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In Brief

Asbestos, environmental losses fall: Best

The U.S. property/casualty insurance industry's 2008 asbestos and environmental losses were the lowest since 2000, according to a report by A.M. Best Co. Inc. Net incurred asbestos losses dropped 49.9% to an estimated \$1.3 billion in 2008 from a year earlier, while net incurred environmental losses dropped 41.3% to about \$400 million. The decline was the fifth in the past six years, but the industry increased its aggregate funding for asbestos and environmental liabilities by nearly \$5 billion the past two years, Best says.

Reinsurers place catastrophe bonds

Swiss Reinsurance Co. said it has received protection for up to

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AP PHOTO

Senate Majority Leader Harry Reid, D-Nev., speaks after the Senate voted to begin debate on the legislation for health care reform in Washington last month.

HEALTH CARE REFORM

Reid maneuvers to pass reform bill

Changes expected as offstage dealings take shape in Senate

By **JERRY GEISEL**

WASHINGTON—Health care reform legislation has moved to the Senate floor, but the most significant activity is happening behind closed doors.

The Senate last week opened debate on a reform bill put together by Majority Leader Harry Reid, D-Nev., melded from differing measures previously approved by the Finance and Health, Education, Labor and Pensions committees.

The process moved slowly, with the Senate considering just a handful of amendments, rejecting one by Sen. John McCain, R-Ariz., to gut

the package's funding by stripping out Medicare spending reductions and approving another by Sen. Barbara Mikulski, D-Md., to improve access to mammograms by women younger than 50.

But the most significant action, Washington observers say, is happening behind the scenes, not on the Senate floor.

Sen. Reid, they say, is brokering deals with members to gain the 60 votes he needs to stop debate on the Senate floor.

Those deals will be incorporated in a new reform bill—called a manager's amendment—which the Senate then would consider, probably next week.

"The real work in fashioning an acceptable compromise in the Senate is going on behind closed doors.

See **REFORM** page 33

WORKERS COMPENSATION

Deadline looms for firms to register claims data

Effort to curb Medicare costs raises questions

By **ROBERTO CENICEROS**

Insurers and self-insured employers face a Dec. 31 deadline to register with a federal agency, but numerous questions remain about what workers compensation and liability claims data must be fed into the Medicare system, several experts say.

Insurers and self-insured employers identified as responsible reporting entities must register with the U.S. Centers for Medicare & Medicaid Services by year-end to comply with Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007.

The mandates stem from Medicare secondary payer laws and ongoing efforts allowing CMS to track medical claims payments to make certain that insurers and employers paying claims do not shift costs to Medicare.

Starting in the first quarter of 2010, the law also requires claims payers to provide CMS with test data files for liability, workers compensation and no-fault claims that

have a medical-expense component and involve Medicare-eligible or potentially Medicare-eligible beneficiaries.

The reporting and data feed requirements reach across the entire liability industry, said Roy Franco, director of risk management strategies for super-market chain Safeway Inc. in Pleasanton, Calif.

Even directors and officers liability coverage would be affected if, for example, an employment practices claim contained a psychological damages component, said Mr. Franco, who also is a member of the Risk & Insurance Management Society Inc.'s external affairs committee and is

co-chairman of the steering committee for the Medicare Advocacy Recovery Coalition, a diverse coalition that formed in 2008 because of the 2007 law.

Insurers and self-insured employers failing to comply face fines of up to \$1,000 per claim per day for failing to comply with the law.

See **MEDICARE** page 31

\$1000

Insurers and self-insured employers failing to comply face fines of up to \$1,000 per claim per day for failing to comply with Section 111 of the extension act.

P/C INSURERS

AIG, Greenberg settlement viewed as 'win-win' deal

By **MARK A. HOFMANN** and **COLLEEN McCARTHY**

NEW YORK—The decision by American International Group Inc. and former executives Maurice R. Greenberg and Howard I. Smith to settle all pending legal disputes is a net gain for both sides, according to industry observers.

At a minimum, the settlement reached late last month relieves both parties of crushing legal costs. It also allows AIG and Mr. Greenberg to go forward with their businesses, analysts say.

The settlement also encompasses

any claims involving two former AIG affiliates, C.V. Starr & Co. and Starr International Inc., which are controlled by Mr. Greenberg—AIG's former chairman and chief executive officer. He left AIG in 2005.

The long-running legal dispute between the two sides had extended to matters such as ownership of a Persian rug at AIG's former headquarters.

"Under the terms of the settlement, the parties have agreed to release each other from all claims, including any claims by Greenberg

See **AIG** page 32

Business Insurance's WOMEN TO WATCH

Business Insurance highlights 25 women leaders who are doing exemplary work in commercial insurance, risk management, employee benefits and related fields. Also, find out where some of the past years' honorees are now and what changes they continue to make in their industry.

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On the Web

WOMEN TO WATCH

See complete profiles of the honorees online

Business Insurance features the complete profiles of all the 2009 Women to Watch honorees, featured on page 9, online at www.BusinessInsurance.com/women2009. *BI* also will host a lunch and reception recognizing the honorees Dec. 8 at the Four Seasons Chicago. Register to attend the event by contacting Event Manager Rebecca Briggs at 212-210-0132 or rbriggs@BusinessInsurance.com.

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FEDERAL LEGISLATION

House panel advances insurance overseer

Industry generally supports the proposal, but concerns remain

By JEFF CASALE
and MARK A. HOFMANN

WASHINGTON—Risk managers and insurer groups are welcoming last week's House Financial Services Committee approval of a bill that would establish a Federal Insurance Office.

The Federal Insurance Office Act of 2009, introduced by Rep. Paul Kanjorski, D-Pa., would set up the Federal Insurance Office as part of the Treasury Department to attempt to prevent future financial crises by mitigating systemic risk and identifying potential gaps in regulation. The House committee last week approved the bill on a unanimous voice vote.

The full House could vote on the bill as early as this week as it considers a broad range of financial services regulatory reform legislation.

'Good first step'

The New York-based Risk & Insurance Management Society Inc. welcomed the measure as a "good first step," said Deborah M. Luthi, RIMS director-external affairs and director-enterprise risk management at Matheson Inc. in Sacramento, Calif.

"I think the fact that there is bipartisan support for the FIO—which leads to the creation of the office—is a good first step." She said concerns that the office might not have "enough teeth" can be dealt with later.

"It's a good first step in having a centralized office that can advise the administration and Congress," Ms. Luthi said. "I think it provides another venue for RIMS to serve as a resource on behalf of insurance consumers."

The "vote by the House Financial Services Committee is a good first step in ensuring that the property/casualty insurance industry will finally have a voice at the national level," Leigh Ann Pusey, president and chief executive officer of the American Insurance Assn., said in a statement. "The current state-based insurance regulatory system is not well-suited to bridge information or regulatory gaps that may arise in today's complex global economy."

The bill as amended contains specific language that does not grant supervisory or regulatory authority over the business of insurance and prohibits the office from pre-empting state insurance laws governing rates, premiums, coverage requirements, antitrust laws, underwriting or sales practices.

The National Assn. of Mutual Insurance Cos. agrees with the

See **OFFICE** page 32



UPI/LANDOV

Rep. Paul Kanjorski introduced the Federal Insurance Office Act.



REUTERS/LANDOV

The ruler of Dubai—home to Burj Dubai, the world's tallest tower—said the emirate remains strong despite a government-controlled company's restructuring plan.

INTERNATIONAL

Dubai debt crisis may curb insurance market growth

By MICHAEL BRADFORD

DUBAI, United Arab Emirates—Having less property to insure in Dubai's sluggish development market is a bigger fear for insurers than exposures they may face from a potential default by the troubled government-owned Dubai World, experts say.

In light of surprise debt problems late last month, Dubai World last week was arranging meetings with creditors on restructuring about \$26 billion in debt after the Dubai government said it would not back the holding company's debt.

Ripple effects of Dubai World's problems hit one domestic insurer last week. Standard & Poor's Corp. lowered Dubai-based Oman Insurance Co.'s long-term counterparty credit and financial strength ratings to BBB to reflect the exposure of its parent, Mashreq Bank, to Dubai's

government-related enterprises. S&P also lowered the bank's ratings two notches to BBB and put both on its Creditwatch list with negative implications.

Mashreq Bank has a "high exposure to the Dubai World group," according to S&P.

Kevin Willis, a director with Standard & Poor's Ratings Services in London, said Oman Insurance is a "strategically important subsidiary" of the bank.

The developments halted what had been a growing sense that Dubai's real estate market was improving after it stalled during the financial crisis and halting the development boom of recent years, said Anandi Nangy-Kotecha, managing senior financial analyst with A.M. Best Co. in London.

"For 2010, most were upbeat,

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Business Insurance®

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Business Insurance (ISSN 0007-6864) Vol. 43, No. 44, is published weekly, except for combined issues the first week of June, the second week of June, the third week of June, the fourth week of June, the first week of July, the second week of July, the fourth week of July, the first week of August, the second week of August, the third week of August, and no issue the fourth week of December, by Crain Communications Inc., 360 N. Michigan Ave., Chicago, Ill. 60601-3806. Periodicals postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to Business Insurance Circulation Department, 1155 Gratiot Ave. Detroit, Mich. 48207-2912. \$5 a copy and \$125 a year in the U.S. \$130 in Canada and Mexico (includes GST). All other countries, \$230 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 40012850, GST No. 136760444, Canadian return address: 4960-2 Walker Road, Windsor, ON N9A6J3. Printed in U.S.A. Copyright © 2009 by Crain Communications Inc.

RISK MANAGEMENT

Publicity woes highlight image cover

By SALLY ROBERTS

While corporate sponsors can purchase insurance to recoup losses associated with multimillion-dollar celebrity endorsement deals that go bad, market sources say they are unaware of any such coverage on professional golfer Tiger Woods.

Despite the insurance being widely available, corporate sponsors tend to rely on contractual language rather than risk transfer to mitigate the risk of a celebrity spokesperson tarnishing their brand reputation due to bad behavior, they say.

Mr. Woods, one of the most marketable sports celebrities due in part to his squeaky-clean image, admitted last week to

"transgressions," "personal sins" and to letting his family down.

The statement came amid a firestorm of speculation after Mr. Woods crashed his car outside his Florida home in the early morning hours of Nov. 27 and then refused to talk to police about it. Tabloids reported that Mr. Woods had been carrying on various extramarital affairs, but his statement did not admit to those.

Despite his personal indiscretions, Mr. Woods' corporate sponsors, including Nike Inc., Gatorade Co. and Procter & Gamble Co., said last week that they will continue to support Mr. Woods, who also has two children.

Such was not the case earlier

this year for Olympic swimmer Michael Phelps and R&B singer Chris Brown, whose respective endorsement deals with Kellogg N.A. Co. and Wm. Wrigley Jr. Co. were abruptly terminated due to their personal indiscretions (*BI*, Feb. 16). Mr. Phelps was photographed smoking marijuana, while Mr. Brown was arrested in an assault on his then-girlfriend and fellow performer Rihanna.

Had Mr. Woods found himself in a similar situation, his corporate sponsors most likely would have relied on the moral turpitude clause that is standard in celebrity product endorsement contracts, experts say.

See **WOODS** page 30



REUTERS/LANDOV

Tiger Woods walks off the 18th hole on completing his victory in the Australian Masters last month.

AGENTS & BROKERS

N.Y. broker pay rules draw fire

Brokers group slams mandatory disclosure, threatens legal action

By SALLY ROBERTS

NEW YORK—The New York State Insurance Department last week took the final step toward promulgating new regulations that would require agents and brokers operating in the state to disclose all forms of compensation they receive from insurers upon client request.

The long-anticipated disclosure rule, which regulators have been working on since they held joint hearings in 2008 with the New York attorney general's office (*BI*, July 28,

2008), was published in the New York State Register last week and remains essentially unchanged from the revised version proposed in September (*BI*, Sept. 14).

The public has until Jan. 16 to comment on the regulation, at which point the NYSID will have the authority to adopt it.

"We plan to move quickly once we have the authority," noted Matthew J. Gaul, special counsel with the NYSID.

Such a move, however, is not coming without a fight.

The Independent Insurance Agents & Brokers of New York Inc. said last week that it is prepared to sue the NYSID if it does not withdraw the published regulation. Not only is the regulation "unwarrant-

ed" but the New York insurance superintendent "does not have legal authority to compel compensation disclosure," the association said in a statement.

Under the published rule, insurance producers operating in New York state would be required to notify insurance buyers of their right to request information on the compensation they receive from insurers in connection with their insurance placements (see box).

In addition, they must automatically disclose to clients either orally or in prominent writing before the insurance or renewal application is sent to the insurer whether they represent the insurance purchaser or the insurer for purposes of the sale and, if applicable, that they will

NEW YORK STATE'S PUBLISHED RULES

Upon request from the insurance buyer, agents and brokers would be required to disclose:

- A description of the nature, amount and source of any compensation to be received by the producer or any parent, subsidiary or affiliate based in whole or in part on the sale.
- A description of alternative quotes presented by the producer including the coverage, premium and compensation that the producer, parent, subsidiary or affiliate would have received based in whole or in part on any alternative quotes.
- A description of any material ownership interest the insurance producer, parent, subsidiary or affiliate has in the insurer issuing the contract or its parent, subsidiary or affiliate.
- A description of any material ownership interest the insurer issuing the contract or any parent, subsidiary or affiliates has in the insurance producer or any parent, subsidiary or affiliate.
- A statement whether the insurance producer is prohibited by law from altering the amount of compensation received from the insurer for the sale.

Source: New York State Insurance Department

receive compensation from the selling insurer.

Now in its fourth iteration, the latest version of the rule remains in contrast to the NYSID's first propos-

al in January that called for mandatory compensation disclosure by agents and brokers.

See **DISCLOSURE** page 31



AP PHOTO

The Greek-flagged supertanker Maran Centaurus, shown in an earlier photo, was hijacked by pirates hundreds of miles off the coast of Somalia.

MARINE

Tanker hijacked by pirates covered in war risk market

By ZACK PHILLIPS

INDIAN OCEAN—Somali pirates hijacked the Greek-owned Maran Centaurus, a 1,085-foot supertanker hauling an estimated 2 million barrels of oil to New Orleans.

The vessel is covered by the Hellenic Mutual War Risks Assn. (Bermuda) Ltd., a spokesman for manager Thomas Miller (Bermuda) Ltd. confirmed. Protection and indemnity cover for the ship is provided through Arendal, Norway-based Assuranceforeningen Gard, sources said.

The Nov. 30 hijacking came just more than a year after Somali pirates seized the Saudi-flagged MV Sirius Star, the only other oil tanker pirates have successfully hijacked.

After that Nov. 17, 2008, hijacking, international authorities increased their naval presence in the Indian Ocean and established a safe travel corridor in the Gulf of Aden, an area near Somalia that leads to the Suez Canal. Since then,

Somali pirates have moved their operations farther offshore. The Maran Centaurus hijacked Nov. 30 reportedly was 800 miles off the central Somali coast, a new distance record for Somali pirates.

The Maran Centaurus was the fourth successful hijacking by Somali pirates in November, after four successful seizures in October, according to the International Maritime Bureau's Piracy Reporting Center.

Somali pirates hijacked two ships from June through September—a period that roughly corresponds to monsoon season—according to the center.

Security experts said vessels that move slowly and have lower decks, such as oil tankers, are more vulnerable to pirate attacks.

Pirates anchored the Maran Centaurus off Hoby, a village in northern Somalia. The ship's 28 crew members still were being held late last week, but were believed to be unharmed, media reports said.

HEALTH CARE BENEFITS

Firms tap online tools to aid enrollment: Study

More employers opt for paperless process to help trim costs

By JOANNE WOJCIK

As benefit choices become more complex, more employers are providing self-service decisionmaking tools to employees to help them navigate through the open enrollment process, a survey concludes.

Many employers also have found that employees who use the tools, which perform functions such as comparing out-of-pocket medical costs under different health plan options, are more likely to make benefit plan changes.

And as employees become more accustomed to using benefits technology, more employers are abandoning paper-based communications, according to an Annual Enrollment 2010 Flash Survey conducted in mid-November by Watson Wyatt Worldwide.

Richard Nicholas, Charlotte, N.C.-based senior technology consultant at Watson Wyatt, said he was particularly impressed by the number of employers using e-mail to communicate during this year's open enrollment season.

"This was the first year we asked about e-mails, and the fact that 76% of employers are using that mode of communication is a very interesting stat," Mr. Nicholas said. "I knew it was high, but I didn't know it was that high."

Moreover, "the percent of folks looking to eliminate paper was also interesting. It shows that peo-

ple are becoming used to communicating electronically. You also save money on paper and postage," he said.

According to the survey, 69% of employers mailed printed materials to employees' homes during this year's open enrollment season, down from 76% in 2008, the last year the survey was conducted. However, 22% said they plan to eliminate paper-based communications next year.

Instead, a vast majority—88%—made materials accessible on the company intranet or the Internet. In addition, 27% used interactive media or multimedia such as podcasts, Web videos and online chat forums.

Armonk, N.Y.-based IBM Corp. exemplifies this trend.

All enrollment materials, including background and registration as well as plan- and cost-comparison tools, were presented to employees online, said Marianne Defazio, director of health benefits design and strategy.

By contrast, Smithfield, R.I.-based Sperian Protection Group continues to mail enrollment kits to employees' homes about a week before open enrollment begins, said Michael Vittoria, vp, human resources.

The kit is designed to be retained after enrollment to serve as a benefits "quick reference" throughout the year, he said.

"We also include a refrigerator magnet with the toll-free customer service numbers of all of our benefits vendors and our (employee assistance program) hot line,"

88%

of employers made materials accessible on the company intranet or the Internet during this year's open enrollment season.



Monte Carlo is one of three meetings that set the tone for reinsurance renewals each year.

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BI's experienced reporters have covered these key reinsurance meetings for decades. You can benefit from the exclusive data, reporting and analysis by *Business Insurance*, gathered by talking to key executives and decisionmakers, by getting a copy of the new 2010 Reinsurance Renewals special report.

The report is available for \$100 and can be downloaded at www.businessinsurance.com/section/special-reports.

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**THERE ARE ALWAYS NEW ITEMS ON THE MENU HERE.
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When a restaurant chain discovered one of its food servers contracted Hepatitis A, they immediately made two calls. One to alert the local health department, and the second to alert us. We helped identify exposed patrons and recommended proper treatment while putting the minds of those not exposed to rest. This minimized the risk of the disease spreading, and our customer's liability from the incident. Which helped the restaurant chain protect its good reputation. Whether it's responding quickly, keeping you and your broker informed, or adhering to stringent litigation protocols, we're committed to helping you protect your business. That's our policy. For more information contact your broker or agent or visit libertymutualgroup.com/gl.

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Commentary

Workplace safety is about people's lives

A recent home page redesign on the Occupational Safety and Health Administration's Web site, www.osha.gov, is a potent reminder that workplace safety is about the lives at stake, not just claims numbers.

Many dedicated safety engineers, risk managers, front-line supervisors, union leaders and others go to work every day looking for ways to keep workers out of harm's way. It's an important role.

But often in the insurance industry, our discussions come down to claims statistics. We analyze and discuss claim severity and frequency, treatment durations, benefit levels and other factors that affect costs.

Those discussions and attention to the bottom line help reduce worker injuries and save lives. They also get injured employees on their feet quicker, and in so doing make the world a better place for them and their families.

But OSHA's home page cuts to the chase, depicting the human cost when safety efforts are lacking or get ignored.

Front and center, OSHA's home page states that 5,071 workplace fatalities occurred during 2008. That means nearly 14 people died each day last year while on the job.

Above the 2008 toll, OSHA has a rotating news ticker that briefly describes recent fatalities.

It reveals that there are many ways a worker can die.

A small sample of October fatalities include a Florida worker struck by a pickup truck backing away from a warehouse, a Wisconsin employee whose hand-held grinder ignited flammable vapors and an Arizona worker who fell off a tugboat boarding ramp and drowned.

"With every one of these fatalities, the lives of a worker's family members were shattered and forever changed," says an accompanying statement from Department of Labor Secretary Hilda Solis. "We can't forget that fact."

Improvements in workplace safety have made a difference throughout the years. There has been an ongoing decrease in workers comp claims frequency since the mid-1990s when employers put more resources into safety programs.

During the past five years, "significant declines" in the frequency of total lost-time claims have occurred across all industries and geographic regions, according to NCCI Holdings Inc., a unit of the Boca Raton, Fla.-based National Council on Compensation Insurance Inc.



ROBERTO CENICERROS

Senior Editor Roberto Cenicerros can be reached at: rceniceros@businessinsurance.com

But sadly, too many workplace injuries and fatalities still occur daily, even though the 2008 death toll was the lowest since at least 1992.

Some get special attention for the size of employer fines they generate, the allegations of egregious working conditions, or the way in which deaths occur.

It made the news recently when the Labor Department announced that it levied a \$1.6

Workplace safety is about the lives at stake, not just claims numbers.

million fine against a Colorado grain elevator company after the suffocation death of 17-year-old boy.

OSHA alleged that Tempel Grain Elevators L.L.P. "ignored long-established standards addressing safety in grain handling" and "knowingly put its young workers in harm's way."

The death of 15 workers and injuries suffered by 170 others during a 2005 Texas refinery explosion resurfaced in the news this year when OSHA announced in October that it was fining BP Products North America Inc. a record \$87.4 million.

But many other workplace deaths get scant notice beyond the families and co-workers whose lives are affected.

That is why OSHA's new home page plays an important role.

It helps remind us that, despite years of substantial improvements, workplace safety requires top-level commitment, constant reinforcement of established practices, daily surveillance for new dangers, and expanding safety measures into areas where workers often are neglected.

And it's not just about reducing claims costs.



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Business Insurance OPINIONS

Insurance office plan takes good first step

THE HOUSE FINANCIAL SERVICES Committee's approval of a bill to create a Federal Insurance Office is a good first step in more ways than one.

It's significant in the sense that last week's vote was the first time the idea of having some sort of federal insurance office received the blessing of a full committee. The bill's drafter—Rep. Paul Kanjorski, D-Pa.—proposed similar legislation in the last Congress, but the measure never came to a vote as the economic crisis unfolded. Getting the bill to full House this year augurs well for its chances.

It's also a good first step in the sense that it could serve as the basis for a broader federal role in insurance regulation. We make no secret of our support of major reform of the insurance regulatory system, including establishing a system of optional federal charters for insurers and producers that want them. Given the increasingly global nature of the business, we believe there needs to be a federal insurance regulator with the power to pre-empt state laws when they run counter to international agreements and provide a single U.S. voice rather than a welter of tongues when dealing with international issues.

Like the American Insurance Assn., we're not sure that the bill in its current form would give the office all the authority it needs to carry out its international function. The measure doesn't call for an optional charter and, in fact, embraces continued state regulation of virtually every aspect of the business.

But it's still a good first step. If the bill, or something close to it, can win approval of Congress, there is time to build upon it.

Medicare set-aside rule puts onus on employers

A DEADLINE is looming for self-insuring employers under the Medicare, Medicaid and SCHIP Extension Act of 2007.

As we report on page 1, self-insurers and insurers must register with the federal Centers for Medicare and Medicaid Services by Dec. 31 and begin providing test files on workers compensation and liability claims. The MMSEA requires these steps to enable the CMS to track medical claims that are the obligation of self-insuring employers or insurance companies. In short, the law exists to help keep Medicare and the other federal programs as secondary payers.

The scope of claims that could fall under these requirements is quite broad. The law could apply even to directors and officers liability claims if an underlying claim has a medical component for psychological injury, for example.

Moreover, noncompliance could be costly, with fines of up to \$1,000 per claim per day. But there is a lack of guidance.

Although many questions about the requirements and possible enforcement remain unanswered, the deadline is not changing. Employers and insurers must redouble their efforts to ensure they are prepared to comply.

We make no secret of our support of major reform of the insurance regulatory system.



WRITE

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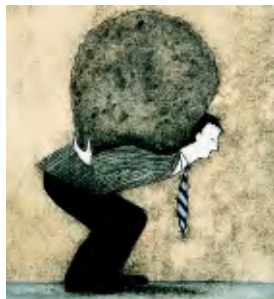
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THIS WEEK'S RESULTS

Q How big a problem is stress at your workplace?



It has reached crisis point

27%

Significant but manageable

46%

Moderate

17%

Barely noticeable

7%

NEXT WEEK'S QUESTION

Q: How prepared are you for the reporting requirements under the MMSEA law?

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Leadership vacuum exists in P/C industry

Independent insurance consultant Myron M. Picoult writes that a "leadership vacuum" in the property/casualty insurance industry is having significant effects on insurance companies' growth, profitability, staff development and ability to serve customers. What's needed, he writes, is change: in how insurers think about their business, communicate with customers and appreciate the value of having in-house contrarians.

ONLINE
Read the full text of this and other Perspectives online at
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Chicago: 312-649-5200; London: 44-207-457-1400;

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ADVERTISING: Boston: 617-292-4856;

Chicago: 312-649-5286; Denver: 303-898-4043;

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SUBSCRIPTIONS: Detroit: 888-446-1422

Business Insurance is published by

Crain Communications Inc.

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Published weekly at 360 N. Michigan Ave., Chicago, Ill.

60601-3806, Fax: 312-280-3174, biweb@crain.com. Offices:

711 Third Ave., New York, N.Y. 10017-5806, Fax: 212-210-0704;

Suite 814, National Press Building, Washington, D.C. 20045-

1801, Fax: 202-638-3155; 6500 Wilshire Blvd., Suite 2300, Los

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Court, Sunnyvale, Calif. 94086-6750, Fax: 408-774-1155; 21

St. Thomas St., London SE1 9RY, U.K. Fax: +44-(0)20-7457-

1440; 12524 Acuff Court, Olathe, Kan. 66062, Fax: 312 280-

3174, 77 Franklin St., Suite 809, Boston, Mass. 02110-1510;

Fax: 212-210-0704. \$5 a copy and \$97 a year in the U.S., \$130

in Canada and Mexico (includes GST). All other countries,

\$230 a year (includes expedited air delivery). Four weeks'

notice required for change of address. Send subscription

correspondence to Circulation Department, *Business*

Insurance, 711 Third Ave., New York, N.Y. 10017-5806.

Microfilm copies available: University Microfilms, 300 Zeeb

Road, Ann Arbor, Mich. 48103. Microfiche copies: Bell &

Howell, Micro Photo Division, Old Mansfield Road, Wooster,

Ohio 44691. Portions of the editorial content of this issue

are available for reprint or reproduction in other media.

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Profiles 2009

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Business Insurance's 2009 Women to Watch feature is our annual attempt to identify women who are doing outstanding work in commercial insurance, risk management, employee benefits and related fields.

This year, 25 women are profiled, beginning on page 10. They represent senior executives and innovators at organizations serving buyers of commercial insurance, reinsurance, risk management and benefits. The list was compiled from hundreds of

nominations by readers and was selected by a panel of senior *BI* editors, comprising women and men.

BI's Women to Watch each year highlights a new set of women leaders. We consider it a starting point, not an end, for discussions on the importance of women in an industry serving diverse clients.

In general, the women on our list are in client-facing roles that directly affect risk managers, benefit managers or commercial insurers. Women involved behind the scenes in administrative roles are no less important, but our focus is on direct impact on buyers.

Complete profiles of the 2009 Women to Watch can be viewed at www.BusinessInsurance.com/women2009.



Past honorees

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Jane Boisseau

Partner
Dewey & LeBoeuf L.L.P.
New York
63

New Orleans native Jane Boisseau started out as a history and English teacher before switching careers and going to New York University School of Law. She first worked at Dewey & LeBoeuf's predecessor firm, LeBoeuf, Lamb, Leiby & MacRae, as a summer intern in 1984 before joining it the next year, after her graduation. She has been there since, and is now co-chair of the firm's insurance regu-

latory department and a member of its executive committee.

YOUR PROFESSIONAL ROLE MODEL:

It's kind of fortunate...because there really were great leaders in the insurance practice when I arrived. Donald Greene who, for a while, was a named partner before we merged (with Dewey & Ballentine in 2007), was the head of the insurance practice and subsequently became chairman of the firm for a while. He was probably a giant in the practice....He inspired people around him to follow his example, so it

was a wonderful place for somebody like me, who was looking for not just a legal career, but a career where you could really spread your wings and feel like you were contributing to the business.

ADVICE FOR WOMEN ENTERING THE

FIELD: I would say stick with it, never give up. Keep at it, be persistent. I think all junior lawyers sometimes feel overwhelmed, perhaps, and discouraged and feel, "Maybe I should move on." You just have to keep at it and keep trying.



Pamela R. Collins

President and Founder
Collins Consulting Inc.
Decatur, Ga.
48

Pamela R. Collins launched Collins Consulting Inc. in 1992 and has been serving the insurance industry in a variety of roles since then. The Decatur, Ga.-based consulting firm offers financial analyses, underwriting and claims reviews, and statutory financial examinations. More recently, Collins Consulting has focused on operational reviews by working with directors who have tapped Ms. Collins to analyze and "investigate" firms on the board's behalf.

HOW YOU GOT INTO THE INDUSTRY:

As an auditor with KPMG, I was assigned to the insurance industry and I immediately fell in love with it. I was working with a lot of risk retention groups and government insurance pools, and the concepts really grabbed me. But I've always wanted to be an entrepreneur, so I started Collins Consulting because I saw a niche. At the time, many of the clients I was conducting audits for had a lot of other projects on their desks that they needed help with. That's when I knew I had something, and I always knew I would be successful. My first project was helping a group of orthopedic surgeons form a captive insurance company, and it just grew from there.

BEST BOOK YOU'VE READ RECENTLY:

"Seductress: Women Who Ravished the World and Their Lost Art of Love" by Betsy Prioleau. It was inspiring to read about so many women who bucked the system. Also, it's not as steamy as it sounds.

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Diane M. Davies

Principal and National Managing Director
Health Plans Practice
Deloitte Consulting L.L.P.
Los Angeles
46

Diane M. Davies is responsible for the design and execution of overall strategy for Deloitte Consulting L.L.P.'s national health plans practice, one of the largest health plan prac-

tices in the country. She sits on the board of directors for Deloitte Consulting and the Deloitte Foundation, which raises and distributes funds for scholarships and other educational programs. Ms. Davies helped establish a mentoring program in Deloitte Consulting that partners talented young women with senior leaders at the firm. The IMAGINE mentoring program aims to help women advance into leadership positions.

YOUR PROFESSIONAL ROLE MODEL: Jack Shaw, a retired partner, has been a mentor to me. He is an amazing man. He started a foundation called El Viento in Huntington Beach, Calif., providing scholarships to qualified young adults. He also founded Healthy Smiles for Kids of Orange County, which provides oral health care services to underserved children. He was also a great model in terms of client service. He was a great consultant who did a great job with his clients. Another person is Jack Witlin. Very, very good with clients. He was a project partner as I was coming up through the ranks and spent a lot of time mentoring me, and we worked together on some of the most difficult project engagements that I've had.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: Put clients' interests above all else and always do the right thing for clients, even if that means that you tell them, no, you don't think they should go ahead with a project that would result in a lot of fees for Deloitte.



Dawn Dinkins

VP and Unit Manager
Claims
XL Reinsurance America
Stamford, Conn.

Dawn Dinkins, vp and unit manager, claims, at Stamford, Conn.-based XL Reinsurance America, attended State University of New York at New Paltz. Before joining XL America in 1993, Ms. Dinkins worked as a field claim representative for Cincinnati-based Great American Insurance Group as well as Hart-

ford, Conn.-based Aetna Inc.'s property/casualty operations. Since 1996, Ms. Dinkins has participated in reinsurance industry efforts to develop standards required to bring Electronic Data Interface, which permits the electronic transmission of claims notices and supporting documentation, to reality.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP: I knew early on that I wanted to pursue a career in business. I grew up in Jamaica with my grandparents, who owned a small grocery store, and I used to help them with their books and inventory and I enjoyed it, having that kind of responsibility at a young age. It taught me the importance of working hard and it was immensely gratifying to know that I, even as a youngster, was in some small way contributing to my grandparents' business. So from that perspective, I knew whatever career path I chose, the work would have to be challenging, meaningful and also rewarding.

BEST BOOK YOU'VE READ RECENTLY: I recently finished "A Thousand Splendid Suns" by Khaled Hosseini. It's about relationships between mothers and daughters and friendship between women, and it was set around the time of the Taliban imposing their repressive rules on women. It was disturbing to read, just because of the hardship and the brutality suffered by the heroine, but I was still emotionally connected to her spirit, and it's about human spirit and its ability to endure and triumph over incredible hardship.

DEWEY & LeBOEUF

Congratulations



Jane Boisseau

2009 Women to Watch

We are proud to congratulate all of the extraordinary professionals recognized as the 2009 Women to Watch — especially our own Jane Boisseau, whose contributions have helped establish Dewey & LeBoeuf as an industry leader in insurance and reinsurance.

And finally something new from the insurance industry: Good News

8/09 - Ironshore completed \$300 million equity capital raise



8/09 - Launched Ironshore Energy unit



3/09 - Launched MGA Program unit



7/09 - In partnership with Rockwood Programs, acquired majority stake in Wright & Co. MGA



1/09 - Launched Ironshore Environmental unit
- Created Excess Liability unit
- Launched Iron-Starr Excess, a joint venture with C.V. Starr



2009

Berkshire Hathaway Group™

2/09 - Formed exclusive MGU arrangement with Berkshire Hathaway Group™ for Environmental unit

12/08 - Acquired Marine Re to expand expertise in North American Marine Reinsurance



12/08 - Kevin Kelley appointed CEO
Shaun Kelly appointed CEO U.S. Operations



7/08 - Entered Lloyd's market with purchase of Pembroke Syndicate 4000



4/08 - A.M. Best assigned A- rating to Ironshore's U.S. companies



3/08 - Launched IronHealth (Healthcare Liability)



2008



1/08 - Established Ironshore Specialty Insurance Co.

12/07 - Ended first year with \$317 million in GWP



11/07 - Established Ironshore Indemnity Inc.



10/07 - Launched IronBuilt (Specialty Construction)



5/07 - Launched IronPro (Professional Liability)



2/07 - Ironshore Bermuda received "A-" A.M. Best rating



12/06 - Initial funding of \$1 billion in equity



2007

1/07 - Commenced writing property insurance



2006

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Lori Dickerson Fouché

President
Commercial Insurance
Fireman's Fund Insurance Co.
Novato, Calif.
39

Lori Dickerson Fouché has been in the insurance industry for more than 17 years, most recently serving as president of the commercial insurance business at Fireman's Fund Insurance Co., to which she was promoted in August 2008 after joining Fireman's in 2006. In addition to her career, Ms. Fouché has worked to advance the role of women and minorities in the insurance industry and business in general. She

has served on the women's development committee at Fireman's Fund and, during her time at Chubb Corp., was co-chairman of the 2004 Chubb Women's Leadership Conference.

ADVICE FOR WOMEN ENTERING THE FIELD: I don't think there's a better time to get into insurance than there is right now. When you look at the demographics of the insurance industry, during the next several years we're going to see some attrition just based on retirements. So there are many job opportunities that are coming. When you look at the economy and you see jobs shrinking, the insurance industry, particularly on the property/casualty side, is always going to be needed. As an industry, I think we are in great

shape and a good one to be a part of and I think there's a lot of diversity.

YOUR PROFESSIONAL ROLE MODEL: I don't really have one role model. I tried to pick the best attributes that many people have had and really considered those as to how I incorporated those in my own style. I have current and past bosses that have been really good at analytics and who have really understood the human element and how to lead people. One of my favorite quotes (from a colleague) is, "If you think you're leading people and you turn around and no one is following you, you're really just taking a walk." People who have helped in that regard have really kind of been role models for me.



Patricia Guinn

Managing Director
Risk and Financial Services
Towers Perrin
New York
54

Patricia Guinn is managing director of Towers Perrin's global risk and financial services business segment, which includes reinsurance brokerage, risk consulting and software business, and retirement risk solutions. Ms. Guinn has guided the expansion of Towers Perrin's insurance consulting business by investing in new products and services areas that leverage core areas of the firm's expertise. She recently was invited to testify before a subcommittee of the U.S. House Committee on Financial Services, where she provided her perspective on how the U.S. government should oversee the insurance industry. She holds board positions for the Actuarial Foundation and International Insurance Society.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

I grew up in a farming community in Arkansas and I had little exposure to the business and corporate world and had little exposure to insurance other than being a policyholder. I came out of graduate school with a B.A. in mathematics and went on to work towards a master's. I received a fellowship to Columbia University in New York, which got me out of Arkansas. And I was having difficulty seeing how I was going to take care of myself with a mathematics degree, so I was trying to figure out how to bring this into a business setting. Then I learned from a friend of mine about becoming an actuary and I thought it was something that I could do too.

PHONE OR E-MAIL AND WHY:

E-mail is great for transmitting information, but it's best for data where there's no intonation or inflection. If it's a matter that requires any delicacy or interaction, a phone call or in-person saves time and produces a better result.



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Christopher M. Keefer
Corporate Counsel and Director, Risk Management/Insurance
Biomet, Inc.

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2009

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Chicago, IL

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Business Insurance



Congratulations to the 2009 Honorees:

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Committee member, Dewey
& LeBoeuf L.L.P.

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President, Collins
Consulting Inc.

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Lori Dickerson Fouche,
President of Commercial
Insurance, Fireman's Fund
Insurance Co.

Dawn Dinkins,
Vp and Unit Manager,
Claims, XL Reinsurance
America

Patricia Guinn,
Managing Director
of Risk and Financial
Services, Towers Perrin

Trish Henry,
Executive Vp and Deputy
General Counsel, ACE Group

Jenny L. Housley,
Producer/Consultant,
Lockton Cos. L.L.C.

Ellen R. Kerr,
Vp and Division Engineering
Manager, FM Global

Ingrid Lindberg,
Customer Experience
Officer, CIGNA Corp.

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of Client Advocacy, Human
Capital Practice, Willis



Patricia A. Henry

Executive Vp and Deputy General Counsel
ACE Group Holdings Inc.
Philadelphia
46

Patricia A. Henry has served as executive vp and deputy general counsel for ACE Group Holdings Inc. in Philadelphia since 2006. She joined CIGNA Corp. in 1992 as part of a team that dealt with toxic tort claims. She previously represented CIGNA as an associate attorney in the Philadelphia law firm White & Williams L.L.P.

In 1999, ACE Ltd. bought CIGNA's property/casualty operations. Ms. Henry has spent considerable time representing ACE on Capitol Hill. She also served as technical chair of the asbestos working group of the American Insurance Assn. and is on a task force to develop and implement ACE's position on environmental and climate change.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED:

I was a fourth-year associate managing a large discovery project for a senior partner who had a well-deserved reputation for being extremely demanding and difficult. He was giving the more junior attorneys and paralegals on my team such a hard time that everyone was upset and work was not getting done. I went to his office and told him exactly what I thought. Then I went back to my office and thought, "Well, I may need to start looking for another job" since I had just disagreed with the senior partner. So, I went back to his office to apologize. He told me to sit down and he said, "Trish, you will never get anywhere in this business if you are a shrinking violet." I have never forgotten that advice and think it has served me well.

BEST BOOK YOU'VE READ RECENTLY:

"Three Cups of Tea" by Greg Mortenson. My daughters both had to read this book for a schoolwide project, so I decided to read it as well. It is a wonderful book that shows the power of one individual's commitment to make a difference in the face of seemingly insurmountable obstacles. It also presents a very different and provocative perspective about possible solutions to the terror threat in Afghanistan and Pakistan.



Jenny L. Housley

Producer/Consultant
Lockton Cos. L.L.C.
Kansas City, Mo.
38

Jenny L. Housley began her employee benefit consulting career 14 years ago when Lockton Cos. L.L.C.'s Kansas City, Mo., benefits operation included 14 associates and generated 10% of the revenue that it does today. Ms. Housley was selected as one of Lockton's first two unit managers/team leaders in employee benefits and was pivotally involved in developing the service team

structure and performance standards for the organization. Today, Lockton's employee benefits division has seven service teams and more than 100 associates. In 2003, Ms. Housley became the second female employee benefits service associate at Lockton to transition to the role of producer. She is responsible for new business acquisition and existing client retention and has grown her book of business to more than \$1.1 million a year. Like mentors that helped her early in her career, Ms. Housley mentors a female employee benefits producer who recently joined Lockton.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

On the day I took the LSAT to enter law school, I joined a friend at her company holiday party as her guest. That night, I was introduced to the then 12-person staff of Lockton's Kansas City benefit operation, including the president, Sam Reda. Sam called me shortly thereafter and I began interviewing with Lockton. At the same time, I was registering to attend law school to begin my journey to become an attorney. Sam promised me if I did not love employee benefits, he would personally pay to send me to law school. I was worried I would get bored with insurance and need new challenges and told him I would take him up on his offer. That was almost 15 years ago and not a single day has bored me in this dynamic field.

PHONE OR E-MAIL AND WHY:

I prefer telephone conversations. I think tone in e-mails can sometimes be misinterpreted, and I still very much appreciate the personal touch of a live conversation....I recognize the value of written documentation via e-mail, but when possible, I would rather talk to people on the phone or better yet in-person.

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Willis congratulates all those named as *Business Insurance's* **2009 Women to Watch**



We especially salute our clients:
Carolyn Snow
Director of Insurance Risk Management
Humana Inc.



Shari F. Natovitz
Vice President and Risk Manager
Silverstein Properties, Inc./World Trade Center Properties



as well as Willis' own
Martha L. Vinas
Senior Vice President
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Ellen R. Kerr

Vp, Manager, Division of Engineering
Factory Mutual Insurance Co.
Plano, Texas
45

Ellen R. Kerr manages all engineering processes, procedures and people in the western United States and Latin America for Factory Mutual Insurance Co., which does business as FM Global. Using her experience as a property engineer in the risk management unit at Sara Lee Corp., Ms. Kerr brings a real-world perspective

to her clients at FM Global. In her 18 years with FM Global, she is the only female to achieve the title of vp. Passionate about engineering, Ms. Kerr has led training and recruitment efforts for the insurer's loss prevention engineers and works with the Corporate Partnership Council of the Society of Women Engineers and is a guest panelist at conferences and universities.

YOUR PROFESSIONAL ROLE MODEL: The first one would be my father, who was a chemical engineer. His influence geared me towards engineering in the first place. I've

had several managers who have been great mentors in the fact that they have been very good coaches and they also have helped me get on special projects, task forces, have volunteered me to do audits in other offices, giving me exposure locally and globally in the company.

ADVICE FOR WOMEN ENTERING THE FIELD: My advice is to learn from every experience. Find the lesson. Even when you're not successful, look at why you weren't, and then apply those lessons next time. I think that's critical.



Ingrid C. Lindberg

Customer Experience Officer
CIGNA Corp.
Bloomfield, Conn.
35

When CIGNA Corp. decided in 2007 to establish an office dedicated to being the voice of the customer, the insurer turned to Ingrid C. Lindberg. Ms. Lindberg has been the company's customer experience officer since January 2008. Her role combines applying business acumen and spreading empathy for individual customers across every level of CIGNA, from the service center floor to the executive suite. One of her first measures to improve customer interaction called for banishing CIGNA employees from using insurance jargon such as provider, adjudicate and formulary. They have been replaced by doctor, process and drug list.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: It is from a vice president at American Express when I was toiling...at 11 at night on a Friday. She was leaving her office and we were doing a very large-scale transformation. Big project, lots of money, lots of hours. She was walking out and she looked at me and said, "Never forget, I can replace you in 24 hours. No matter how good you are I can replace you in 24 hours." (Later) I said, "What on earth does that mean?" and she said, "If you are not achieving a good work/life balance, you are not worth anything to me here." It has always resonated with me. You work hard, but you have to find that balance, whatever that balance is for you.

PHONE OR E-MAIL AND WHY: E-mail. I am often a crazy multitasker and on the telephone. It's pretty tough to miss phone calls. I hate to do that. If you send me an e-mail, I am the queen of responding to you within a couple of minutes.

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Deborah M. Luthi

Director of Enterprise Risk Management
Matheson Inc.
Sacramento, Calif.

Deborah M. Luthi's professional career has taken her from art teacher to risk manager. She is director of enterprise risk management for Matheson Inc., a Sacramento, Calif.-based diversified transportation company. Before joining Matheson, Ms. Luthi served as director-risk management services for the University of California at Davis for more than two decades. She took that post after serving as risk manager for the Sacramento Regional Transit Authority, where she'd gone after holding risk management positions at

two diversified private corporations in the San Francisco area. Ms. Luthi has been active in the Risk & Insurance Management Society Inc. since launching her risk management career in the early 1980s. She co-founded the RIMS Sacramento Valley chapter in 1991 and is director-external affairs on RIMS' national board of directors.

YOUR PROFESSIONAL ROLE MODEL: Truth be told, Nancy Drew was my very first professional role model possessing qualities that have served me well in my career: confident, competent, independent, possessed with a feisty spirit, a solver of mysteries, i.e. problems, in which she collaboratively involves her friends. And she had a roadster of her own. I guess you could say that to young women growing up in the '50s and '60s, she

was an icon that represented another way of being a woman in the world.

ADVICE FOR WOMEN ENTERING THE FIELD: On a professional level and a personal level, I think I'd share Maya Angelou's quote, "I've learned that people will forget what you said, people will never forget how you made them feel." Professionally, enterprise risk management serves to enable executive management and risk owners to carry out their respective responsibilities, contributing not only to the success of the organization but also to their personal sense of achievement. To be on the contributing to or the receiving end of the feeling, you've done the best that is within you—that's a satisfying place to be.

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Seraina Maag

President
Commercial Specialties
Zurich North America
40

Appointed president of Zurich North America's Commercial Specialties unit in 2007, Seraina Maag rose rapidly at the Zurich Financial Services Group Inc. unit after serving as its chief financial officer for slightly more than a year. Ms. Maag applies a collaborative leadership approach to drive decision-making authority to field offices. The specialties unit is a \$2.4 billion business providing products for complex and volatile risks. She joined Zurich in 2002 as senior investor relations officer and in 2004 became head of investor relations and rating agency management. She simultaneously served as chair of a "financial discipline initiative" that redesigned Zurich's planning process worldwide.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP: As a teenager, I was a champion in gymnastics on horses, acrobatics on horses. So my dream was to perform in a circus at night and during the day I would be a school teacher for the children of the circus.

ADVICE FOR WOMEN ENTERING THE FIELD: One thing women don't do as well as men throughout their career is networking. That is something I would advise young women to make sure they build a network within the industry at a very young age because our business is such a people business. It is really important as you progress that you have a network you can build relationships on.



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Carol L. Murphy

Managing Director
Aon Risk Services
Chicago
45

In the slightly more than two years that Carol L. Murphy has led Aon Risk Services' Midwest region casualty practice,

Aon's casualty book of business in the region has grown 30%. Ms. Murphy joined the broker in 1990, rising through the ranks before assuming responsibility for Aon's casualty business in the Midwest in 2007. In serving as a client advocate, Ms. Murphy has worked with insurance markets to craft innovative casualty program collateral arrangements that minimize obligations during a multiple-year period, established benchmarks to achieve pricing efficiencies, and helped develop broad customized policy wordings. At Aon, she also is a leader in the company's Women's International Network, a group working to promote the advancement of women in the insurance industry.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED:

The best professional advice I ever received was early in my career. My mentor at that time told me always to focus on what was best for the customer and that, if I always focused in any situation on what was best for the customer, I'd never run into any challenges. And she was right.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

I wanted to be in business and serve large corporations.



JOE WOOLHEAD

Shari F. Natovitz

Vp and Risk Manager, Silverstein Properties Inc./World Trade Center Properties
Germantown, Md.
58

Shari Natovitz leads the two-employee

risk management group at Silverstein Properties Inc., which is building three towers at Ground Zero in Manhattan along with building and managing other residential and commercial construction projects and properties in New York. Ms. Natovitz sits on the external affairs committee and national conference programming committees for the Risk & Insurance Management Society Inc., on a council of national construction contractors convened by Chartis Inc., and she recently was asked to join a global client advisory council established by brokerage Willis Group Holdings Ltd. The International Risk Management Institute named Ms. Natovitz a 2008 Horizon Award Finalist for marketing innovation in recognition of

Shari Natovitz poses at the World Trade Center site in New York. She leads the risk management group for the company that is building three towers at the site.

her role leading the team that purchased insurance for Towers 2, 3 and 4 being constructed at Ground Zero. In 2007, Silverstein was told only about \$350 million in capacity was available for the project, but Ms. Natovitz, her assistant and 56 professionals from Willis launched a marketing campaign aimed at insurers. Insurers later offered proposals for more than \$6 billion in all-risk builder's insurance and an equal amount of standalone terrorism coverage.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

I wanted to be president of the United States. I was a (political science) major. I fell into (the insurance industry) just by happenstance and I had the extraordinary good luck to fall in with a group of people who were interested in learning for learning's sake. I spent 35-plus years as a broker and I loved every minute of it. I wanted to be the broker for the (World Trade Center) project and I ended up being the risk manager for it. It's been an extraordinary journey.

THE BEST BOOK YOU'VE READ RECENTLY:

"Tuesdays with Morrie" by Mitch Albom, because its life lessons can be shared and valued at any time, not just your youth.

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August Macke (1887-1914) "Forms - Formen"

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Jamie Ohl

Senior Vp and Director, Retirement Plans Group
Hartford Financial Services Group Inc.
Simsbury, Conn.
44

Jamie Ohl joined the Retirement Plans Group of Hartford Life Inc., a subsidiary of Hartford Financial Services Group Inc., in 2006. In this role, Ms. Ohl is responsible for Hartford's 401(k), 457, 403(b) and defined benefit plan product development and sales strategies. In late 2007, Ms. Ohl spearheaded Hartford's acquisition and integration of several major retirement plan administrators and recordkeepers, including Sun Life Retirement Services

Inc., an acquisition that added \$17 billion in retirement plan assets across 6,000 plans and 465,000 participants to Hartford Life's book of business. Hartford's RPG unit now provides services to more than 30,000 retirement plan sponsors and 1.6 million plan participants. RPG, as of Dec. 31, 2008, had \$37 billion in assets under management.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

To be honest, I thought I was going to be a farmer. My mom and dad ran a farm and a ranch in Wyoming and I thought I would take over the family farm. But in high school, getting up at 4 a.m. to change the water and feed the animals didn't seem so glamorous. But I always loved numbers and the financials and that became clearer to me in college. I also wanted to see things beyond Wyoming, to see more of the world and of this country. That was to both my parents' dismay and absolute pride because they supported me 100%.

THE BEST BOOK YOU'VE READ RECENTLY:

The one I enjoyed the most was the "World is Flat" by Tom Friedman. While I didn't agree with everything in the book, it certainly gave me someone else's perspective of the world, particularly beyond the United States, where all my experience has been based.



Dawn Owens

Chief Executive Officer
OptumHealth Inc.
Golden Valley, Minn.
41

Dawn Owens is chief executive officer of OptumHealth Inc., a unit of UnitedHealth Group Inc. and one of the nation's largest health and wellness companies. Ms. Owens is one of UnitedHealth Group's highest-ranking women executives, overseeing a business that generates more than \$5 billion in annual revenue, employs 11,000 and serves nearly 60 million people. Under Ms. Owens' leadership, OptumHealth has emerged as a leader in the delivery of health and wellness solutions, particularly in the burgeoning area of consumer-driven health care. Before becoming CEO of OptumHealth in September 2007, Ms. Owens served as chief marketing officer of the Ingenix business segment and president of UnitedHealthcare National Accounts, formerly known as Uniprise Strategic Solutions.

ADVICE FOR WOMEN ENTERING THE FIELD: I think this is a phenomenal industry to go into as a woman. I have not felt glass ceilings. I have met people—both men and women—who put a lot of trust in my abilities and nurtured them along the way. Don't be afraid to try new things and to take risks. You can be so focused on the career ladder that you miss great opportunities to grow, learn and tackle really tough problems that others haven't been able to tackle.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: Focus on the customer and find solutions that can work for them. All too often, especially in this industry that is highly regulated, it's exceptional to figure out how to get things done. In addition, culture matters. Organizations have a distinct culture, and it can be developed.

BEST BOOK YOU'VE READ RECENTLY: "D-Day June 6, 1944: The Climactic Battle of World War II" by Stephen E. Ambrose. It reminds me of the sacrifices that were made on our behalf. Talking about risk taking, that was far from a sure thing. "The Glass Castle: A Memoir" by Jeannette Walls. It shows how challenging circumstances can be overcome.

Sarah Pacini

Vp-Risk Management and Insurance
Advocate Health Care Network
Oak Brook, Ill.
34

Sarah Pacini was promoted in July to vp-risk management and insurance at Advocate Health Care Network, the largest health care system in the Chicago area, serving nearly 1 million patients annually. She is responsible for Advocate's organizational risk management and insurance programs, leading a 25-person depart-

ment that administers programs that protect Advocate's patients, as well as its 28,000 employees, 7,000 nurses, 5,000 affiliated physicians, and the many hospital and health care facilities it operates. Ms. Pacini also is a registered nurse and a lawyer. Before joining the risk management department, she served as Advocate's risk and captive administrator with responsibility for the health care system's captive insurance programs through Advocate's Cayman Islands-based segregated portfolio company.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: Never turn down an opportunity to improve yourself. Opportunities present themselves in many ways. New projects help me to grow professionally, teach new skills and create strong networks.

BEST BOOK YOU'VE READ RECENTLY: "Outliers: The Story of Success" by Malcolm Gladwell. It's an analysis of the circumstances that contribute to an individual's success.



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Louise Pennington

Managing Principal
Integro Insurance Brokers
New York
40

As the only female managing principal in Integro Insurance Brokers' New York office, Louise Pennington is responsible for managing the New York office's commercial book of business within Integro's risk management practice. She is part of the office's leadership committee, which is responsible for strategy and operational organization. Ms. Pennington started her insurance career in 1990 with Marsh Inc.'s financial and professional liability practice.

She later pursued a legal degree and became a prosecutor in the Manhattan District Attorney's office, as a trial and appellate lawyer. She worked in private practice before returning to Marsh FIN-PRO in 2001 and joined Integro two months after its inception in 2005.

YOUR PROFESSIONAL ROLE MODEL: My mother. She always worked outside of the home and continues to do so. But her inspiration wasn't the fact that she worked, maintained her very happy marriage—going on 52 years now—and raised two daughters, but the fact that she did all of that without seeming to compromise her work or family life. She also did all of that while constantly challenging herself professionally from getting her Master of Public

Administration degree at night—with two children—to working in marketing to investment banking to running her own Internet company. She is extraordinary and without a doubt is a role model to anyone with whom she comes into contact.

PHONE OR E-MAIL AND WHY: Phone, without question. Our over-reliance upon e-mail has detracted what true service in our field is intended to be, which is personal...Personal phone responses are often more efficient than e-mail and ensure a better chance of developing and maintaining one's client relationship for an extended period of time. It also forces one to think on one's feet and not hide behind an e-mail.



Carla Sans

Chief Operating Officer
McQueary Henry Bowles Troy
L.L.P.
Dallas
50

After failing a typing test at a bank in 1977, Carla Sans interviewed for a job with an insurance company that did not require her to pass the test and the rest is history. Today, she is responsible for day-to-day operations of insurance agency McQueary Henry Bowles Troy L.L.P., overseeing sales, accounting, human resources, information technology, client services and branch offices in Fort Worth and Austin, Texas. Ms. Sans has been a longtime board member and is president of Intersure Partners, a national group of independent agents who meet several times a year to share best practices. She is a member of the Independent Insurance Agents of Dallas and the Council of Insurance Agents and Brokers. Ms. Sans has been a sponsor for the Big Brothers Big Sisters of America foundation and is a part of Compassion International, a Christian child advocacy ministry.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: Not to focus on the outcome but on the process of truly doing the right thing by your employees and by your clients. If you do that, then the result takes care of itself.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP: I wanted to be a ballerina. I still want to be a ballerina. I did take dancing for years and years growing up and then moved and never got back into a real professional dance organization. I guess I didn't realize that I could've done that for a living. Looking back on it now though, I think, "Man, that would've been fun." That would've been my passion.

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Maria Sheffield

Counsel
Burr & Forman L.L.P.
Atlanta
35

Maria Sheffield, counsel for law firm Burr & Forman L.L.P.'s insurance group in its Atlanta office, concentrates on regulatory and corporate insurance law, public policy, government relations and coverage matters. She has been with the firm seven years and has extensive experience representing traditional property/casualty insurers, life and health insurers, Medicare providers and other insurance-related businesses. Additionally, she represents the interests of

clients affected by state legislative and regulatory developments and previously worked at the Georgia Department of Insurance. She is running for insurance commissioner of Georgia and is the first female to run for the post on the Republican Party ticket. She also is an avid scuba diver and triathlon participant.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

I was one of those strange kids that grew up interested in law. I don't recall a time when I wanted to do anything other than be an attorney. Originally, my focus was in international relations, but insurance is something I became more interested in and it relates to my own personal circumstances...as a family that was unprepared to deal with

some of the things that had happened. When my mother was killed, she was only 36 years old and my father was 16 years older than my mother, but had heart problems, so we had to be prepared for things to go in a different direction. I learned at an early age the value that insurance has in our lives, so it was a natural extension to be interested in insurance being a part of the law.

ADVICE FOR WOMEN ENTERING THE FIELD:

I would tell them to never underestimate their abilities in what they could accomplish in both law and insurance. Both industries have been male-dominated in the past and things have changed a lot, especially in law.



Francine L. Semaya

Chair, Insurance Transactional and Regulatory Practice Group
Nelson Levine de Luca & Horst L.L.C.
New York
58

Francine L. Semaya oversees Nelson Levine de Luca & Horst L.L.C.'s national and global insurance insolvency, regulatory, reinsurance and transactional practice. Previously with Cozen O'Connor P.C. for nearly 10 years, Ms. Semaya joined Nelson Levine earlier this year. She is president of the International Assn. of Insurance Receivers. She also is chair of the American Bar Assn.'s tort trial and insurance practice section task force on federal involvement in insurance regulation modernization. She is a frequent lecturer at law and insurance conferences, and mentors law students at her alma mater, New York Law School.

WHAT YOU WANTED TO BE PROFESSIONALLY WHILE GROWING UP:

When I was very young, I wanted to be a teacher. I also fell in love with law, but I really wanted to teach and I did that for a number of years before I started my law career. Back then, I was an elementary school teacher. I taught in some very tough neighborhoods in New York City, first and third grades. I'd like to, when I have time, go back and teach again. I'd probably go back and teach either at the college or graduate level, or possibly law school.

BEST BOOK YOU'VE READ RECENTLY:

"The Difference: How Anyone Can Prosper in Even The Toughest Times" by Jean Chatzky. I found interesting the different options that are available, particularly to women, to succeed and how even the most unsuspecting person can be successful. Sometimes when you think there's only one way to approach a problem, there are alternatives. Life, particularly in these hard economic times, is not a cookie-cutter approach.



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and was promoted to director of insurance risk management for Humana Inc. in 2002. She is responsible for operational and clinical risk management, which includes oversight of the corporate property/casualty insurance program. Additionally, she manages the company's captive and risk management information systems, consults on corporate contracts and workers compensation claims management, and is a member of the corporate mergers and acquisitions team. She is the risk manager in residence at Temple University in Philadelphia and Ball State University in Muncie, Ind. Ms. Snow also is a board member of the Risk & Insurance Management Society Inc. and a volunteer for the book buddy program for the Jefferson County schools in Louisville, Ky.

YOUR PROFESSIONAL ROLE MODEL: It's been a combination of people, picking up ideas and good practices in different places. In my early career, I had some really great managers who not only taught me the science of underwriting, but the art of underwriting and agency management. Janice Ochenkowski, immediate past president of RIMS, is one of my recent role models and Jim Bloem, chief financial officer of Humana, is someone I respect for his ability to blend management of tough financial issues with great people skills.

PHONE OR E-MAIL AND WHY: I prefer e-mail because it is so convenient. And I really hate to admit that.

Carolyn Snow

Director, Insurance Risk Management
Humana Inc.
Louisville, Ky.

Carolyn Snow proved to senior management that she was capable of much more than her responsibilities as an insurance programmer



and is responsible for global risk management programs and management of property/casualty and other lines of insurance. She started with the company 15 years ago as an entry-level tax and commodity trading analyst. Ms. Stevens is now in the most senior-level risk management position in the organization and is one of the highest-ranking women within the corporation. She was involved in developing Smithfield's first safety management program, achieving a consistent approach to managing safety and resulting in a 42% reduction in claims frequency over six years. Ms. Stevens, who holds an Associate in Risk Management designation, is a member of Smithfield's diversity committee and chair of the Employment Strategy Committee.

YOUR PROFESSIONAL ROLE MODEL: The first person is my father. He immigrated to this country with nothing and retired a very successful businessman. He always instilled that it was important to continuously educate yourself, and that's what he did his whole life. That's what I do. I try to absorb as much knowledge as I can. He always tells me, "Never make the same mistake twice." I heard that over and over growing up and I try to live by that even in my professional role. The second person is my husband. He is a (chief financial officer) and with that C-suite perspective he constantly pushes and challenges my thought processes to the next level. He's definitely contributed to my growth over the years.

BEST BOOK YOU'VE READ RECENTLY: "Sense and Sensibility" by Jane Austen.

Parul Stevens

Director of Risk Management
Smithfield Foods Inc.
Smithfield, Va.
37

Parul Stevens has been director of risk management for Smithfield Foods Inc. for approximately 11 years

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Susan A. Stone

Partner
Sidley Austin L.L.P.
Chicago
47

Susan A. Stone is a litigation partner in Sidley Austin L.L.P.'s Chicago office and is co-head of the firm's global insurance and reinsurance disputes practice. She leads a team of approximately 35 lawyers in New York, Chicago, Los Angeles and London. In November 2008, Ms. Stone was elected president of AIDA Reinsurance and Insurance Arbitration Society. Throughout her career, Ms. Stone has represented leading industry firms including American International Group Inc., Aon Corp., Hartford Financial Services Group Inc., Liberty Mutual Group Inc. and General Re Corp.

BEST PROFESSIONAL ADVICE YOU'VE RECEIVED: It was actually from a trial lawyer here at Sidley. There is this

whole mystique about trying cases and there's a lot of pressure involved with it, but he said it really boils down to two things: One, tell the story; and two, be of good cheer. I try to set a fun tone in the courtroom. Obviously, these are important issues and they are important to our clients, and so much of what we do is counseling and handholding, but to the extent that we can hear and appreciate people's anxiety and frustration and anger and yet not succumb to that ourselves...it's like being a really good shrink.

BEST BOOK YOU'VE READ RECENTLY: I'm in a book club and I just finished "The White Tiger: A Novel" by Aravind Adiga. It was all about modern day India, which I found fascinating since I've never been there. I love fiction. I don't tend to read legal books. Another book I read recently was "Unaccustomed Earth" by Jhumpa Lahiri.



Martha Vinas

Senior Vp, Director of Client Advocacy, Human Capital Practice Willis North America
Tampa, Fla.
37

Starting with an early interest in health services and administration and the insurance brokerage industry, Martha Vinas held several leadership positions at Hilb Rogal & Hobbs Co., now Willis North America. Her responsibilities evolved from the facilitation and integration of the employee benefits practice during Willis' acquisition of HRH, to leading account management for Willis North America's employee benefits business in Florida. She also oversees recruiting, staffing, and client and carrier management. Always aware of attitudes toward gender in business, Ms. Vinas advocates initiatives that help women remain true to their natural qualities and comfortable in male-dominated industries like insurance. To that end, she developed the Women's Golf 101 program open to all women professionals. Ms. Vinas also is a fundraiser for the March of Dimes Foundation.

ADVICE FOR WOMEN ENTERING THE FIELD: Own your career. Don't wait for other people to put opportunities in front of you. Have a very broad, open mind. A lot of the positions I have been in are not the ones that people would have probably taken. I've been in several roles in 14 years. Almost every single role was one that didn't exist before I got there. A lot of times they're not the most glamorous, and then you get in there and you really make the position what you want it to be.

PHONE OR E-MAIL AND WHY: It depends on the circumstances. My instinct, because of time, is always e-mail. But I prefer, and I think I should do more, phone.

PAST HONOREES: WHERE ARE THEY NOW?

Carol Arendall

The slightly more than two years since Carol Arendall appeared on *Business Insurance's* 2007 Women to Watch list have been a period of change for the risk management professional.

"The biggest change is clearly the move to U.S. Foodservice" Inc., said Ms. Arendall, who became vp-risk management for the Rosemont, Ill.-based food service company in July.

"Prior to moving here, I'd spent my whole career in retail and retail distribution," she said. "Moving into the food business has definitely been an exciting change."

Previously senior director-risk management of Naperville, Ill.-based OfficeMax Inc., Ms. Arendall's achievements at the office supply company won her a place on *BI's* Risk Management Honor Roll in 2007.

She said her current employer provides food service to everything but grocery stores. Clients include schools, restaurants and governmental agencies. "It's a different business because there is much more sense of urgency when you're dealing with food products," she said.

The perishable nature of food

requires more focus on mitigating risk. "Safety and quality is the foundation here. It's not an afterthought—it's what we do every day."



Ms. Arendall

A large part of the company's customer base consists of hospitals. "We have to get product to our customers no matter what," Ms. Arendall said.

The company also has to respond to natural disasters. "Getting food and water into an area regardless of the circumstances is not an easy thing," and requires considerable advance planning, she said.

"It's not being reactive; we're trying to ensure that we can deliver our

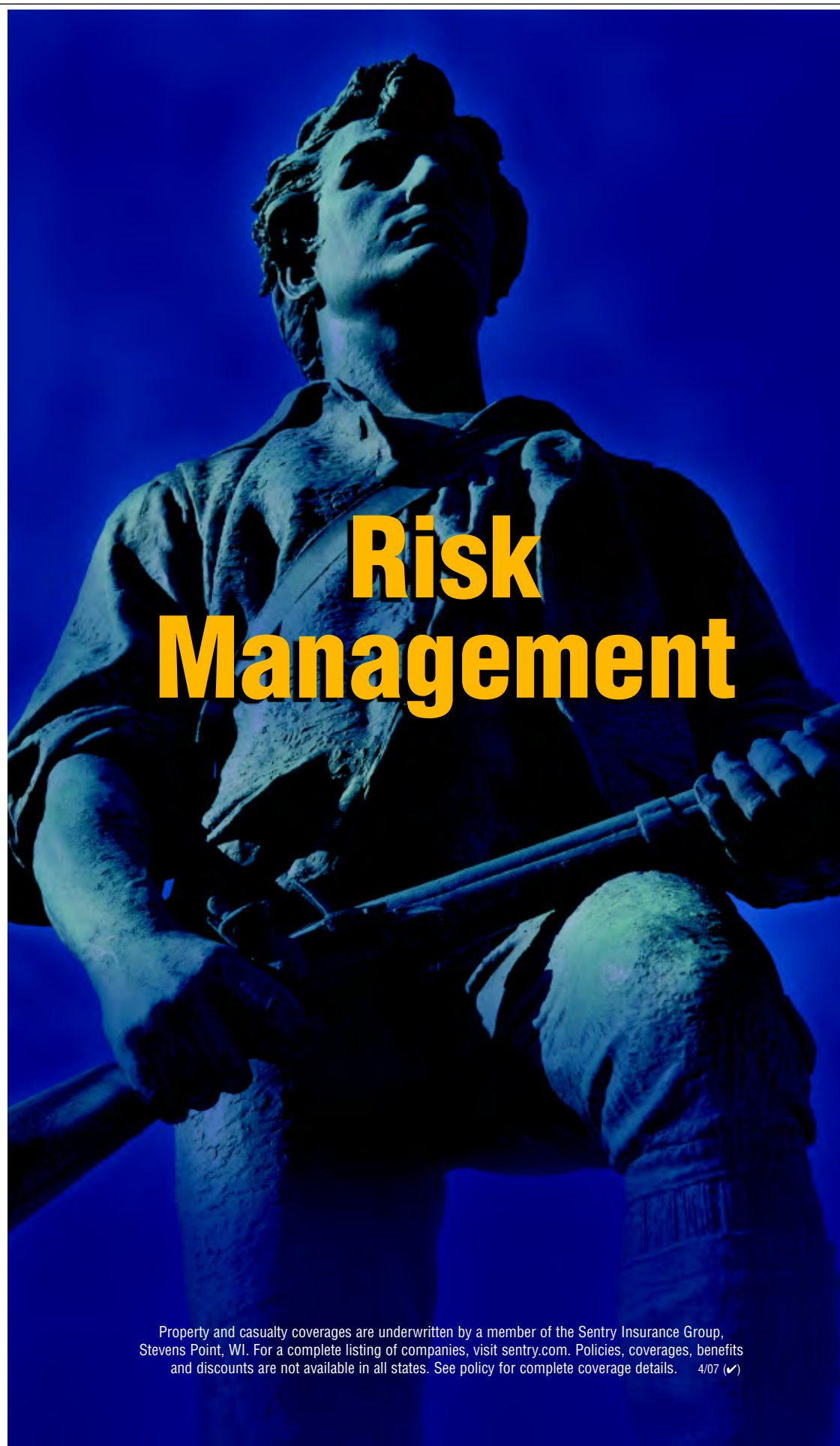
product to our customers," she said.

In addition since being named to *BI's* Risk Management Honor Roll, she was instrumental in the formation of the National Retail & Restaurant Defense Assn., a Niles, Ill.-based group of risk managers, attorneys and insurers that share information on claims and loss control.

"We currently have 105 members and are growing," she said.

"Our goal is to develop strategies essentially to reduce claims and enhance our defense position by sharing information and defense strategies among each other. There's a lot of commonality in the industry," Ms. Arendall said.

—By Mark A. Hofmann



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PAST HONOREES: WHERE ARE THEY NOW?

Terri D. Austin

As chief diversity officer of New York-based Chartis Inc., Terri D. Austin is responsible not only for enhancing diversity within the insurer's workforce globally, but also within its products and services, suppliers and community outreach.

It's a familiar job for Ms. Austin, who was named American International Group Inc.'s first chief diversity officer in January 2007 and one of *Business Insurance's* Women to Watch later that year.

But after AIG's recent rebranding of its commercial insurance operations as Chartis, which is focused

on establishing operational independence, Ms. Austin seized the opportunity in July to join them.

"Becoming CDO of Chartis, I am much closer to the business, which I think is a significant benefit," Ms. Austin said. "I knew the Chartis employees from my prior positions and so the transition was not difficult."

Many diversity initiatives Ms. Austin started at AIG had to be refocused specifically for Chartis, she noted.

For example, the insurer's six employee resource groups—tailored to women, African Americans,

Asians, Hispanics, the disabled and lesbian/gay/ bisexual/transgender employees—now are made up

entirely of Chartis employees and the groups work on various initiatives to enhance diversity at the insurer, she said.

"We want to make sure that the company is viewed as an organization that is welcoming and inclusive," she said.

Chartis participated in the recent Disability Mentoring Day sponsored in part by New York Mayor Michael Bloomberg's office. "We had mentors from Chartis who had mentees from the com-

munity who shadowed them for the day and allowed them to see what it is we do here at Chartis. We're hoping we're able to hire some of these folks into the organization."

Ms. Austin said that while workforce diversity probably is most important, "developing products and services so we can reach other communities also is very important from a business perspective."

Her office is working on various initiatives and Chartis' employee resource groups are helping to accomplish that. Overall, "it's the best job I've ever had. It's doing the right things for the right reasons," Ms. Austin said.

—By Sally Roberts



Ms. Austin

Karen M. Clark

Karen M. Clark, among Women to Watch that *Business Insurance* honored in 2006, made a dramatic career shift one year later.

The recognition honored her work with AIR Worldwide Corp., the catastrophe modeling company she founded in 1987. She stepped down in 2007 as chief executive officer and founded Boston-based Karen Clark & Co., a new catastrophe modeling and consulting firm.

Following criticism of catastrophe modeling stemming from Hurricane Katrina in 2005, Ms. Clark met with clients and found two trends she described as "garbage in, gospel out": Insurers and other companies used inadequate data in the catastrophe models and relied too heavily on the results.

Today, Karen Clark & Co. aims to help companies and insurers improve their exposure data.

She said companies often misunderstand the meaning of modeling

results such as 1-in-100-year catastrophe loss estimates. While some may see that figure as the maximum loss for a storm that will not happen for a long time, it

really means there is a 1% chance that a storm will occur in a given year that would cause damage equal to or above that figure.

Mr. Clark said her firm is trying to "wean" companies off of using such "point estimates," which she said are inherently unstable because of a lack of scientific data. Instead, she helps clients develop a range of scenarios to represent their risk.

"So the insurance company can visualize, 'OK, these are the kinds of events I'm managing to, but no one knows what the exact intensity or track is going to be,'" she said. "There's no way any group of scientists or model can tell you with any certainty, for example, what the probability of a (Category) 4 hurricane is in the Northeast or even a (Category) 3 is. They don't know because we just don't have the data."

Her company also has developed products to help evaluate and improve exposure data, allowing companies to show such evaluations to a rating agency, she said.

"Ratings agencies are relying on the model results, but the model results are very dependent on the quality of data and they have no way right now to independently assess the reliability of any company's data," Ms. Clark said.

She said her firm also has been working with rating agencies, which often base an insurer's reinsurance requirements on "point estimates." If the model changes its 1-in-100 year loss estimate, an insurer may need more reinsurance.

"Catastrophe risk is the risk now and it's the risk of the future," she said. "If you're going to write any kind of property business, you need to understand (catastrophe) risk."

—By Zack Phillips



Ms. Clark

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DISCOVER **RE**

A Travelers company

LoriAnn Lowery-Biggers

LoriAnn Lowery-Biggers, named among the 2008 Women to Watch, has moved "from one great organization to another."

That is how Ms. Lowery-Biggers described the transition from her high-profile role as president of Lloyd's North America Inc. to president of field operations at New York-based Navigators Group Inc. in September.

In the new post, she is responsible for overseeing the marine and specialty insurer's regional infrastructure, marketing, sales and distribution management.

"It's a very exciting opportunity," Ms. Lowery-Biggers said. Navigators "is a very dynamic and fast-growing organization" with a "great story to tell." Her new role enables her to be a key player "in putting together a strategic plan to move the company forward," she said.

"We are looking to build out our growth platform for when the market turns. We are big enough that we can be a significant player, but also still nimble enough that we can maneuver very quickly, and that's extremely attractive to me," she said.

The decision to leave Lloyd's was "person-

al," she said.

Recently married, she no longer could maintain frequent travel that her role with Lloyd's required. "I realized I needed to reprioritize and achieve a work/life balance," Ms. Lowery-Biggers said. "I wanted to be able to have a fantastic career in the insurance industry, and still be able to have a family that I could spend time with" she said.

Now, she lives with her husband in Dallas and is in the process of opening a Navigators office there.

Still, she can maintain a connection with her former employer through Navigators' Lloyd's of London syndicate 1221.



Ms. Lowery-Biggers

While serving last year as a member of the board of directors at New York-based St. John's University's School of Risk Management, Insurance and Actuarial Science, she had the opportunity to meet and work with Navigators President and Chief Executive Officer Stan Galanski.

"I just loved his style and his leadership qualities," she said.

With more than 20 years of experience in the insurance industry, Ms. Lowery-Biggers said "it's still all about relationships. That's the recipe for success in the insurance industry—connecting with your clients and colleagues and making sure all the pieces fit together," she said.

—By Colleen McCarthy

Lizabeth H. Zlatkus

Lizabeth H. Zlatkus has met her share of challenges head-on during 26 years with Hartford Financial Services Group Inc., so it should come as no surprise that she welcomes her latest challenge as the insurance and financial services organization's first chief risk officer.

Ms. Zlatkus, honored as one of *Business Insurance's* Women to Watch in 2000 and again in 2006, added the CRO role in October at the nearly



Ms. Zlatkus

200-year-old company that had \$9.2 billion in 2008 revenue.

She also is Hartford's chief financial officer, a position she took in May 2008. Previously, she was co-chief operating officer of the insurer's life business.

Ms. Zlatkus, who is based in Hartford, Conn., said her experience has given her the tools she needs to work as CRO during a crucial time as the U.S. economy tries to recover.

"I'm very excited about the new role," Ms. Zlatkus said. "Risk was something that was under my umbrella and risk is such an emerging and important function in the financial services industry...it is a core competency and a very intricate part of what we do here, and I think I have the skills to evolve to the next level."

Ms. Zlatkus said her experience in running Hartford's group benefits division, where she oversaw aspects such as marketing, sales and risk, as well as her time as CFO have prepared her for her latest endeavor.

Making a career at Hartford, which she began in 1983, shows that women can tap opportunities within a company. "I think the reason I've stayed with the Hartford is that I've always been challenged, and that is very important to me," she said.

"I absolutely believe that, at the Hartford, there are no barriers. The role as CRO and CFO are prime opportunities for women of the Hartford. We are very pleased that we have a lot of women in management roles here at the Hartford, and I think women are capable of (handling) those roles in any industry."

—By Jeff Casale

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Diversity efforts court talented prospects

Programs usually tap mentors to share their industry expertise

By COLLEEN MCCARTHY

Programs that foster career development for women are gaining traction among insurers as the industry seeks talent to improve its competitive edge, observers say.

The growth of such programs—ranging from grass-roots networking efforts to global initiatives—is a positive sign for the historically male-dominated industry that faces the challenge of developing its next generation of leaders, experts say.

According to a recent report by Deloitte Development L.L.C., women comprise 71% of the underwriting roles in the industry and 87% of the claims and administrative roles. Women also make up 45% of the sales agents nationwide. However, the number of women in senior roles falls short, with less than 20% serving as either corporate officers or on boards of directors.

The percentage of women chief executive officers in the insurance industry rounds to 0%, according to the report. Advocates of diversity programs are trying to change that.

"Our goal is to increase the percentage of women in senior roles, as well as cultivate a new crop of talent who can succeed those women," said Denise Berger, managing director of Aon Global, a division of Aon Risk Services, in Los Angeles and global chair of the broker's Women's International Network.

Chicago-based Aon Corp. launched WIN in 2007 with the goal of promoting its talent pool via a global platform for networking, professional development and mentoring. What began as a grass-roots effort has grown to more than 30 chapters in 11 countries, Ms. Berger said.

Other companies including Warren, N.J.-based Chubb Corp. and Zurich-domiciled ACE Ltd. also have strong women's initiative programs in place. Meanwhile, organizations such as the New York-based Assn. for Professional Insurance Women and consulting firm Deloitte L.L.P., which organize monthly networking events for women in the insurance industry, have experienced a boost in participation.

"Women want this. The appetite is very strong right now," said Rebecca Amoroso, vice chairman and U.S. insurance industry group leader of Deloitte L.L.P. in Parsippany, N.J. Ms. Amoroso, an advocate of workplace diversity, said she also has seen a spike in interest from insurers considering starting their own programs because they "recognize that diversity makes good business sense."

"Companies that can draw and retain the best possible talent will be better positioned for the future,"

Ms. Amoroso said.

Early in its development phase, the ACE Women's Forum won top-level support because ACE Chairman and CEO Evan Greenberg recognized the value of diversity in an organization and wanted to support an initiative that fostered that, said Julie Schaeckel, executive vp and chief auditor for ACE Group Holdings Inc. and director of the ACE Women's Forum.

"The focus really is not on achieving specific numbers, but rather on getting the broadest population of talent from which to choose our leaders," Ms. Schaeckel said.

Although programs vary in structure and style, one consistent essential feature is a program's ability to offer networking and mentoring opportunities, experts say.

"Creating access to senior women is critical" Aon's Ms. Berger said.

Networking activities generally are run through local chapters. They include lunchtime seminars as well as panel discussions, webinars and leadership training.

Organizers also are getting creative in their approach. For example, Aon's program tapped an online tool much like that used by a Web site dating service to connect professionals and match employees with suitable mentors. Individuals can be matched based on a variety of factors, including goals, geography or area of expertise.

"From a career-development perspective, mentoring is one of the most critical things that a company can do to help someone feel like an important part of the organization," said ACE's Ms. Schaeckel. When AWF launched two years ago, more than 150 executive-level women volunteered to be mentors.

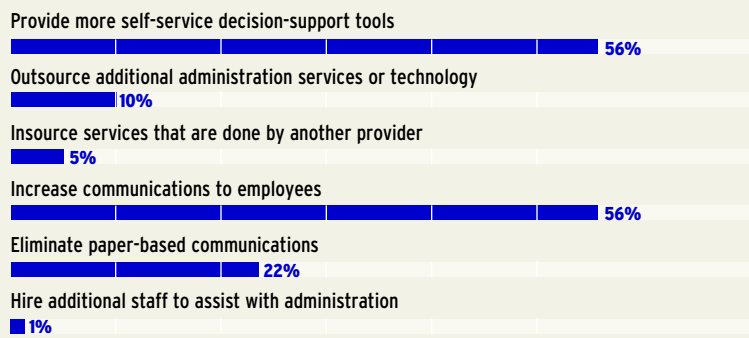
"While one person might be interested in finding out about opportunities in a particular department, another person might want a mentor to get advice on balancing their work/life responsibilities from someone who has been there," said Carol Frey, vp of ACE Risk Management, the large-account unit of ACE USA, and co-chair of the joint AWF/Aon fall leadership conference. Ms. Frey also mentors several young professionals.

The industry also is extending networking opportunities to external partners to bring clients, brokers and other industry groups into the fold. For example, at a recent ACE leadership conference, ACE and Aon teamed up for a networking event that featured a panel of key executives who discussed the state of the industry, including a keynote speech on diversity fostering innovation.

ACE also invited about a dozen clients to join the discussion, something organizers say works toward the broader goal of forging relationships with business partners. "These were some of our most important business partners, and we had the opportunity to connect on a whole new level," Ms. Frey said.

CHANGES EXPECTED

Changes employers expect to make in the next year to their decision-support tools and communication



Source: Watson Wyatt Worldwide

Survey: Firms tap online tools to aid enrollment

CONTINUED FROM PAGE 4

he said.

However, the enrollment process itself is conducted electronically, either via the Web or a toll-free interactive voice response phone system available in English and Spanish, Mr. Vittoria said.

The Watson Wyatt survey also found that 50% of employers saw an increase in the use of the self-service decision-making tools they made available to employees this year compared with last year. Some 74% of the employers providing the tools also believe their employees altered their behavior based on their use of these tools.

Mr. Nicholas said such findings could be derived from migration reports, which track how many employees accessed the tools and how many made plan changes.

The survey found significantly greater employer satisfaction with the quality of the tools, demonstrating that advances in technology are having a positive effect, Mr. Nicholas said.

"Every year, the tools are getting

better and better," he said.

As a result, many employers are finding that "self-service decision tools can be an essential part of the process to move employees away from being passive participants in a company health plan," Mr. Nicholas said.

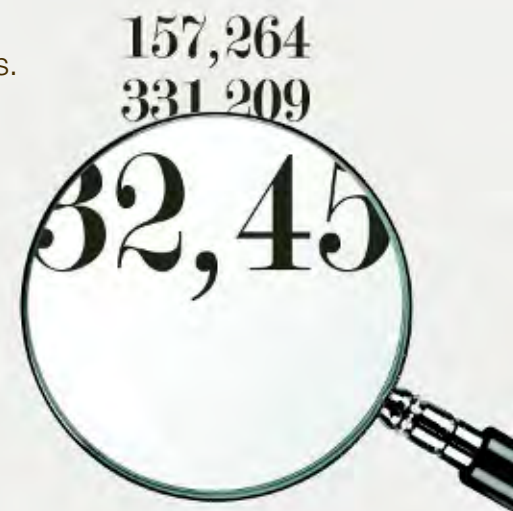
For instance, "a medical cost analysis tool would help employees make more educated decisions by comparing out-of-pocket costs to health plan choices," Mr. Nicholas said.

A summary of the survey, which includes responses from 349 U.S. employers, can be viewed online at www.watsonwyatt.com/OpenEnrollment09.

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ENSURING INSURANCE

Woods: PR woes highlight image cover

CONTINUED FROM PAGE 3

Those clauses give corporate sponsors an exit strategy should their celebrity spokesperson act in a way they believe could tarnish their brand's reputation.

Unlike Messrs. Phelps and Brown, whose indiscretions were more cut and dried, Mr. Woods' undisclosed "transgressions" are mere speculation at this time.

While corporate sponsors can purchase customized policies—often referred to as image protection, celebrity endorsement, or death, disability and disgrace coverage—to reimburse them for out-of-pocket expenses should they terminate an endorsement contract, they rarely do, experts say.

"We've written one risk in 21 years" of offering the coverage, said Bill Hubbard, chairman of HCC Specialty Underwriters Inc., a Wakefield, Mass.-based sports and entertainment underwriter. "It's an extremely, extremely difficult cover and it's only gotten more difficult."

Typically, the trigger in these policies is behavior that is against public taste or morality, and "who's the arbitrator of that?" Mr. Hubbard said. Coupled with nonstop media coverage of celebrities' every move,



A sign featuring Tiger Woods is seen at the Chevron World Challenge golf tournament in Thousand Oaks, Calif., last week.

REUTERS

it's even that much more difficult from a risk-taking point of view, he said. "It's hard to come up with a deal that works for them and for us."

Indeed, despite the coverage being available, "sponsors tend to rely on their contractual relationship and the good standing of the spokesperson rather than rely on insurance," said LeConte Moore, a managing director specializing in entertainment and advertising at

DeWitt Stern Group Inc. in New York.

Marc Blumencranz, chief operating officer of Jericho, N.Y.-based broker BWD Group L.L.C., said given Mr. Woods' upstanding reputation, it's not surprising that his sponsors declined to purchase the extra insurance on him.

"Tiger is that last person you'd buy it on," said Mr. Blumencranz, whose firm specializes in sports and entertainment.

company said in a statement.

Michael C. Willis has been named chief executive officer of Ironshore Canada Ltd. and will lead the Canadian operations based in Toronto.

Most recently, Mr. Willis was president of Catlin Canada Inc.

Ironshore Canada's target launch date is March 1, 2010. Its offices are located at 100 Simcoe St., Toronto, Ontario.

Redwoods Group teams with Risk Specialists Cos.

MORRISVILLE, N.C.—Redwoods Group and Risk Specialists Cos. Inc., a unit of Chartis Inc., has formed Redwoods Managers Inc., a joint venture serving the small- to mid-size managing general underwriters market.

Redwoods Managers aims to improve the profitability, effectiveness and sustainability of such operations by providing an infusion of capital through the purchase of minority interests of select MGUs. Reinsurance participation by Chartis, the property/casualty unit of American International Group Inc., will provide an enterprise risk management hedge if the carrier encounters difficulties, the companies said in a statement.

MGUs also will have access to consulting services in underwriting, risk management, claims handling, actuarial analysis and process improvements.

Redwoods Managers will partner with small to midsize MGUs "while providing stability and risk-bearing enhancements for the MGU's current insurers," Bill Mecklenburg, president and chief executive officer of Redwoods Managers, said in the statement. Previously, he was executive vp and chief operating officer

for Redwoods Group.

Morrisville, N.C.-based Redwoods Group is a commercial specialty provider of insurance services primarily to YMCAs and Jewish community organizations.

Maine P/C, work comp insurers form partnership

PRESQUE ISLE and PORTLAND, Maine—Regional property/casualty insurer Maine Mutual Group Insurance Co. will partner with workers compensation specialty insurer Maine Employers' Mutual Insurance Co., the companies said.

The partnership aims to give business owners in New Hampshire and Pennsylvania complete coverage for all commercial lines insurance needs, the companies said in a statement.

As a result of the agreement, the companies will make available their agency force to offer a full scope of products, from MMG's business insurance products to MEMIC's workers compensation coverage, which is offered through MEMIC Indemnity Co., a unit of MEMIC Group.

The product affiliation will be available for new business effective Jan. 1, 2010, for policyholders with workers compensation premiums of at least \$750 annually.

TO SUBMIT ITEMS

BI's Market Moves column reports on activities by insurance industry companies and related entities. Please send news of Market Moves to Mike Tsikoudakis, 360 N. Michigan, Chicago, Ill. 60601 or e-mail mtsikoudakis@businessinsurance.com.

UP Comings & Goings CLOSE



PAMELA FLAHERTY

NEW JOB TITLE: Chicago-based vp for Schwartz Bros. Insurance Services Inc., dealing with both personal and commercial lines of insurance.

PREVIOUS POSITION: Chicago-based assistant vp of new business at Marsh Inc.'s private client services practice.

GOALS FOR NEW POSITION: To become a leading resource for the affluent market, for risk management for all their personal lines of insurance.

INDUSTRY CHALLENGES: Some of the challenges have been the strengths of some of the carriers we have relied on, for instance, AIG's Private Client Group. The economy overall is a challenge for everyone right now.

INDUSTRY OUTLOOK: I am very positive. People are looking at their insurance coverage and their broker, demanding more from them. We view that as positive when people want to do more research on what (insurance) they have.

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I started out (in the Chicago area) with Northwestern Mutual and I cold called people for life insurance. It was brutal.

CAREER HIGHLIGHT: The greatest highlight to me is anytime a client...thanks me for the planning I have done for them.

ADVICE: Learn your products and the contract language and to listen more than talk when dealing with clients. Be a person and not just a product. Be sincere.

OUTSIDE THE INDUSTRY, A DREAM JOB:

I would love to be Oprah or Katie Couric, just for one week.

MOST PASSIONATE ABOUT: I am most passionate about networking and helping clients.

HOBBIES: I like boating. I like wine. I like social events with my friends and family.

E-MAIL OR PHONE, AND WHY: I prefer phone because I think it is more personable and it shows that you went out of your way, showing someone that they are very important to you.

Market Moves

Cooper Gay Risk Services opens Atlanta office

LONDON—Cooper Gay Risk Services Inc., a unit of London-based insurance and reinsurance broker Cooper Gay (Holdings) Ltd., has opened an office in Atlanta.

Barry Whitton, formerly national property practice leader for Beecher Carlson Holdings Inc., has joined Cooper Gay Risk Services as vp and leader of its new Atlanta location, the company said in a statement.

The office, the wholesale broker's eighth U.S. location, continues Cooper Gay's expansion in the Southeast, the company said.

The office is located at 303 Perimeter Center North, Suite 300, Atlanta, Ga. 30346. The phone number is 678-690-8612.

Ironshore Inc. to expand to Canada

HAMILTON, Bermuda—Ironshore Inc. says it plans to expand its London platform to serve specialty insurance markets in Canada.

The expansion is aimed at broadening distribution relationships and meeting increasing demand for specialty coverage, which includes property/casualty, liability, marine, energy and environmental risk. It would be provided through Ironshore's London syndicate subject to Lloyd's of London approval, the

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OTHER PROVIDERS:

- Alvarez & Marsal Holdings L.L.C.
- Aon Investment Consulting
- BridgeStreet Consulting Group
- Great-West Retirement Services

ASSOCIATIONS:

- Society of Risk Management Consultants

Medicare: Registration deadline looming

CONTINUED FROM PAGE 1

But precisely how CMS will define "noncompliance" and apply fines remains among many significant unknowns, said Katie A. Fox, compliance and resolution unit manager in Parker, Colo., for MedInsights Inc., a managed care services unit of GAB Robins Group of Cos.

Documentation does not exist explaining whether fines would be triggered only when entities fail to submit an entire claim file, or if such a fine could be imposed for providing a claim file that lacks certain data, experts say.

"We know that there is a \$1,000 per day (fine), but when and where and what triggers the \$1,000 per day" are not known, said Ms. Fox, who also is co-chair of MARC's steering committee. "We are all interested in understanding that level of financial impact."

There is a lack of clarity about how reporting to CMS will be carried out by a broad array of liability insurance entities, including captive insurers and risk-sharing pools, several sources said. Insurance industry providers have added to the confusion because they have misunderstood or misinterpreted reporting requirements, they added.

"It has been very confusing," said Steve Bent, executive director of the Texas Assn. of Responsible Nonsubscribers, an Austin-based group of employers that provide workplace injury benefits. "It seems like it would be difficult for (CMS) to address all (liability claims) situations. But on the other hand, it sure is difficult for everybody to prepare

'It has been very confusing. It seems like it would be difficult for (CMS) to address all (liability claims) situations. But on the other hand, it sure is difficult for everybody to prepare to comply when some of the answers are still up in the air.'

Steve Bent, Texas Assn. of Responsible Nonsubscribers

to comply when some of the answers are still up in the air."

CMS has cooperated with stakeholders and has worked to improve the process and address questions, Mr. Bent and other industry sources said.

CMS, which did not respond to an interview request, may be overwhelmed with implementing the program across the numerous types of coverage arrangements within the liability industry, the sources added.

Still unresolved are reporting claims involving multiple insurers and mass tort cases with multiple claimants about which settlement payers usually know little.

MARC, which formed to improve the Medicare Secondary Payer program, sent letters to CMS in August and again in October that asked for additional clarity and recommended that directions on complying with the reporting requirements be improved.

MARC asked for more information on "how the Section 111 reporting system will treat all types of captives," because some captive definitions that CMS has relied on

"may not be accurate and, in any event, do not completely address the common captive situations which occur."

MARC also recommended that CMS help self-insurance pools to resolve claims without the involvement of the participating pool member.

For mass tort cases, MARC suggested that funds typically established by trial courts and handled by administrators retained by plaintiffs attorneys act as the RRE, rather than the insurer or self-insurer covering the claims.

In response, CMS created a mass

tort group comprised of industry representatives to help "hash out the areas of ambiguity," Ms. Fox said.

A CMS "user guide," containing input from the tort group and other improvements hopefully will be available soon, but little time remains as the deadlines approach, several sources said.

Another unresolved issue is who the RRE is when a fronting policy, foreign insurer or employer is involved, said Jeffrey Hames, assistant vp and implementation project manager in Memphis, Tenn., for Sedgwick Claims Management Services Inc.

Even the Dec. 31 deadline for registering as an RRE is ambiguous, Mr. Hames said.

CMS initially set June 30 as the deadline for RREs to register, documents show. That was extended to Sept. 30 and then to the end of this year when CMS recognized many self-insurers and insurers were awaiting information before registering.

But CMS has not produced official written communication stating that it extended the deadline to Dec. 31, Mr. Hames said. Instead, CMS first articulated the "unoffi-

cial" extension indirectly during one of several telephone conference calls held to answer questions.

"They didn't extend the registration deadline," Mr. Hames said. "What they said is, 'We won't penalize anyone as long as you can make sure you have registered in enough time to get us a test file in the first quarter of 2010.' Then they said in another town hall call (that) their expectation is that you would complete registration by Dec. 31."

Many questions raised in those meetings remain unanswered and affect how insurers and self-insureds program their computer systems to report data, sources said.

Although many clients launched compliance efforts early on, other entities "have not registered yet because they are still waiting for information from CMS," Mr. Hames said.

There are exemptions for small employers.

With so much uncertainty, however, CMS is likely to show leniency during the early phases of implementation, sources said.

Unofficially, indications are that entities can avoid the potential penalties by making a good-faith effort to comply, Mr. Bent said.

Disclosure: New York rules met with threat of lawsuit

CONTINUED FROM PAGE 4

Although the Risk & Insurance Management Society Inc. still prefers the NYSID's original proposal, Vp Terry Fleming said RIMS nonetheless "applauds the leadership" of the NYSID and understands "that it is difficult to get consensus from all parties."

However, RIMS will "be expressing its concerns to the NYSID during the 45-day comment period," said Mr. Fleming, who is director of risk management for Montgomery County, Md.

The IIABNY is taking its concerns a bit further.

In a letter last week to New York Insurance Superintendent James J. Wrynn, IIABNY Legal Counsel James C. Keidel said there are "serious problems" with the proposal. "Unless the proposed regulation is withdrawn, we will have no alternative but to seek redress in the court system to challenge the proposed regulation and any efforts to adopt a similar regulation," he said in the letter.

Among its concerns, the IIABNY said it "denounces" the mandate requiring producers to disclose to

clients whether they represent the insurer or buyer in a transaction. That provision "requires that producers evaluate complex legal concepts and then make legal conclusions that even the judiciary has struggled with," Mr. Keidel wrote.

The letter also warned Mr. Wrynn that the rule would result in higher costs, may promote illegal rebating of premiums to clients, and could improperly focus buyers' attention on payments to producers rather than the quality and price of their coverage.

Reacting to the objections, the NYSID's Mr. Gaul said, "We are surprised that what we viewed as the least controversial aspect of disclosure has prompted the threat of a lawsuit—the requirement that brokers and agents clearly explain who they represent in the transaction. For years, the Big I's members have said they are the 'trusted choice' for consumers. What they apparently don't want to tell their customers is that in most transactions they represent the insurance companies."

The regulation can be found on the NYSID's Web site at <http://www.ins.state.ny.us>.

Lockton congratulates Jenny Housley

for being named one of

Business Insurance's

Women to Watch 2009 and

one of thousands of

Lockton professionals who

puts clients first.

Jenny Housley, CEBS
Senior Vice President—Producer
Lockton Companies, LLC—Kansas City



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AIG: Settlement of long-running feud seen as win-win

CONTINUED FROM PAGE 1

and Smith against AIG for indemnification of future legal fees and expenses or settlement costs," AIG said in a statement. The parties "agreed to submit to an independent third party Greenberg's and Smith's claims for past legal fees and expenses for a determination of which of those fees (up to a \$150 million cap) AIG is legally obligated to pay under AIG's charter and bylaws and Delaware law."

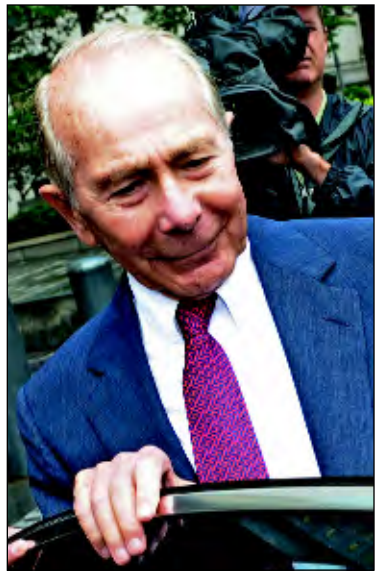
"We are pleased that we have resolved our differences," Robert Benmosche, AIG's CEO, said in the statement. "The resolution of these long-running disputes will remove a significant distraction and expense and allow AIG to better focus its efforts on paying back taxpayers and restoring the value of our franchise for the benefit of all our stakeholders."

In the statement, Mr. Greenberg said he is "pleased that these long-running disputes are now over, and I want to express my appreciation for Bob Benmosche's help, and the help of the AIG board, in resolving them. I look forward to assisting AIG in trying to preserve and restore as much value as possible for all of AIG's stakeholders."

The statement added that Mr. Smith, AIG's former chief financial officer, concurred with Mr. Greenberg.

An expert on corporate law cautioned, however, that arbitration isn't a panacea for all disputes.

"Sending everything to arbitration doesn't mean that the lion is lying down with lamb," said Lawrence A. Hamermesh, Ruby R. Vale professor of corporate and business law at the Widener University School of Law in Wilmington, Del.



AP PHOTO

'I look forward to assisting AIG in trying to preserve and restore as much value as possible for all of AIG's stakeholders.'

Maurice R. Greenberg

"But if all the disputes are truly concentrated in one forum, there is a considerable efficiency," he said. "The other advantage of arbitration is that at least both sides have agreed to the forum, which isn't always the case when you have five different courts scattered around the world deciding important issues. It's not necessarily true that arbitration eliminates all the bur-

dens of litigation, and there can still be significant discovery and, of course, extended arbitration hearings, all of which takes time and money."

Industry analysts, however, gave the agreement high marks.

"It's better for a firm to have a constructive relationship with one of its major shareholders rather than litigation with such a shareholder," said Bruce Ballentine, lead analyst on AIG with Moody's Investors Service in New York.

"I think it is a win-win," said John L. Ward, CEO of Cincinnati-based Cincinnati Partners L.L.C. "It was a big ugly fight that was nothing but a distraction to the bigger issues, AIG's continued existence, and their ability to get traction and pay back the government loan and survive."

John Wicher, principal of John Wicher & Associates Inc. in San Francisco, also used the term "win-win" to describe the agreement. "The settlement is very positive for the company. The litigation was a very costly distraction," he said, adding that the situation "really underscores the importance of not letting litigation take on a life of its own. When parties have to submit items like rugs and artwork to legal documents, it demonstrates how out of control this litigation was."

He said the settlement opens the door for Mr. Greenberg to have a dialogue with AIG. He also said it is a positive sign that AIG's new CEO has signaled that he is prepared to put these distractions to rest and focus on the more critical issues such as executing the sale of non-core businesses, and returning AIG's core property/casualty business to what it once was.

"And I think AIG shareholders

are better served by having Hank Greenberg around," Mr. Wicher said.

For AIG, having a cooperative arrangement with Mr. Greenberg may be more valuable in the long-term vs. any recovery it might have received through the courts, said Bill Bergman, an analyst with Morningstar Inc. in Chicago. He called the settlement overall "very positive."

In addition, ending the legal disputes makes it easier for Mr. Greenberg to move forward with his plans for Starr International, said Mr. Wicher.

In a related matter, Bernstein Research issued a report last week holding that AIG's property/casualty operations could face a reserve shortfall of about \$11 billion next year. The report sent the price of AIG's stock tumbling, although the stock recovered somewhat by the end of the week.

In a statement sent out to brokers and others last week, AIG said that it "does not comment on analyst reports".

However, it noted that "to the extent that Bernstein's analysis was based on information from Schedule P to AIG's domestic property casualty insurance company Annual Statutory Financial Statements," AIG included language in the filing stating: "It is not possible for any person to accurately determine the adequacy of the company's loss and loss expense reserves using the company's Schedule P data as the sole source."

AIG also noted that the 2008 calendar year data reported in Schedule P is particularly distorted as a result of the restructuring of certain foreign operations previously conducted as branches of domestic companies.

Office: Full House vote on tap

CONTINUED FROM PAGE 3

changes to the bill, which otherwise would have granted "extremely broad powers to the office and increased the likelihood that it could ultimately become a de facto federal regulator," NAMIC said in a statement.

"This clear prohibition of regulatory activity respects the primacy of the state-based insurance regulatory system while still providing a nationwide view of the insurance industry to federal policymakers," Jimi Grande, NAMIC's senior vp of federal and political affairs, said in the statement.

Data from states and NAIC

The legislation would allow the FIO to request data from an insurer only after first checking with state regulators and the National Assn. of Insurance Commissioners that the required information is not already publicly available.

The bill also would give the office broad authority to enter into international trade agreements and require cooperation from the U.S. trade representative and consultation with Congress.

"A necessary element of this legislation is the authority to negotiate international agreements on prudential insurance matters," the AIA's Ms. Pusey said. "While we remain supportive of the creation of this office, we still have concerns that the language contained in the current version of this legislation will not provide the office with the adequate authority it needs."

Dubai: Credit crisis may curb growth in domestic insurance market

CONTINUED FROM PAGE 3

thinking the recession will end. There was optimism in the market," Ms. Nangy-Kotecha said.

That ended when Dubai World late last month asked to delay repaying billions of its debt and that of its property unit Nakheel until May 30, 2010.

Dubai World's problems have some companies wondering if it is safe to finish existing projects or begin new ones, said Ms. Nangy-Kotecha.

A construction slowdown will hit domestic insurers and those that moved into the region during the boom to capitalize on the need for property, construction and all-risk engineering coverages, she said. Many already have seen the need for such insurance decline as Dubai's property market has suffered, she noted.

If Dubai World's problems cause developers to become even more cautious about the local property market, insurers could see demand for their products decline further, said Ms. Nangy-Kotecha.

"There may be some damage to

the insurance marketplace," agreed S&P's Mr. Willis. "The insurance market has grown rapidly" in Dubai, but would slow if building projects are delayed or canceled, he said.

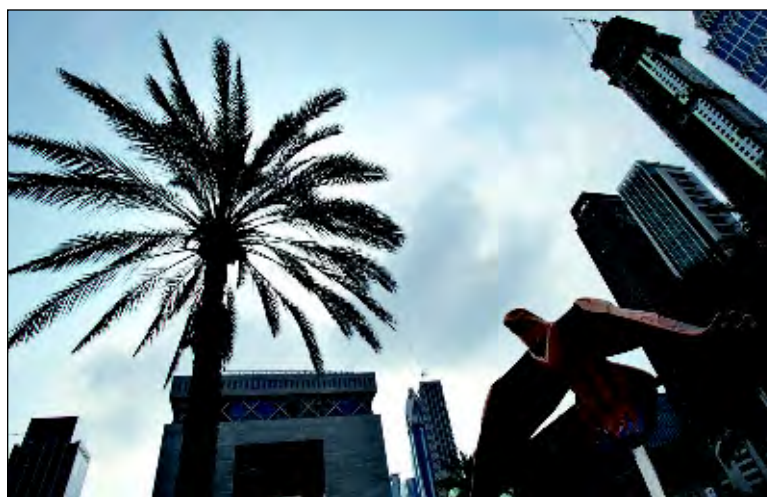
However, Gail Norstrom, chief executive officer of Gulf Reinsurance Ltd. in Dubai, said he sees no major effects rippling through to the property market and insurers as a result of Dubai World's problems.

"If this means that Dubai projects get more scrutiny from a risk management point of view," there could be some "knock-on effect" if the projects are scaled back, he said.

But, Mr. Norstrom remarked, "I think it's business as usual, to tell you the truth."

Mr. Willis and others say domestic insurers in Dubai probably are not exposed to a great extent, if at all, to Dubai World's debt problems. Such debt generally is covered through credit default swaps and those instruments are not commonly issued by insurers in the Middle East, sources said.

Such instruments "would probably be too sophisticated for this type of market," Ms. Nangy-Kotecha said.



REUTERS/LANDOV

The sculpture of a falcon is part of NASDAQ Dubai, which changed its name from the Dubai International Financial Exchange in November 2008.

Ashraf Bseisu, chairman of the Bahrain Insurance Assn. in Manama, said he expects the region's insurers to be unaffected by the fallout from Dubai World's debt problems.

"The only ones affected will be the people who issue credit default swaps, which none of the companies in this part of the world engage in," said Mr. Bseisu. "Those would be

placed in the international market."

Credit default swaps have survived as a way to back debt despite bearing some blame for conditions that led to the global financial crisis. While many insurers and reinsurers have stopped dealing in the swaps after suffering large losses, a market remains among investment banks for the instruments.

Ms. Nangy-Kotecha said any potential problems local insurers may experience from the Dubai World debt will become evident soon.

Some of the insurers in the region that are rated by Best already have reported that they do not have exposure to Dubai World, she said. The recent Eid al-Adha religious holidays slowed reporting from others and those companies are expected to have a clear indication soon of whether there is any potential liability on their books, Ms. Nangy-Kotecha said.

Insurance regulations in Dubai do not require insurers to keep their assets "ringfenced" from the parent. "If a bank needs support, it can potentially go to its subsidiaries and ask for dividends or other support," Ms. Nangy-Kotecha said.

Best had not taken any action on Oman Insurance's rating, said Ms. Nangy-Kotecha. "We don't feel at this point that there is a need to do that."

Sources say insurer/bank relationships that could suffer from a Dubai World default are not widespread in the region.

News In Brief

CONTINUED FROM PAGE 1

\$150 million in natural catastrophe losses from North Atlantic hurricane, European windstorm and California earthquake risks. A catastrophe bond arranged by Successor X, a special-purpose vehicle established in the Cayman Islands, covers a one-year period ending in late 2010, Zurich-based Swiss Re said in a statement. Meanwhile, Flagstone Reinsurance Holdings Ltd. said last week that it has placed a \$175 million catastrophe bond to cover risks from U.S. hurricanes and earthquakes. The bond, Montana Re Ltd., provides Flagstone's Swiss-based unit, Flagstone Reassurance Suisse S.A., with three years of reinsurance protection against hurricane exposures in the U.S. Gulf Coast, Atlantic and Florida regions as well as earthquake exposures in the 48 contiguous states and the District of Columbia.

AIG reduces debt by \$25 billion

American International Group Inc. has closed two transactions with the Federal Reserve Bank of New York and reduced its debt to the government by \$25 billion. The debt-for-equity swap transactions also position the two AIG life insurance units for sale or spinoff, AIG said. As it previously said it would do, AIG has placed the equity of the two New York-based units—American International Assurance Co. Ltd. and American Life Insurance Co.—into separate special-purpose vehicles in exchange for the Federal Reserve Bank acquiring preferred equity interests in the recently formed subsidiaries. The Federal Reserve Bank has a liquidation preference in the AIA vehicle worth \$16 billion and in the ALICO vehicle worth \$9 billion.

E.C. clears Watson Wyatt, Towers Perrin merger

The European Commission granted clearance for Towers, Perrin, Forster & Crosby Inc. and Watson Wyatt Worldwide to merge, paving the way for the benefit consulting firms to complete their union by year-end. U.S. antitrust authorities have cleared the transaction, which will create the world's largest employee benefits consulting firm with annual revenues of about \$3 billion. The merger will bring together Arlington, Va.-based Watson Wyatt and Stamford, Conn.-based Towers Perrin, which each reported about \$1.7 billion in revenues in 2008. The combined company is to be called Towers Watson & Co.

British official backs national supervisors

The European Union needs to monitor the potential for systemic

risk in financial services companies, but it should not take oversight of individual companies away from national supervisors such as the Financial Services Authority, Britain's finance minister said in a letter published last week. Writing in the Times of London, Alistair Darling said he supports previously announced plans to establish "a European systemic risk board to monitor risks to financial and economic stability within and outside Europe." He argued for a "single rule book for financial regulation covering banking, insurance and securities; and a mechanism for national supervisors to cooperate in its implementation. However, he called for resistance of any E.U. regulatory regime that could "undermine the effective functioning of our cherished single market. National supervisors, such as the FSA, must remain responsible for supervising individual companies. Making companies accountable to more than one authority is a recipe for confusion," he said.

Jardine Lloyd Thompson buys HSBC Actuaries

Jardine Lloyd Thompson Group P.L.C. said it is acquiring HSBC Actuaries & Consultants Ltd. to boost its employee benefits business. The London-based broker, which offers benefits services through JLT Benefits Solutions Ltd., said acquiring the unit of HSBC Group will "significantly" add to its expertise in defined contribution and defined benefit pension plans and other employee benefit programs. London-based HSBC Actuaries & Consultants reported £40 million (\$65.9 million) in 2008 revenues and has about 440 employees. Terms of the acquisition were not released.

VeriClaim acquires property loss business

VeriClaim U.K. Ltd. has reached an agreement to acquire the adjusting assets of Teceris Corporate & Complex Adjusting, the property loss business of Capita Group P.L.C. The deal, for which terms were not disclosed, is scheduled to close Jan. 31, 2010. VeriClaim U.K. is headquartered in London and is owned by Naperville, Ill.-based VeriClaim Inc., a global loss adjusting and claims management company. Capita Group is a London-based outsourcing company.

Max Capital establishes Latin America operation

Max Capital Group Ltd. has established a Latin American reinsurance operation led by Carlos Caputo, the unit's chief executive officer. Mr. Caputo is joined by Sonia Galvis, who is Max's Latin American chief underwriting officer. The reinsurance operation plans to expand its platform in the region, particularly in Brazil, Max Capital said in a statement. Mr. Caputo most recently was regional director and operating officer for XL Re Latin America Ltd. Ms. Galvis most recently was regional director and underwriting officer of the northern region for XL Re Latin America Ltd. Both are based in Rio de Janeiro.

Reform: Modified public option discussed

CONTINUED FROM PAGE 1

They want to accommodate most senators in the modified bill" expected to be introduced later, said Frank McArdle, a consultant with Hewitt Associates Inc. in Washington.

Experts agree that Sen. Reid does not yet have the 60 votes he needs to halt debate and vote on a bill, but they also are certain that Sen. Reid will get the necessary support through back-room deals.

"Sen. Reid will do whatever he needs to do to lock in the votes necessary to win passage," said Paul Dennett, senior-vp health care reform with the American Benefits Council in Washington.

Already, Sen. Reid has made deals to win the support of recalcitrant senators. For example, after Sen. Mary Landrieu, D-La., refused to commit to vote to bring the legislation to the floor, Sen. Reid agreed to support modifying the measure to give Louisiana an extra \$300 million in Medicaid funding. Sen. Landrieu then said she would vote to move the bill, with her support giving Sen. Reid the crucial vote required to begin debate.

Much of the back-room maneuvering now involves a provision in the measure to create a public option, or government-run health insurance plan, offered by state health insurance exchanges that the legislation would establish. Under the bill, states would be permitted to opt out of government plan.

But several moderate Democrats, as well as Connecticut Independent Sen. Joe Lieberman, whose support Sen. Reid needs on a vote to stop debate, have said they will not vote for the legislation if it contains a public option.

Negotiations have started to modify the public option to win support of Sen. Lieberman and the Democrats opposed to it, without triggering a revolt by Senate Democrats strongly in favor of a public option.

Under one possible compromise floated previously, Washington observers say the public option would be triggered only if certain conditions were met, such as exceptionally high health insurance cost increases in a state.

On the other hand, experts do not expect much negotiating on issues of concern to employers. Those issues include a new 40% excise tax on health insurance plans



AP PHOTO

Sen. Mary Landrieu, D-La., provided the crucial vote to move health care reform legislation to the Senate floor following agreement by Sen. Harry Reid, D-Nev., to support another \$300 million in Medicaid funding for Louisiana.

'I just don't see—given the deep, fundamental differences in the two bills—how a final bill can be passed any sooner than February.'

Chantel Sheaks,
Buck Consultants L.L.C.

whose annual costs exceed \$8,500 for single coverage and \$23,000 for family coverage starting in 2013 and a financial penalty on employers if their health care plans fail an employee affordability test.

Experts say those issues likely will be ironed out after the Senate passes the legislation and a House and Senate conference committee is set up to work out differences in the two bills.

Observers say it is likely that the Senate will complete action on the legislation by Christmas, which Sen. Reid pledged again last week.

"We're going to do our very utmost to complete health care reform before the end of the year," Sen. Reid said during a briefing with reporters last week.

"Democrats do not want a bill

dangling over the holidays," said Gretchen Young, vp-health policy for the ERISA Industry Committee in Washington.

But assuming conferees can work out differences, final passage of health care reform legislation is not likely until next year.

"I just don't see—given the deep, fundamental differences in the two bills—how a final bill can be passed any sooner than February," said Chantel Sheaks, a principal with Buck Consultants L.L.C. in Washington.

While there are significant differences, the House and Senate measures share many similar features. For example, the Senate version would raise revenue through the excise tax on costly health insurance plans, while the House bill would impose new taxes on higher-income individuals.

The heart of the two bills is identical: providing federal health insurance premiums to the lower-income uninsured and moving the United States much closer to universal health insurance coverage.

The measures also would penalize employers that don't offer health insurance coverage as well as individuals who don't enroll in a health insurance plan.

Additionally, the measures would reform the personal lines markets to eliminate practices such as insurers denying coverage for individuals' pre-existing medical conditions.

Labor Department issues COBRA subsidy guidance

By JERRY GEISEL

WASHINGTON—While a federal law authorizes COBRA health insurance premium subsidies to employees involuntarily terminated through Dec. 31, some employees laid off before then may be ineligible for the subsidy, the Labor Department said.

Last week, the Labor Department issued new guidance to end possible confusion. The guidance says for former employees to be eligible for the 65% federal nine-month COBRA premium subsidy, they must satisfy two conditions in that law: They

must have been involuntarily terminated from Sept. 1, 2008, through Dec. 31, 2009, and been eligible to receive COBRA during that period.

It is that not-widely-understood second condition that could make employees laid off this month ineligible for the COBRA subsidy.

That could happen if employers allow laid-off employees to remain covered in the regular group health plan through the end of the month.

As a result, those individuals would not be eligible for COBRA until Jan. 1, 2010, one day short of the cutoff date.

"An individual who does not become eligible for COBRA until after Dec. 31, 2009, does not meet the qualifications," Labor said.

Meanwhile, legislation that would extend and expand the nine-month subsidy picked up more support last week. Ten senators, including Majority Whip Richard Durbin, D-Ill., signed on as co-sponsors of S. 2730, which would extend the subsidy to 15 months and raise the premium subsidy to 75%. In addition, workers who lose their jobs through June 30, 2010, would be eligible for the subsidy. The bill now has 15 co-sponsors.

Firm marshals help to recover lost art

An insurance tussle between two art dealers got the U.S. Marshals Service involved.

Nearly a dozen U.S. marshals and police officers raided the Art Basel Miami Beach show in Miami Beach, Fla., last week seizing paintings by Fernand Leger, Joan Miro, Edgar Degas and Yves Klein.

According to Bloomberg L.P., the seizure is tied to a lawsuit filed by Edelman Arts Inc. as assignee of XL Specialty Insurance Corp. against Zurich-based Galerie Gmurzynska over damage to a painting by Robert Ryman.

According to the suit filed in New York federal court in July, New York-based Edelman Arts consigned Mr. Ryman's work, "Courier I," to Gmurzynska for sale at Art Basel Miami Beach and insured it with XL Specialty for \$750,000. The art was returned damaged to Edelman Arts with "deep indentation" for which Gmurzynska refused to pay, according to court documents.

The suit demanded an additional \$250,000 for "willful conduct of defendant" and "reprehensible motives and such wanton dishonesty as to imply criminal indifference to civil obligations," according to Bloomberg. The suit resulted in a default judgment for the Edelman Arts for nearly \$765,000.

The paintings seized last week, with a value in excess of \$6 million, are to be sold to pay the judgment, according to the report.

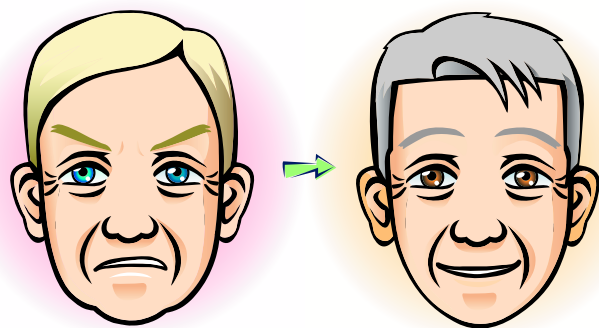
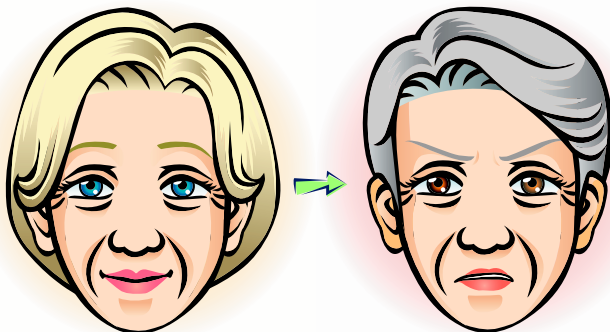
The whole incident was a surprise for Galerie Gmurzynska, its lawyer said.

"Edelman Arts, unbeknownst to the gallery, obtained a default judgment against my client without warning," Peter R. Stern told Bloomberg. "The marshals appeared. The gallery is attempting to clarify the matter."



Business Insurance END PAGE

Contributing: Michael Bradford, Jeff Casale, Mike Tsikoudakis



Old British men not so grumpy

For the first time, men are happier at work than women, a new U.K. research study has found.

The study, conducted by Portsmouth, England-based Quality of Work Life Ltd., a spinoff company of the University of Portsmouth, shows that men and women nearing retirement perceive a different quality of work life, which may be attributed to retirement benefits.

Previous research indicates that, between the ages of 25 to 59, women are generally happier at their jobs than men.

However, QoWL's study suggests the trend reverses around age 60. Men close to retirement perceived an increased quality of work life, while women accounted for much less of an increase.

According to the study, men over age

60 reported higher satisfaction than women in all measured levels.

Although QoWL isn't sure why men and women reverse attitudes toward work as they get older, possibilities include job roles and gender differences, it says.

One leading thought is that men in the United Kingdom may experience the prospect of a higher pension affording greater flexibility in their later years because they generally earn more and work longer than women.

"This research underlines the potential benefits that might be reaped from taking action to enhance the work environment and experience for all age groups," said Dr. Darren Van Laar, lead researcher and director and principal consultant at QoWL.

MAN GOES TO COURT AFTER BEST FRIEND BANNED FROM STORE

A little dog is part of a big fight in Ontario, Canada.

Alex Allarie, who owns a Chihuahua named Dee-o-Gee, has accused owners of a grocery store of discrimination, according to a report by the Canadian Broadcasting Corp.

Mr. Allarie went before an Ontario human rights tribunal alleging he was not allowed to enter Granary Natural Foods in Carleton Place, Ontario, in August 2008 because Dee-o-Gee was with him and the store owners, Keith and Leslie Rouble, wouldn't allow it.

Mr. Allarie argues that Dee-o-Gee is a service dog and that the Chihuahua's company helps Mr. Allarie cope with anxiety and depression.

"Most people just don't understand because of his size, and I'm very aware of it," Mr. Allarie told the CBC.

The Canadian Foundation for Animal Assisted Support Services says there are no guidelines as to what constitutes a service animal for people dealing with depression or psychiatric disabilities, and all that is needed is a doctor's note, according to the CBC report.

The Roubles told the CBC they never had a problem with the dog and didn't know it was a service dog because it never wore a harness or a vest.

Further, the couple said it was Mr. Allarie who caused the problem on several occasions by yelling, swearing and demanding service at the store, which they told the CBC they sold "to get away" from the man—not the dog.



Xmas light study shocks Europe

Selecting the wrong Christmas tree lights can produce less-than-joyful effects, a European Union study concludes.

The study, conducted by five E.U. member states, showed that 30.4% of the Christmas lights examined present a serious risk of electrocution, fire or both.

"If we are going to keep the lights on at Christmas, consumers need to be confident that there are no compromises on safety," Melegena Kuneva, the E.U.'s commissioner for consumer affairs, said in a statement.

"This report is a wake-up call."

The study found that 28% of the lights' cables were poorly constructed, which increased the risk of electrical shock. Twenty-five percent were cited for "insufficient cord anchorage," which could lead to loose wiring and shock. Overheating and fire was a risk in 23% of the lighting because the wiring was too thin.

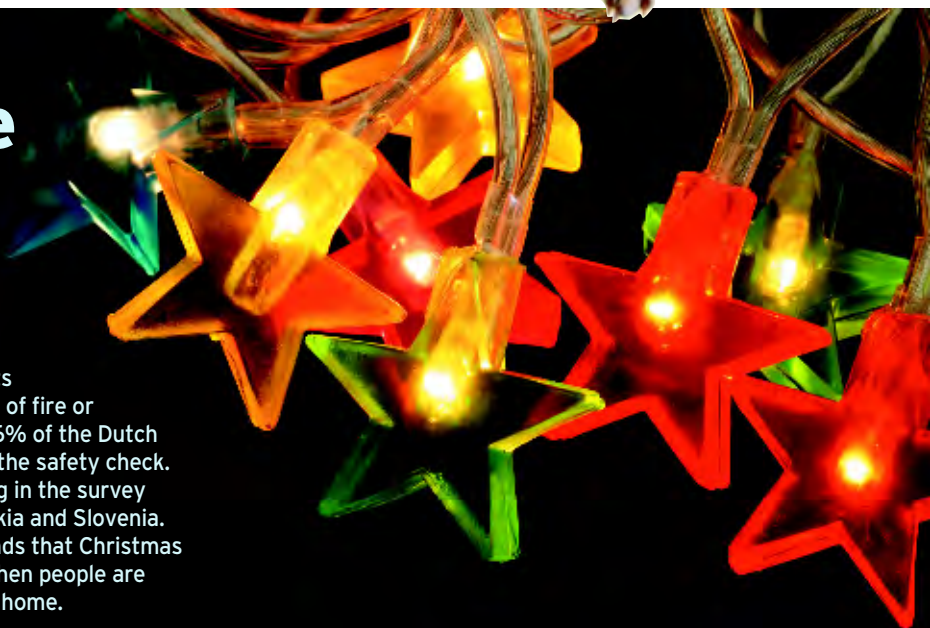
Hungary's Christmas light manufacturers were the worst offenders, with 95.7% of the chains tested there offering consumers the dubious potential gift of suffering an

electrical shock.

The Netherlands, where Christmas lights have been tested for eight years, had the fewest strings of lights carrying the potential of fire or electrocution. Still, 56% of the Dutch lights were subpar in the safety check.

Others participating in the survey were Germany, Slovakia and Slovenia.

The E.U. recommends that Christmas lights be turned off when people are asleep or no one is at home.





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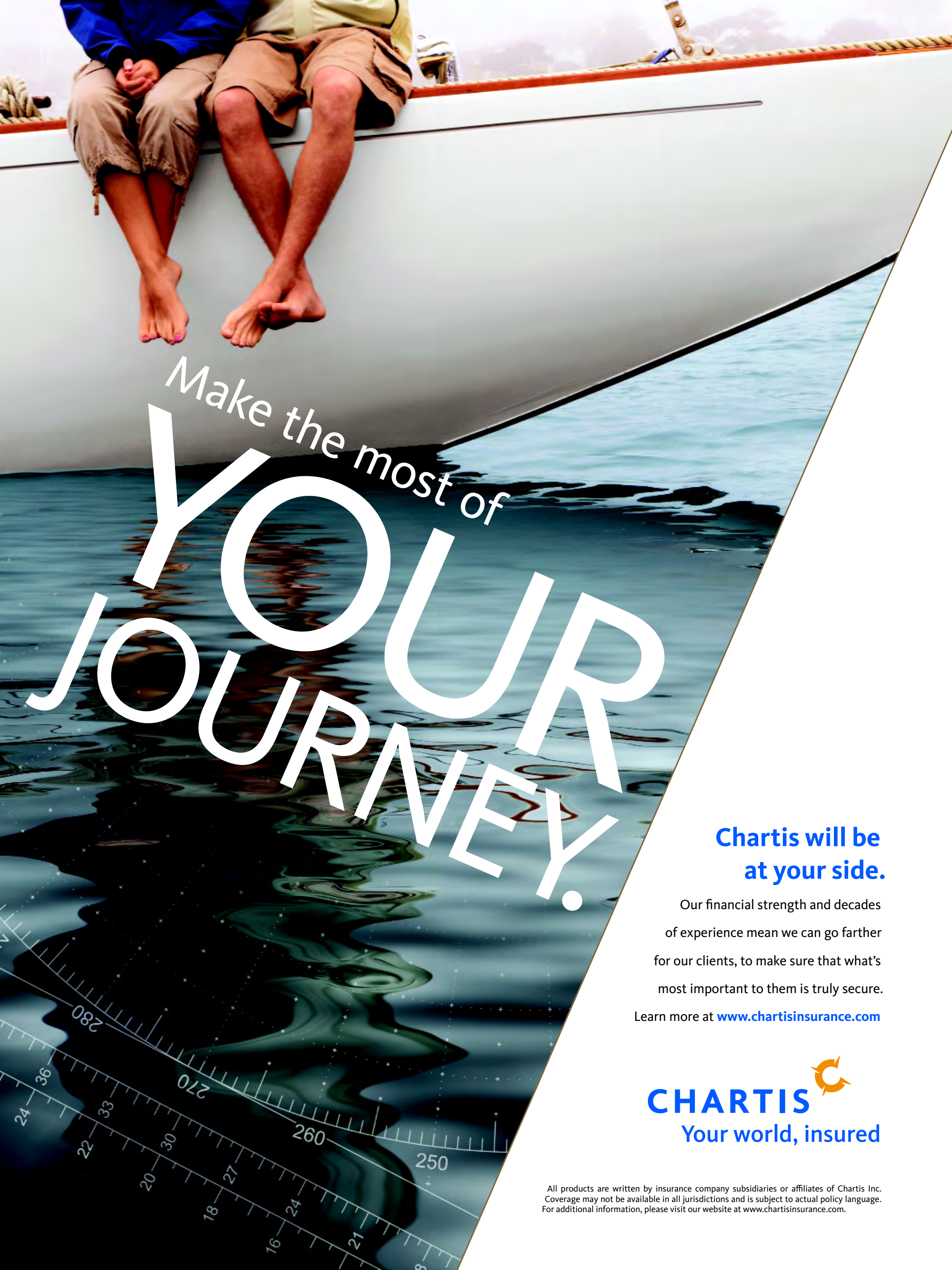
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