

November-December, 2009

PULSE

newsletter

Pennsylvania Association of Mutual Insurance Companies

From the President



As I write this message, Thanksgiving is over and soon we will all be caught up in the Holiday Season. But before we all go shopping for friends and family, its time to reflect on the things for which we as an association are thankful. And PAMIC has a lot for which to give thanks. As an association, we can be thankful for the collegial tone, the true spirit of mutuality that characterizes all our members. More than once, new members have told me that the cooperation and general helpfulness of the membership is striking.

In particular, we as an association can be thankful for the time and effort our elected leadership, board members, and committee members spend to make PAMIC the success that it truly is. The committee members, in particular, work long and hard planning the educational events, the networking opportunities, and the government affairs strategies that are PAMIC's reason for being.

I want to particularly concentrate on government affairs. This year's Government Affairs Committee Chairman is Jim Bookhamer of Mutual Benefit Group. His committee oversees one of the most critical activities for a regulated industry such as ours. There is hardly a single daily activity in an insurance company that is not subject to some statute, regulation or court ruling.

This year your PAMIC PAC trustees are making special efforts to heighten membership awareness of the importance of the PAC in helping shape a favorable business climate for the mutual insurance industry. Additionally, I have already told you in this space about the important Grassroots Champion initiative rolled out at the Bedford Springs convention. Our unparalleled grassroots presence is the other key component to our government affairs success.

I hope you will join your mutual brethren in demonstrating that grassroots presence. Mark your calendars. PAMIC's Mutual Insurance Day in Harrisburg is set for February 8th & 9th. This event will give you a perfect opportunity to meet with your state senator and representative in a relaxed setting: either at the PAMIC legislative breakfast at the Capital Building or at the reception the night before. And PAMIC staff will help you set up individual appointments as well.

(Continued on page 11)

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ID STATEMENT

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Chairman's Corner



Henry R. Gibbel
Lititz Mutual's
President & COO

As we approach the end of another year, we reflect on a year of concern as we navigated in an economic environment that challenged us all. While the property/casualty marketplace in our primary state of Pennsylvania remained stable, we are, as an industry, challenged with uncertainty as the landscape may change with the political pressure to expand Federal oversight. In a transitioning market, which struggles to firm-up, all of us need to keep a close eye on our expenses and underwriting controls to ensure that we remain profitable during this period of low investment returns. If we stick to our values and manage our expenses and underwriting, we will greet the New Year with the optimism of a successful 2010.

Your Association remains committed and ready to aggressively advocate on your Company's behalf, when legislative or regulatory issues arise. As our strength lies in numbers and participation, I encourage you to make plans to join your fellow PAMIC members for two significant Association functions. The first is our own "Mutual Insurance Day," which kicks off with an informative educational and networking program on Monday, February 8th and is followed on the 9th with a morning of interaction with our State's Senators and House Representatives. On May 11th and 12th the Association travels to Washington, DC as NAMIC plays host and directs our contingent in the pursuit of a voice for mutual insurance at the Federal level. I urge all companies to make a commitment to participate in both events, as we strengthen the roots of our legislative presence at both the state and national levels.

I close with a Thank You to all who support our Association through leadership and committee participation, to all who attend our functions and engage in our networking opportunities, and to all who are committed to support our legislative and advocacy programs.

I wish everyone a blessed and meaningful Holiday Season. My hope is that the New Year brings both joy and happiness to both you and your families.

Sincerely,

A handwritten signature in black ink, appearing to read "H. R. Gibbel". The signature is fluid and cursive.

Henry R. Gibbel
President & COO

PA House of Representatives Insurance Committee

Majority

D- Anthony M. DeLuca, Majority Chair
Allegheny
717-783-1011– Harrisburg
412-793-2448– Pittsburgh

D- Dan Frankel, Vice Chair
Allegheny
717-705-1875– Harrisburg
412-422-1774– Pittsburgh

D- Brendan F. Boyle, Secretary
Montgomery, Philadelphia
717-787-3055– Harrisburg
215-676-0300– Philadelphia

D- James E. Casorio, Jr.
Westmoreland
717-783-3483– Harrisburg
724-861-0247– North Huntingdon

D- Dom Costa
Allegheny
717-783-9114– Harrisburg
412-361-2040-Pittsburgh

D- Florindo J. Fabrizio
Erie
717-787-4358– Harrisburg
814-455-6319– Erie

D- Nick Kotik
Allegheny
717-783-3780-Harrisburg
412-264-4260- Coraopolis

D- Kathy Manderino
Montgomery, Philadelphia
717-787-1254– Harrisburg
215-482-8726– Philadelphia

D- Anthony J. Melio
Bucks
717-787-3557– Harrisburg
215-943-8669– Levittown

D- Eddie Day Pashinski
Luzerne
717-783-0686– Harrisburg
570-825-5934– Wilkes Barre

D- Harry Readshaw
Allegheny
717-783-0411– Harrisburg
412-881-4208– Pittsburgh

D- Josh Shapiro
Montgomery
717-783-7619-Harrisburg
215-517-6800– Abington

D- Matthew Smith
Allegheny
717-783-1850– Harrisburg
412-571-2169-Pittsburgh

D- Rick Taylor
Montgomery
717-705-2048-Harrisburg
215-441-1030-Horsham

D- Don Walko
Allegheny
717-787-5470– Harrisburg
412-321-5523– Pittsburgh

PA House of Representatives Insurance Committee

Minority

R- Nicholas A. Micozzie, Minority Chair
Delaware
717-783-8808– Harrisburg
610-259-2820– Clifton Heights

R- Scott W. Boyd
Lancaster
717-783-6422– Harrisburg
717-464-5285– Lampeter

R- Gary Day
Berks, Lehigh
717-787-3017-Harrisburg
610-760-7082– New Tripoli

R- Robert W. Godshall
Montgomery
717-783-6428– Harrisburg
215-368-3500-Hatfield

R- Glen R. Grell
Cumberland
717-783-2063– Harrisburg
717-795-6091– Mechanicsburg

R- Thomas H. Killion
Chester, Delaware
717-772-0855– Harrisburg
610-325-1541–Newton Square

R- Marguerite Quinn
Bucks
717-772-1413– Harrisburg
215-489-2126– Doylestown

R- Brad Roae
Crawford
717-787-2353– Harrisburg
814-827-6054– Titusville

R- Curt Schroder
Chester
717-783-2520-Harrisburg
610-524-5595– Exton

R- Mike Vereb
Montgomery
717-705-7164– Harrisburg
610-409-2615– Collegeville

PA Senate Banking and Insurance Committee

Majority

R- Donald C. White, Majority Chair
Armstrong, Butler, Clearfield, Indiana
Westmoreland
717-787-8724– Harrisburg
724-357-0151– Indiana

R- Kim L. Ward, Vice Chair
Westmoreland
717-787-6063– Harrisburg
724-600-7002- Greensburg

R- Patrick M. Browne
Lehigh, Monroe, Northampton
717-787-1349-Harrisburg
610-821-8468– Allentown

R- Jake Corman
Centre, Juniata, Mifflin, Perry, Union
717-787-1377-Harrisburg
814-355-0477– Bellefonte

R- Jane M. Earll
Erie
717-787-8927– Harrisburg
814-453-2515-Erie

R- Stewart J. Greenleaf
Bucks, Montgomery
717-787-6599– Harrisburg
215-657-7700– Willow Grove

R- John C. Rafferty, Jr.
Berks, Chester, Montgomery
717-787-1398– Harrisburg
610-831-8830-Collegeville

R- Patricia H. Vance
Cumberland, York
717-787-8524– Harrisburg
717-975-1985– Camp Hill

Minority

D- Michael J. Stack, Minority Chair
Philadelphia
717-787-9608– Harrisburg
215-281-2539– Philadelphia

D- Lisa M. Boscola
Lehigh, Monroe, Northampton
717-787-4236– Harrisburg
610-868-8667– Bethlehem

D- Lawrence M. Farnese, Jr.
Philadelphia
717-787-5662– Harrisburg
215-629-8515– Philadelphia

D- Christine M. Tartaglione
Philadelphia
717-787-1141-Harrisburg
215-533-0440– Philadelphia

D- Anthony H. Williams
Delaware, Philadelphia
717-787-5970-Harrisburg
215-492-2980– Philadelphia

Member News

Announcements from PAMIC's Membership

MARSHALL, DENNEHEY, WARNER, COLEMAN & GOGGIN APPOINTED TO REPRESENT THE CITY OF PITTSBURGH, PA FOLLOWING G-20 SUMMIT

Philadelphia, PA – November 24, 2009 – The Defense Litigation Law Firm of Marshall, Dennehey, Warner, Coleman & Goggin has been appointed to represent the City of Pittsburgh, PA in civil litigation matters stemming from the recent G-20 Summit. This International Conference was held on September 24 and 25, 2009. The firm's Public Entity and Civil Rights Practice Group's Pittsburgh, PA attorneys will serve as defense counsel for the city and its police force, in claims and lawsuits arising out of the September Summit.

Founded in 1962, and headquartered in Philadelphia, PA, Marshall, Dennehey, Warner, Coleman & Goggin is a leading civil defense litigation law firm that represents and advises insurers, self-insured entities, and professionals in a wide range of professional liability, casualty, health law, employment, and workers' compensation matters.

With more than 415 attorneys in some 30 distinct practice groups, located in 18 offices throughout Pennsylvania, New Jersey, Delaware, Ohio, New York and Florida, Marshall, Dennehey is uniquely positioned to assist their clients in both avoiding litigation and providing them with a vigorous defense in the event of claims and suits filed against them. Marshall, Dennehey Warner, Coleman & Goggin has a long tradition of working with municipalities and police departments, in avoiding litigation by providing counseling and training.

Town and Country Computer Services, LLC is pleased to announce that they are moving to a more efficient and spacious building. The building is being set up at this time. They look forward to moving by year end to 210 Morris Rd, Schenectady, NY. Town and Country Computer Services, established in 1985, is an Associate Member of PAMIC that provides integrated Insurance Processing Software (INS PRO) that fully supports all Property/Casualty Lines of Business for Pennsylvania Insurance Companies. Our objective at TCCS is to provide the best software and service possible at an affordable price. INS PRO Platinum SQL database and INS PRO Enhanced Web Quoting were unveiled at our September Users Meeting in State College. We believe that this will give insurance companies the tools needed to fully manage their business and give their agents the tools needed for ease of doing business in providing insureds the best possible products and service. Visit our website for more information: www.tccs-inspro.com.

CARBAUGH JOINS MBG AS DIRECT BILL ACCOUNTS RECEIVABLE SUPERVISOR



Gloria Carbaugh joined Mutual Benefit Group as direct bill accounts receivable supervisor in November 2009. In this role, she is responsible for managing the people and processes associated with the collection and deposit of all monies payable to Mutual Benefit Group.

Carbaugh comes to MBG after 21 years with AGY/Owens Corning, Huntingdon, Pennsylvania. She holds a bachelor's degree in business management.

She and husband Michael are the parents of a daughter, Ashley, who resides in Buffalo, New York.

KYLE JOINS MBG AS CLAIMS REPRESENTATIVE



Tom Kyle joined Mutual Benefit Group as claims representative in November 2009. As part of the Company's in-house adjusting staff, **Kyle** will determine coverage, liability, and amount of loss/damage; ascertain settlement values; and ensure that proper reserves are maintained on claims handled.

A graduate of Penn State University with a bachelor's of science degree in rehabilitation services, **Kyle** comes to MBG from Allstate Insurance in Altoona, Pennsylvania, where he was a senior claim service adjuster. Prior to that he was a store manager with Rite Aid Corporation, Huntingdon, Pennsylvania.

Kyle and his wife of 13 years, Autumn, are the parents of a seven-year-old daughter, Cassie.

More Member News

AAIS INTRODUCES 'GREEN' COVERAGE OPTION IN COMMERCIAL OUTPUT PROGRAM

WHEATON, Ill., Nov. 12, 2009-The American Association of Insurance Services (AAIS) is introducing a new optional Green Coverage Endorsement and accompanying schedules under its Commercial Output Program (COP). AAIS is a national insurance advisory organization that develops policy forms and rating information used by more than 600 property/casualty carriers throughout the U.S.

As an output program, the COP incorporates broad commercial property and inland marine coverages into a base property form and a few additional coverage parts (crime, equipment breakdown, and income). The program also provides a flexible procedure for rating a risk as a single entity rather than as the sum of disparate exposures.

The COP's new "green" endorsement extends insurance under the COP's property and income coverage parts to three categories of coverage:

- Green Building Coverages, which cover certain costs incurred to comply with "green" construction certification standards developed by organizations promoting environmentally friendly construction.

These include costs incurred to restore indoor air quality, recycle debris, restore vegetative roofs, recertify a structure as green, and replace water or electricity that is lost when onsite renewable energy or water conservation equipment is damaged.

- Non-Green Building Coverages, which cover the costs to upgrade conventional but damaged personal property, finishes, plumbing systems, lighting systems, HVAC equipment, and roofs with property that meets green standards.

These coverages apply only for buildings and structures that do not have a green certification.

- Green Income Coverages, which cover the income cost for the extension of a restoration period due to materials or procedures required to achieve a green certification.

This section also covers loss of income incurred when there is damage to renewable energy equipment that supplies power to a public utility.

The proposed effective date of the filings is June 1, 2010.

For information on affiliating with AAIS for use of the Commercial Output Program, contact Rick Maka at rickm@AAISonline.com or by calling 800-564-AAIS, ext. 222.

Marshall Dennehey Attorney Niki T. Ingram To Speak At Philadelphia Bar Association Conference

PHILADELPHIA, PA – Niki T. Ingram, who is a shareholder with Marshall, Dennehey, Warner, Coleman & Goggin, is serving as a course planner and panelist for a session at the Philadelphia Bar Association's Annual Bench Bar Conference. The event will take place on Friday, October 23rd and Saturday, October 24th, 2009 at Harrah's Resort in Atlantic City, NJ. Ms. Ingram's session is entitled "Medicare Set-Asides: Changes in Medicare Secondary Payer Act and Navigating Your Way Through the Set-Aside Maze."

Ms. Ingram is a member of MDWC&G's Board of Directors and is also the Assistant Director of the firm's Workers' Compensation and Employment Law Practice. She lectures frequently and has spoken at national conferences for the American Bar Association, The National Self-Insured Conference, SEAK, and the American Trial Lawyers Association. She is a past co-chairperson of the Philadelphia Bar Association's workers' compensation section and has lectured for the Pennsylvania Bar Institute, The Pennsylvania Self-Insurers' Association and the Pennsylvania Chamber of Commerce, as well as for other local organizations.

PAMIC Education

Mutual Insurance Day
February 8-9, 2010

Please plan to attend the PAMIC PAC
Legislative Reception on February 8th.
(Separate registration required)

Tuesday events include:
Breakfast with legislators at the PA
State Capital
Appointments with your state
legislators

Claims Summit
April 6-7, 2010

Wyndham Gettysburg
Gettysburg, PA

**Annual Spring
Conference**
March 3-4, 2010

Nittany Lion Inn
State College, PA

**NAMIC CONGRESSIONAL
CONTACT PROGRAM 2010
BRIEFING &
CONGRESSIONAL
MEETINGS**

May 12, 2010
Washington, D.C.

Technology Corner

*Do you have any Technology/
Information Systems questions?
Submit your questions to MaryEllen
at mparmer@pamic.org for the IS
Committee. They will review and
answer them in the next edition of
the PULSE*.*

**PAMIC will not endorse, and is not liable for
the outcome of the suggestions from the IS
Committee*

**PAMIC/VAMIC/
WVAIC
Combined Convention**

The Greenbrier Resort, WV
August 8-10, 2010

Register for these PAMIC events online at www.pamic.org.

More Member News

Parente Randolph LLC and Beard Miller Company LLP Officially Merge to Become ParenteBeard LLC

\$175 Million Merger Creates a Top CPA Firm in the Mid Atlantic Region

Philadelphia (October 15, 2009) – Two of the Top 40 accounting and consulting firms in the United States – Parente Randolph LLC and Beard Miller Company LLP (**bmc**) – have officially merged to become ParenteBeard, LLC. The merger of these prominent firms has created the one of the top regional certified public accounting firms in the Mid Atlantic, with over 170 partners and more than 1,200 team members throughout Pennsylvania, New York, New Jersey, Maryland, Delaware and Texas.

ParenteBeard LLC was officially formed on October 1, 2009, following approval from the respective firms. Lamar Stoltzfus, formerly Chairman and CEO of **bmc**, is Chairman of the new firm. A new 13-member Board of Directors was created comprised of members of each firm's partner group. Bob Ciaruffoli, former Chairman and CEO of Parente Randolph, is now Chief Executive Officer.

“We selected the name ParenteBeard after considering the collective strengths and attributes of both firms and the significance of this combination,” said Bob Ciaruffoli. “Our new name honors our histories, while positioning the union as one firm, ParenteBeard.”

Parente Randolph and Beard Miller Company have experienced similar growth paths. Each firm has a solid foundation in local markets servicing small businesses, middle market and SEC registrant companies. ParenteBeard will have even deeper resources and broader areas of expertise to serve current and future clients, including more industry-specific expertise, specialized tax consulting and other business advisory resources.

“ParenteBeard has a proud history and an even brighter future as the top regional firm in the Mid Atlantic,” commented Lamar Stoltzfus. “I am confident that current and future clients will benefit from ParenteBeard's client-centric approach, which is based on providing customized advice to help them reach their business and personal goals. This shared sense of client commitment is the foundation for the firm we have created together.”

Headquartered in Philadelphia atop One Liberty Place in Center City, the new firm will provide additional resources to meet the needs of new and existing clients. As an independent member of Baker Tilly International, ParenteBeard offers international reach through a network of exceptional regional accounting firms around the globe.

About ParenteBeard LLC

ParenteBeard is the Mid Atlantic's leading regional certified public accounting and consulting firm with over 1,200 employees serving middle market and small business clients across the region. The 170 partner firm has 26 offices located in Pennsylvania, New Jersey, New York, Maryland, Delaware and Texas. The firm is ranked among the Top 20 firms in the USA and is an independent member of Baker Tilly International.

For more information, please visit ParenteBeard at www.parentebeard.com

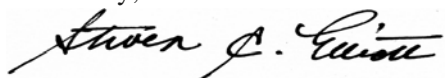
From the President

(Continued from page 1)

More importantly, at the educational sessions, you will receive in depth presentations on the issues, thorough training in how to interact successfully with elected legislators and how to become a PAMIC Grassroots Champion. There is no better way to start than to attend the Mutual Insurance Day sessions and then step up and personally meet with your state senator and representative. The PAC reception the first night requires separate registration. The leadership of both houses plus the members of the House Insurance and Senate Banking and Insurance Committees are always invited. Look at the list of members of these key committees found elsewhere in this issue of the PULSE. Do you know any one of them? Is one of them your home district representative? If so, please consider taking another step up by contacting them directly, telling them you will be at the reception, and personally inviting them to join you. This is in addition to the regular invitations PAMIC will send out in early January. And that added personal invitation can make all the difference. I hope to see you all in February. It's an important event and one that is growing from year to year.

In the meantime, Happy Holidays!

Sincerely,



Steven C. Elliott, J.D. , CPCU, CLU
President

And now a word about Convention from Chairman John K. Smith, Pennsylvania Lumbermens Mutual Insurance Company:

The Greenbrier, Defining Luxury Since 1787.....

Are you planning on joining your fellow PAMIC member as well as your peers from Virginia and West Virginia at this summer's PAMIC/VAMIC/WVAIC Convention at the fabulous Greenbrier? Step back to a more gracious time and visit one of the worlds ultimate resorts. Check out all the amenities at www.greenbrier.com.

Your convention committee is already hard at work, packing a wonderful business agenda around great opportunities to spend time with your PAMIC friends and family at this truly spectacular destination!. So note the new dates August 8th through the 10th, mark your calendar and prepare to be wowed!

Why Rebalance Your Portfolio?

By Richard DiMarzo, Morgan Stanley Smith Barney LLC.

Why Rebalance Your Portfolio?

By Morgan Stanley Smith Barney LLC.

Simply stated, staying the course doesn't mean driving with blinders. Investors should monitor their portfolios regularly to determine if they support and respond to their financial goals.

For years, investors have heard the mantra of investing for the long term. That is, to create a portfolio based on your goals and stick with it despite the rumblings of a fickle market or the allure of popular trends. In theory, this is a suitable strategy for many investors, but *staying the course* wisely should also acknowledge the need for the occasional mandatory detour, taking on additional passengers, having fender benders and making complete about-faces. The better prepared a portfolio is to respond to these unforeseeable life events, the more likely it will be able to help you reach your desired financial destination.

Annual rebalancing

Annual rebalancing is key to the long-term health of your portfolio. Rebalancing involves shifting assets from one type of investment to another to bring a portfolio in line with an asset mix created for specific goals. If this action is done on a regular or automatic basis, you can help ensure that your portfolio stays on track.

Many mutual fund companies offer the option of automatic rebalancing within various investment programs. This service can help investors avoid micromanaging their portfolios and it furthers the lines of communication between an investor and his or her financial advisor. In addition, this enforces use of the commonly embraced discipline of selling high and buying low.

Seven Rules of Effective Portfolio Maintenance

- **Construct an initial portfolio with a goal-sensitive allocation** of stocks, bonds and cash. Keep informed about the subsets and varieties of these categories.
- **Be aware of your short- and long-term goals** when designing your portfolio.
- **Generally, make more comprehensive rebalancing an annual event.** Many experts agree that investors who rebalance at this interval or slightly longer reap many of the same benefits as those who do so more often.
- **Remember that rebalancing comes from paring down** or eliminating specific investments in a portfolio. In many cases there may be tax consequences, like realized capital gains. Try not to burden yourself with tax liabilities you may not be prepared to handle. Yet at the same time, you must weigh the benefits of overall return over some tax savings.
- **Don't rely on natural progressions in the market** to rebalance a portfolio. But keep in mind that this practice is not applicable to total equity portfolios, because stocks typically appreciate over time.
- **Consider contributing to your portfolios via a systematic or dollar-cost averaging strategy.** Systematic investing, the process of making consistent contributions on a regular basis, can help bring you closer to your financial goals.

Stand by your plan. Your portfolio was created to respond to a number of scenarios and goals. Don't allow yourself to be easily swayed by the latest trends, **but do contact your Financial Advisor if you feel the need to make a change.**

Richard DiMarzo is a Financial Advisor at Morgan Stanley Smith Barney located in Pittsford, NY and may be reached at 585-264-5812 or Richard.j.dimarzo@smithbarney.com.



PAMIC Calendar

Mutual Insurance Day
February 8 & 9, 2010
Harrisburg, PA

Annual Spring Conference
March 3 & 4, 2010
Nittany Lion Inn, State College, PA

Claims Summit
April 6-7, 2010
Wyndham, Gettysburg, PA

Congressional Contact Program
May 12, 2010
Washington D.C.

PAMIC/VAMIC/WVAIC Combined Convention
August 8-10, 2010
The Greenbrier Resort, WV

Send us your company news. We would like to include your latest company happenings in our next PULSE. We also appreciate your feed-back. What did you enjoy reading and what would you like to see included in our future magazines?

E-mail or mail your thoughts to us at : pamic@pamic.org or to:
1017 Mumma Road, Suite 103, Wormleysburg, PA 17043. Please label: "FOR THE PULSE".