

Pennsylvania Association of  
Mutual Insurance Companies

2011 - 2012  
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

To the PAMIC Membership:

As I look back over the past year of having the honor and privilege to be your PAMIC Chairman, I am pleased to report to the membership that we experienced great success, and our association remains strong. With the gavel passing onto the capable hand of Mr. Schnader upon his election, you should rest assured that PAMIC will continue to prosper under his leadership in the year ahead.



The strength of our association comes from within the basic principles of mutuality upon which our companies were founded; for some, more than two hundred years ago. I am proud to have witnessed firsthand the active support you have shown the association through your membership, attendance, sponsorship, resources, volunteers, and input. This pooling of knowledge and resources affords us stability while benefiting the greater good of everyone engaged in our mutual success.

Our ability to produce effective advocacy, educational, and networking opportunities and services would not be possible without those who volunteer their skills and wisdom, sponsor with their hard-earned dollars, and the capable PAMIC staff who pull it all together time and time again. I would like to thank you for your ongoing commitment to PAMIC.

Looking back, the year began on a high note at our Annual Convention in Bedford Springs with a successful program that drew in much of the membership, offered various educational and networking opportunities, and exceeded our financial expectations. With strong momentum and a solid footing, our various committees, guided by the PAMIC staff, conducted engaging educational programs and seminars throughout the year that were well attended and well received overall.

The turnout and program developed by our hard-working Government Affairs Committee for our Mutual Insurance Day on The Hill provided a solid start in our advocacy efforts. This was followed by a strong turnout for our trip to Washington as part of the NAMIC Congressional Contact Program to urge members of Congress to support legislation beneficial to our industry and the insurance consumer. I cannot stress the importance of, nor thank you sufficiently, for your involvement and your hard-earned dollars given to the PAC to help our Executive Director deliver PAMIC's message.

Of significant note is the work the members of the Board of Directors conducted numerous times throughout the year in support of PAMIC's strategic planning, with a significant focus on succession preparation. Led by Mr. DeArment, major steps were taken to ensure that PAMIC's foundation is secure and its mission can be upheld far into the future. I look forward to our continued planning in the year ahead and invite the membership to provide their input throughout the process.

In conclusion, I simply cannot thank my fellow board members, and their companies, enough for their time, dedication, insight, and commitment to the mutual success and ongoing prosperity of your association. Thank you for the faith placed in me to man the helm for this brief period of time. It was very enjoyable and rewarding, and I look forward to seeing everyone along the PAMIC trail.

A handwritten signature in black ink that reads "Steve Linkous". The signature is written in a cursive, flowing style.

Steve Linkous  
2012 Chairman

# President's Report



Chairman Linkous has focused on Mutual Advantage as PAMIC's theme this year. I cannot imagine a more appropriate focus for our association and for our industry.

As always, PAMIC has strived to be your valued partner as we mutually work together. We do that by offering the most accurate, most timely, and most useful information that you need to successfully navigate our ever-changing industry. This year our justly renowned seminars have provided PAMIC members with vital information on market conduct examinations, investment practices, claims, new underwriting trends, reinsurance markets, corporate governance, and other topics. All areas undergoing rapid change; all areas that directly impact companies.

I hope every member has been able to send some of its people to at least one of these outstanding seminars. There they have experienced the PAMIC difference: information they need to do their jobs, designed and presented by their own peers and by other recognized professionals. There they experienced an occasion where they could interact and network with their colleagues in claims, underwriting, and other core insurance functions.

The seminars, workshops, and roundtables are key in PAMIC's ongoing efforts to increase and improve communications with members. But through the Harrisburg Weekly Report, the Pulse newsletter, briefings, and special reports PAMIC builds on these seminars to make sure the information you have to act on is up-to-date.

But in our regulated industry communication has to extend to the Insurance Department and the state legislature. Through direct contacts and by member responses to our action calls, legislators know the insurance impact of proposed legislation. And by fostering an open and mutually respectful relationship between PAMIC and the Insurance Department, members gain information about current regulatory practices that just could not be obtained anywhere else.

Turning to the legislature, PAMIC is in the second year of a legislative session of remarkable achievement. Legislative wins include such long sought reforms as: joint and several liability reform (a major tort reform beneficially impacting the vast majority of PAMIC members); a vastly improved Public Adjuster Law which now includes most of the proposals PAMIC has been backing for years; and consumer protections for motorists from predatory practices by some towing and storage companies (good consumer protection for everyone who drives a car and for all our auto carriers).

In order to assure that the mutual advantage is preserved, mutual companies and their association need to address the major changes that are sure to arise. That is why this year your strategic planning committee comprises the entire PAMIC Board, under the direction of Strategic Planning Chair Dan DeArment. In this process communication has to be two-way. PAMIC staff and elected leadership need your feedback. That is why Chairman Linkous has written to all members asking you all for your continued input as we move together through this long range planning process.

I want to thank all the membership and especially the elected leadership team for their support, suggestions, criticisms, and wise counsel throughout the year.

Sincerely,

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

# Board of Directors

## EXECUTIVE COMMITTEE

Steven D. Linkous, Chairman  
Harford Mutual Insurance Company

Matthew Schnader, Chairman Elect  
Reamstown Mutual Insurance Company

Daniel W. DeArment, Vice Chairman  
Friends Cove Mutual Insurance Company

Joseph L. Sloan, Secretary/Treasurer  
Mutual Benefit Group

John K. Smith, Immediate Past Chairman  
Pennsylvania Lumbermens Mutual Insurance Co.

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

## DIRECTORS

Lisa C. Katterman, Esq.  
Penn National insurance

Louis H. Kozloff  
Harleysville Insurance

E. Dennis McCormick, CPCU  
Farmers and Mechanics of WV

Art Meadows  
Panhandle Farmers Mutual Insurance Company of WV

Randall Peters  
Allegany Co-Op Insurance Company

Paul E. Reichert  
Montour Mutual Insurance Company

Todd E. Salsman  
Tuscarora Wayne Group of Companies

Phillip Shirk  
Goodville Mutual

Robert G. Shenk  
Donegal Insurance Group

Cheryl B. Whitely  
Farmers & Mechanics Mutual Insurance Company

Robert G. Whitlock  
The Philadelphia Contributionship

Sharon Woodward  
Baltimore Equitable Insurance

Michael A. Yeager  
Lehigh Mutual Insurance Company

## NOMINATING COMMITTEE REPORT

### **Officers Slated for 2012 - 2013**

Chairman: *Matthew Schnader*,  
Reamstown Mutual Insurance Company

Chairman-Elect: *Daniel W. DeArment*,  
Friends Cove Mutual Insurance Company

Vice-Chairman: *Robert G. Whitlock, Jr.*,  
The Philadelphia Contributionship

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

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

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

*Robert B. Brandon*,  
Penn National Insurance

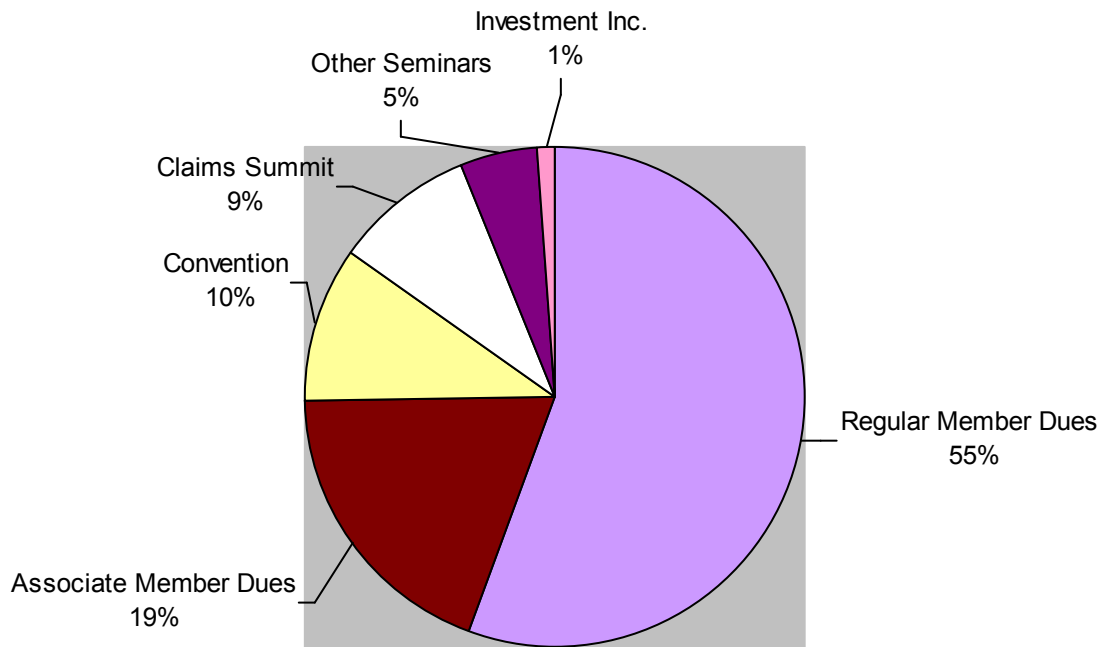
*Louis Kozloff*,  
Harleysville Insurance

*David Raczenbek*,  
Cumberland Mutual

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

# 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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## 2012-2013 Budget

### REVENUE

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Dues	301,647
Programs	100,000
Interest	6,000
Other	0
<b>Total Revenue</b>	<b>\$407,647</b>

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### EXPENSE

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Salaries	231,000
Employee Benefits	41,596
Payroll Taxes	16,147
<b>Total Salaries/Benefits</b>	<b>\$288,743</b>

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Equipment	12,006
Rent	26,076
Telephone	5,000
Postage	2,500
Dues/Subscriptions	4,200
Office Supplies	4,400
Travel	10,500
Insurance	4,800
Legal/Audit	6,000
Committee Meetings	3,500
Equipment Maintenance	1,000
Depreciation	3,200
Officers' Expense	1,000
Legislative Visits	6,000
Accounting Outsourcing	3,300
Miscellaneous	3,800
<b>Expenses Other Than Salaries</b>	<b>\$97,282</b>

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<b>Total Expense</b>	<b>\$386,025</b>
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<b>Revenue in Excess of Expense</b>	<b>\$21,622</b>
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# Dues Structure

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The 2012/2013 Dues Structure is as follows:

Regular members under \$100,000,000 Pennsylvania DWP: .086% of Pennsylvania DWP, subject to a maximum of \$8,100 and a minimum of \$1,250. 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:	\$11,000
Associate member: Adjuster, Miscellaneous Services:	\$700
Associate member: Law Firm:	\$800
Associate member: Reinsurance Intermediary:	\$800
Associate member: Reinsurer:	\$1,100
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 7, 2012**



# Claims Committee

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## COMMITTEE CHAIR

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

## COMMITTEE LIAISON

**Robert Shenk**  
Donegal Mutual Insurance Company

## COMMITTEE MEMBERS

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

**Deborah Betten, CPCU, AIC**  
Harford Mutual Insurance Company

**William Folmar**  
Donegal Mutual Insurance Company

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

**Robert Gage**  
Briar Creek Mutual Insurance Company

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

**Jack Macharsky**  
Frederick Mutual Insurance Company/

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

**Christopher M. Reeser, Esq.**  
Marshall, Dennehey, Warner, Coleman & Coggin

**Glenn Ricketti, Esq.**  
Margolis Edelstein

**Ray Rogers**  
Pennsylvania Lumbermens Mutual Insurance Company

**Wayne Simmons**  
Panhandle Farmers Mutual Insurance Company

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

**Mike Zimmerman**  
Goodville Mutual Casualty Company

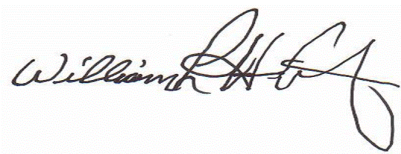
***Purpose: Provide quality educational seminars; provide forums on claims questions. Research and disseminate relevant claims related information to the PAMIC membership.***

I have had the pleasure of serving as our Claims Committee Chair on several occasions, and have been involved with PAMIC for many years. I have always enjoyed being part of the Claims Committee, and found my experiences with this organization to be extremely rewarding and beneficial, both personally and professionally. 2012 was no exception. In fact, I was grateful and humbled by this year's attendance at the Claims Summit and the outpouring of support from our Member Companies, as well as our many valued business partners. I am pleased to note that our 2012 Claims Conference set records for attendance, and that feedback regarding the quality of educational offerings was very positive.

While there is no question our 2012 conference was a success, I hope that as an organization we can continue to grow, build on this momentum, and provide a forum for the many dedicated Claims Professionals in our ranks to meet, learn and broaden our overall knowledge of the insurance industry. In order to do so, we need to have continued support from our Member Companies and business partners. I want to encourage all of my colleagues to volunteer, either by serving on our committee or conducting one of our many educational sessions. It is a commitment, but I do believe it is a worth-while one, and volunteerism is critical to our longevity and viability. I can almost guarantee that you will not regret your decision to be contributing part of our organization, and that doing so will serve you well in the future. We will all benefit from many more successful Claims Summits with your help.

I would be remiss if I failed to mention the efforts and dedication of our PAMIC staff. They worked many long hours to ensure our conference was a success. They, too, are truly dedicated, professionals.

Respectfully submitted,



William L. Hamrick Jr. AAI, RPA, AIC  
2012 Claims Committee Chairman

# Convention Committee

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## COMMITTEE CHAIR

**Matthew Schnader**  
Reamtown Mutual Insurance Company

## COMMITTEE MEMBERS

**Lew Bivona**  
WithumSmith + Brown

**Bob Brandon**  
Penn National Insurance

**JoAnn Caraballo**  
Allegany Co-op Insurance Company

**Erin Collins**  
NAMIC

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

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

**Darren L. Harrison, Esq.**  
Stalker, Vogrin, Bracken & Frimet

**Jimmy Koshy**  
Towers Watson Reinsurance

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

**Jim Mack**  
EisnerAmper

**Arthur Meadows**  
Panhandle Farmers Mutual Insurance Company of WV

**E. Dennis McCormick, CPCU**  
Farmers & Mechanics Mutual Insurance Co. of WV

**Frank Norton**  
Inland Mutual Insurance Co

**Scott Rubenstein**  
Willis Re

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

**Christopher Shipe**  
Loudon Mutual Insurance Company

**Diane Starbuck**  
Northern Neck Insurance

**John W. Stone**  
Gen Re

**David A. Thomas**  
Guy Carpenter & Company, Inc.

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

**Cheryl B. Whiteley**  
Farmers & Mechanics Mutual Insurance Company

**Sharon Woodward**  
Baltimore Equitable Insurance

**Jeffrey Wroble**  
Mutual Assurance Society of Virginia

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

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

It has been six years since our last visit to The Homestead resort in Hot Springs, Virginia when we held a joint convention with VAMIC. As the 2012 Convention Chairman, my committee and I were tasked with preparing an informative, educational and entertaining convention.

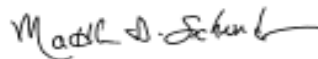
Since 2006 we have seen the overall attendance continue to grow at our various joint conventions. Based on this change the committee felt that the term “Multi-State Convention” best represented our diversity, but also embraced our traditional and historic Mutual roots within the insurance industry. Hence, the theme, “Mid-Atlantic Mutual Advantage Convention” was chosen.

Our committee held various meetings in both Pennsylvania and West Virginia, to plan this event; I personally wish to extend my appreciation to E. Dennis McCormick, President and CEO of Farmers and Mechanics Mutual Insurance Co. of West Virginia for his service on this committee as well as his company’s gracious hospitality in hosting one of our meetings.

We have worked hard to provide you with a convention that offers something for all attendees; educational sessions that will appeal to both company directors and executives alike, information on regulatory and legislative issues that affect both our business and personal lives and finally, time to network with vendors and renew old friendships all the while relaxing with your family at one of our country’s most historic and premier resorts.

In conclusion, I wish to offer my gratitude to the PAMIC staff for all their hard work and assistance during my tenure, as well as all my committee members listed here for their support in obtaining and securing great speakers and entertainment, developing timely and informative session topics, and most importantly facilitating a genuinely positive and enjoyable meeting environment.

Respectfully submitted,



2012 Convention Committee Chairman

# Education Committee

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## COMMITTEE CHAIR

**Roy Brandow**

The Philadelphia Contributionship

## COMMITTEE MEMBERS

**Deborah Betten**

Harford Mutual Insurance Co.

**Lew Bivona**

WithumSmith + Brown

**Erica Crotty**

Penn National Insurance

**Kathleen Dalton**

PA Lumbermens Mutual Insurance Company

**Chris Ehresman**

The Hartford Steam Boiler Inspection and Insurance Company

**Timothy Foy**

XL Insurance-Environmental

**Robert A. Gage**

Briar Creek Mutual Insurance Company

**Fred Macy**

Goodville Mutual Casualty Company

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

MSO, Inc.

**R. Michael Wilson**

The Philadelphia Contributionship

**Bill Young**

Accord Restoration

***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.***

This was a year of changes, surveys and a flurry of training activities for the Education Committee. Four webinars were presented, sponsored by PAMIC member companies. They included presentations on equipment breakdown, green coverages, identity theft and EPLI. All were well attended and appreciated by those who signed in. These sessions are gaining in popularity each year.

AINS 22, Personal Insurance, was presented at the Three Day School in Harrisburg from November 15-17. The sessions were taught by PAMIC members Roy Brandow and Mark Russell, as well as financial advisor Robert Hartfield. 12 students attended, and were prepared through the program to take the AINS 22 exam.

The Annual Spring Conference was held March 6 and 7 at State College. The theme this year was an introduction to various aspects of computer usage and cyberspace for smaller insurance companies. 64 PAMIC members attended the conference, which consisted of 4 presentations followed by a very exciting Q&A session.

On June 21, the Executive Roundtable was held in Leola, PA, tackling all aspects of CAT modeling and resultant reinsurance rate changes. This is a timely theme, given the severe storms of 2011 that resulted in major changes. It was a well attended and enlightening program for the benefit of company executives.

During the year, the Committee was approached by the Insurance Society of Philadelphia (ISOP) with the idea of trying a training partnership with PAMIC, for the benefit of the membership. In conjunction with that, the Committee decided to create and distribute a survey to determine the training needs of PAMIC members. The results were a first ever, detailed glimpse of the actual needs and desires of PAMIC members in this area. A study of these results will be a useful guide to the Committee for years to come. As a result of the survey and discussions with ISOP, the Committee is planning a one day session for November, to consist of one or two seminar topics from the ISOP workshop list. PAMIC committee chairs have been asked to choose their favorites from among this list, to finalize these plans.

My personal gratitude goes to the Education Committee members, who together planned this year's events and throughout the year displayed their dedication to the improvement and furthering of PAMIC training efforts. I also thank the tireless PAMIC staff, without whom none of these events would have taken place.

Respectfully submitted,



Roy Brandow  
2012 Education Committee Chairman

# Financial Management Committee

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## COMMITTEE CHAIR

**Timothy Rutledge, CPA**  
Harford Mutual Insurance  
Company

## COMMITTEE MEMBERS

**Jacqueline Anderson**  
Brown Schultz Sheridan & Fritz

**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

**Stewart Foley**  
P-Solve Meridian

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

**Jennifer Hefkin**  
Mutual Benefit Group

**Eric J. Kelly**  
ParenteBeard LLC

**Jimmy Koshy**  
Towers Watson Reinsurance

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

**Brad Loescher**  
Maiden Re

**Jeff Pratt**  
Penn National Insurance

**Scott Rubenstein**  
Willis Re

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

**Kevin Tate, CPA**  
The Philadelphia Contributionship

***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 2011 Financial Management Seminar was held on October 4, 2011 at the Sheraton Harrisburg Hershey Hotel. During the course of the day, six educational sessions were conducted. The session topics provided at the seminar included:

Update on Statutory Accounting and Other Regulatory Topics – Presented by Steve Johnson from the PA Insurance Department.

Corporate Governance/Ethics – Presented by Elaine Nissley from McKonley & Asbury

Tax Update – Presented by Mark Heath from McKonley & Asbury

Fraud Prevention – Presented by Ralph Burnham from the PA Insurance Fraud and Prevention Authority

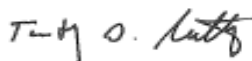
Electronic Billing and Payments – Presented by Grant Brown from eWise Systems  
Annual Statement Update – Presented by Henry Straub from Brown Schultz

I would like to thank all speakers and their companies for the time spent to provide the participants with a quality educational program. In addition to the six formal sessions, the day's schedule included time for valuable networking opportunities among the participants.

The Committee is scheduled to meet on June 12<sup>th</sup> to review the survey feedback from the 2011 seminar and to consider topics and speakers along with the location for the 2012 Financial Management Seminar, to be held in mid to late October. In addition, we will also be looking for ways to increase sponsorship participation of the Financial Management Seminar.

I am very thankful for all the hard work and support of the Financial Management Committee and the PAMIC staff in making this past year successful.

Respectfully submitted,



Timothy D. Rutledge, CPA  
2012 Financial Management Committee Chairman



# Government Affairs

## COMMITTEE CHAIR

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

## COMMITTEE MEMBERS

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

**Erin Collins**  
NAMIC

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

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

**Jane Golden**  
Insurance Services Office, Inc.

**Gary Gould**  
Centre County Mutual Fire Insurance  
Company P of H

**Darren L. Harrison, Esq**  
Stalker, Vogrin, Bracken & Frimet

**Joel Hopkins**  
Saul Ewing LLP

**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

**Jack Pfeiffer**  
Hartford Steam Boiler

**Robert G. Shenk**  
Donegal Insurance Group

**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.***

The Government Affairs Committee did not meet as an assembled group since the last PAMIC Board of Directors meeting. However, several representatives from the GA Committee, as well as other PAMIC leadership, did participate in an annual meeting at the PA Insurance Department with the Commissioner, Michael Consdedine, Randy Rohrbaugh, Executive Director, Ron Gallagher, Deputy Director, as well as several other staff. The primary topics discussed during this meeting were as follows:

Form filings (with the expectation that this could lead into further discussion of Unfair Practices Act and Dept. approval of new forms for all insureds, not just new business).

Rate filings with, again, anticipated segue into Rohrbaugh's thinking on flex-band rating and the percentage swing on personal lines rate bands.

Current company experience with cost of financial exams.

Discussion on all topics was very candid and yet cordial on both sides. This was the most frank and open discussion with the Department in recent years. The net result of the discussions is summarized as follows:

Form filings have not slowed, as demonstrated by Randy Rohrbaugh's data tracking from within the Department. Rate filings tracking from the Department also indicated no slow-down, however, PAMIC membership provided specific examples of delays and slow-downs. Randy Rohrbaugh encouraged the membership to contact him with any specific instances that are being experienced.

A discussion of flex rating in personal lines led to the conclusion that the Department would be open to this type of legislation, but with a percentage cap below 10%.

PAMIC presented data from our membership survey showing that the average mutual company is experiencing a doubling of the cost of financial exams every five years, and indicated that this is neither acceptable going forward nor sustainable. In addition, PAMIC advised the Department of the perception that the exceptions under Dodd-Frank, Sarbanes-Oxley, etc, for small companies were being circumvented by way of regulatory imposition in the financial examiner's handbook. The takeaway from this discussion is that the members need to press for disclosure of what is and what is not required for small companies under NAIC models. Further, the membership needs to remind the Department that single state carriers are exempt from those Financial Accreditation Standards that the domestic regulator decides to exempt them from. Finally, the membership needs to reiterate that the examiners manual should not run ahead of the statutes' requirements.

Respectfully submitted,



Daniel W. DeArment  
2012 Government Affairs Committee Chairman

# 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**

**Fran Vaughn**  
Mutual Benefit Group

## **COMMITTEE MEMBERS**

**Susan Bertsch**  
Saucon Mutual Insurance Company

**JoAnn Caraballo**  
Allegany Co-op Insurance Company

**Stacey Girven**  
Tuscarora Wayne Group of Companies

**Kelly Gorman, SPHR**  
Penn National Insurance

**Gary Gould**  
Centre County Mutual Fire Insurance Company P of H

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

**Kathleen Morris-Rosati**  
The Philadelphia Contributionship

**Lindsey E. Snavely**  
Thomas, Thomas & Hafer

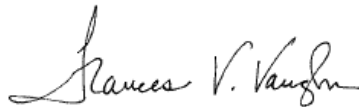
**Ellen Truant**  
Harford Mutual Insurance Company

The HR Committee of PAMIC met on May 11<sup>th</sup> at the Radisson Hotel in Camp Hill.

Committee member Lindsey Snavely from the Thomas, Thomas, & Hafer law firm conducted a presentation on Performance Appraisals/Evaluations.

Immediately following the HR Roundtable, the committee met to plan the next meeting date and topics to be covered. It was decided that the committee would meet again in September. Lindsey Snavely had several suggestions on the topics to be included in September's Roundtable and agreed to be the presenter again. Fran agreed to work with Lindsey on her September availability. Lindsey agreed to contact Fran later in the summer to plan the September meeting as Lindsey would be working for a different law firm effective late May.

Respectfully submitted,



Fran Vaughn

2012 Human Resources Committee Chairman

# Information Systems Committee

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## COMMITTEE CHAIR

**Joseph McGurrin**

PA Lumbermens Mutual  
Insurance Company

## COMMITTEE MEMBERS

**Daniel Borges**

Tuscarora Wayne Group of  
Companies

**Stephen Fabian**

Harford Mutual Insurance  
Company

**Larry Fortin**

Millers Mutual Group

**Stephen Konopelski**

Mutual Boiler Re, A Member of  
FM Global Group

**Randy Lennon**

The Philadelphia Contributionship

**Britta Schatz**

Penn National Insurance

**Eric Schmader**

Farmers Mutual Fire Insurance  
Company/Marble

**Ernie Trani**

Optical Image Technology

***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.***

I did not officially take over as Chairman until after we had our Information Systems conference in September 2011 due to the fact that the previous Chairman, Larry Fortin had planned that entire event. I did not think it was appropriate to take over prior to the event he had planned. I was a member of the committee and assisted in planning and organizing this event also.

The event was held at the Sheraton Harrisburg/Hershey on September 15<sup>th</sup> with a social event planned the night before on the 14<sup>th</sup>. I believe the event was a complete success and we were able to raise approximately \$2800.00.

I held a conference call with our new committee on October 12, 2011. At that time I thanked and welcomed the new committee members. We discussed the format of the Conference held in September and decided to stay with the new format versus the 2 half day seminars we have held in the past.

I held an IS Committee conference call on January 26, 2012 to begin planning the next IS User Conference. One of the goals of the call was to discuss the theme of the 2012 conference and whether to have one main topic or many topics on various subjects. We discussed how well the "one theme" topic went in September of 2011 and decided to follow that format. The other goal was to decide on a theme for the conference. We decided a relevant topic/theme that would hopefully attract a large audience and be most educational to our members would be "It's all about Service".

We held a meeting with the IS Committee on February 29, 2012 in Camp Hill at the Radisson Hotel. The goal of this meeting was to identify a date, the format, and to narrow down the topics for the conference based on our theme "It's All About Service".

The Conference will be held on September 26<sup>th</sup> and 27<sup>th</sup> 2012. We will have a social gathering the night of the 26<sup>th</sup> followed by the full day conference on the 27<sup>th</sup>.

The topics will include Portals for all Customers, Agent/Broker portals, employee portals, and Insured portals.

Respectfully submitted,



Joseph McGurrin  
2012 IS Committee Chairman

# Underwriting & Loss Prevention Committee

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## COMMITTEE CHAIR

**Ronald McKinney**  
Farmers Mutual Fire Insurance  
Company/McCandless Twp.

## COMMITTEE MEMBERS

**Robert Allen**  
Mutual Inspection Bureau, Inc.

**Bob Brandon**  
Penn National Insurance

**Mark Crutcher**  
Lititz Mutual Insurance Company

**Robert Eargle**  
Juniata Mutual Insurance Company

**John Goodin**  
Harford Mutual Insurance Company

**Gary Gould**  
Centre County Mutual Fire  
Insurance Copany P of H

**Jan A. Kozlowski**  
MSO, Inc.

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

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

**Christopher Strohl**  
The Philadelphia Contributionship

**Floyd Todd**  
Three Rivers Intermediaries,  
Limited

**Ernie Trani**  
Optical Image Technology

**Michele Yeagley**  
The Philadelphia Contributionship

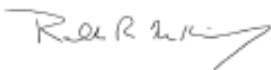
***Purpose: Provide quality educational seminars, roundtables, and forums designed to enhance professional skills in underwriting, loss control and related fields. Research and disseminate emerging underwriting and loss control techniques, issues, and problems.***

The primary objective of this year's Underwriting Committee was the planning & implementation of the fall Underwriting Seminar which will be held on November 8, 2012 at the Hershey Country Club. The theme for this year's Seminar will be "What is the New Norm."

The Focus of the committee for this event was to explore the ever growing amount of data that Insurance Companies have access to today and how to effective use that data in the Underwriting & Claims Process. We have an outstanding slate of speakers lined up for this event and hope that all Underwriting & Claims Managers along with Front Line Personnel can take time from their busy schedules to attend this event.

I would like to take this opportunity to thank all of the committee members for their time and active participation. Without you this seminar would not be possible.

Respectfully submitted,



Ronald R McKinney  
Farmers Mutual Fire of McCandless Township  
2012 Underwriting and Loss prevention Committee Chairman



# Member Companies

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Allegany Co-Op Insurance Company  
Apollo Mutual Fire Insurance Company  
ARI Mutual Insurance Company  
Auto-Owners Insurance Company  
Baltimore Equitable Insurance  
Bedford Grange Mutual Insurance Company  
Briar Creek Mutual Insurance Company  
Brickstreet Mutual Insurance Company  
Bucks County Contributionship Mutual Insurance Company  
Cambria County Mutual Fire Insurance Company  
Canonsburg Mutual Fire Insurance Company  
Centre County Mutual Fire Insurance Company P of H  
Clearfield County Grange Mutual Fire Insurance Company  
Cumberland Mutual Fire Insurance Company  
Donegal Insurance Group  
Eastern Atlantic Insurance Company  
Erie & Niagara Insurance Association  
Farmers & Mechanics Mutual Insurance Company  
Farmers & Mechanics Mutual Insurance Company of WV  
Farmers Mutual Fire Insurance Company/Marble  
Farmers Mutual Fire Insurance Company/McCandless Twp.  
Frederick Mutual Insurance Company  
Friends Cove Mutual Insurance Company  
Goodville Mutual Casualty Company  
Grange Mutual Fire Insurance Company  
Hannahstown Mutual Insurance Company  
Hanover Fire & Casualty company  
Harford Mutual Insurance Company  
Harleysville Insurance  
Juniata Mutual Insurance Company  
Knightbrook Insurance Company  
Lehigh Mutual Insurance Company  
Lititz Mutual Insurance Company  
Livingston Mutual Insurance Company  
Locust Mutual Fire Insurance Company  
Millers Mutual Group  
MMG Insurance  
Montour Mutual Insurance Company  
Motorists Mutual Insurance Company  
Mutual Benefit Group  
Nazareth Mutual Insurance Company  
Old Elizabeth Mutual Fire Insurance Company  
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Patrons Mutual Fire Insurance Company  
Penn Charter Mutual Insurance Company  
Penn National Insurance  
Pennsylvania Lumbermens Mutual Insurance Company  
The Philadelphia Contributionship  
Pymatuning Mutual Fire Insurance Company  
Reamstown Mutual Insurance Company  
Rockingham Casualty Company  
Saucon Mutual Insurance Company  
Tuscarora Wayne Group of Companies  
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West Branch Mutual Insurance Company  
Windsor-Mt. Joy Mutual Insurance Company

## **Subsidiary Members**

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Conemaugh Valley Mutual Insurance Company

Tuscarora Wayne Group of Companies  
Lebanon Valley Insurance Company

Windsor-Mt. Joy Mutual Insurance Company  
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# Associate Member Companies

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Axiom Re Inc.  
Bennett, Bricklin & Saltzburg, LLC  
BF Re Underwriters, LLC A Berkley Company  
Boenning & Scattergood, Inc.  
Brown Schultz Sheridan & Fritz  
Buchanan Ingersoll & Rooney  
Buffamante Whipple Buttafaro, P.C.  
Burns, White, LLC  
Capstone ISG, Inc.  
Castle Claims Service  
Claims Management Resources  
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# Associate Members (continued)

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Crosswhite, Limbrick & Sinclair, LLP  
Curley Adjustment Bureau  
DiBella, Geer, McAllister & Best P.C.  
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Guy Carpenter & Company, Inc.  
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IAS Claim Services, Inc.  
Imperial Restoration Cleaners, Inc.  
Insurance Restoration Consultants  
Insurance Services Office, Inc.  
Insurance724  
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Johns Eastern Company, Inc.  
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Mitchell Mitchell Gallagher Weber & Southard, PC  
Mizerak Adjusting Company, Inc.  
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Munich Reinsurance America, Inc.  
Mutual Boiler Re, Member of the FM Global Group  
Mutual Inspection Bureau, Inc.  
NAMIC  
Nelson Levine deLuca & Horst  
Niles, Barton & Wilmer, LLP  
On Centre Claims  
Optical Image Technology, Inc.  
Paladin Adjustment Group LLC  
ParenteBeard LLC  
Paul Davis Restoration  
Peters & Wasilefski  
P-Solve Asset Solutions  
QCSA Direct, Inc.  
RestoreCore  
Rhoads & Sinon, LLP  
RLD Associates, Inc.  
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SCIPS.com, Inc.  
Select Claims Services, LLC  
ServPro of Metro Pittsburgh  
Shelter ReInsurance Company  
Stackhouse Adjustment  
Stalker, Vogrin, Bracken & Frimet  
Swiss Reinsurance Company  
The Carlisle Group  
Thomas, Thomas & Hafer, LLP  
Three Rivers Intermediaries, Limited  
Toensmeier Adjustment Service, Inc.  
Towers Watson Reinsurance  
Town & Country Computer Services, LLC  
Transatlantic Reinsurance Company  
Underwriters Rating Board  
Wayman Irvin & McAuley, LLC  
Willis Re, Inc.  
WithumSmith+Brown  
XL-Insurance—Environmental  
Zimmer Kunz, PLLC

# Necrology

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*We honor those we have lost~*

***Diane Bareuther***

*Underwriter*

*Lehigh Mutual Insurance Company*

***Robert A. Boyd, Jr.***

*Served on the PLM Board of Directors for 16 years*

***Paul G. Hess***

*Retired Director of Lititz Mutual, serving for 35 years*

***John Patrick Higgins***

*Senior Field Representative and senior advisor for MSO*

***Ed Meara***

*Director of Parry Insurance and served as Vice President of Bucks County Contributionship.*

***Alvin Rummel***

*Past President/CEO of Hannahstown Mutual*

***John C. Sober***

*Director of Apollo Mutual Insurance Co.*

***Paul H. Vonada***

*Dairy farmer and agent for Centre County Mutual*



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