, but it did not go away quietly and could return.

The Gramm-Leach-Bliley Act blurred the line between what insurance is and is not, and which activities would continue to be within the purview of state insurance regulators versus federal bank regulators.

The little-known Federal Crime Act prohibits insurers from doing business with or employing anyone convicted of a felony related to fidelity (basically lying, cheating, and stealing).

The Terrorism Risk Insurance Act (TRIA) provided a sort of reinsurance safety net to preserve the insurance and reinsurance markets in the aftermath of September 11.

Similarly, Congress has been wrestling with finding a way to finance the out-of-control and ever-growing payments made to those exposed to asbestos. Asbestos claims have already forced the demise of a host of household-name corporations. The burden on their insurers continues to be a tremendous strain, already forcing a number of them into receivership and will likely take more down unless reform is implemented.

Congress has recently circulated a draft of the State Modernization and Regulatory Transparency (SMART) Act, 300-plus pages of the federal view of the coordination of insurance regulation.

One federal law in particular that I believe has had and will continue to have a profound impact on the insurance industry is the Sarbanes-Oxley Act of 2002. Now, Sarbanes-Oxley is not insurance legislation. It was a reaction to several high-profile corporate collapses at the beginning of the new century—Enron, WorldCom, and Tyco to name a few. Fraud was rampant in

these organizations, and it was clear that existing law did not protect shareholders sufficiently. "Results management" was a widespread and basically accepted corporate practice.

In a nutshell, Sarbanes-Oxley requires more transparency and real-time reporting of important corporate events. It also imposes a number of common-sense ethical requirements on publicly traded companies.

Let me briefly go through the highlights of the law:

- Intent: Restore investors' faith in the investment markets. Impose ethical constraints.
- Requires CEO/CFO certifications of financial statements.
- Bans certain loans to officers and directors.
- Requires the forfeiture of bonus and profits in event of restatements caused by misconduct.
- Requires the disclosure of any material correcting adjustments.
- Requires the rapid reporting of insider trades and material changes in financial condition.
- Requires the disclosure of off-balance sheet transactions (financing that does not add debt on the balance sheet and thus does not affect borrowing capacity as determined by financial ratios, i.e. operating lease rather than capital lease).
- Requires the disclosure of audit committee financial expert.
- Requires the disclosure of whether a code of ethics for senior financial officers has been established.
- Makes violations felonies.

Okay. So what is the impact on insurers? And why should I care if my company is closely held or is a mutual? In a nutshell, public perception and the dynamics between state and federal regulation

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An Industry Under Siege

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will demand that you care. Whether it technically applies to a business or not, Sarbanes-Oxley has become the de facto standard to which business practices are measured.

To the public, the insurance industry is often viewed with confusion and skepticism. For starters, the way insurance companies keep their books is different than other businesses. First of all, they are legally required to keep at least two sets of books, one utilizing statutory accounting, and the other utilizing GAAP accounting. This may make sense to insurance regulators, but not necessarily to the public.

Second, insurance companies are prone to basing many of the most important numbers in their financial statements on educated guesses. As my friends who are actuaries have advised me, the setting of reserves is an art, not a science.

What is not unique to insurers is the constant pressure to perform at expected levels. If you work for a publicly traded company and your CEO is paid based on success measured by market value, you can bet that every quarter, there is extreme pressure to have the numbers come in at a predictable level. Any adverse surprise not only impacts the stock price of the company but also the financial rating. A negative financial rating hit means more operating expense in running the company, putting even more pressure on meeting expected results. As if this wasn't enough pressure, looking over the other shoulder of the CEO are the rating agencies. These are the guys with the real power. An adverse rating change can and has put companies under.

So how could this work in real life? Let's say a hypothetical company has very significant negative reserve adjustment that is becoming more and more obvious. The CEO knows the company has to take the hit at some point. Then lo and behold, four hurricanes hit Florida in the same month. Lots of claims—the quarter is shot anyway—the market is expecting losses—why not take the asbestos reserve

hit now as well? As a matter of fact, our physician book needs some help; let's throw that in too. Is there anything illegal with this? Maybe—maybe not. Is it common? Yes. It's so common that it has names like bathtub and kitchen-sink reserving. Collectively, it's called results management. Does it impact the ability of an investor or insurance consumer from making a good decision about the company? You bet it does. (For an interesting discussion of these issues, see the February 7, 2002, Morgan Stanley Equity Research report entitled "Bonfire of the Beancounters.")

Another reason that you should care about this even if you are not a publicly traded company is that the NAIC is currently working to incorporate Sarbanes-Oxley-like standards into state insurance regulation. The current version of the NAIC model would require all but the smallest mutual and privately owned companies to comply with strict disclosure and control requirements. Anyone familiar with the NAIC reaction to the Gramm-Leach-Bliley financial privacy requirements will expect the NAIC rules to be even more encompassing than Sarbanes-Oxley.

Add to this mix the recent headlines of allegations of contingent commission improprieties and bid rigging, and you have an interesting political dynamic that can only bring more attention to accounting issues unique to the insurance industry. For example, in the wake of these headlines came a number of statements from insurers and others regarding the use of certain insurance products used to "burnish results." This movement from criticizing insurance company accounting practices to questioning the use of certain insurance products to manage the results of companies that purchase these products could have a profound and wide-ranging impact on the insurance industry for years to come. *The Wall Street Journal* reported on November 17, 2004:

New York Attorney General Eliot Spitzer told federal lawmakers that Congress needs to look into the insurance industry's 'Pandora's box' of problems, saying that lack of federal oversight and disclosure has padded consumers' insurance costs.

Since financial regulation is currently within the purview of individual state insurance regulators, criticism of lapses in this regulatory oversight has already ignited calls for the federal regulation of insurance company financial matters. A recent article in *The Wall Street Journal* said that one of the "scandal repercussions" is that the "wide probe spotlights a sometimes feckless regulatory apparatus" (*The Wall Street Journal*, October 18, 2004).

Ironically, it may not only be the state or federal government that slows this activity down; it may also be market forces. Berkshire Hathaway, for example, has in the past publicly criticized many of these financial practices and has stated that it will not delay posting reserves and that results will accurately portray the point-in-time financial condition of the company. The company is, in fact, using financial transparency as a marketing advantage. Such peer pressure may make companies that continue the practice of results management to stand out against their competitors.

What the industry and the way it is regulated looks like after all of the dust settles is the subject of spirited debate. When I entered the industry 18 years ago, a more experienced colleague told me "these are interesting times to be in the insurance industry." I cannot recall a time since then that has not been interesting, but the pressures today are quite remarkable. Throughout these times, it has been critical that, as CPCUs, we help educate the public about our industry. For my part, that is exactly what I hope to do. ■



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For more information and to register, visit www.cpcusociety.org.

Getting to “Yes”

Attend the 2005 CPCU Society Annual Meeting and Seminars in Atlanta

by Kathleen J. Robison, CPCU, CPIW



Kathleen J. Robison, CPCU, CPIW, has more than 30 years of experience with leading claims organizations, and possesses a wide range of commercial and personal insurance coverage knowledge and applicability. K. Robi & Associates, LLC, which she founded in 2004, provides customized consultant services in the property and casualty insurance fields, including expert witness testimony, litigation management, claims and underwriting best practices reviews/audits, coverage analysis, and interim claims management. Robison previously served as vice president, claims and operations at DaimlerChrysler Insurance Company, where she was responsible for claims and litigation management throughout the United States and Canada; and whom she led to ISO 9001 certification. Robison has served on national insurance boards and associations, including the CPCU Society, the former NAIW (now PCIA); NICB; and ISO. She earned a B.A. from Western College; studied at the graduate level at the University of Illinois and Miami University; and completed numerous executive courses at Wharton Business School, the CPCU Society's National Leadership Institute, and elsewhere. Robison is a former NAIW "Claims Woman of the Year." She can be reached at (423) 884-3226 or (423) 404-3538; or at info@krobiconsole.com.

So you want to attend the CPCU Society's Annual Meeting and Seminars this year in Atlanta. You last attended when you received your designation. You enjoyed the educational sessions, the many interesting insurance professionals whom you met, and came away feeling you had learned a lot formally and informally. You are now reviewing the agenda and think, "Gosh, there is a lot of good stuff here. What I could learn, I could bring back and use right away in my current position. But the Annual Meeting is for new designees. Those are the only people going from around here."

Please think again. Our Annual Meeting and Seminars is our premier educational showcase. All CPCUs are invited and encouraged to attend. With more than 45 sessions available, one is guaranteed to find more than enough sessions to meet individual needs and desires than there are hours in the day. In fact, you might find yourself trying to select between two or three at one time.

So now all you have to do is to get your manager to agree that attending the CPCU Society's Annual Meeting and Seminars would benefit the company. Here are some suggestions that have worked well for other CPCUs.

It Meets My Goals for This Year

Does your company have you establish your performance goals each year? Is one of your goals continuing professional development/training? Should one of your goals for next year be continuing professional development/training? If it is, then you have found a perfect sales tool. The Annual Meeting sessions abound with technical training and leadership development.

It Assists in Next Level Development

In discussions with your boss, has he or she mentioned skills that you should enhance and/or acquire for your current position or moving to the next level? If so, review the Annual Meeting agenda

and show your boss the many sessions that will get you the specific training needed. If you have not had this type of discussion, initiate it with the Annual Meeting agenda in hand.

I Will Get the CE Credits I Need to Do My Job

Does your position require licenses resulting in continuing education credits? At the Annual Meeting and Seminars some attendees can accumulate up to 24 CE credits.

I Will Gain the Needed Knowledge for Our New Business Opportunities

Is your company considering new business endeavors, opportunities for growth in which you might be involved? If so, check the Annual Meeting agenda. You just might find sessions that cover the same areas. You can then demonstrate that your attendance at the Annual Meeting will enhance your knowledge, allow you to gain greater insights, and make key contacts that will enhance the company's future success.

I Will Contribute to the Company's Overall Efficiency through My CPCU Networking

Many of us in our business lives are facing the same issues—benchmarking, regulations, Sarbanes-Oxley, process management, knowledge management, etc. Meeting others who have faced similar issues is very beneficial. When you have the opportunity to utilize your network on a company project there are many savings. One type of savings may be time. The knowledge gained via the network may save the committee two hours of research. Thus "a" committee members x average wage costs x 2 hours = "b" amount of savings.



I Can Assist with Training and Knowledge Management

This is a constant endeavor. You can offer to bring back specific knowledge and share it within the organization. This could be accomplished through a written report, writing an article for circulation, and/or doing training sessions for your peers.

However, you say, while these are all good points it still comes down to the costs—*the dreaded budget question*. And you are correct. But most budgets contain some dollars for training.

To help your manager maximize the training budgets, you might offer any or a combination of the following:

- Reduce the cost of the airfare by using your frequent flyer miles.
- Reduce the hotel cost by staying at an offsite hotel within walking distance of the conference. Make sure that the offsite hotel you select is in an area where it is safe to walk at all hours. Share the hotel cost with a roommate. Perhaps you have friends or relatives who live in the same city as the Annual Meeting whom have been asking you when you are going to come out and see them. Now could be the opportune time.
- Forego the rental car and use the less expensive mode called public transportation.

- Offer to pay your own expenses (using the above tips) provided the company will pay for the Annual Meeting and Seminars registration fee.
- Offer to pay your own expenses and the Annual Meeting and Seminars registration fee provided the time you spend at the meeting is not counted as vacation.

Dollar for dollar the CPCU Society's Annual Meeting and Seminars is the best insurance educational, networking, and communication event you can attend. The return on investment is high for both yourself and your company. ■

Visit www.cpcusociety.org for complete Annual Meeting details and registration information.

See you in Atlanta!



Photo courtesy of Kevin C. Rose/AtlantaPhotos.com

Circle of Excellence Achievements

by Robin K. Olson, CPCU, ARM, ARP

Greetings. As you know, the CPCU Society's section 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, our section was awarded the Gold recognition, an accomplishment we would like to duplicate this year as well. We are now actively gathering accomplishments since June 2004 from our members, particularly committee members. The submission needs to be made by June 30. Thanks in advance to all of you who have submitted information already. 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 booth
- staff I-Day booths at chapter meetings

In short, what have we done to promote and elevate the CPCU designation, the CPCU Society organization, insurance education, and our Personal Lines Section? Please e-mail your activities including dates, locations, and details to Rob.O@IRMI.com as soon as possible. I need as many details as possible so I can adequately explain our accomplishments. I can also be reached at (800) 827-4242, ext. 396. This way, I can compile our accomplishments as soon as possible. Thanks so much; your help and involvement are appreciated. ■

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