



# PULSE

The Pennsylvania Association of Mutual Insurance Companies

September/October 2004

Volume 35, Issue 2

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Volume 35, Issue 2

ISSN: 0893-2530

USPS: 094310

PULSE is published bi-monthly by the Pennsylvania Association of Mutual Insurance Companies (PAMIC) located at 1017 Mumma Road, Suite 103, Wormleysburg, PA 17043 for its members and associate members.

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## FROM THE PRESIDENT

Welcome Sara Bylotas as our new secretary/receptionist. Sara comes to us from the PA Association of Township Supervisors, where she was involved with the implementation of their educational program. She succeeds Cheryl Olson, who has returned to her teaching profession.

Thanks to all recipients of our mailings who have supplied their email addresses. Sending the Weekly Harrisburg Report and the Pulse by email significantly reduces our distribution costs. If you have not already supplied us with your email address, I encourage you to do so.

In preparation for the upcoming elections, on September 16 PAMIC Government Affairs Committee members and other PAMIC members heard Dr. G. Terry Madonna, well-known political commentator and pollster. The Government Affairs Committee meeting heralded the opening of PAMIC's government affairs year, followed by the legislature's return to session from its summer recess 10 days later. One government affairs issue of concern to PAMIC is whether the Blue Cross/Blue Shield Plans have "excess" surplus and, if so, what should be done with it. Your PAMIC leadership has considered it a

troubling precedent for the Insurance Department to approach surplus level directly rather than using it as merely one factor in considering rate requests. Accordingly, PAMIC filed written comments on this issue with the Department. These comments should be available to members on the PAMIC website by the time this issue of the Pulse is received.

Finally, the PAMIC Education Committee held its first meeting of the association year on September 8. This year the Education Committee is taking PAMIC's already outstanding educational offerings up to the next level. To do that, as well as to assure that there are no gaps or overlaps in covering issues, this committee is assuming overall responsibility for presentation of several of PAMIC's seminars. The committee is well staffed with knowledgeable veterans of marketing, human resources, and IS committees of prior years. And it will be assisted by others who have volunteered to assist in those specialized topical areas. The kick-off meeting was well attended and very productive. Watch for the enhancements in the months ahead.



Steven C. Elliott  
PAMIC President



## EDUCATION AND NETWORKING FOCUS AT PAMIC



Randy F. Shaw  
President/CEO  
Everett Cash Mutual  
Insurance Company  
2004-05 PAMIC Chairman

I'm writing this message in mid-September having spent this past Saturday helping my neighbor replace his bridge that was washed out from Hurricane Ivan's wrath. This was the second time in two weeks that he was stranded from ravaging waters that have come from both Frances and Ivan. It caused me to pause and reflect on this situation from the standpoint: are we idiots or what? If the definition of idiot is "doing the same thing over and over again, but expecting different results", then with respect to how we handled my neighbor's bridge, we're idiots...

How about PAMIC? While tradition has long been a stalwart of the PAMIC offering, we are attempting to refine and refocus PAMIC's platform this year. With three months gone of the association year, it is time to take a look at how we are doing. Our committees have held their initial organizational meetings. They have mapped out their work plans for the year. Particularly interesting is the Educational Seminars Committee.

This year, we wanted to improve PAMIC's already outstanding educational program – to take it to the next level. One of the things we heard from the membership focus groups was that our programs, while very good, could be improved in two ways. First, we should take care that the topics covered at seminars not repeat material in other seminars, not include material that logically should be handled in other seminars, and not let any important new topics fall through the cracks between different seminar planning

committees. Secondly, we were also told that we should explore new methods of delivering educational information to members. This was to include new technology – webinars, teleconferences, etc. – but not to lose sight of the very important networking qualities that make PAMIC meetings so valuable to our members. That's a pretty tall order. Let's see where we are right now.

*"Time and time again, PAMIC members say the most important part of any PAMIC seminar is the networking with colleagues, the informal exchange of news, views,*

No overlaps, no gaps, new topics. Well, this year we have folded the seminar planning responsibilities for human resources, marketing, and IS into the Educational Seminars Committee along with their prior assignments for the CEO Roundtable and the Small Company Seminar. The committee is chaired by Terry Evert, a senior underwriting trainer at Harleysville. She brings to the table many years of experience in insurance education and training. The committee includes longstanding members of the other mentioned committees and has an overall responsibility to design an integrated educational program so that there are no gaps and no overlaps. It will also give us members better guidance as to exactly who should attend a particular meeting: desk underwriters, underwriting managers, senior executives, midlevel product

development specialists, etc., etc. The committee is also going to make sure that PAMIC puts its best face forward so that when nonmembers attend one of our events, they are warmly welcomed and properly impressed by PAMIC's product. Speaking of "no gaps." It's our intention that no area or topic that PAMIC has always covered is to be dropped or even neglected. The intent is to cover it all, cover it well, and cover even more than in the past.

Now, what about new methods of delivering the educational product? Staff is actively exploring some newer, faster delivery vehicles. Staff is in final stages of working with the phone company to set up teleconferencing as a viable alternative to driving to a single meeting site every time a new issue comes up. Watch for more developments in the near future.

Finally, and most important, what about networking? Time and time again, PAMIC members say the most important part of any PAMIC seminar is the networking with colleagues, the informal exchange of news, views, and new ideas. Well, PAMIC's educational roundtables have long filled this role. This year we intend to preserve roundtables while making every effort to build a roundtable-like, networking component into every seminar as well.

How will we know if these efforts hit the target? By the number of seats filled at PAMIC educational meetings. I invite you to attend one in your field and see what PAMIC is offering.

## DR. TERRY MADONNA SPOKE AT PAMIC GOVERNMENT AFFAIRS

On September 16, PAMIC's Government Affairs Committee, chaired this year by Todd Salsman of Tuscarora Wayne, held its first, organizational meeting of the association year. As is the committee's custom, there was a guest speaker. This time the guest spoke at breakfast, not the usual luncheon. The reason? The speaker was in such demand that it had to be breakfast or nothing.

In this presidential election year, Dr. G. Terry Madonna is in high demand. This was the third time in recent years that Dr. Madonna has spoken to the Government Affairs Committee, and his insights are always well received. G. Terry Madonna is a specialist in the American presidency and in American political parties and the political process. He is Director of the Center for Politics and Public Affairs at Franklin and Marshall College. As a pollster, Dr. Madonna founded the Keystone Poll, which he still heads, in 1992. He is the pollster for numerous print and broadcast media in Pennsylvania and hosts a weekly statewide news and commentary program, [Pennsylvania Newsmakers](#).

Dr. Madonna made no predictions about who would win this year's presidential race. Instead, he lifted up the factors that will determine who will win. He pointed out that presidential campaigns used to start right after Labor Day. Then they started after the political conventions in July and August. This year, the campaign started in March, when it was apparent that Senator Kerry would be the Democratic nominee. Since

then, President Bush and Kerry have been slugging it out. One result of this protracted presidential campaign is that the undecided vote is unusually small, about 10% of probable voters. This is amazing. This is the undecided percentage that usually exists right on election eve, not six weeks out. But the campaign has been going on longer.

Dr. Madonna also emphasized the even split between Bush and Kerry among voters who have already made up their minds. Not only is the split even, but also what each side's supporters think is more



important is different. Kerry supporters are interested in domestic issues and the economy while Bush backers believe national security and the war on terrorism are far more important.

Madonna stated that \$300 million will be spent between now and the election. And it will all be aimed at the 10% undecided vote in just ten key states, of which Pennsylvania is one. He emphasized that, with the long campaign that has been going on since March, the 10% who have not yet made up their minds whether the economy or the war is most important can be fairly called "clueless." Since clueless people are not up on

**IF YOU WOULD LIKE TO BE  
ADDED TO THE MAILING  
LIST FOR UPDATES ON THE  
2004 ELECTIONS YOU  
CAN E-MAIL DR. G.  
TERRY MADONNA AT  
[GTM9999@AOL.COM](mailto:GTM9999@AOL.COM)**

specific issues, they look instead at the "character" of the candidates. Therefore, we can expect a lot of TV commercials in Pennsylvania exploring character issues in the next six weeks.

In summary, this has been and will be a long, long campaign.

## MUTUAL BENEFIT GROUP APPOINTS BEEGLE, BORKOWSKI

Mutual Benefit Group is pleased to announce the appointment of Mary A. Beegle as personal lines underwriting specialist on June 21, 2004.

In this new position, Mary is responsible for assisting with **ensuring** underwriting compliance with insurance laws and regulations; placing reinsurance and conducting contract review; conducting financial analysis; researching underwriting issues; and coordinating and leading training for staff members.



Mary brings to MBG a thorough knowledge of personal insurance gained from 24 years in the property/casualty industry, most significantly during her tenure with Friends Cove Mutual Insurance Company in Bedford, Pennsylvania, where she rose to the position of president/chief executive officer.

Mary has earned the designations of Chartered Property Casualty Underwriter (CPCU); Associate in Underwriting (AU), Certified Insurance Counselor (CIC), and Certified Insurance



D. Jeffrey "Jeff" Borkowski joined Mutual Benefit Group as a commercial lines underwriter on June 24, 2004.

His duties include reviewing applications, endorsements, renewals, and quotes for commercial lines of insurance; determining acceptance of coverage in accordance with Company underwriting guidelines; and developing proper account pricing.

Jeff comes to MBG from Duke Center, Pennsylvania, where he was employed as a premium auditor with RLD Associates. For twelve years prior to that, he was an insurance agent.

Jeff holds a bachelor's degree in business administration from Grove City College and an MBA from West Virginia Wesleyan College. He also earned the industry designations of Certified Insurance Counselor (CIC) and Associate in Underwriting (AU).

In his free time, Jeff's interests include golf, hunting, and computers. While living in Duke Center, he was actively involved in the local Lions Club, Chamber of Commerce, and youth sports organizations.

His family includes wife, Terrie, and stepsons Kirk, 17; Kyle, 15; and Kelby, 13.

## MEYER DARRAGH ATTORNEY RECEIVES HONOR FROM THE COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA

Marie Milie Jones, a senior partner and managing attorney of Meyer Darragh Buckler Bebenek & Eck, PLLC was honored with the Friend of County Government award by the County Commissioners Association of Pennsylvania (CCAP) at its annual meeting. The honor was bestowed upon Ms. Jones at the recent CCAP Awards Luncheon held August 4, 2003. The Friend of County Government award is presented to an individual who has demonstrated a continuous commitment to the improvement of county government by assisting CCAP and its members, while maintaining the highest ethical and moral standards. It is the highest honor CCAP bestows on a non-member.

"I am extremely honored to have received this award from my clients," said Ms. Jones. "It's especially gratifying to be recognized by those I have represented."

Born and raised in Greensburg, Ms. Jones is a cum laude graduate of Duquesne University and its law school. At age 35, she became managing attorney for Meyer Darragh, the youngest female to head up a major law firm in Pittsburgh's history. A resident of Cranberry, Marie is married to Cameron Jones, the owner of the Northland Ford and Northland Lincoln-Mercury car dealerships in Butler County.

Ms. Jones practices in the area of civil rights and employment

litigation, representing public officials as well as private sector employers.

## HARLEYSVILLE GROUP ELECTS LAWRENCE BUHL TO BOARD OF DIRECTORS

G. Lawrence Buhl has been elected to a three-year term on the board of directors of Harleysville Group Inc. (Nasdaq: HGIC).

Buhl retired from Ernst & Young in 2003 after serving 35 years with the firm. Most recently, he was regional director for insurance services in the company's Philadelphia office, but also previously served in that same capacity in both Baltimore and New York. For 24 of his years with Ernst & Young he was an audit partner with the organization, performing extensive work for the Pennsylvania Insurance Department and a wide range of insurance companies.

Buhl earned a bachelor's degree in accounting from Loyola College in Baltimore. He is a Certified Public Accountant (CPA) and a Fellow of the Life Management Institute (FLMI).

A member of the board of Assured Guaranty Ltd. (NYSE: AGO), Buhl chairs that company's audit committee and is a member of its finance committee. He has served in various volunteer leadership roles with the American Institute of Certified Public Accountants (AICPA), Insurance Accounting and Systems Association (IASA), the Maryland Special Olympics and the Baltimore YMCA.

Thursday, September 30, 2004

Federal Overtime Update  
Penn National Insurance  
Harrisburg, PA  
**Free** to PAMIC Members— Registration Required

Wednesday, November 3, 2004

Executive Roundtable  
Holiday Inn Harrisburg-Hershey  
Grantville, PA  
Registration Required

Thursday, November 11, 2004

Underwriting & Loss Prevention Seminar  
Holiday Inn Harrisburg-Hershey  
Grantville, PA  
Registration Required

Agenda Information and Registration Materials  
for PAMIC Educational Opportunities can be  
obtained on our web-site at [www.pamic.org](http://www.pamic.org)

## Sponsorship Opportunities

Sponsorships are currently being  
accepted for the  
Executive Roundtable—  
November 3, 2004

If your company is interested in  
becoming a sponsor for this event,  
please contact Kelly-jean Zellers at  
the PAMIC Office to discuss what  
opportunities are still available  
by October 8, 2004.  
(717) 303-0197 or  
[kzellers@pamic.org](mailto:kzellers@pamic.org)



**Affiliation Desired.** A small western Pennsylvania non-assessable mutual property and casualty insurance company is seeking an affiliation coupled with a contribution to policyholder surplus. Company has approximately \$2.5 million direct written premium in personal lines (primarily homeowners) 6,500 members and an agency force of 60 located in Central and Western, Pa. Minimum statutory surplus is 950,000. Company is only licensed in Pennsylvania. Objectives: stabilize the company's financial position, perpetuate the company, and continue servicing its existing policyholders. Company will consider reasonable alternatives to affiliation that are structured to achieve its stated objectives. Please mail inquiry to P.O. Box 821, Harrisburg, PA 17108-0821.