

Board of Governors

Officers

Leah Miller, President
888-244-6163 x49741
leah.miller@21st.com

Chris Terrance, Vice President
858-524-1515
chris_terrance@us.crawco.com

Amy Gillen-Garcia, Secretary
619-557-2777
amygillen-garcia@cox.net

Dave Creedon, Treasurer
619-871-0044
creedon5@cox.net

Board Members

Karen Pretzel, Marketing
619-788-1619
kpretzel@apex411.com

Traci Dorsey, Special Events
858-967-1570
tdorsey@restorationmanagement.com

Bruce Rosenblatt, Membership
619-250-0136
brucer@smsandiego.com

Pat Bobbs, Education
858-487-0643
cdhx3@allstate.com

Steve Meek, Legal & Legislative
760-827-4962
smeek@acmclaims.com

Alan Kennedy, Info Tech
760-458-2236
akennedy@baylangroup.com

Dune Pagaduan, Past President
760-827-4940
dpagaduan@acmclaims.com

Recent Natural Catastrophes Should Alert U.S. Insurers to Dangers

Experience with seismic events mitigated the human and property toll of the February Chile earthquake -- lessons that should inform insurers' planning in parts of the U.S.

By Anthony O'Donnell

Insurancetech.com – March 30, 2010

Less than two months after a devastating earthquake struck the Caribbean country of Haiti, an even stronger seismic event struck on the southern Pacific coast of South America facing Chile. The Feb. 27 Chile quake has been described by seismologists as the seventh strongest earthquake ever measured. The spate of catastrophes occurring in the first quarter of 2010 was rounded out by European windstorm Xynthia, which began on the same day as the Chile quake and ended the following day (see related sidebar).

The earthquakes could influence thinking about catastrophe modeling and planning. While high-intensity, low-frequency events can be identified as such retroactively, we were reminded that their timing cannot be predicted. Further, the Chile quake was a reminder of the potential, in geographies associated with frequent seismic activities, for major quakes, serving as a warning that the possibility exists for a significant quake to strike in regions -- such as the U.S. Pacific Northwest and cities such as San Francisco -- that are less prepared for the consequences and likely to suffer high insurance losses.

Chile is an earthquake-prone nation, owing to its position at the eastern edge of the Nazca tectonic plate. The most powerful earthquake ever recorded was a 9.5-magnitude event centered near Valdivia, Chile, in 1960. By some calculations, the 2010 Chile quake released 500 times the tectonic energy liberated by the Haiti event, which measured 7.0 on the Moment Magnitude Scale.

Nevertheless, the human toll of the Chile earthquake was far less than that in Haiti. Estimates of the Chile quake's death toll were as high as 802, but the Chilean government reported that 342 people died in the disaster. By contrast, more than 200,000 people died in the Haiti quake. Insurance losses, however, were much higher for the Chile quake, ranging from \$3 billion to \$8 billion as opposed to hundreds of millions of dollars in Haiti, according to Oakland, Calif.-based catastrophe modeling firm EQECAT. But the difference has at least as much to do with the fact that more lives and property are insured in Chile than in Haiti.

Continued on page 4 - Quakes



NOTE FROM THE PRESIDENT

Here' 2nd Quarter! I cannot believe how fast the time has flown since undertaking Presidency of SDIAA. It's been a busy time for the organization and planning for your upcoming events. The upcoming events include: SDIAA Golf Tournament and Election Night.

Vendors Night was a huge success and was exciting to see all of you and meet new faces. This year's theme, Woodstock, created exciting costumes, decorations and fun music. At this event, you were able to be introduced to the numerous vendors who service our industry and got a chance to meet with insurance professionals who work for the leading insurance organizations in the region. There was free food, refreshments, and tons of goodies that were given away.

SDIAA Golf Tournament is scheduled for Friday, April 30, 2010 at Carlton Oaks Golf Course in Santee, CA. Sponsorships and foursome sign-ups are available now on-line. This event always brings in tons of fun, laughter, ingenuity with decorations and costumes, delectable foods and enticing cocktails. Even if you don't know how to play golf, just sign-up and you'll have lots of fun. Throughout the day, raffle tickets will be sold. After golfing 18 rounds, drawing prizes will be already completed and have a nice dinner with your colleagues.

In the upcoming months, the board and I must prepare for leaving our current term. I hope that most of you can continue the educational and entertaining events that we have year after year. Please check the by-laws on our website if you're interested in running for any positions.

Our board consists of: President, Vice President, Secretary, Treasurer, Educational Chair, Legislative Chair, Marketing, Special Events, Membership, Informational Technology. In the near future, you will be sent an application to run for the upcoming board along with our Election Night flyer. Please consider running for the board. Nothing gets done in this organization without an actively participating board. It takes months to plan our events. Monthly board meetings ensure that the association runs smoothly while abiding by the bylaws. I have created a Nomination Committee who will be overseeing and reviewing all applications received. If you're a committed individual with integrity, motivation and a team-player, then you'll fit nicely on the board of directors.

Our Election Night takes place in May. We will be planning a Meet and Mingle. By then, we should already have prospective candidates for the upcoming board. Please remember that only regular members can vote at Election Night. We are hoping that everyone can make it. We will try to make it centrally located so that there are no issues with parking or traffic.

Hope you have a prosperous year this year!

Leah Miller

2010 SDIAA Golf Tournament



When: Friday, April 30, 2010

Noon - Shotgun Start

Where: Carlton Oaks Golf Course

Carlton Oaks Golf Course
9200 Inwood Dr.
Santee, CA 92071
Phone: 619.448.4242



10:30am – Putting Green & Driving Range

12:00pm - Shotgun Start

6:00pm – Dinner, Awards & Raffle prizes

Foursome tee times, Hotel Room, and Hole Sponsorships are now available.

GO TO www.sdiaa.org and pay online to reserve your spot!

**Questions? Contact:
Chris Terrance Jr.
858.836.6910**

Sponsorships Available

REGISTER at sdiaa.org TODAY

Platinum Sponsor (15% discount - \$1785)

- 1 Hole Sponsor
- 2 Foursomes
- 2 Hospitality Rooms
- 4 Extra Dinner Tickets
- 8 Extra Raffle Tickets
- Additional recognition in the newsletter and golf tournament literature.

Gold Sponsor (10% discount - \$1638)

- 1 Hole Sponsor
- 2 Foursome
- 1 Hospitality Rooms
- 2 Extra Dinner Tickets
- 4 Extra Raffle Tickets
- Additional recognition in the newsletter and golf tournament literature

Silver Sponsor (5% discount - \$1235)

- 1 Hole Sponsor
- 1 Foursomes
- 1 Hospitality Rooms
- 2 Extra Dinner Tickets
- 4 Extra Raffle Tickets
- Additional recognition in the newsletter and golf tournament literature.

Foursome Tee Time (\$520)

- Round of golf
- Golf cart
- Dinner
- Raffle ticket for four players

Additional Items

- Hole Sponsorship. (\$500)
- Registration Desk – SOLD OUT
- Putting Green. (\$300)
- Driving Range. (\$300)
- Hospitality Room. (\$125)
- Individual Tee Time. (\$140)
- Dinner and raffle ticket (\$30)
- Drink sponsor (\$300)
- Longest drive – 2 available (\$300)
- Closest to the pin – 2 available (\$300)
- Hole in one sponsorship – 1 available (TBD)

Thank you, Sponsors!



Quakes continued....

According to Claire Souch, VP of Newark, Calif.-based RMS, property damage and related loss of life was likely far less in Chile than it would have been in other countries owing to the South American nation's building codes. One positive outcome of Chile's history of earthquakes is that its building standards are some of the most stringent globally, comments Souch. Close to half of the properties in Chile have been built in the past 40 years, when the building codes have been in force. In sharp contrast to the shanty housing destroyed by the Haiti earthquake, most residential buildings in Chile are made of reinforced concrete.

However rigorous Chile's construction standards, though, the country suffered the collapse of many structures, including buildings and roads. In addition, tsunamis resulting from the quake caused damage to harbors on the Chilean coast and killed at least four people on Robinson Crusoe Island, according to a Reuters report. The total economic loss will likely be severe from damage not only to buildings, but from the widespread impact on infrastructure, including roads, bridges, airports, and utilities and telecommunications networks, comments Jayanta Guin, SVP of research and modeling at AIR Worldwide.

Ignoring the 'Big One'

Economic and insurance losses could be much higher should an earthquake of similar magnitude strike San Francisco. But San Franciscans are reminded of the quake dangers frequently by perceptible shaking. That is not the case in the Pacific Northwest, where seismic activity is seldom perceptible and usually associated with volcanic eruptions rather than earthquakes per se. The Chile quake should be a wake-up call to the U.S. Northwest and Oregon in particular, according to Patrick Corcoran, a hazard education and outreach specialist with Oregon State University.

The release of pressure between two overlapping tectonic plates along the subduction zone regularly generates massive 9.0-magnitude earthquakes, including five over the last 1,400 years, Corcoran recently warned, adding that the last Big One was 309 years ago. "We are in a geologic time when we can expect another Big One, either in our lives or those of our children," he said. "Prudence dictates that we overcome our human tendencies to ignore this inevitability."

New Policy Admin System Fuels Trust-Based Pay-as-You-Drive Launch

Sydney-based Real Insurance is the first to market, worldwide, with trust-based PAYD coverage thanks largely to a new policy admin platform from Exigen Insurance Solutions.

By Anne Rawland Gabriel

Insurancetech.com – March 30, 2010

Seeing an opportunity to streamline system modernization, Real Insurance adopted its parent company's policy administration platform. But the P&C carrier quickly realized the error of its ways. "We implemented our corporate parent's legacy solution in early 2006," recalls Markus Strauss, Real's head of IT. "By October it was clear that the solution wouldn't support our long-term needs or our short-term plans."

Sydney-based Real, a division of the Hollard Group (Johannesburg; US\$2 billion in total assets), wanted to be the first to market, worldwide, with trust-based "pay-as-you-drive" (PAYD) auto insurance, for which customers provided odometer readings rather than relying on a telemetry device, Strauss reports. "Our ability, as a small organization, to develop a next-generation product was a major effort, so we needed a flexible, scalable and proven core systems platform," he explains.

By March 2007 37 policy admin options had been winnowed to four finalists. "Only Exigen Insurance Solutions' [San Francisco] Exigen Suite was architected, from the ground up, to be Java-based and to run on open source operating systems," Strauss remarks. "In addition, the philosophical alignment of our two companies cannot be understated. This led to establishing a commercial model of shared risk and reward that is very different from traditional fee-for service."

Although Real envisioned all business lines moving onto the new platform, it began with the PAYD product. Ironically, Real's existing hardware-agnostic Microsoft (Redmond, Wash.) Windows Server 2003 and SQL database environment was oversized due to recent investments for its parent's system. "Therefore, we decided to become the [open source] Suite's first Windows/SQL deployment," notes Strauss. "This minimized changes to our infrastructure while giving us the flexibility to move to a Linux/Oracle environment, should we wish to do so in the future."

Continued on PAGE 5 - PAYD

U.S. Seeks Permanent Ban on Texting by Bus, Truck Drivers

Insurancejournal.com – March 31, 2010

U.S. Transportation Secretary Ray LaHood has proposed a federal rule that would specifically prohibit texting by interstate commercial truck and bus drivers. The proposed rule would make permanent an interim ban announced in January 2010 that applied existing safety rules to the specific issue of texting.

The Department of Transportation also announced a partnership with Cornell University to increase public involvement and collaboration in the rulemaking process. The Cornell e-Rulemaking Initiative (CeRI) partnership will make the federal regulatory process more accessible to the public through Regulation Room, an online public participation environment where people can learn about and discuss proposed federal regulations and provide feedback.

The proposed rule will be on public display in the Federal Register March 31 and will appear in print in the Federal Register on April 1. Citizens can find more information on the Cornell online effort and provide comments on the proposed rule at regulationroom.org over the next 30 days.

Federal research shows that drivers who send and receive text messages take their eyes off the road for an average of 4.6 seconds out of every 6 seconds while texting. At 55 miles per hour, this means that the driver is traveling the length of a football field, including the end zones, without looking at the road, according to researchers.

Drivers who text while driving are more than 20 times more likely to get in an accident than non-distracted drivers. Because of the safety risks associated with the use of electronic devices while driving, the Federal Motor Carrier Safety Administration (FMCSA) is also working on additional regulatory measures that will be announced in the coming months.

Last September, LaHood announced the department's plan to pursue this regulatory action, as well as rulemakings to reduce the other risks posed by distracted driving.

President Obama also signed an Executive Order directing federal employees not to engage in text messaging while driving government-owned vehicles or with government-owned equipment. Federal employees were required to comply with the ban starting on Dec. 30, 2009.

A number of states have texting while driving also.

PAYD – continued...

A Global Collaboration

The implementation kicked off in October 2007 using the agile development model. Real devoted five employees to the project full time and 10 individuals part-time as well as an outsourced Web development team. The vendor contributed resources from San Francisco, New York, Lithuania and Australia. "With people spread around the world there were issues around keeping the teams aligned," Strauss admits. "However, it was very much a collaborative effort, where we actually helped create our solution rather than just integrate a platform."

Trust-based business and regulatory details were fleshed out as the enabling technology was developed. "We had conceptualized the product and incumbent processes, but the [business] specifics were established as we proceeded," says Strauss. "In practice, this meant making compromises to keep the momentum moving forward and then circling back as necessary to address outstanding requirements."

Nonetheless, Real accomplished its first-to-market goal, launching PAYD at a critical moment in July 2008.

"We introduced PAYD just as the global [financial] crisis hit, when people were looking for ways to minimize expenses," Strauss comments. "As a result, we're running about 15 percent ahead of our original PAYD business plan."

There also were unanticipated rewards. "Although electronic document creation and management is bundled with the system, we didn't comprehend the benefit at the beginning," notes Strauss. "But document automation and workflow management have provided unexpected efficiencies that have definitely improved our organizational productivity."

Since the initial deployment, Real has added Exigen Insurance Solution's claims module to the installed system and is preparing to migrate the balance of its business lines. "Just the fact that we've adapted a packaged technology solution to our trust-based product, when everything else is telemetry-based, is a testament to the architecture and vision of that solution," emphasizes Strauss. "We're delighted with what the Suite has enabled us to do from a business perspective."

Tower: Northeast US Storms Caused up to \$9.1 Million in Losses

insuranceneutral.com – April 1, 2010

Tower Group Inc. expects first-quarter losses between \$7.2 million and \$9.1 million from storms in the Northeast in March.

Tower (NASDAQ: TWGP) said it plans to release first-quarter results May 10. The group reported net income of \$30.7 million for the fourth quarter 2009 and \$109.3 million of income for the full year, compared with \$15.7 million and \$57.5 million, respectively.

Tower Group Cos. is a property/casualty insurer that offers a broad range of specialized insurance products and services to small and mid-sized business and to individuals primarily in the Northeast, Florida, Texas and California, according to BestLink, which provides online access to A.M. Best's Global Insurance & Banking Database.

Chubb Corp. recently said it estimates catastrophe losses of \$125 million from the storms in the Northeast (BestWire, March 30, 2010).

High winds and record rain battered the Northeast from March 13 to March 15 -- causing downed trees and power outages. State Farm said it had about 6,000 claims from New Jersey, about 7,000 from the New York metro area and more than 1,000 in upstate New York. Nationwide said about 3,400 claims were reported following the storms, with a majority from Pennsylvania and New York. Allstate said it dispatched additional resources to the hardest hit areas to assess damages such as trees on houses and damaged shingles and roofs.

Save the Date!

ELECTION NIGHT

May 2010

More information to come

Nominate yourself or someone else for the Board. Applications available online.

Check the website for more information on sdiaa.org



Get your name out to the SDIAA members

Advertise in the Newsletter

Facts about the SDIAA newsletter:

- Published quarterly 4 times a year
- Published electronically
- Distributed to all SDIAA members
- All newsletters are archived on the SDIAA website
- Circulation is approximately 400 and growing



Why should you advertise in the SDIAA newsletter?

- Exposure & name recognition
- Gets your name out there to adjusters
- Newsletters with your info are archived on the website for anyone to see at anytime
- The SDIAA is growing – get in while the rates are low!

Advertising Rates:

<u>Ad Size</u>	<u>Cost (per quarter)</u>
Small ad	\$36
Half Page	\$100
Full Page	\$150

Publication Schedule

<u>Issue</u>	<u>Ad Deadline</u>
Winter (January)	December 15
Spring (March)	February 15
Summer (June)	May 15
Fall (October)	September 15

To see a copy of archived newsletters, go to www.sdiasa.org.

Questions or want to advertise? Contact Karen Pretzel, Marketing Chair at kpretzel@apex411.com or call 619.255.3022.

**Know someone that would benefit from membership with the SDIAA?
Questions? Contact membership@sdiaa.org or marketing@sdiaa.org.**



San Diego Insurance Adjusters Association

PO Box 1666, Carlsbad, CA 92018

MEMBERSHIP APPLICATION

I hereby apply for membership in the SDIAA as (**please check one**)

- New Membership Renewal

Name _____

Home Address _____

City, State, Zip _____

Home Phone _____

Employer _____

Position _____

Work Address _____

City, State, Zip _____

Work Phone _____

Email Address _____

Send Newsletter to (circle one): Home Work

Check type of membership:

- Regular Members (claims personnel).....\$20
I certify I am a claims adjuster, examiner, supervisor, manager of an insurance company or I am a CA Licensed Insurance Adjuster.
- Associate Members (non-claims personnel).....\$65
I certify I am affiliated with or retained by the insurance claims industry.

If my application is accepted, I agree to abide by the constitution and by-laws of the San Diego Insurance Adjusters Association.

Signature _____ Date _____

**Pay online at sdiaa.org and send the application to SDIAA
-OR-**

**RETURN APPLICATION ALONG WITH A CHECK PAYABLE TO SDIAA TO:
SDIAA, PO Box 1666, Carlsbad CA 92018**