

Pennsylvania Association of
Mutual Insurance Companies



2007 - 2008
Annual
Report



General Information



PAMIC

Pennsylvania Association of Mutual Insurance Companies

The Pennsylvania Association of Mutual Insurance Companies (PAMIC) was founded in 1907. Today, one hundred years later, our membership includes 60 mutual property and casualty insurance companies. In addition, we have over 100 associate members, including law and accounting firms, adjusting and software companies, rating bureaus and other businesses providing services to property and casualty companies.

PAMIC members are served in two ways. First, we provide members with an unparalleled variety of educational opportunities. Throughout a typical year, members and other registrants can attend seminars and roundtables on the entire spectrum of insurance company functions, including claims, underwriting and loss control, financial management, human resources, marketing, information systems, and other current topics. Second, PAMIC communicates the views and concerns of our members to legislators and regulators and acts as the primary source of government affairs information for members.

Our Mission:

Our mission is to support our membership in successfully meeting the insurance needs of the public in a dynamic financial services environment. Our success will be measured by the financial stability and perpetuation of our membership.

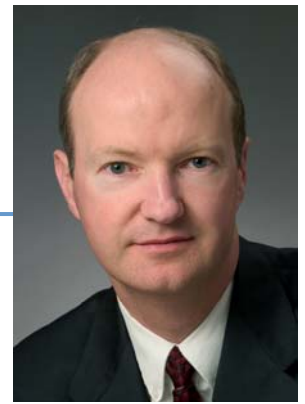
Our Vision:

PAMIC will be the Mid-Atlantic Region's best source of education and networking for the insurance professionals, the mutual insurance industry's most loyal advocate before the Pennsylvania state government and the region's consumers, and the most reliable, timely source of information on regulatory/legislative issues affecting the industry.

Our Values:

- Maintaining the highest standards of honesty, integrity, and professionalism
- Commitment to open communication, innovation, and learning
- Financial responsibility
- Respect for others and their beliefs
- Belief in insurance as a valuable and essential economic tool

Chairman's Report



Greetings,

As I look back over my past year as Chairman of the Pennsylvania Association of Mutual Insurance Companies, I am struck by two facts, namely: (1) how quickly this Association year has passed (a fact that is inextricably intertwined with growing older); and (2) how deeply committed our Association member companies are to transacting the business of insurance with professionalism, corporate and individual integrity, and the highest business ethics. I cannot change anything with regard to the first fact, and I would not change anything with regard to the second fact.

In my meetings with a number of our member companies over the last year, I observed first-hand how PAMIC member companies strive to fully meet the insurance needs of their policyholders by achieving the highest customer satisfaction possible, while at the same time ensuring that their companies are providing insurance coverage and services in full compliance with not only the letter of the law, but also the spirit of the law.

It is singularly noteworthy that, in a time and era when businesses (including some insurance companies) are meeting with criticism that their business practices are not always based on good corporate governance, PAMIC member companies treat compliance with the law as their most important duty. Our member companies clearly recognize that the business of insurance is premised solely on a promise. Every policy of insurance is based on a promise that when the policy holder sustains a covered loss, their insurance company will be there to provide for their financial security in their time of need. PAMIC member companies know that an insurance company lives by its reputation in upholding its promises and obligations to its policyholders, agents and claimants. That tenet of professionalism, integrity and ethics in all business transactions embodies the core values of our Association, and provides a firm foundation on which we build our educational and training offerings; our conferences, seminars and Convention.

As Chairman of PAMIC during the past year, I was privileged to be able to welcome into our trade association three (3) new member companies: Harleysville Insurance Group; State Auto Insurance Companies; and Erie and Niagara Insurance Association. Each of these companies possesses an excellent reputation in our industry for the professionalism, integrity and ethics by which they guide their insurance operations, and we are fortunate indeed to have such fine companies as these three join our Association as new members. Please join me in welcoming into our Association the representatives of these companies.

PAMIC is a state trade association, and any trade association is a reflection of the core values of its member companies. Our member companies have such a rich tradition of being good corporate citizens, in conducting business the way it should be done, which is the opposite of the public perception that insurance companies too often encounter. Our challenge moving forward is to promote the good works that our members, both individually and collectively, provide to meet the needs of the insurance-buying public. I am confident our Association can meet this challenge head on.

Very truly yours,

A handwritten signature in black ink that reads "Kenneth R. Shutts". The signature is written in a cursive, flowing style.

Kenneth R. Shutts
PAMIC Chairman

President's Report



This year PAMIC Chairman Kenneth Shutts selected “Our Rich Heritage – The Foundation for Our Future” as the theme for his year leading your association.

PAMIC member companies indeed have a rich heritage of service to their communities. Some of our member companies date back to the eighteenth century and the very beginnings of mutual insurance on this continent. Most of our members have been around well over a century. That is certainly a proud heritage and, just as certainly, a firm foundation for our future.

PAMIC too enjoys a rich heritage of service to you the members. Throughout the years PAMIC has been there for you and, through you, for your communities. PAMIC’s contribution to your success is based on its well known triad of functions: vigorous advocacy in government relations, quality educational offerings, and unparalleled industry networking opportunities. That’s a rich heritage and a solid foundation on which to build year by year. This year was no exception. Look at each leg of the PAMIC triad.

First, our educational offering just kept getting better. How can we tell? Educational seminars have a built-in indicator that automatically tells us whether we picked the right topics: Did we fill the room? By that test, PAMIC had an outstanding educational year. Getting the right topics is one part of the job. Making sure those topics are covered in a clear, thorough, authoritative manner is the other. Our attendee surveys told us that we hit the mark on content as well. I want to thank our Education Committee Chairman Matthew Schnader and his committee and the chairs and members of all the other committees that planned this year’s calendar of seminars and roundtables. And thank you to Marri Lamoureaux, our Education Director, for pulling it all together.

At every PAMIC meeting, we try to build in time for networking. We recognize the fact that sharing of problems and solutions is one of the most valuable features of any PAMIC meeting. Here too we received abundant positive feedback this year.

Finally, this year was a year of heavy lifting for government affairs, the third leg of the PAMIC stool. On behalf of your Government Affairs Committee, its Chairman Rob Dodds, and on behalf of PAMIC and your industry, I thank you for a job well done. PAMIC is justly famous for its grassroots coverage. This year you all did us proud. This was the year the politicians all seemed to simultaneously discover insurance company premium taxes as a preferred funding source for all sorts of worthy causes. First, raise your taxes for health care coverage for volunteer fire fighters. We stopped it with your help. Then, raise your taxes to pay for flood projects – even though none of you cover flood so none of these projects would redound to your benefit. We stopped it (as of now) with your help. Next, waiting in the wings as I write this, is a good idea to build affordable housing in Pennsylvania. How to pay for it? You guessed it. I have no idea how that will play out. But judging from your outstanding grassroots work on the first two issues your government affairs team – the Government Affairs Committee and I – know that you will respond to the call, you will contact your legislators, and your industry will be heard from again.

So on all three counts this year we all added something memorable to our rich heritage and we laid the foundation for our future.

Steven J. Elliott

Board of Directors



EXECUTIVE COMMITTEE

Kenneth R. Shutts, Chairman
Penn National Insurance

Kevin R. Filler, Chairman Elect
Frederick Mutual Insurance Company

Henry R. Gibbel, Vice Chairman
Lititz Mutual Insurance Company

Joseph L. Sloan, Secretary-Treasurer
Mutual Benefit Group

Robert A. Fitzsimmons, Immediate Past Chair
Farmers Mutual Fire Insurance Company,
Marble

Steven C. Elliott, PAMIC President

DIRECTORS

Herman Bontrager
Goodville Mutual Casualty Company

Nancy Early
Hannahstown Mutual Insurance Company

Douglas Gaudet
Penn Millers Insurance Company

Cyril J. Greenya
Donegal Mutual Insurance Company

Michael R. Klinefelter
Windsor-Mt. Joy Mutual Insurance Company

Steven D. Linkous
Harford Mutual Insurance Company

Joseph E. Morris
Philadelphia Contributionship

John K. Smith
Pennsylvania Lumbermens Mutual Insurance
Company

Howard C. Stevens
Farmers Mutual Insurance Company

NOMINATING COMMITTEE REPORT

Officers Slated for 2008 - 2009

Chairman: Kevin R. Filler,
Frederick Mutual Insurance Company

Chairman-Elect: Henry R. Gibbel,
Lititz Mutual Insurance Company

Vice-Chairman: John K. Smith
Pennsylvania Lumbermens Mutual
Insurance Company

Secretary-Treasurer: Joseph L. Sloan,
Mutual Benefit Group

Immediate Past Chairman:
Kenneth R. Shutts,
Penn National Insurance

Directors Slated - Three Year Term

Daniel W. DeArment
Friends Cove Mutual Insurance Company

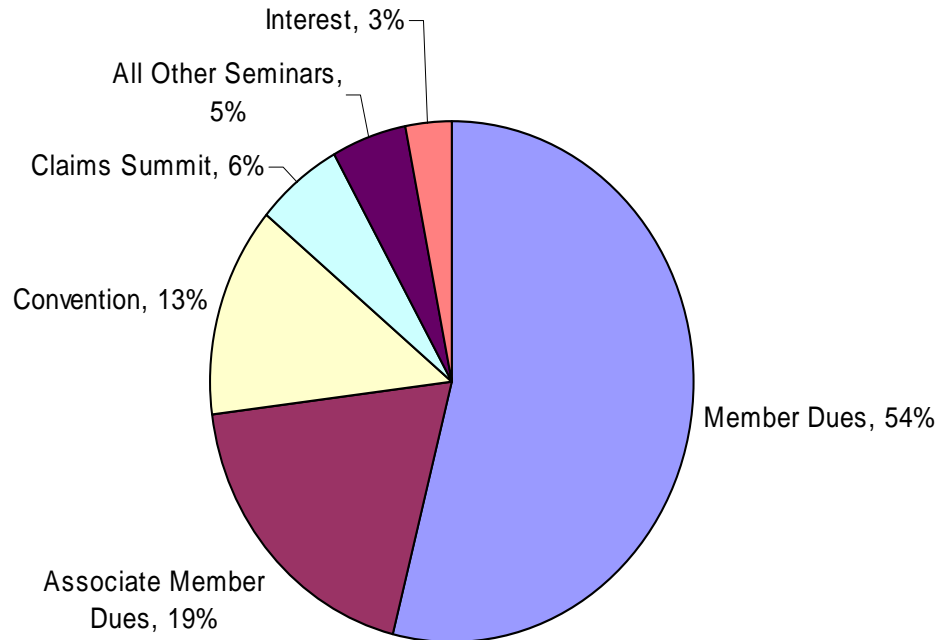
Christina Jenkins
Grange Mutual Fire Insurance Company

Matthew A. Schnader
Reamstown Mutual Insurance Company

Director Slated - Two Year Term

Justian Kelly
Nazareth Mutual Insurance Company

Treasurer's Report



Preliminary results show revenue and expenses are in line to meet budgetary expectations; however, audited fiscal yearend results were not available at the time of publication. When completed, audited financials will be available to PAMIC members upon request.

Budget Report



REVENUE

Dues	277,160
Programs	78,000
Interest	12,000
Other	0
Total Revenue	\$367,160

EXPENSE

Salaries	202,206
Employee Benefits	35,850
Payroll Taxes	15,165
Total Salaries/Benefits	\$253,221

Equipment	12,000
Rent	27,708
Telephone	5,000
Postage	3,000
Dues/Subscriptions	5,609
Office Supplies	4,500
Travel	7,500
Insurance	3,900
Legal/Audit	7,500
Committee Meetings	3,000
Equipment Maintenance	1,000
Depreciation	3,000
Officers' Expense	2,500
Legislative Visits	4,500
Accounting Outsourcing	3,300
Miscellaneous	6,000
Expenses Other Than Salaries	\$100,017

Total Expense	\$353,238
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Revenue in Excess of Expense	\$13,922
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Dues Structure



The 2008/2009 Dues Structure is as follows:

Regular Members

1. Regular members under \$100,000,000 Pennsylvania DWP: .083% of Pennsylvania DWP, subject to a maximum of \$7,800 and a minimum of \$1,200. Perpetual companies, defined as companies marketing policies with substantial deposit premiums, shall pay dues calculated on 10% of deposits to yield an equivalent conventional DWP.
2. Regular members over \$100,000,000 Pennsylvania DWP: \$10,500

Dues of regular members joining the Association during the Association year will be prorated.

New regular members will have dues phased in over a three year introductory period; one-third of regular dues payable the first year of membership, two-thirds the second year of membership, and the full regular membership dues the third and subsequent years of membership.

Associate Members

1. Associate member: Adjuster, Miscellaneous Services: \$600
2. Associate member: Law Firm: \$700
3. Associate member: Reinsurance Broker: \$700
4. Associate member: Reinsurer under \$10B worldwide premium: \$800
5. Associate member: Reinsurer \$10B and over worldwide premium: \$1,000
6. Associate member: National Insurance Company Trade Association
Initial membership: \$3,500; annual renewal: \$3,000

As Adopted by the PAMIC Board of Directors on June 10, 2008

Claims Committee



COMMITTEE CHAIR

Adam Parsons, Esq.
Penn National Insurance

COMMITTEE MEMBERS

Richard F. Andracki, Esq.
Andracki Law Offices, P.C.

Stephen L. Banko, Jr. Esq.
Margolis Edelstein

Donald L. Best, Jr., Esq.
DiBella, Geer, McAllister & Best P.C.

Dennis J. Bonetti, Esq.
Cipriani & Werner, P.C.

Dale K. Forsythe, Esq.
Wayman Irvin & McAuley, LLC

William Hamrick, Jr. RPA, AIC
Penn National Insurance

Frank Kellner, CPCU
Harford Mutual Insurance Company

Douglas J. Kent, Esq.
Marshall, Dennehey, Warner, Coleman
& Goggin

John Lewis, Esq.
Swartz, Campbell LLC

Ronald M. Ochalek
Farmers Mutual Fire Insurance
Company/Marble

P.J. Petrarco
FireDex of Pittsburgh

Glenn A. Ricketti, Esq.
Margolis Edelstein

Francis R. Santoro
Pennsylvania Lumbermens Mutual
Insurance Company

Michael S. Saltzman, Esq.
Fineman Krekstein & Harris, P.C.

Louis Schmitt, Jr., Esq.
McIntyre, Hartye & Schmitt

Peter J. Speaker, Esq.
Thomas, Thomas & Hafer, LLP

Thomas M. Trezise, Esq.
Convergent Insurance Services LLC

Purpose: Provide quality educational seminars; provide forums on claims questions. Research and disseminate relevant claims related information to the PAMIC membership.

Building on the success of prior years, the 2008 Claims Summit was held on April 2-3 in Harrisburg. Over the two days, our attendees were presented with the latest developments in the legal, technological and practical standards which govern exemplary claims-handling practices. Panel discussions and interactive forums – from public adjusters to a mock trial – further enhanced the Summit by establishing a dialogue on issues commonly confronted by claims personnel.

While the substance of the educational presentations permitted us to achieve our overarching goal of providing a quality educational seminar to our members, our Reception and Exhibit Show provided our attendees with the equally important opportunity to meet and socialize with those who work in our industry. Exposure to products and services presented by our exhibitors offered further tools to manage and direct claims handling operations.

Once again, our focus on a breadth of topics and experience permitted us to provide interesting topics tailored to both junior adjusters and the most seasoned veterans. The feedback and evaluations received from our attendees was overwhelmingly positive and the incorporation of many insightful suggestions into future summits should permit us to refine our programs to provide the greatest return on our attendees' investment.

Finally, I must stress my sincere appreciation for the level of commitment, professionalism and dedication exhibited by the PAMIC staff, volunteers, presenters and committee members, all of whom were truly instrumental in making the 2008 Claims Summit a resounding success.

Respectfully submitted,

Adam E. Parsons, Esq., CPCU
Claims Committee Chair
Penn National Insurance

Convention Committee



COMMITTEE CHAIR

Kevin R. Filler

Frederick Mutual Insurance Company

COMMITTEE MEMBERS

Brian Culp

Farmers & Mechanics Mutual
Insurance Company of West Virginia

Nancy Early

Hannahstown Mutual Insurance
Company

Robert A. Fitzsimmons

Farmers Mutual Fire Insurance
Company/Marble

Dale K. Forsythe, Esq.

Wayman, Irvin & McAuley, LLC

Allen Gavlak

Optical Image Technology, Inc.

Mark K. Getz

Shenandoah Mutual Fire Insurance
Company

Thomas J. Greenfield

BF Re Underwriters, LLC

Kimberly Hanke

General Reinsurance

John Lewis, Esq.

Swartz, Campbell LLC

Michael L. Magulick, Esq.

Wayman, Irvin & McAuley, LLC

Ronald R. McKinney

Farmers Mutual Fire Insurance
Company, McCandless Twp.

Christopher G. Shipe, AIC, CPCU

Loudoun Mutual Insurance Company

Mary Shoemaker

Farmers Mutual Fire Insurance
Company, McCandless Twp.

John W. Stone

General Reinsurance

James W. Townley

MSO, Inc.

Jeffrey Wingard

Conemaugh Valley Mutual
Insurance Company

Purpose: Assist PAMIC Director of Educational in planning the annual convention including session topic and speaker selection, location selection and participation by other state trade associations.

The 2008 Annual Convention of the Pennsylvania Association of Mutual Insurance Companies will be held on August 3rd – 5th at the Nemaocolin Woodlands Resort. This is a combined convention of three state associations; Pennsylvania, Virginia and West Virginia. We are excited to work with our mutual brethren in these states to provide a great forum and excellent networking opportunities along with an extraordinary location.

Numerous opportunities for networking will be provided which include the Welcome Reception on Sunday evening along with the general and breakout sessions throughout the convention. Please take the time to meet new friends and get reacquainted with older friends and colleagues.

The convention will provide attendees the opportunity to listen and discuss critical issues important to the insurance industry through the General and Breakout Sessions. Relevant topics that will be discussed include; capital market trends and future globalization, enterprise risk management, preparing for AM Best, soft market management, technology, and climate change. Round-table discussions will be available to openly discuss critical issues such as; emerging trends in technology, enterprise risk management, human resources, federal regulation and ease of doing business. There will be five Director's Sessions to include such topics as reinsurance, corporate governance, financial balance sheet management, executive compensation and strategic planning. In addition, there will be legislative updates for all three states.

The venue is extraordinary. Nemaocolin Woodlands Resort is nestled in beautiful Western Pennsylvania just north of the Maryland border. This area provides numerous opportunities for activities and relaxation for attendees and their families.

I would like to thank all of the members of the 2008 Convention Committee for their input and contributions to make this combined convention a success. A special thank you goes to Marri Lamoureux for her guidance and tireless efforts to assure the success of our convention.

I trust that you will find the 2008 Combined Annual Convention one filled with relevant information, strengthened relationships and fun-filled activities.

Respectfully submitted,

Kevin R. Filler

Convention Committee Chair

Fredrick Mutual Insurance Company

Education Committee



COMMITTEE CHAIR

Matthew A. Schnader
Reamstown Mutual Insurance
Company

COMMITTEE MEMBERS

Karen M. Balaban, Esq.
Karen M. Balaban, LLC

Michael R. Barlas, CIC
Lititz Mutual Insurance Company

George Conrad
Mutual Benefit Group

Steve Eichler, Esq.
Margolis Edelstein

Jean Eshleman
Mutual Boiler Re, Member of the
FM Global Group

John C. Grantland, CPCU
Munich Reinsurance America, Inc.

Steven M. Horner, CPCU
Horner & Associates, LLC

Mary Ivy Noone
Guy Carpenter & Company, Inc.

Sue C. Quimby, CPCU
MSO, Inc.

David A. Thomas
Guy Carpenter & Company, Inc

Purpose: Maintain and enhance quality and profitability of PAMIC educational activities. Promote visibility of and attendance at all PAMIC educational activities. Coordinate all PAMIC educational activity to assure full coverage of all relevant topics and to reduce any unneeded duplication of topics.

The PAMIC Education Committee planned two seminars this year; the Annual Spring Conference and the Arson Seminar. In addition, the committee recommended that PAMIC partner with NAMIC in 2009 for a jointly held Ag Risk Inspection School.

The Annual Spring Conference was moved to the Nittany Lion Inn in State College, a larger venue than in previous years, in order to accommodate the growing attendance. Once again the Conference had a solid attendance with 65 members participating. Topics included Disaster Recovery including ID Theft, The Latest Financial Exam Requirements, Making Policy Changes including information on Withdrawal Plans, and an Agent Relations Panel with discussion on forming an Advisory Council.

The Arson Seminar was held in response to the growing number of arson cases seen by some PAMIC member companies. The seminar was a successful mix of high level information on understanding arsonist behavior as well as hands-on information on how to process suspected arson cases efficiently. Members in attendance received valuable information on understanding and controlling arson investigations.

I would like to thank the Education Committee members for their dedication in serving the PAMIC membership. Their participation made for great seminars and entertaining committee meetings.

Respectfully submitted,

Matthew Schnader
Education Committee Chair
Reamstown Mutual Insurance Company

Financial Management Committee



COMMITTEE CHAIR

Karen Mashinski, CPA
Millers Mutual Group

COMMITTEE MEMBERS

Brian Bolinger, CPA
Tuscorora Wayne Group of Companies

Scott Burgess
Willis Re, Inc.

Jacquelyn Cherry, CPA
Brown Schultz Sheridan & Fritz

Scott Esworthy, CPA
Brown Schultz Sheridan & Fritz

Anthony A. Latini, CFA
Curtis Financial Group, LLC

Craig K. MacCormac
The Hartford Steam Boiler Inspection & Insurance Company

Dan McCarty
Briar Creek Mutual Insurance Company

Kelli D. Owen, CPA
bmc
(Beard Miller Company LLP)

Glenn H. Shelly, CPA
Lititz Mutual Insurance Company

Phillip Shirk, CPA
Goodville Mutual Casualty Company

Purpose: Plan and produce a quality educational seminar and provide roundtables and other forums as needed on financial management, accounting, financial reporting, tax, and investment functions of company operations. Serve as a resource for financial management questions and alert association to emerging issues in financial management.

Our September Financial Management Seminar attracted 75 attendees with a wide variety of topics from Enterprise Risk Management to Identity Theft. We were fortunate to have presenter Mr. Gerard Lynch, Chairman, President and CEO of General Re-New England Asset Management, speak on Capital Market Trends and the Future Effects of Globalization. Also on hand to present his Regulatory Update was Steve Johnson, Deputy Commissioner, Pennsylvania Insurance Department and a popular speaker at our Financial Management seminars.

The 2007 – 2008 Financial Management Committee has built upon past successes in planning their 2008 Seminar. Special guest this year will be Joel Ario, Pennsylvania Insurance Commissioner. Steve Johnson will also be back to present his lively regulatory update. An innovative panel discussion focusing on the Strategic Planning of Insurance Companies will include Robert Lyon, President, Millers Mutual Group, John Coursen, COO, Mutual Benefit Group and Al Webber, President, Tweed-Weber.

Additional sessions include Benchmarking with Jeff Reader, president of Ward Benchmarking; Data Breach and Identity Theft Coverages with The Hartford Steam Boiler Inspection and Insurance Company; and an Annual Statement Update with Scott Esworthy, Principle at Brown Shultz Sheridan & Fritz.

It has been my pleasure to Chair the 2007 – 2008 PAMIC Financial Management Committee. This Committee is comprised of experienced professionals willing to share their time and talent with the PAMIC community. Thank you.

Respectfully Submitted,

Karen Mashinski, CPA
Financial Management Committee Chair
Millers Mutual Group

Government Affairs Committee



COMMITTEE CHAIR

Rob Dodds, Esq.
Lititz Mutual Insurance Company

COMMITTEE MEMBERS

James L. Bookhamer, III
Mutual Benefit Group

Michael F. Consedine, Esq.
Saul Ewing LLP

Robert A. Fitzsimmons
Farmers Mutual Fire Insurance
Company/Marble

Jane Golden
Insurance Services Office, Inc.

Harold Jamison
Pennsylvania Lumbermens Mutual
Insurance Company

Lisa Katterman, Esq.
Penn National Insurance

Cheryl Keeney
Tuscarora Wayne Group of
Companies

Jan A. Kozlowski
MSO, Inc.

Edward Lynch Jr., CPIA
RLD Associates, Inc.

Howard C. Stevens
Farmers Mutual Insurance Company

Daniel Taylor, Esq.
Swartz, Campbell LLC

Joe Thesing
NAMIC

Jeffrey Wingard
Conemaugh Valley Mutual
Insurance Company

Michael A. Yeager
Lehigh Mutual Insurance Company

Dennis Yonkin, Esq.
Millville Mutual Insurance Company

Purpose: Closely monitor insurance legislative, regulatory and judicial developments and assess their impact on PAMIC membership. Assist in development and maintenance of government affairs communications program with membership and foster and promote direct member communication with legislators and regulators.

The 2007-2008 Governmental Affairs Committee again faced numerous challenges and issues from both the State and Federal Government. During our annual visit with Acting Insurance Commissioner, Joel Ario, we were told that the P&C industry in Pennsylvania was extremely healthy and the focus of their Department is Life & Health. For some reason, unfortunately, the State Legislature sees things differently. During the course of the 2007-2008 session, we were faced with legislation that dealt with such topics as: imposing a sales tax on legal fees; premium tax to fund both volunteer fire fighter healthcare insurance and flood programs; classification of independent contractors and changing well established language of “full tort” to the more controversial “Right to Sue”.

Outside the legislative activity, this year also focused on the controversial ruling in the Sackett case. The collective efforts of the insurance industry in Pennsylvania after the initial ruling forced the Pennsylvania Supreme Court to reconsider their initial ruling. We also faced the confusing and frustrating procedure of plans of transitions and withdrawals with the Insurance Department. This issue certainly added a few gray hairs to all of us!

I would consider the past year a resounding success. The participation in Mutual Insurance Days in Harrisburg as well as CCP in Washington, D.C. continues to be the way to get our industry’s voice heard by the lawmakers. If you participated, thank you. If you could not make it this past year, we hope to see you at both events in 2009. While we all hope Mr. Ario is correct and the focus remains Life & Health, we must be ready to deal with the unexpected in 2008-2009 as well. With emphasis on communication and education, the next year promised to be another success!

Respectfully submitted,

Robert D. Dodds, Esq.
Governmental Affairs Committee Chair
Lititz Mutual Insurance Company

Human Resources Committee



Purpose: Educate members on human resource issues, problems and solutions through seminars, roundtables, and forums designed to enhance professional knowledge.

COMMITTEE CHAIR

Katherine Swigart, SPHR
Mutual Benefit Group

COMMITTEE MEMBERS

Kevin Burke
Donegal Mutual Insurance
Company

Joy Casapullo
MSO, Inc.

Kelly Gorman, SPHR
Penn National Insurance

Steven M. Horner, CPCU, SPHR
Horner & Associates, LLC

Liesl R. Kreischer
Millville Mutual Insurance
Company

Joan M. Maxey
Goodville Mutual Casualty
Company

Carl E. Riefenberg
Compensation Resources, Inc.

Eileen Sleutaris
Pennsylvania Lumbermens Mutual
Insurance Company

Ellen Truant, CEBS, PHR
Harford Mutual Insurance
Company

Two years since returning by popular demand from a brief hiatus, the Human Resources Committee enjoyed a productive string of events this past year. A full day of human resources-related education was provided to 33 attendees at the HR Symposium held in October 2007. Topics included work/life initiatives, preparations for a Department of Labor audit, executive coaching, and workforce development.

Our roundtable meetings continued their popularity; nearly two dozen people registered for the February 2008 session. All participants benefit from a comfortable, relaxed setting in which to share challenges, successes and ideas. A rich variety of hands-on information is always guaranteed gleaned from peers.

Thanks go to Lititz Mutual for hosting the roundtables – it's a great location and so close to Wilbur Chocolate prior to the drive home – and to Steve Horner of Horner & Associates, who serves as the roundtable moderator.

It has been my pleasure to serve as chair of this committee. I appreciate the committee members and PAMIC's support during the year and look forward to repeating the role in the coming year.

Respectfully submitted,

Katherine W. Swigart, SPHR
Human Resources Committee Chair
Mutual Benefit Group

Information Systems Committee



COMMITTEE CHAIRS

Philip E. Nolt

Goodville Mutual Casualty
Company

John S. Snyder, Jr.

Brethren Mutual Insurance
Company

COMMITTEE MEMBERS

Stephen Fabian

Harford Mutual Insurance
Company

Chuck Ferraro

Donegal Mutual Insurance
Company

Mark Fischer

Weidenhammer Systems
Corporation

Rick A. Laabs

Mutual Benefit Group

Britta Schatz

Penn National Insurance

Lydia M. Stephan

Lititz Mutual Insurance Company

James Thumma

Optical Image Technology, Inc.

Purpose: To provide educational support and to foster exchange of information, ideas, and emerging issues relating to information systems technology and methodology as applicable to the insurance industry.

The PAMIC Information Systems Committee was reestablished this year with successful results. In December, the committee presented an IS Roundtable hosted by Mutual Insurance Group in Huntingdon. Presentations were given on Deploying IP Telephony and Selecting Insurance Software, followed by an informative roundtable discussion on Insurance IS issues.

For their May Seminar/Roundtable, hosted by Lititz Mutual Insurance Company, the Committee went to great lengths to obtain several high profile speakers, including Matthew Josefowicz, Director of Insurance Practice at Novarica, James H. Bisker, Industry Leader at IBM Global Business Services and William Hartnett, General Manager of Insurance at Microsoft. Topics included Legacy Systems, Insurance Data Model and results from a recent survey on CEO's View on Technology. Following the presentations, attendees participated in an insightful roundtable discussion.

The IS Committee is dedicated to providing discussion opportunities and meaningful presentations for those involved in insurance information systems. Our goal was to provide the information that will be helpful in making the difficult decisions of moving your companies successfully into the future.

A special thanks to Mutual Benefit and Lititz Mutual for hosting the I.S. meetings and roundtables. It was an added benefit for those who attended these meetings to have the option of touring these hosting companies facilities. It was extremely beneficial to see first hand how these companies are organized and operate.

We especially appreciate the hard work and support of Marri Lamoureaux from the PAMIC office who greatly assisted in making the sponsored events so successful. It has been our pleasure to work with our committee members in planning and implementing the PAMIC IS Meetings and Roundtables.

Respectfully Submitted,

Phil Nolt – IS Committee Co-Chair
Goodville Mutual Casualty Company

John Snyder – IS Committee Co-Chair
Brethren Mutual Insurance Company

Underwriting & Loss Prevention Committee



COMMITTEE CHAIR

Robert A. Gage
Briar Creek Mutual Insurance
Company

COMMITTEE MEMBERS

Robert Allen
Mutual Inspection Bureau, Inc.

Suzanne Chrisemer
Penn National Insurance

Robert Eargle
Juniata Mutual Insurance
Company

Brett Eater
Millers Mutual Group

Byron K. Long
MMG Insurance

Charles (Mike) Michael, Jr.
Lititz Mutual Insurance
Company

Meg Moore
Arch Re Facultative Services

Christopher Moresco
Towers Perrin Reinsurance

Eric Schmader
Farmers Mutual Fire Insurance
Company/Marble

Patricia Stifler
Harford Mutual Insurance
Company

William Turner
BF Re Underwriters, LLC

Aaron Welles
Tuscorora Wayne Group of
Companies

Purpose: Provide quality educational seminars, roundtables, and forums designed to enhance professional skills in underwriting, loss control and related fields. Research and disseminate emerging underwriting and loss control techniques, issues, and problems.

The Underwriting & Loss Prevention Seminar held November 8, 2007 at the Hershey Country Club attracted a large audience. More than 100 people took part in the seminar. In addition to break out sessions on Catastrophe Modeling and Hot Topics for Underwriters, the seminar included both a Predictive Model Panel and an Executive Panel discussion with representatives from four member companies.

The Underwriting and Loss Prevention Committee has once again put together a full schedule of sessions for the 2008 Seminar featuring the popular CEO Panel Discussion. In addition will be a series of Roundtable discussions. Attendees will be invited to participate in small group discussions around topics such as:

- Underwriting Alternative Energy
- New and Emerging Issues
- Underwriting Tools
- ITV/Construction Costs
- Inspections
- Managing Agency Relations
- Underwriting in a Soft Market
- Commercial Underwriting

This year's Seminar also includes these afternoon breakout sessions:

- The Financial Outlook with Sean Mooney, Guy Carpenter
- Understanding Financial Statements, Hank Straub, Brown Shultz
- Sheridan & Fritz
- Predictive Modeling with Roosevelt Mosely, Pinnacle Actuarial Resources
- Underwriting Principals with Bill Turner, BF Re Underwriters and Mike Michael, Lititz Mutual Insurance Company

Thank you to all of the U&LP Committee Members for taking the time to contribute to the success of this PAMIC Seminar.

Respectfully submitted,

Robert A. Gage
U&LP Committee Chair
Briar Creek Mutual Insurance Company

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Allegany Co-Op Insurance Company
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Bedford Grange Mutual Insurance Company
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Necrology



We honor those we have lost~

H. Ralph Hernley

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Board Member/Chairman

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46 years of service

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48 years of service

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22 Years of Service

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Assistant Treasurer and Bookkeeper

7 years of service

Judy E. Simpson

Mutual Benefit Group

Commercial Lines Underwriter

6 years of service

Cindy Lou Trace

Patrons Mutual Fire Association of NW Pennsylvania

Underwriter

Franklin B. Zink

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Board Member

31 years of service



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