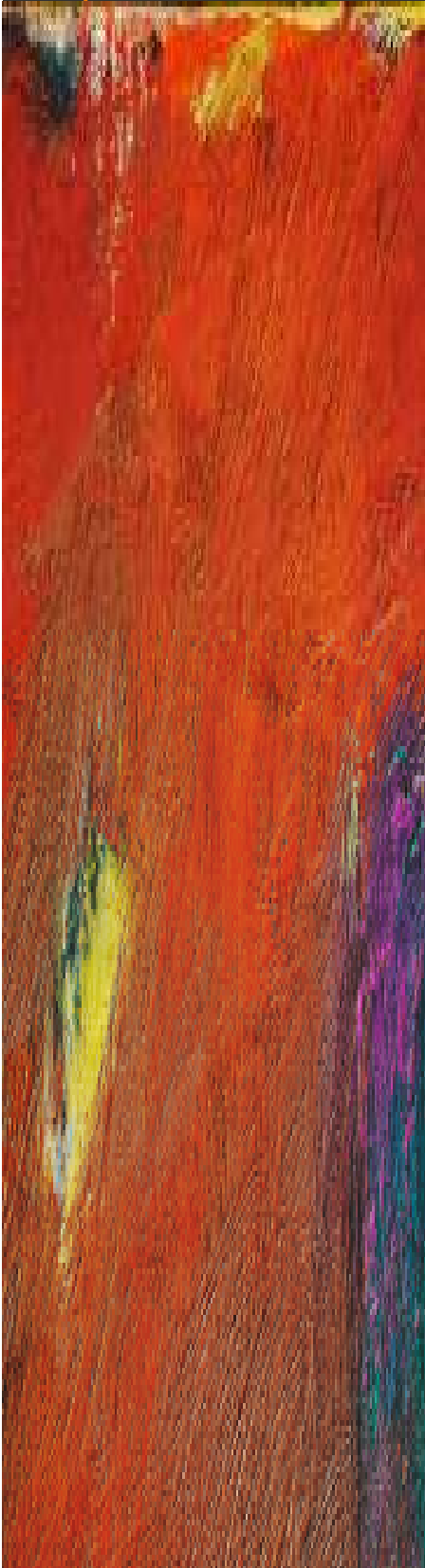


Pennsylvania Association of  
Mutual Insurance Companies



2010 - 2011  
Annual  
Report



# General Information

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## PAMIC Mission Vision Values

The Pennsylvania Association of Mutual Insurance Companies (PAMIC) was founded in 1907. Today, over a hundred years later, our membership includes over 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.

### OUR MISSION:

To support our membership in successfully meeting the insurance needs of their customers, both agents and policyholders. PAMIC will accomplish this mission by providing members with highly valued advocacy, educational programs and networking opportunities.

**Advocacy:** We will be 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.

**Education:** We will provide technical and managerial training opportunities for employees of our member companies. We will constantly evaluate the success of our educational programs and update them to assure they meet the current needs of our member companies.

**Networking:** From our Annual Meeting to on-line forums we will provide our membership with opportunities to interact and draw upon the expertise and knowledge of all of their fellow members and associate members as we strive to serve our policyholders/members.

Our success will be measured by the financial stability and strength of our member companies and by having full participation among companies eligible to become PAMIC members.

### OUR VISION:

PAMIC will be the Mid-Atlantic Region's premier source of advocacy, education and networking for the insurance professionals of mutual insurance companies and mutual holding companies operating in the region.

### PAMIC'S CORE 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
- Belief in insurance as a valuable and essential economic tool

# Chairman's Report

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Dear Fellow PAMIC Members:

My year as your Chairman is rapidly coming to a close, and I would like to take a moment to thank a number of people and recognize their contribution and support, as well as chat about some of our accomplishments and the challenges that still face our organization. PAMIC could not be as viable an organization as it is without member support and I believe many are aware that our membership continues to be very active and supportive of our organization. Whether it is paying your dues on a timely basis or supporting the various educational leadership and leadership seminars throughout the year, by attending or sending your employees to attend, it is refreshing to see an active and involved membership. Many of our members go above and beyond by sponsoring various events, and to those members a special thanks is indeed appropriate.

Throughout the year we have relied on many organizations who provide us sponsorships which have enabled us to run the great programs that we have. While our list of sponsoring organizations is simply too long to list here, it still is appropriate that I thank them for their support. Clearly, PAMIC has a quality staff that should be recognized for all of their ongoing efforts.

As I look back over the year, I note a number of successes including a great tri-state convention at The Greenbriar that attracted broad based attendance and consisted of a great program. Financially, our convention exceeded our expectation. Throughout the year we had a host of networking opportunities that were well attended and the feedback was generally very positive.

We had a nice turnout for Mutual Insurance Day on the Hill, and I would like to thank those individual members that took the time and spent their hard earned dollars to support our efforts in Washington as well as our Congressional Contact Program.

We built upon the foundation laid down earlier to revitalize our PAC and had a great deal of success in improving our giving levels which allowed our Executive Director to deliver our message more often and more "clearly" across a broader base of legislators than ever before. It was an exciting time when we saw one of our own supporters finally confirmed as Insurance Commissioner. We believe Michael Consedine will bring a fair and balanced view, and a broad based understanding of our industry and the challenges and opportunities that face us to his role at the Insurance Department. We wish him well.

I applaud the efforts of those that stepped up to the challenge to reinvigorate the educational atmosphere of their companies and took the time to speak to a young person about pursuing a career in the insurance industry. Many in PAMIC's company leadership positions are closer to the end of their career than they are to the beginning, and it is important that we build a cadre of eager young talent in the years to come to step in and replace us.

But, there continue to be challenges that we need to work on, whether it is improving our attendance in support of the Congressional Contact Program in Washington, or achieving our goal from a PAC standpoint. There is always work that needs to be done. It is my sincere hope that the work continue, and I am quite sure that my successor will move the organization further forward.

In closing, I deeply appreciate the support of my fellow members of the Board of Directors and their companies and their commitment and dedication to our organization and its membership in the insurance environment in the great Commonwealth of Pennsylvania.

A handwritten signature in black ink, appearing to read "John K. Smith". The signature is fluid and cursive, written in a professional style.

# President's Report



This year PAMIC Chairman John K. Smith has challenged our members to make a serious commitment to professional insurance education, respecting both company personnel and young people thinking about a career. He has also challenged us to renewed application to our government affairs goals – particularly emphasizing how essential your PAMIC PAC contributions are to meeting those goals. And so our chairman has underlined two of our three hallmarks and special strengths. The third, networking, has always been one of the things our members repeatedly tell us they find most enjoyable about their PAMIC membership. Most of our networking is built into that educational component that Chairman Smith has underscored this year. Let's take a look at that 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. And please note that we have continued to expand our educational activity through offering three-day schools (Claims, to begin with) using the state of the art CPCU/IIA curriculum materials and a revitalized Executive Roundtable. I want to thank our Education Committee Chairman Kathleen Dalton and her 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 Patricia Stroble, our new Education Director, for pulling it all together.

This year was a year of exceptionally heavy lifting for government affairs, the other element highlighted by Chairman Smith. On behalf of your Government Affairs Committee, its Chairman Dan DeArment, 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 year we played both offense and defense and thanks to your grassroots support (including PAC contributions) we played it well. On defense, we successfully fought off two serious efforts to move the Pennsylvania legal climate, already bad, in the wrong direction: permitting jurors to decide whether an insurance company was guilty of bad faith and letting trial lawyers argue to the jury for specific dollar amounts for pain and suffering. After tremendous effort, we fought those off. Thank all of you for giving me and your association the time and the effort that made that possible: the responses to action calls, the personal visits with legislators, the telephone calls, etc. This year on the offense, we are well on our way to meaningful tort reform for the first time in decades and close to enacting something our members have sought for many, many years – public adjuster legislation with some real teeth. The jury is still out on both of these initiatives, but if we succeed you can once again be proud that by your support you did something important for your company, your industry, and PAMIC.

On a personal note, I thank of you for your continued support as we mutually work for the best interest of our industry. It is deeply appreciated.

*Steven J. Quinn*

# Board of Directors

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## EXECUTIVE COMMITTEE

John K. Smith, Chairman  
Pennsylvania Lumbermens Mutual Insurance Company

Steven D. Linkous, Chairman Elect  
Harford Mutual Insurance Company

Matthew Schnader, Vice Chairman  
Reamstown Mutual Insurance Company

Joseph L. Sloan, Secretary/Treasurer  
Mutual Benefit Group

Henry R. Gibbel, Immediate Past Chair  
Lititz Mutual Insurance

Steven C. Elliott, President  
PA Association of Mutual Insurance Companies

## DIRECTORS

Daniel W. DeArment  
Friends Cove Mutual Insurance Company

Christina Jenkins  
Grange Mutual Fire Insurance Company

Lisa Katterman  
Penn National Insurance Company

John Keefe  
Harleysville Insurance Company

E. Dennis McCormick  
Farmers & Mechanics Mutual Insurance Company of WV

Art Meadows  
Panhandle Farmers Mutual Insurance Company of WV

Paul E. Reichert  
Montour Mutual Insurance Company

Todd E. Salsman  
Tuscarora Wayne Group of Companies

Robert G. Shenk  
Donegal Insurance Group

Phillip Shirk  
Goodville Mutual Casualty Company

## NOMINATING COMMITTEE REPORT

### **Officers Slated for 2011 - 2012**

Chairman: *Steven D. Linkous*,  
Harford Mutual Insurance Company

Chairman-Elect: *Matthew A. Schnader*,  
Reamstown Mutual Insurance Company

Vice-Chairman: *Daniel DeArment*  
Friends Cove Mutual Insurance Company

Secretary/Treasurer: *Joseph L. Sloan*,  
Mutual Benefit Group

Immediate Past Chairman: *John K. Smith*,  
Pennsylvania Lumbermens Mutual  
Insurance Company

### **Directors Slated - Three Year Term**

*Randell S. Peters*,  
Allegheny Co-Op Insurance Company

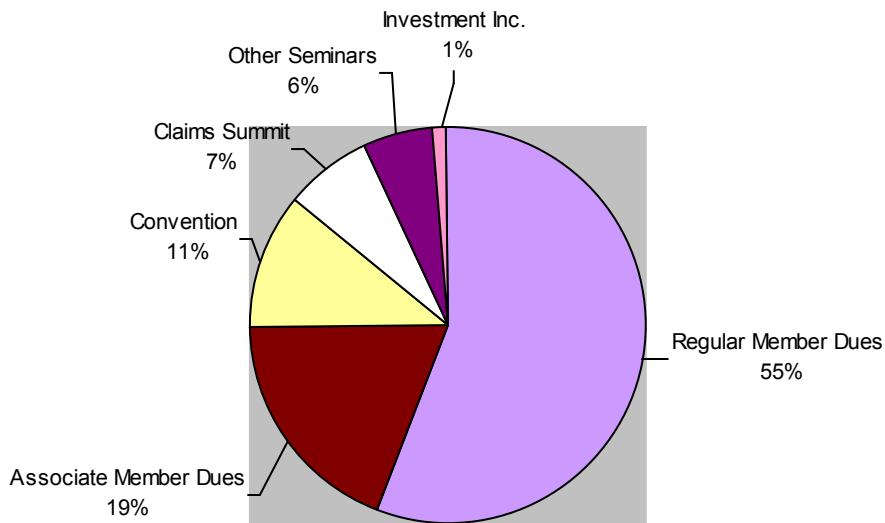
*Robert G. Whitlock, Jr.*,  
The Philadelphia Contributionship

*Cheryl B. Whiteley*,  
Farmers & Mechanics Mutual Group

*Sharon Woodward*,  
Baltimore Equitable Insurance

# Treasurer's Report

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

# Budget Report

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## 2011-2012 Budget

### REVENUE

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Dues	306,673
Programs	86,000
Interest	5,000
Other	0
<b>Total Revenue</b>	<b>\$397, 673</b>

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### EXPENSE

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Salaries	227,047
Employee Benefits	37,405
Payroll Taxes	15,893
<b>Total Salaries/Benefits</b>	<b>\$280,345</b>

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Equipment	10,500
Rent	25,400
Telephone	4,500
Postage	2,500
Dues/Subscriptions	4,500
Office Supplies	5,400
Travel	10,500
Insurance	4,300
Legal/Audit	10,000
Committee Meetings	3,500
Equipment Maintenance	1,000
Depreciation	3,200
Officers' Expense	1,000
Legislative Visits	3,000
Accounting Outsourcing	3,300
Miscellaneous	3,800
<b>Expenses Other Than Salaries</b>	<b>\$96,400</b>

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<b>Total Expense</b>	<b>\$376,345</b>
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<b>Revenue in Excess of Expense</b>	<b>\$21,060</b>
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# Dues Structure

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The 2011/2012 Dues Structure is as follows:

Regular members under \$100,000,000 Pennsylvania DWP: .085% of Pennsylvania DWP, subject to a maximum of \$8,000 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.

Regular members over \$100,000,000 Pennsylvania DWP:	\$10,750
Associate member: Adjuster, Miscellaneous Services:	\$650
Associate member: Law Firm:	\$750
Associate member: Reinsurance Intermediary:	\$750
Associate member: Reinsurer:	\$1,000
Associate member: National Insurance Company Trade association:	
Initial membership:	\$3,500
annual renewal:	\$3,000

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

New regular members will have dues phased in over a 3 year introductory period, one-third of regular dues payable the first year of membership, two-thirds the second year, and the full regular membership dues the third and subsequent years of membership.

**As Adopted by the PAMIC Board of Directors on June 15, 2011**



# Claims Committee

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## COMMITTEE CHAIR

**Mark Russell, CPCU, AIC, ARe**  
Mutual Benefit Group

## COMMITTEE MEMBERS

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

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

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

**William Hamrick, Jr. RPA, AIC**  
Penn National Insurance

**Daniel Herdmann**  
Philadelphia Contributionship

**Nicholas Kaz**  
Pennsylvania Lumbermens Mutual  
Insurance Company

**Frank Kellner, CPCU, AIC**  
Harford Mutual Insurance Company

**Charles Kidhardt**  
Goodville Mutual Casualty Company

**John F. Lewis, Esq.**  
Swartz , Campbell LLC

**Ronald M. Ochalek**  
Farmers Mutual Fire Insurance  
Company/Marble

**Glenn Ricketti, Esq.**  
Margolis Edelstein

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

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

We are pleased to report that the Claims Summit was once again a success. It was held April 6 & 7, 2011 at the Wyndham in Gettysburg.

This year we had 219 attendees for the conference. We also had a record number of sponsors and exhibitors and without their support and generosity none of this would be possible. PAMIC and its members thank them for their unwavering support year after year.

We were very fortunate to have Insurance Commissioner, Michael Consedine (nominee at time of conference and has since been confirmed), as our keynote speaker. The agenda was extremely robust with a wide variety of topics and in my opinion the quality of the presenters, materials and topics was outstanding! All in all, it was a successful conference.

My thanks to the PAMIC staff

Steve Elliott

Jessica Witmer

Patricia Stroble

Claims Committee Members

Our Sponsors

Our Exhibitors

Presenters for the 2011 Claims Summit

2010-2011 Accomplishments

Sponsored 3-day AIC School in Harrisburg (Claims Handling Principles)

2011 Claims Summit in Gettysburg, PA April 6 & 7

Respectfully submitted,

*Mark E Russell*

# Convention Committee

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## COMMITTEE CHAIR

**Steven D. Linkous**  
Harford Mutual Insurance Company

## COMMITTEE MEMBERS

**Jean Eshelman**  
Mutual Boiler Re, Member of the  
FM Global Group

**Alex Guadet**  
Guy Carpenter

**Thomas J. Greenfield**  
BF Re Underwriters, LLC- A  
Berkeley Company

**Sonja Johnson, CPA**  
Buffamante Whipple Buttafaro, P.C.

**Sarah Leddy**  
WithumSmith+ Brown

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

**Jim Mack**  
EisnerAmper

**Bryan Mosser**  
Frederick Mutual Insurance  
Company

**Scott Rybny**  
Nelson, Levine, deLuca & Horst

**Matthew A. Schnader**  
Reamstown Mutual Insurance  
Company

**John W. Stone**  
Gen Re

**James W. Townley**  
MSO, Inc.

***Purpose: Assist PAMIC Director of Educational in planning the Annual Convention including speaker selection, locations and participation by other state trade associations.***

The 104<sup>th</sup> Annual Convention of the Pennsylvania Association of Mutual Insurance Companies will be held once again at the beautiful Bedford Springs Resort in Bedford, PA on July 31<sup>st</sup> through August 2<sup>nd</sup>. As always, the Convention will provide a wonderful opportunity to connect with the membership and hear insightful speakers present important topics facing our members and the insurance industry today.

Due to the diligent efforts of our Convention Committee members, and Patricia Stroble and Jessica Witmer from PAMIC, we have an excellent agenda planned that will be attractive to our diverse members. This year's Convention kicks off on Sunday with a family-style picnic at the Bedford Elks Country Club, followed by volleyball on the Bedford Springs lawn. That evening, attendees will be able to reconnect and network during a Welcome Reception.

Monday starts off with a general session where Insurance Commissioner Michael Consedine, PAMIC Chairman John Smith, and NAMIC Chairwoman Sandy Parrillo will welcome and present to the attendees. A keynote from I.I.I. President Robert Hartwig (always a crowd favorite) will follow later in the day, with motivational speaker William Gill addressing the group on Tuesday. The Chairman's Banquet will be held Monday evening with guests entertained by a Rat Pack Tribute group that is sure to appeal to all.

Break-out sessions during the convention will address critical issues, including RMS Version 11, Federal Legislative Update, ERM, Social Media, Insuring Green Technology/Products, Disaster Recovery, PA Financial Exams, and Employee Benefits. An optional spouse program is available to take participants on a tour of the food, wine, tea, and history of the resort. Those electing to golf will be treated to a magnificent course originally designed by Spencer Oldham, and later redesigned by both A.W. Tillinghast and Donald Ross.

I am extremely thankful for all of the hard work and support of the Convention Committee and the PAMIC staff in preparing for this convention. Their expertise and ability to complete tasks in an effective and efficient manner were greatly appreciated. I believe the membership will be very pleased with the agenda, networking opportunities, value gained while spending their valuable time away from the office, and even some relaxation thrown in there.

The success of the convention and the resulting benefit to the association comes from the generosity and support of our wonderful sponsors and exhibitors. Without their continued collaboration we simply could not put on this robust of a Convention. On behalf of the entire membership, we thank them all for their support.



I look forward to seeing everyone at the upcoming Convention.

# Education Committee

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## COMMITTEE CHAIR

**Kathleen Dalton**

Pennsylvania Lumbermens Mutual  
Insurance Company

## COMMITTEE MEMBERS

**Stephen L. Banko, Jr. Esq.**  
Margolis Edelstein

**Lew Bivona**

WithumSmith + Brown

**Roy Brandow**

The Philadelphia Contributionship

**Erica Crotty**

Penn National Insurance

**James Dodd-o**

Thomas, Thomas & Hafer

**Chris Ehresman**

The Hartford Steam Boiler  
Inspection and Insurance Company

**Robert A. Gage**

Briar Creek Mutual Insurance  
Company

**Chuck Karolewski**

Frederick Mutual Insurance  
Company

**Frank Kellner**

Harford Mutual Insurance Co.

**Byron K. Long**

MMG Insurance

**Ronald R. McKinney**

Farmers Mutual Fire Insurance Co.  
of McCandless Twp.

**Stephen Moore, Esq.**

Peters & Wasilefski

**Sue C. Quimby, CPCU, AU,**

CIC, CPIW

MSO, Inc.

**D. Lynn Reynolds**

Elizabethtown Insurance Company

***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.***

Categorically two webinars were presented in October and November 2010 – Employee Practices Liability Insurance and Data Compromise. Each webinar was on target for attendance and received positive feedback.

AIC33 – Claims Handling Principles and Practices was presented at the Three Day School in Harrisburg November 15<sup>th</sup>-17<sup>th</sup>. The course was presented by PAMIC members Roy Brandow, Mark Russell, and Frank Kellner. Although the attendance goal was 22 students, 17 students registered and were able to take the exam upon completion of the course.

The Annual Spring Conference was presented March 15<sup>th</sup> and 16<sup>th</sup> in State College. The day focused on an array of discussions concerning challenges insurers are facing due to harsh economic times. The attendance included underwriters, CEOs, and reinsurers. The committee was able to successfully increase attendance almost 30% while meeting our financial goal at the same time.

At the end of June, the Education Committee presented the Executive Roundtable in Hershey. The roundtable discussions focused on Benchmarking, facilitated by Jeff Rieder –Ward Group; Operational Processes and Workflows for Small to Midsized Carriers, facilitated by Peter Kraynak, Insurance724; and Disaster Recovery, facilitated by Phil Reynolds, Intuitive Web Solutions. Approximately 27 attendees participated in the day. The Executive Roundtable have not been presented in some time and we looked forward to making this a prosperous event.

The committee will also be presenting the Three Day School again in Harrisburg during the month of November. The suggested curriculum is INS 21, INS 22, or INS 23. The members will decide momentarily which course will be presented.

The group will also plan two other webinars to be presented prior to the end of the year.

I would like to thank the committee for their commitment and dedication in making the past year successful.

Respectfully Submitted,



Kathleen Dalton

# Financial Management Committee

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## COMMITTEE CHAIR

**Glenn H. Shelly, CPA**  
Lititz Mutual Insurance Company

## COMMITTEE MEMBERS

**Jacqueline Anderson**  
Brown Schultz Sheridan & Fritz

**Brian Bolinger, CPA**  
Tuscarora Wayne Group of Companies

**Samuel Broomer, CPA, MBA**  
Mutual Boiler Re, A Member of the FM Global Group

**Richard DiMarzo**  
Morgan Stanley Smith Barney, LLC

**Scott Esworthy**  
Brown Schultz Sheridan & Fritz

**Edward Harper, ARE**  
Guy Carpenter & Company, Inc.

**Jennifer Hefkin**  
Mutual Benefit Group

**Eric J. Kelly**  
ParenteBeard LLC

**Anthony A. Latini Jr., CFA**  
Boenning & Scattergood

**John F. Marazzo**  
Pennsylvania Lumbermens Mutual Insurance Company

**Karen Mashinski**  
Millers Mutual Group

**Elaine Nissley**  
McKonley & Asbury

**Jeff Pratt**  
Penn National Insurance

**Timothy D. Rutledge**  
Harford Mutual Insurance Co.

**Eric Schmader**  
Farmers Mutual Fire Insurance Company of Marble

***Purpose: Plan and produce a quality educational seminar and, in coordination with the Education Committee, 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 in financial management.***

The Financial Management Committee met on May 4, 2011 at the Lititz Mutual Home Office to plan the PAMIC Financial Management Seminar. The seminar is going to be held on October 4, 2011. The location for the meeting is being determined by PAMIC staff.

The tentative topics for the seminar are as follows:

1. Regulatory/Statutory Accounting Update (Speaker – Steve Johnson, PA Ins. Dept.)
2. Corporate Governance (Speaker – Elaine Nissley, McKonley and Asbury)
3. Tax Update (Speaker – To be determined)
4. Insurance Fraud (Speaker – To be determined)
5. Electronic Payment Technology (Speaker – Grant Brown, KUBRA)
6. Annual Statement Update (Speaker – Hank Straub, Brown Schultz Sheridan & Fritz)

The final planning for the seminar is expected to be concluded by early July.



# Government Affairs Committee

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## COMMITTEE CHAIR

**Daniel W. DeArment**  
Friends Cove Mutual Insurance Co.

## COMMITTEE MEMBERS

**Frederick Anton**  
Towers Watson Reinsurance

**Mark Blackburn**  
Castle Claims Service

**James L. Bookhamer, III.**  
Mutual Benefit Group

**Herman Bontrager**  
Goodville Mutual Casualty Company

**Erin Collins**  
NAMIC

**Rob Dodds, Esq.**  
Lititz Mutual Insurance Company

**Nancy Early**  
Hannahstown Mutual Insurance Company

**Robert Fitzsimmons**  
Farmers Mutual Fire Insurance Company of 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.

**Carl Anthony Maio, Esq.**  
Fox Rothschild LLP

**Jesper Nielsen**  
Sargent's Court Reporting Services, Inc.

**Fred Santiago**  
Funk & Bolton, P.A.

**Matthew Schnader**  
Reamstown Mutual Insurance Company

**Robert G. Shenk**  
Donegal Insurance Group

**Daniel Taylor, Esq.**  
Swartz, Campbell LLC

**Floyd Todd, Jr.**  
Three Rivers Intermediaries, Limited

**Jeffrey Wingard**  
Conemaugh Valley Mutual Insurance Company

**Michael A. Yeager**  
Lehigh Mutual Insurance Company

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

## BACKGROUND


The primary purpose of the Government Affairs Committee is to provide leadership in the area of legislative advocacy, and to support and provide recommendations to the Board of Directors on issues relating to legislative and regulatory developments.

## DISCUSSION

The Government Affairs Committee met once since the last report on June 8, 2011. At the June 8<sup>th</sup> meeting, a discussion took place regarding a meeting with the Insurance Commissioner and Deputy Commissioners that occurred on April 19, 2011. This is an annual event that is attended by PAMIC's President, and Chairman of the Government Affairs Committee, as well as several at large members. It was an opportunity for dialogue between the Department and PAMIC, and it gave PAMIC the chance to explore some of our more important concerns moving forward. Among these concerns were withdrawal plan restrictions, cost of financial exams, Market Conduct Annual Statement, Public Adjuster Law reform and Rate & Form Filing turn-around. The general consensus was that the meeting went well and that the Department is taking a pro-business position, while still protecting consumer rights.

The Committee discussed the cost of financial exams and the possibility of surveying the PAMIC membership to gather data on the cost of each company's three most recent financial examinations. The committee seeks use of that data to seek more cost effective approaches that can be presented to the Insurance Department. One such alternative may be to use an approach similar to one used in West Virginia, which assesses every company doing business in the state (not just domestics) a small annual fee, which is deposited into a fund to be used to finance the cost of financial examinations.

The committee also discussed various legislative concerns, the greatest of which is the Fair Shares bill that passed the legislature in the prior session, but which then Governor Rendell failed to sign into law. That bill has been re-introduced, and is the most likely way of accomplishing tort reform in this session. It is, however, stalled in committee, despite having broad political support, as well as the direct support of Governor Corbett. The GA Committee discussed ways to try to raise both public awareness and legislative Awareness of this issue in an attempt to try to move the bill forward after the summer session (which will be consumed by budget deliberations). Over the course of the summer, the Committee will begin to implement a plan to raise public awareness and increase grassroots support among our membership with the hope that the bill will gain momentum and overcome the current impasse.



# Human Resources Committee

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

## **COMMITTEE CHAIR**

**Kelly Gorman, SPHR**  
Penn National Insurance

## **COMMITTEE MEMBERS**

**Crystal Clark, Esq.**  
Thomas, Thomas & Hafer, LLP

**Michael D. Evans**  
Frederick Mutual Insurance  
Company

**Stacey Girven**  
Tuscarora Wayne Group of  
Companies

**Joan M. Maxey, PHR**  
Goodville Mutual Casualty  
Company

**Kathleen Morris-Rosati**  
The Philadelphia Contributionship

**Cami Ressler**  
Bybel Rutledge

**Anne Smerkar**  
Farmers Mutual Fire Insurance  
Company/Marble

**Ellen Truant**  
Harford Mutual Insurance Company

**Fran Vaughn**  
Mutual Benefit Group

**Jane Wenger**  
Reamstown Mutual Insurance  
Company

**Claudia Williams**  
Thomas, Thomas & Hafer

We had a very successful HR Roundtable which took place on Tuesday, April 26<sup>th</sup> at the West Shore Country Club. The registration was positive, with 23 individuals registered for attendance. The group of attendees were very engaged and therefore participation was high.

A committee meeting took place immediately following the roundtable. During the committee meeting we decided that we would not conduct a full seminar in the fall. Rather, we would have another HR Roundtable and that we would have a speaker come in for the first half of the meeting. Claudia Williams, a member attorney, has agreed to speak and will talk on new and emerging topics in employment and employment law.

We are looking at a date in September.

We anticipate having one additional HR Roundtable by the end of the year.

No other activity has occurred.



# Information Systems Committee

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## COMMITTEE CHAIR

**Larry Fortin**  
Millers Mutual Group

## COMMITTEE MEMBERS

**Samuel BowerCraft**  
McKonly & Asbury, LLP

**Stephen Fabian**  
Harford Mutual Insurance  
Company

**Stephen Konopelski**  
Mutual Boiler Re, A Member of  
FM Global Group

**Rick Laabs**  
Mutual Benefit Group

**Randy Lennon**  
The Philadelphia Contributionship

**Joseph M. McGurrin, Jr.**  
Pennsylvania Lumbermens  
Mutual Insurance Company

**Britta Schatz**  
Penn National Insurance

**Eric Schmader**  
Farmers Mutual Fire Insurance  
Company/Marble

**Eric Schmader**  
Farmers Mutual Fire Insurance  
Company/Marble

**John S. Snyder**  
Brethren Mutual Insurance  
Company

***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 IS committee has met a couple of times since the last report was submitted.

The primary focus of recent meetings has been around our 2011 fall conference. The committee has made the decision to focus on a single event for the year that is centered on project management.

The event will be held at the Sheraton Harrisburg/Hershey on September 15<sup>th</sup> with a social time the evening of the 14<sup>th</sup>. The cost to attend will be \$125.

The schedule is as follows:

7:30 – 8:30 a.m. – Continental breakfast

8:30-9:30 a.m. (Keynote) Project Management and Insurance: The Merits of Project Management and the Pitfalls without it.

9:30 – 10:30 a.m. (Session I) Implementation Methodology

10:30 – 10:45 a.m. – Break

10:45 – 11:45 a.m. (Session II) Vendor management

11:45 a.m. Lunch

1:00 – 2:00 (Session III)- IT Governance and Corporate Buy-in

2:00 – 2:45 p.m. (Session IV) Panel Discussion

2:45 – 3:00 p.m. – Break

3:00– 4:00 p.m. Roundtable

Our accomplishments this year have been to continue to bring relevant and educational information to the IT individuals of PAMIC member companies.

Respectfully submitted,

Lawrence Fortin

# Underwriting & Loss Prevention Committee

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## COMMITTEE CHAIR

**Michael Evans**  
Frederick Mutual Insurance  
Company

## COMMITTEE MEMBERS

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Penn National Insurance

**Erin Duffy**  
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***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 and Loss Prevention Committee held a brainstorming session on April 29, 2011 at the West Shore Country Club. After much deliberating, it was decided that the route we will take is to talk about the state of the industry as well as the burning issues. What are the hot underwriting topics? Foreclosures? How do we attract new talent and how do you train them? Lack of maintenance on homes? Underwriting red flags?

The members of the Committee have been charged with recruiting speakers to address these issues. We are looking for a person with a financial background to discuss basic financial ratios. We are looking for a person with a Personal Lines underwriting background to discuss Personal Lines Underwriting issues as well as a person with a Commercial Lines underwriting background to discuss Commercial Lines Underwriting issues. We are also looking for a person with a Loss Control background to provide his or her perspective as well as an attorney and a compliance person.

The seminar will take place on November 8, 2011 at the Hershey Country Club. Our goal is to attract at least 85 underwriters and marketing people.

As of this date, we have already secured at least one speaker. Bill Wynne, Loss Control, Harford Mutual has agreed to speak about Loss Control issues primarily from a Commercial Lines perspective.

Respectfully submitted,



Michael D. Evans  
Chief Underwriting Officer  
Frederick Mutual Insurance Company



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Allegheny Co-Op Insurance Company  
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Auto-Owners Insurance Company  
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Cambria County Mutual Fire Insurance Company  
Canonsburg Mutual Fire Insurance Company  
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Clearfield County Grange Mutual Fire Insurance Company  
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