

### Message From the Chair

by Ann E. Lyon, CPCU, CRM, CIC, ARP, AMIM



Ann E. Lyon, CPCU, CRM, CIC, ARP, AMIM, is senior vice president and chief underwriting officer for Builders Insurance Services, part of Insco Dico Group, located in Lake Oswego, Oregon. She earned the CPCU designation in 1985 and subsequently earned the Certified Risk Manager, Certified Insurance Counselor, Associate in Research and Planning, and Associate in Marine Insurance Management designations. With forty-three years in the insurance industry, Lyon has held various underwriting and marketing positions with several national carriers. She is a member of the CPCU Society's Underwriting Interest Group Committee and is also active in the Oregon Chapter.

Planning is well under way for the 2013 CPCU Society Annual Meeting and Seminars, to be held in New Orleans October 26 through 29. The Underwriting Interest Group is partnering with some of the other interest groups to create two seminars and other events for participants. We are all working hard to make this a world-class event that provides high-level educational opportunities mixed in with some fun.

If you are receiving this newsletter, you are likely a member of the Underwriting Interest Group, or perhaps a member of one of the other thirteen interest groups. As an interest group member, some of the benefits you receive, in addition to the newsletters, are invitations to various symposia, seminars, and webinars, which deliver targeted education in specialized technical areas and leadership development; access to individual website and social media pages and their accompanying online resources, conversations, and collaborations; and networking opportunities, which offer exposure to wide-ranging industry knowledge and in-depth expertise.

You may be interested in expanding these benefits by choosing to join the Underwriting Interest Group Committee. The committee meets twice a year: first at the CPCU Society Annual Meeting and Seminars, and again mid-year at the CPCU Leadership Summit—although attending in person is not mandatory. Much of our work throughout the year is done by conference calls and email. We produce the newsletter, maintain a website and social media sites, create seminars and webinars, work with universities and students studying insurance and risk management, explore research opportunities, and engage in many other rewarding activities. If you are interested in becoming an interest group Committee member, please contact me at [ann.lyon@insurancebis.com](mailto:ann.lyon@insurancebis.com) or go to the CPCU Society website, [www.cpcusociety.org](http://www.cpcusociety.org), and click on "Join an interest group." volunteer for CPCU Society Service on the members tab. ■

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# Productive Relationships With Your Underwriters

## Work together to increase successful submissions

by Gregory J. Massey, MBA, MS, CIC, CRM, CPCU, ARM, CLCS, PMP



Gregory J. Massey is senior vice president and head of technical underwriting for Zurich North America. He is based in New York, N.Y. Massey is involved in the industry: CISR Board of Governors with The National Alliance, National Committee member for the CPCU Society, editor of the Underwriting Interest Group newsletter for the CPCU Society, past panel member for ISO GL and Emerging Issues, past president of three CPCU chapters, CPCU textbook reviewer, and academic advisory council.

What do underwriters look for when they choose a professional, independent insurance agents or brokers' submission? You, the agent or broker, play an integral role to increase your success rate to land the account by working closely with underwriters to ensure that quoting exercises are productive. The professional representation of your insured can be the difference between winning an account or having your competitor succeed.

Aside from professional responsibilities and agency errors-and-omissions motivations, your (and your insured's) time is valuable. Your goal to get the best insurance program for your customer can have competing demands at times.

### Pressed for time

From the underwriter's perspective, there is more pressure today to manage key performance indicators (e.g., submission quote metrics, including hit ratio and bind-to-quote ratio). Underwriters, like agents and brokers, have taken on more responsibilities, and at the same time, they have better ways to measure their accountability. As such, underwriters, and agents and brokers must prioritize their time. If an agent has a history of low-hit ratio with the underwriter, investing in a predictable losing proposition probably is not the best use of time for either the underwriter or the agent.

Besides lack of prior success on quotes/hit ratio, other declination reasons include: carrier appetite mismatch, lack of relevant information and a misunderstanding of the customer's operation by the underwriter. If a carrier has a supplemental application, it is a best practice to use it.

As you consider a submission, some questions that should be at the forefront of your mind are: Does your submission tell a fact-based story and description of the customer's operation? What are you, the insurance producer (and customer), looking to accomplish with a new carrier? Is the submission adequately transparent?

### Understand the carrier's approach

Another key factor is understanding the carrier's approach to using loss control in the account pre-qualification process and provide adequate time for the underwriter to schedule desired on-site management assessments and/or property inspections. Lastly, misrepresentation, unintentional or otherwise, of the customers' operation and how they approach and manage risk can result in the customer paying too much or too little, possibly resulting in contentious premium audits adjustments.

From the agent's perspective, you should hold the carrier accountable to your own set of metrics. If a carrier's hit ratio is low, what's the driver of the low quotes/hit ratios? Is there a business segment that stands out where the carrier performs better for you? How do these "accountability" discussions go and how frequently are they held? From your perspective, be as transparent as possible when discussing possible solutions. Let's face it—bad news doesn't get better with age. Sooner rather than later is the best time to have these transparent accountability discussions with your carrier partners. Your time is valuable and you have to manage several companies and the appetites they each offer; while your underwriter only has one appetite with which to be concerned.

### Carrier's expectations

Risk size and complexity should dictate the degree of submission information carriers require or expect from agents and brokers. In the interest of efficiency and maximizing results, it is important to find the correct balance in meeting carrier requirements to avoid either over or under investing in a submission.

Use your professional insight to help the underwriter find the "right price" and establish terms and conditions for certain categories for your customer by offering this additional information with your submissions:

## Auto

- Driver profile
- New hire screening and selection standards
- Ongoing controls (e.g., fleet safety management policies and programs)
- Loss analysis insight and explanation
- Hired-nonowned auto exposure
- General use of vehicles, including secondary use of vehicles, family/spousal use
- Controls to prevent distracted driving

## General liability

- Address website “red flags”
- Explain unusual exposures
- Provide a detailed overview of company operations (explain the process), product end use/past products
- If premises-driven talk about the controls; loss analysis insight
- Elaborate on named and additional insureds and contractor risk transfer methods

## Workers’ compensation

### *Employee profile (exempt/nonexempt)*

- Wage analysis—meaning higher wages carry better risk
- Employee and management quality potential
- Loss analysis and experience mod insight and any changes in operations or safety initiatives that support a fact-based story that the exposure will be better moving forward (No one wants to underwrite on the hopeful promise that things will get better.)
- Return-to-work (not just having a program, demonstrate that it has been used and resulted in lower claim costs)
- Other items (e.g., health benefits or wellness program, extent of safety meetings and degree of training)

## Property

- Spread-sheeting COPE, ITV and coverages helps the underwriter evaluate the risk
- Other key factors to include are: rental income from tenants, years electrical, plumbing and roofing upgrades were made, as well as key capital equipment expenditures, including plant modernization and factory technology automation systems
- Ensuring building and content valuations and replacement costs are current is vitally important. Providing current photographs can help in the risk-evaluation process, particularly if the carrier’s loss control resources are strained.

## A two-way street

One may say that it is the underwriter’s job to gather the information. The fact of the matter is the agent or broker is responsible for this

and it’s the underwriter’s job to partner in writing the risk. An underwriter needs to size up the best opportunities—so, the better submissions help the underwriter accomplish this goal.

At the end of the day, it’s a two-way relationship in the road to success. If either party lacks the sales enthusiasm and effort to land an account, the relationship won’t work. If either party doesn’t spend the effort because “the juice ain’t worth the squeeze,” it’s time to have a discussion and gain alignment or find a new partner. ■

# Save the Date

## CPCU Society 2013 Leadership Summit

April 25–27, 2013  
Pointe Hilton Squaw Peak | Phoenix, Arizona



# Auto or Mobile Equipment Decision Tree

by Arthur L. Flitner, CPCU, ARM, AIC, and Carl R. Sadler, CPCU, ASLI



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Carl R. Sadler, CPCU, ASLI, is president of Transportation Insurance Consultants LLC ([www.TIC-LLC.com](http://www.TIC-LLC.com)), where he offers consulting, expert witness, and training services, mostly involving truck and commercial auto insurance. During his thirty-nine-year insurance career, Sadler has been an underwriting officer at four separate property-casualty insurance groups and also has extensive truck/commercial auto insurance general agency and surplus lines experience. He can be reached at (610) 783-6644 or [csadler@tic-llc.com](mailto:csadler@tic-llc.com).

Correctly classifying a vehicle as an auto or mobile equipment can be essential to arranging commercial auto coverage, underwriting and rating commercial auto coverage, and determining whether a claim is covered by a commercial general liability (CGL) policy or a commercial auto policy. Errors in classifying a vehicle as an auto or mobile equipment can have bad consequences for the insured, the insurer, the producer, or the claim adjuster.

To help insurance and risk management professionals avoid making such errors, this article introduces a decision tree for correctly classifying vehicles as autos or mobile equipment according to the definitions of those terms found in these forms developed by Insurance Services Office, Inc. (ISO): the 2004 and later editions of the Commercial General Liability Coverage Form and the 2006 and later editions of the Business Auto Coverage Form and Motor Carrier Coverage Form.

Applying the auto and mobile equipment definitions has long been a potentially difficult task, but the task became even more challenging in 2004, when ISO revised the definitions to say that a land vehicle subject to a motor vehicle insurance law in the state where the vehicle is licensed or principally garaged is an auto and not mobile equipment, even if it would otherwise meet the mobile equipment definition. Accordingly, insurance and risk management professionals will benefit from a structured approach for applying the revised definitions correctly and consistently.

The Auto or Mobile Equipment Decision Tree, which appears in the exhibit, shows the decisions that the user must make to classify any vehicle as an auto or mobile equipment, or as neither of those things. To make these decisions, however, the user must understand and apply key words and provisions contained in the definitions. For example, is the vehicle a land vehicle, and is the vehicle subject to a motor vehicle insurance law where it is licensed or principally garaged? Accordingly, this article offers commentary to help the user make each required decision. The authors'

goal is to make the commentary useful while keeping it concise. Therefore, the article is not a guide to applying the auto and mobile equipment definitions to gray-area situations. In some cases, extra research or legal services will be needed to apply the decision tree correctly.

In addition, the article does not address the coverage interpretation issues that arise after the status of a vehicle has been determined to be an auto or mobile equipment. For example, the article does not address interpretation of whether a particular vehicle that has been determined to be an auto qualifies as a covered auto under a commercial auto policy, or whether the Aircraft, Auto or Watercraft exclusion in a CGL policy applies to a particular vehicle that has been determined to be an auto. The article's purpose is limited to providing a framework for deciding whether a particular vehicle is an auto or mobile equipment.

## Decision 1: Is It a Land Vehicle?

Both the auto definition and the mobile equipment definition require that the vehicle be a land vehicle at the very least. The ISO coverage forms do not define vehicle or land vehicle, so interpretation of the phrase should conform to common dictionary definitions. Dictionaries generally do not define land vehicle, but a common dictionary definition of vehicle is "a means of transporting or carrying something" (*Merriam-Webster's Collegiate Dictionary*, 11th ed.). By extension, a land vehicle is a vehicle capable of transporting or carrying something on land, as opposed to on or under water or through the air or outer space. Consequently, the land vehicle requirement would seem to exclude watercraft and aircraft from being either autos or mobile equipment. Whether an amphibious vehicle qualifies as a land vehicle is the type of gray-area question that this article does not try to resolve.

If the outcome of Decision 1 is NO, the vehicle under consideration is neither an auto nor mobile equipment. If the outcome of Decision 1 is YES, go to Decision 2.



## Decision 2: Is the Vehicle Subject to a Motor Vehicle Insurance Law?

The question shown for Decision 2 in the decision tree is a shortened version of the actual question that must be asked: Is the vehicle subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or other jurisdiction where it is licensed or principally garaged?

In addition to compulsory liability insurance laws and auto financial responsibility laws, the other types of motor vehicle insurance laws include laws requiring the purchase of auto no-fault insurance (personal injury protection) or uninsured/underinsured motorists insurance. In addition, motor vehicle registration laws often determine whether a particular vehicle is subject to a financial responsibility law or another type of motor vehicle insurance law. The relevant motor vehicle insurance laws are those of the state in which the vehicle is licensed or principally garaged—not those of the state in which the vehicle is being operated at any given time.

A motor vehicle that is designed for travel on public roads and also subject to motor vehicle registration is almost always subject to one or more motor vehicle insurance laws in the state in which it is licensed. Answering the question for Decision 2 correctly is more difficult when considering types of vehicles that appear to be mobile equipment instead of autos.

For example, construction equipment, farm implements, snowmobiles, and all-terrain vehicles might be assumed to be exempt from motor vehicle insurance laws because they are designed primarily for use off of public roads. However, depending on the wording of a state's motor vehicle insurance laws, any of these types of vehicles could, depending on the circumstances, be subject to a motor vehicle insurance law in that state. Therefore, one should never assume that a vehicle is not subject to a motor vehicle insurance law. Referring to the applicable motor vehicle insurance laws and correctly applying them to each vehicle in question is required.

Motor vehicle insurance laws can vary substantially by state, and there can also be inconsistencies between a state's own motor vehicle laws that complicate their application. Therefore, deciding whether a particular vehicle is subject to a motor vehicle insurance law in a state often requires expert knowledge of the motor vehicle insurance laws in that state.

Insurance agents and brokers, in general, should avoid making Decision 2 for their customers—particularly before answering NO, which suggests that the vehicle is automatically covered as mobile equipment under the insured's CGL policy and therefore that commercial auto coverage is not needed. Producers who answer this question incorrectly could ultimately face errors and omissions liability claims made by their customers. An alternative course of action for a producer is to ask the insured to provide the answer to this question and to suggest that the insured obtain legal advice as needed to make the correct determination.<sup>1</sup>

If the outcome of Decision 2 is YES, the vehicle is an auto and should be insured as such with the appropriate covered auto symbol(s) shown in the insured's commercial auto coverage form. If the outcome of Decision 2 is NO, go to Decision 3.

## Decision 3: Does the Vehicle Meet Provision f. (1), (2), or (3) of the Mobile Equipment Definition?

In the mobile equipment definition, paragraph f. describes a category of vehicles that qualify as mobile equipment, but it contains this exception, quoted from the coverage form:

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.<sup>2</sup>

Any land vehicle that is subject to a motor vehicle insurance law will already have been recognized as an auto by Decision 2. Therefore, the purpose of Decision 3 is to properly classify as an auto any vehicle of a type described in f. (1), (2), or (3) that is not subject to a motor vehicle insurance law in the state where it is licensed or principally garaged. In reality, almost any vehicle described in provision f. (1), (2), or (3) will meet the auto definition regardless of provision f. (1), (2), or (3). However, Decision 3 is a necessary step to rule out the possibility, however slight, of a vehicle being misclassified.

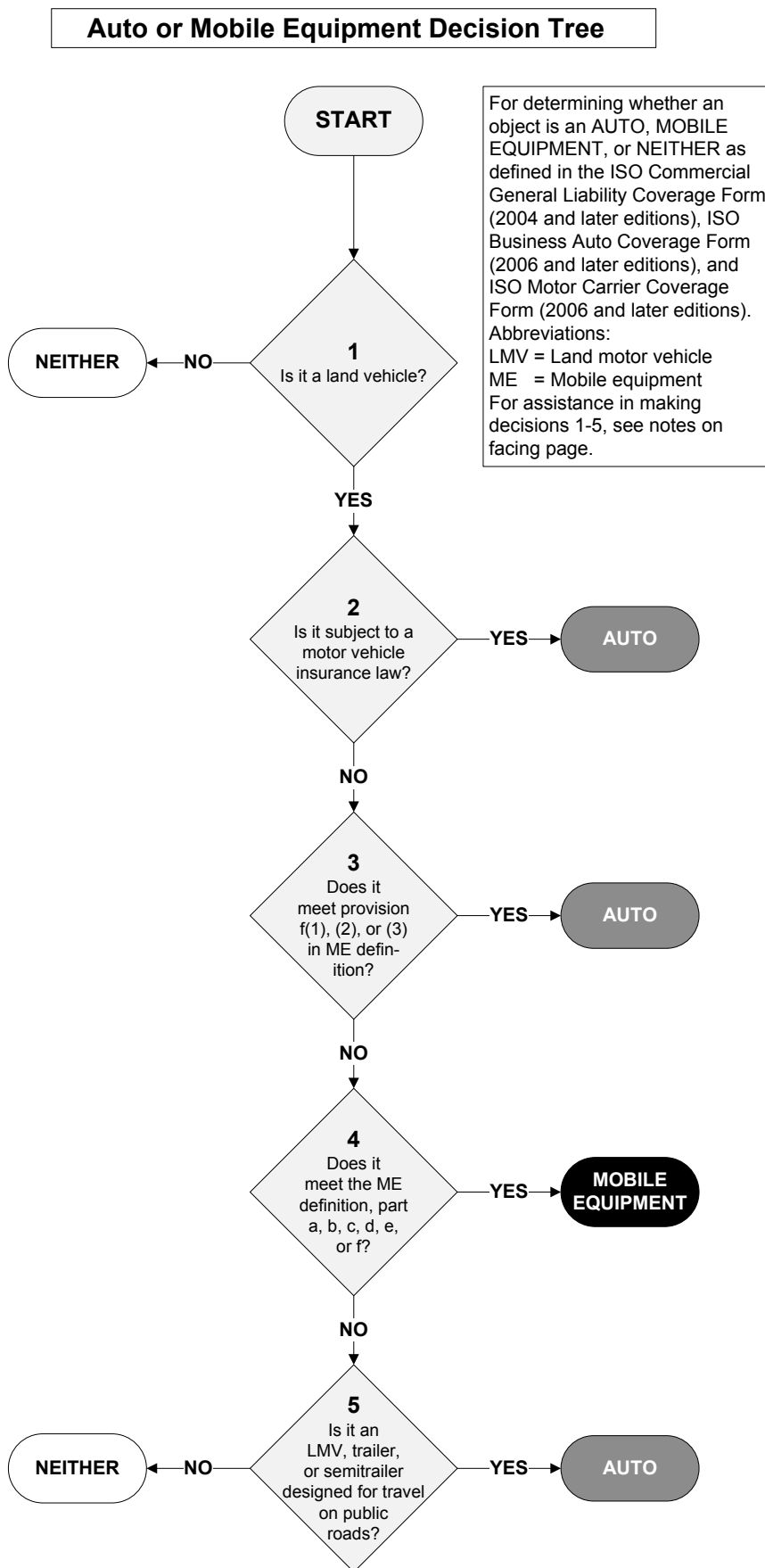
Paragraph f. (1) refers to "equipment designed primarily for" any of the activities listed in subparagraphs (a), (b), and (c). It is important to recognize the difference between "designed" for the listed activities and "maintained" or "used" for the listed activities. Design is essentially a manufacturing/engineering issue, independent of how the ultimate owner maintains or uses that vehicle. For example, the fact that a vehicle is maintained or used for street cleaning does not necessarily mean that the vehicle is designed for street cleaning. Unless the vehicle is designed for street cleaning, it would not qualify as an auto under paragraph f.(1)(c). A further distinction is that the equipment has to be designed "primarily," but not "exclusively," for any of the listed activities.

A cherry picker, as referred to in f. (2), consists of a bucket (in which a worker stands) on a powered boom. It can be used for any type of work that requires raising and lowering workers, not just for picking cherries. When a cherry picker is attached to a truck, the combined unit is commonly called a bucket truck.

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## Auto or Mobile Equipment Decision Tree

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## Notes To Help Apply The Decision Tree

**Decision 1:** If an object does not qualify as a land vehicle, it is neither an auto nor mobile equipment. A watercraft or an aircraft is a vehicle but is not a *land* vehicle. A land vehicle does not have to be motorized or self-propelled. A trailer or semitrailer, for example, is a land vehicle even though it is not a land *motor* vehicle.

**Decision 2:** If a land vehicle “is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged,” it is an auto. In addition to compulsory auto liability insurance laws and auto financial responsibility laws, other types of motor vehicle insurance laws include laws requiring the purchase of no-fault (personal injury protection) auto insurance or uninsured/underinsured motorists coverage.

**Decision 3:** If a land vehicle is a self-propelled vehicle with any of the types of permanently attached equipment listed in paragraphs f.(1) through f.(3) of the mobile equipment definition, it is an auto.

[S]elf-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” but will be considered “autos”:

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**Decision 4:** If a land vehicle is not subject to a motor vehicle insurance law (as established in Decision 2) and is any one of the types listed in paragraphs a. through f. of the mobile equipment definition, other than a self-propelled vehicle with the equipment described in f. (1), (2), or (3), it is mobile equipment.

“Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

**Decision 5:** If a land motor vehicle, trailer, or semitrailer (1) is designed for travel on public roads, (2) is not subject to a motor vehicle insurance law, and (3) does not meet the mobile equipment definition, it is an auto. If the answer to Decision 5 is NO, the vehicle is neither an auto nor mobile equipment.

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## Auto or Mobile Equipment Decision Tree

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If the outcome of Decision 3 is YES, the vehicle is an auto and should be insured as such. If the outcome is NO, go to Decision 4.

### Decision 4: Does the Vehicle Meet the Mobile Equipment Definition, Part a., b., c., d., e., or f.?

If a land vehicle is not subject to a motor vehicle insurance law (as established in Decision 2) and is any one of the types listed in paragraphs a. through f. of the mobile equipment definition (other than the types determined to be autos in Decision 3), it is mobile equipment.

“Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.<sup>3</sup>

Paragraph a. includes not only the specific types of vehicles listed (bulldozers, farm equipment, and forklifts) but also any other vehicle that is designed for use principally off public roads. This description encompasses a very wide range of vehicles.

Paragraph b. does not specify the types of vehicles to which it applies. All that is required is that the vehicle be maintained for use solely on or next to premises the named insured owns or rents. The vehicle could be a lawn tractor, a golf cart, a forklift, or even a dump truck or a flatbed truck that is used exclusively on the named insured's premises.

Paragraph c. applies to any vehicle that travels on crawler treads, such as a bulldozer or crawler crane.

Paragraph d. applies to vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted equipment of the types listed. Examples of vehicles that would qualify under this paragraph are a mobile crane (a crane permanently mounted on a truck chassis) or a mobile drilling rig (a drilling rig permanently mounted on a truck chassis).

Paragraph e. applies only to vehicles that are not self-propelled. In most cases, such vehicles are a nonmotorized chassis or trailer to which one of the listed types of equipment has been permanently attached.

Paragraph f. includes any vehicles, other than those described in paragraphs a. through d., that are maintained primarily for purposes other than transporting persons or cargo. Although the preceding paragraphs encompass the vast majority of vehicles qualifying as mobile equipment, paragraph f. serves as a catchall for unusual or one-of-a-kind vehicles that can qualify as mobile equipment even though they are not of a type described in the preceding paragraphs.

If the outcome of Decision 4 is YES, the land vehicle is mobile equipment. If the outcome is NO, go to Decision 5.

### Decision 5: Is the Vehicle a Land Motor Vehicle, Trailer, or Semitrailer Designed for Travel on Public Roads?

The status of most vehicles will be determined before the decision tree user reaches Decision 5. However, Decision 5 is included in the Decision Tree because the auto definition includes a land motor vehicle, trailer, or semitrailer that is designed for travel on public roads, even if it is not subject to a motor vehicle insurance law. Note that the actual wording of the definition is “designed” for travel on public roads, as opposed to “maintained” for travel on public roads. The meaning of “designed,” as opposed to “maintained,” was discussed previously.

Most land motor vehicles, trailers, and semitrailers designed for travel on public roads are subject to a motor vehicle insurance law, in which case they will be classified as autos in Decision 2. If a land motor vehicle, trailer, or semitrailer designed for travel on public roads is not subject to a motor vehicle insurance law, it does not qualify as an auto in Decision 2. However, as discussed previously, a self-propelled land vehicle with certain types of attached equipment can qualify as an auto in Decision 3. Moreover, a land vehicle can qualify as mobile equipment in Decision 4, regardless of whether it is designed for travel on public roads. For example, a vehicle maintained for use solely on or next to the named insured's premises is considered mobile equipment even if the vehicle is designed for travel on public roads.

If a land vehicle does not qualify as an auto or mobile equipment in Decision 2, 3, or 4, then its status will finally be determined in Decision 5.

- If the outcome of Decision 5 is YES, the vehicle is an auto and should be insured as such. In practice, this outcome is unlikely because virtually all autos will be identified as such in Decision 2 or 3.
- If the outcome of Decision 5 is NO, the vehicle is neither an auto nor mobile equipment. For example, a railcar is a land vehicle (thus clearing Decision 1), but does not trigger a YES outcome for Decision 2, 3, 4, or 5. Therefore, the railcar is neither an auto nor mobile equipment.



## Conclusion

The Auto or Mobile Equipment Decision Tree provides a structured approach to aid underwriters, claim adjusters, producers, risk managers, and insureds to correctly classify a vehicle as an auto or mobile equipment according to the definitions of those terms in current ISO coverage forms. Correctly classifying each of an insured's vehicles as an auto or mobile equipment is essential to arranging coverage, to underwriting and rating, and to determining coverage.

## Endnotes

- (1) For an article that addresses the difficulty of determining whether a vehicle is subject to a motor vehicle insurance law, see "Dealing with the Auto/Mobile Equipment Issue," International Risk Management Institute, IRMI Online, [www.irmi.com/](http://www.irmi.com/) online (accessed February 15, 2013).
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# CPCU Society Student Program for 2012—A Look Into the Future!

by Lamont D. Boyd, CPCU, AIM



Lamont D. Boyd, CPCU, AIM, director, insurance market, with FICO® (Fair Isaac Corporation), is responsible for client and partnership opportunities that make use of FICO's predictive analytics technology, scoring products, and consulting services. Speaking regularly to industry, regulatory, and consumer groups on behalf of FICO for the past eighteen years, he is recognized as a leading expert in predictive scoring technology. In addition to managing the CPCU Society Student Program, he is a member of the Underwriting Interest Group Committee and the Annual Meeting Task Force.

Washington, D.C., was a great experience for over two dozen risk management/insurance and actuarial studies students from universities and colleges across the nation. As director of the CPCU Society Student Program, I thank the professors and advisers who nominated our DC students, the many volunteer mentors who guided our students throughout the Annual Meeting and Seminars, the Interest Groups who opened their breakfasts and lunches to our students, and the many CPCU Society chapters who either directly sponsored a student or two or who contributed money to our general fund to assure the Student Program's ongoing success.

These 29 chapters of the CPCU Society stepped up once again this year for our 2012 Student Program:

Arizona	Hawaii
Atlanta	Kentucky
Bayou	Minnesota
Boston	New Hampshire

Brandywine Valley	New Jersey
Central Illinois	Northeastern Pennsylvania
Central Missouri	Pacific Northwest
Central Texas	Philadelphia
Charlotte	Quad City
Cincinnati	Rhode Island
Colorado	San Diego
Columbus	Santa Clara
Connecticut	Spokane
Dayton Miami Valley	Westchester
Europe	

Our sincere hope is that all chapters of the CPCU Society see the value of the Student Program in assuring that the best and brightest will find their place in the industry, throughout the world, and within CPCU Society chapters. We cannot offer this program without the significant support of chapter leaders and the contributions of our Society chapters.

Our 2012 Student Program enjoyed two very nice, new experiences while in D.C.—a dinner hosted by Diana L. Van Horn, CPCU, of QBE North America and a breakfast hosted by Cheryl R. Constantine, CPCU, of Travelers. These events gave our students opportunities to engage with industry leaders.

Through chapter and industry contributions, this year's students met industry leaders from around the world, learned, and networked. Here are just a few of the comments we've received from our 2012 students:

*Taylor Mohr, State University of New York—Oswego:*

I had an amazing time and thought the opportunity was once in a lifetime. I made a lot of connections and met some influential people. The program was well planned and extremely organized from the moment we arrived in Washington, D.C. I instantly befriended the other students nominated to participate and hope to keep those friendships, even though most of us live across the United States from each other. I loved the CPCU experience and cannot wait to become a new designee!

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## CPCU Society Student Program for 2012—A Look Into the Future!

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*Grant Craigmiles, Missouri State University:*

The CPCU Society Student Program has been one of the greatest experiences of my entire risk management and insurance education. The networking opportunities offered through this program were phenomenal. Beyond gaining valuable connections within the industry, I learned about the intricacies of so many different areas within the industry. I feel like I am a much more informed student of insurance and that I have an advantage in career possibilities thanks to the CPCU Society Student Program.

The CPCU Society Student Program is great in that it allows students to network on multiple levels: Students make connections with a wide variety of insurance professionals, a personal mentor, and bright students from insurance schools across the nation. When all these levels of networking opportunities are concentrated into one conference, the sky is the limit for the knowledge and connections that can be attained. I am now energized to enter such a dynamic industry!

*Amy Johnson, Katie School, Illinois State University:*

It would like to sincerely thank the CPCU Society and you for everything. You did a wonderful job putting everything together for the students, and I know we all very much enjoyed the experience.

It was also lucky to have Daniel L. Blodgett, CPCU, AIM, AIS, PMP, as a mentor. As I'm sure you're well aware, he does a great job! He helped us with choosing sessions, introduced us to many people, brought us to the Personal Lines Interest Group Committee meeting, and was always available when we needed him.

Throughout the conference, there were several people who came up to me to ask about my being a student. It was obvious that people were aware students were there and were interested in conversing with us, which was obviously very beneficial for us!

*Anna Berry, University of Houston Downtown:*

What a wonderful event! I thank you from the bottom of my heart for allowing me (and all of the students) to participate in this amazing CPCU Society Annual Meeting and Seminars. I networked with so many professionals and I



(Left to right) Hannah Dimmick, Appalachian State University; Grant Craigmiles, Missouri State University; Liz Pitts, Appalachian State University; Chase Conover, Missouri State University; Glenn Morgan, The University of Georgia; [unknown local student]; Kathryn Foege, Georgia State University; Genevieve Parks, University of North Texas; Harvey Powers, University of Texas—Austin (Research Award winner: Gold); Elizabeth Saxe, St. John's University; Ali Nematpour, University of Houston Downtown; Taylor Mohr, State University of New York—Oswego; Allison Crosby, University of Colorado—Denver; Anna Heliotis, St. John's University; James Heuker, Olivet College; Jay Willer, State University of New York—Oswego; Chase T. Russell, University of North Texas; Luna (Weiyue) Gu, University of Illinois at Urbana—Champaign; Christopher Watkins, Olivet College; Amy Johnson, Katie School, Illinois State University; Dan Pettie, Katie School, Illinois State University; Jill Feeney, Saint Joseph's University; LaKenya Patrice Young, Georgia State University; Kyle Guestin, Utica College (Research Award winner: Bronze); Sarah Nichols, The University of Georgia; Joe Hemminger, University of Colorado—Denver; Joe Drobny, Katie School, Illinois State University (Research Award winner: Silver). [Missing from the photo: Anna Berry, University of Houston Downtown]

will be following up with each and every one of them. As for my mentor, I'm not sure how you matched us all up, but I had the *BEST ONE*, Alicja Lukaszewicz-Southall, CPCU.

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

During the Washington, D.C., Annual Meeting and Seminars, I had a chance to meet virtually all of the attending students, who had varied academic backgrounds and experiences and represented various regions of the country. They were highly engaged in both the student program and in the various interactions I was able to be part of, and each of them was truly a pleasure to get to know. They asked insightful questions, and have proven they are very motivated to succeed in insurance careers in various facets of the property-casualty industry—at the carrier and broker level and as underwriters, claims professionals, and actuaries.

We have spoken much about the “pipeline challenge” confronting our industry as the “Baby Boomer” generation retires, and a new generation of knowledge workers needs to be identified, trained, and developed. The CPCU Society Student Program (now in its third year) is one of the tangible solutions we are embarking upon to meet this industry need. I am confident these students will be future leaders in the organizations they serve, as well as in the Society. A special recognition needs to be extended to Lamont Boyd, who has diligently supported the CPCU Society Student Program since its inception.

“A Look into the Future—Student Seminar” was a success, once again. This seminar allowed us to highlight the property-casualty insurance industry's need for the “best and brightest” now and in the future, and allowed our students to ask any questions to prepare them for their careers in the industry. The seminar is designed to help risk management/insurance and actuarial students understand more fully the variety of paths available to

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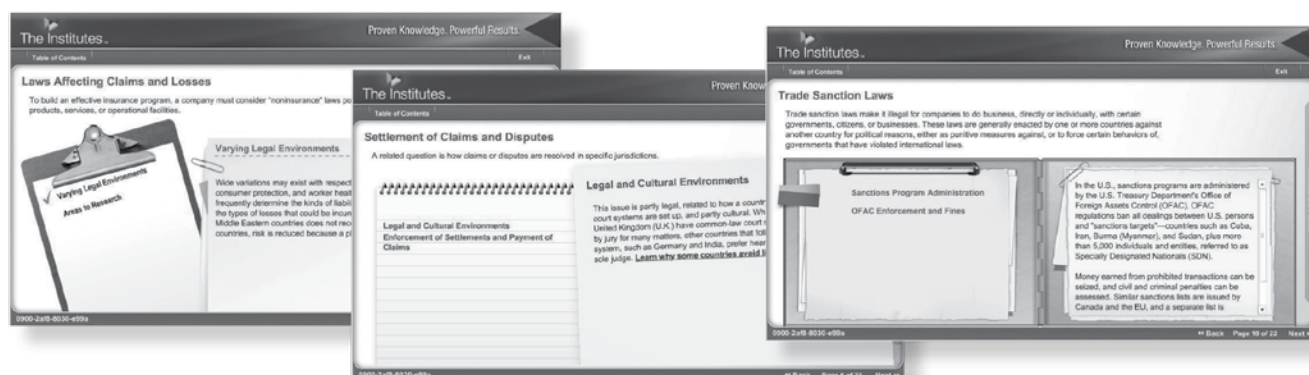
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**CPCU Society Student Program for 2012—A Look Into the Future!***continued from page 10*

them in the property-casualty industry. Our students also gained a clear understanding of the value of the CPCU designation in helping them on their chosen path.

Many thanks to our 2012 student seminar speakers: Noelle Codispoti, ARM, executive director of Gamma Iota Sigma, the international risk management, insurance and actuarial sciences collegiate fraternity; 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 and CPCUs in attendance 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 clear path between those who are seeking a rewarding future in the industry and those

who are seeking people to contribute to that successful future.

**2013 Student Program**

As a direct result of the efforts of so many of you and your colleagues over the past three years, the Society has given our Student Program an enthusiastic “green light.” The 2013 New Orleans program is likely to be a significant component of the collective “Engaging the Next Generation” initiative. You’ll learn more about the initiative and the 2013 Student Program in the months ahead, but please plan now to support this critical program.

A final note of thanks: Once again, my sincere appreciation to all who contributed in so many ways to the success of our 2012 Student Program. As we begin working toward another successful program for 2013, please don’t hesitate to contact me ([lamontboyd@fico.com](mailto:lamontboyd@fico.com)) with any suggestions or 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 Underwriting Interest Group newsletter is published by the Underwriting Interest Group of the CPCU Society.

**Underwriting Interest Group**

<http://underwriting.cpcusociety.org>

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