



2nd Quarter 2013

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Florida Gold Coast Chapter

BECOME ACTIVE IN THE CPCU FLORIDA GOLD COAST CHAPTER

Planning for the Next Chapter Meetings

In July the new officers will be meeting to plan future chapter meetings. Be on the look out for the next chapter meeting invite in August!

President's Message By Dawn Ingham, CPCU, ARM

As a result of the chapter elections that took place during our last chapter meeting in May, I am pleased and honored to serve as the new chapter president. The following chapter officers were also elected to serve our chapter and I look forward to working with each individual:

- Shani Oulton – Vice President
- Cheryl Jones – Treasurer
- Denise Perez – Secretary

A special thanks to David Arch, who served as our chapter's president for the past two years. I hope to be able to continue in his footsteps to help grow our chapter membership and meet our chapter objectives.

Previously, I served the chapter by monitoring our progress on the Circle of Excellence (COE) Program and I will continue to serve in this role. During the upcoming officer planning meeting in July, the officers will discuss our strategies for achieving our COE goals and I will provide an update to you during our next chapter meeting.

Lastly, I want to encourage our members to attend our chapter meetings so that you can see firsthand the quality of the presenters that volunteer to speak at our meetings. During our last chapter meeting, Steve Roche, RHU, of Brown & Brown Benefit Consultants, gave a timely and informative presentation on the Affordable Care Act. If you would like to suggest a presenter for future chapter meetings, please send your suggestion to one of our chapter officers.

We value your input!

Report from the Vice President- Communications Officer By Shani Oulton, CPCU

I am happy to be serving as your Vice President- Communications Officer for 2013-2014. In my true fashion, I would like to keep the insurance humor going. I found the following on einsuranceprofessionals.com. I hope you enjoy them.

Insurance Claims:

The following are actual statements found on insurance forms where car drivers attempted to summarize the details of an accident in the fewest possible words. The instances of faulty writing serve to confirm that even incompetent writing can be highly entertaining.

1. Coming home I drove into the wrong house and collided with a tree I don't have.
2. The other car collided with mine without giving warning of its intention.
3. I thought my window was down, but I found it was up when I put my head through it.
4. I collided with a stationary truck coming the other way.
5. A truck backed through my windshield into my wife's face.
6. The guy was all over the road. I had to swerve a number of times before I hit him.
7. I pulled away from the side of the road, glanced at my mother-in-law and headed over the embankment.
8. In an attempt to kill a fly I drove into a telephone pole.
9. I had been shopping for plants all day and was on my way home. As I reached an intersection a hedge sprang up, obscuring my vision and I did not see the other car.
10. I had been driving for forty years when I fell asleep at the wheel and had an accident.
11. I was on the way to the doctor with rear end trouble when my universal joint gave way causing me to have an accident.

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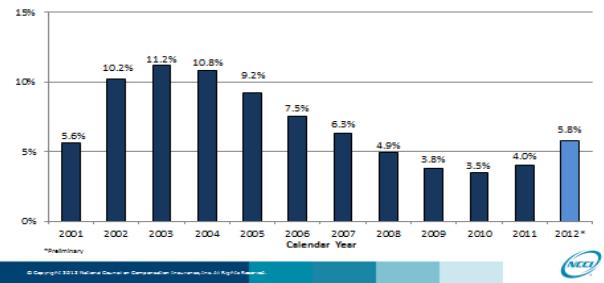
12. As I approached an intersection a sign suddenly appeared in a place where no stop sign had ever appeared before. I was unable to stop in time to avoid the accident.
13. To avoid hitting the bumper of the car in front I struck a pedestrian.
14. My car was legally parked as it backed into another vehicle.
15. An invisible car came out of nowhere, struck my car and vanished.
16. I told the police that I was not injured, but on removing my hat found that I had a fractured skull.
17. I was sure the old fellow would never make it to the other side of the road when I struck him.
18. The pedestrian had no idea which way to run as I ran over him.
19. I saw a slow moving, sad faced old gentleman as he bounced off the roof of my car.
20. The indirect cause of the accident was a little guy in a small car with a big mouth.
21. I was thrown from my car as it left the road. I was later found in a ditch by some stray cows.
22. The telephone pole was approaching. I was attempting to swerve out of the way when I struck the front end.

What's Happening in Workers Compensation Residual Markets By: James R. Nau, CPCU, ARM, WCP June, 2013

The big story for workers compensation residual markets right now is the significant growth in the number and size of employers seeking coverage in the residual markets. The residual markets started to grow toward the end of 2011 and then saw a significant increase in size during 2012. This growth is continuing in the first part of 2013 in all states managed by NCCI. It does not significantly differ by state or region of the country.

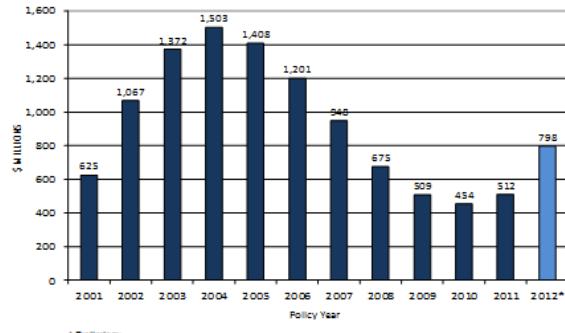
The highest percentage of growth is coming from accounts over \$100,000 dollars in premium. These accounts have a significant impact since the average workers compensation residual market account is only \$4,100 dollars in annual premium. Eighty percent of residual market accounts generate less than \$2,500 dollars in annual premium.

**Residual Market Share
NCCI Plan States (Includes Direct Assignments)
Plan Premium as a Percentage of Direct Written Premium**



The result of this growth in business is that the residual market share has grown to 5.8% based on the most recent estimates. This is the highest market share since 2007.

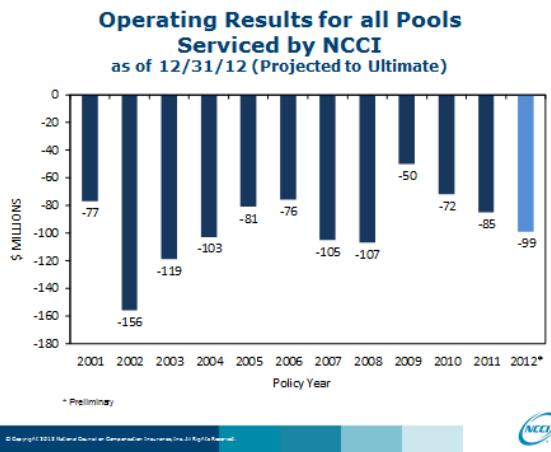
Written Premium for all Pools Serviced by NCCI as of 12/31/12 (Projected to Ultimate)



The projected written premium for all reinsurance pools serviced by NCCI has grown by over 50% to an estimated \$798 million dollars. While this growth is significant, the projected premium is still well below the most recent premium peak of \$1.5 billion dollars in 2004.

While many workers compensation insurance stakeholders are focused on the growth of the residual markets, NCCI is concentrating its attention on the operating results of this business.

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The combined operating results for all reinsurance pools serviced by NCCI amounted to a \$99 million dollar loss in 2012 as of the latest evaluation period. The operating deficits have remained fairly consistent and manageable even as the residual market premium volume changed over the years.

Despite the growth of residual markets in 2012 and in the early part of 2013, the residual markets operated effectively and efficiently and the residual market share and operating deficits have remained manageable. As 2013 unfolds, NCCI, state insurance regulators and other stakeholders need to remain vigilant to assure the effective operation and self-sufficiency of the workers compensation residual markets.

Florida Gold Coast CPCU Chapter Scholarship

Established in 2003 by the Florida Gold Coast Chapter of CPCU. It is available to FSU students enrolled in its Department of Risk Management, Insurance, Real Estate, and Business Law.

One scholarship is awarded in the amount of \$1,000. The selection is made in the spring, and the award is made in the following fall semester.

Preference is given to students from the South Florida area. Other criteria are: Junior (not senior) RMI Major at time of application, minimum of 3.0 GPA, primary interest in Property-Casualty insurance.

RMI faculty makes recommendations to the Florida Gold Coast CPCU Chapter.

Florida Gold Coast Chapter May 8, 2013 Chapter Meeting

We would like to give a huge thanks to our guest speaker Steve Roche, who spoke about health care law changes and the Affordable Health Care Act.

Steve's topic was one that all are interested in now and his presentation was very informative.

Call for News/Articles

If you have written any news or articles that would be of interest to our general chapter membership, please contact Shani Oulton, CPCU Communications Officer at shani_oulton@ncci.com or (561) 893-3168. We also welcome postings for any professional positions you may have open within your company. Just let us know and we'll get the word out.

Also, please visit our chapter website at <http://floridagoldcoast.cpcusociety.org/page/12347/>.

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