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www.propertyclaimsassociation.org

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President's Message

By Irene Yesowitch

Greetings and Happy Holidays and thank you for the opportunity of being the President of PCAP for this past year. Despite our declining membership of over ten percent this past year, we were still able to offer interesting educational and networking opportunities which many of you had the good fortune (or convenient scheduling) to attend. Additionally, and again despite declining membership, we were able to pull off another terrific "Night at the Giants' Game" event with better food, seats and raffle prizes. And even though John Hook did not catch any foul

balls, we again watched as he spent the entire game willing and ready to do so with glove in hand and eye on the ball.

By now you may have gotten a hint that my message this month may have to do with the declining membership. In an effort to encourage members to ask their colleagues, acquaintances and friends to give PCAP a try in 2006, we are announcing a New Member Membership Drive. The Drive, which will run through the end of March 2006, offers current members a

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PCAP Hosts

Terrorism Risk Insurance Act Discussion

In October, PCAP hosted a discussion on the Terrorism Risk Insurance ACT ("TRIA") that was presented by AON Corporation, a leading provider of risk and insurance brokerage services. The discussion covered the United States Treasury Department's re-examination of the need for TRIA, which was enacted in 2002, and protects the insurance industry from a potentially catastrophic terrorism attack.

According to AON, TRIA was implemented by the United States

Government on November 26, 2002, for a 3-year period. Through TRIA a shared responsibility of losses is established between the private insurance market and the US Government in the event of a catastrophic act of terrorism. To trigger coverage under TRIA, the act must be "Certified" by the US Government as catastrophic (as further defined in the Act) and cause US \$5 million or more in damage.

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President's Message, *continued*



Irene Yesowitch

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discount in their own annual dues for 2006 should they recruit one or more new members. (A "new" member means any person who was not a member and did not pay membership dues in 2005.) For each new member, the referring current member will receive a \$10 discount on his or her 2006 membership dues, up to a maximum discount of \$35 for any three new members referred by that current member. Thus, should a current member refer three new members who pay their 2006 membership dues by March 31, 2006, PCAP will waive that current member's 2006 membership dues. Not only will that current member be doing something vital to the continuation of PCAP, he or she will be getting a good deal. Now who doesn't appreciate a good deal?

Additionally, our newly elected

Lifetime Honorable Board Member, Bob Fox, has worked hard to arrange a very diverse and interesting program for 2006. In response to numerous requests, this year PCAP will also conduct Fair Claims Handling Regulations Training that satisfies the annual training required by the California Department of Insurance. It will be a perfect way to support PCAP and, at the same time, participate in the training that will be informative as well as entertaining. Stay tuned for further details. (And in the meantime talk your colleagues, acquaintances and friends into joining PCAP before March 31, 2006...)

Okay, enough about the New Member Membership Drive. Here's hoping each and everyone of you have a healthy, happy and safe end of the year. Happy Holidays!



Treasurer Report—November 2005

Through November 2005 we have the following financial results:

Revenues:

<u>Member Dues</u>	\$1,815
<u>Member Events</u>	\$4,459
<u>Total Revenue</u>	\$6,274

Expenses:

<u>Member Events</u>	\$4,307
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<u>Insurance</u>	\$420
<u>Website</u>	\$233
<u>Other</u>	\$244
<u>Total Expenses</u>	\$5,334
<u>Net Income</u>	\$940

We are close to the end of the year and we will have operated successfully for another year. Thank you to the members who support PCAP and the informa-

tion we bring to the industry. Your memberships fees help underwrite most lunch meetings, which is why we offer them at no-cost or low-cost to members. We also keep our operating costs trim so most of your membership dollars go to providing programs.

Michael Diliberto
—Treasurer

The Year in Review: A Legal And Legislative Perspective

On January 19, 2006 PCAP will kick off the year with its annual "Year in Review" meeting. Irene Yesowitch and Jay Pardini will lead a discussion of important decisions in 2005 that impact the insurance industry.

This year, we will have the added benefit of having John Norwood, one of California's top legislative advocates, and a managing partner in Norwood & Associates, who will provide a legislative summary of 2005 and possible issues for

2006.

The "Year in Review" meeting will take place at Marsh, Inc., 1 California Street, 9th Floor, Potrero Hill Room, starting at 12:00 p.m. Lunch will be provided and is free to members, and only \$7.00 to non-members.



2006 Membership Application

Don't miss it! Applications will be mailed shortly. Please remember to return the application by March 31, 2006 with your \$35.00 check payable to *Property Claims Association of the Pacific*. Applications should be mailed to Mike Diliberto c/o RGL, 100 Bush Street, 20th Floor, San Francisco, CA 94104.

Refer new members to receive discounts on your membership!

PCAP Hosts TRIA Discussion, *continued*

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Losses are shared 90% Government/10% insurer. Annual losses are capped at US \$100 billion. The insurance industry's 2005 annual aggregate is \$24 billion, and coverage requires a separate premium. AON noted that the recent report issued by the US Treasury strengthens the debate and questions the need to continue TRIA. According to US Treasurer John Snow, in his letter to Congress accompanying the report, "Extending TRIA would have little impact on the economy given its current strength." AON did note that while the Treasury report indicates a negative view on extending the program, the letter from the US Treasury sup-

ports temporary continuance of TRIA with amendments. AON recommends that in order to be prepared for the possible discontinuance of TRIA in 2006, the following options may be examined: (1) Negotiate full-term coverage from insurers who offer terrorism coverage as part of their program; (2) Review wordings regarding "conditional" terrorism exclusions; (3) Purchase stand-alone terrorism coverage to ensure there are no gaps if TRIA expires; (4) If TRIA is in effect through a captive, investigate the capacity available through the marketplace to replace the captive terrorism insurance.

AON summarized that the discontinuation of TRIA would mean that coverage must be pro-

vided either from the limited specialty terrorism markets or from the standard marketplace, many of which excluded coverage after the September 11, 2001 attacks. AON further concluded that if the industry must bear all the risk exposure, prices may increase substantially.

Additional information on the impact of terrorism issues in the insurance industry can be found at www.aon.com.

We would also like to thank Scott Weiss, Director of Aon Services, for this informative presentation. To contact him directly, his e-mail address is scott_weiss@ars.aon.com.



Upcoming Events—Save the Dates!

January 19, 2006

March 16, 2006

May 18, 2006

June/July Giants Baseball Game

July 20, 2006

August 17, 2006

November 16, 2006

Details on the upcoming events will be provided at a later date.

PCAP is celebrating its 60th year in 2005, making it one of the oldest property claims associations in the San Francisco Bay Area.

Working to better serve its members and the insurance industry, PCAP's mission is to provide a forum for the frank discussion of issues related to property loss adjustment, and a social venue for fostering professional relationships.

If you would like to join PCAP, please go to our website at www.propertyclaimsassociation.org, or contact Mike Diliberto at mdiliberto@us.rgl.com. If you have questions about this or past PCAP newsletters, please contact René Gamboa at rgamboa@rwblaw.com.



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