



GOTCHA Covered....

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www.ipsv.net

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Presidents Message....Gail Bradley, AAI, CPIW, DAE

I want to thank Brenda for coordinating last months CE class with Vince Phillips. I think all who attended enjoyed the class even though he didn't arrive until the last minute and we thought we may have to cancel the class!! I checked Sircon today and the credit is already applied.

You will soon see Vince's ad on our website so be checking on that.

Pam is busy coordinating with Dr James Blankenship Director of Geisinger Level 1 Heart Attack Program who will be presenting our program at our February meeting.

Donna has an attorney set up for our March meeting and that promises to be very interesting as well and Patsy is

working on the April program with details to follow.

Regional conference time is fast approaching and it seems that only myself, Patsy, Jeannie and perhaps Brenda are going. There is still time to join us - let me know if interested.

It will soon be time to "Think Spring" so remember " No one ever injured their eyesight from looking on the bright side of things"



Secretary Minutes....Patsy Lachat, AAI, CPIW

Association Monthly Meeting January 22, 2009

The regular monthly meeting of the Insurance Professionals of Susquehanna Valley was held at Portabella's Inn in Lightstreet on 01/22/2009. President, Gail Bradley welcomed our guests, Thomas Eddy and Schawanna Vermilya from the Thomas Eddy Insurance Agency in Hughesville.

Members in attendance: Gail Bradley, Jeannie Upright, Barbara Kressler, Betty Rafalko, Patsy Lachat, Cindy Kline and Brenda Weaver.

After dinner, our speaker, Vince Phillips, gave a one hour CE class on Mitigating Disasters, along with several handouts. He also updated us on what was happening in Harrisburg.

The business meeting was called to order at

7:52pm by president, Gail Bradley.

The secretary's report of the December meeting, as printed in the newsletter, was reviewed and accepted. Brenda handed out copies of the Treasurers Report and explained the payments and reimbursements for both Jeannie and Jean MacDermott. The report was accepted and filed for audit.

Business meeting: Membership - Gail, in Donna's absence, advised that Donna emailed photos to the Press Enterprise of our Christmas party and they were in Sunday's paper. Christine Bowman, from Keystone Insurers Group, is our newest member. Also, she has not received a check from Diamond/Safelite for their ad on our website.

Brenda, Education Co-chair advised that 3 people from Barbara Kressler's office are interested in the INS classes and Barbara has volunteered to teach. Brenda and

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Dee will contact other agencies in the area to see if anyone else would be interested in the class and will check on costs, etc.

Jeannie, Safety chair, had no current projects but was working on the Regional award form. If you did anything for safety from 1/1/08 to 1/1/09, please let her know.

Patsy, Legislative chair, has emailed Rep. Karen Boback's assistant to see if Karen would be the speaker at our April meeting or do a breakfast meeting in April. Also, she too was working on the Regional award form.

Barbara Kressler will coordinate the Regional award form information with Gail and will submit.

Jeannie, Sunshine chair, sent out cards for two new babies in the NAIW State family as well as a sympathy, get well and birthday cards.

Old Business: Gail read an email from Pam that the Soup Kitchen was a success and we will be doing it again on 12/19/09. She reminded us to buy items throughout the year and let us know that she has extra money left over due to the generosity of KIG and will use it for next year.

The Women's center will be at our February meeting so we can give them the proceeds from our Christmas auction.

New Business: The nominating committee will present a slate of officers for next year at the March meeting.

Since Donna will not be going to Regional Conference in March, we needed to nominate someone as Alternate delegate. Brenda made a motion to nominate Patsy, Barbara seconded and she was elected as Alternate delegate. Patsy will also reserve 2 rooms in Buffalo and we will finalize who is going next month.

Correspondence – Patsy read a Thank you note from Polly Jones for our donation

to

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Legislative....Patsy Lachat, AAI, CPIW

I received a memo from the American Cancer Society: U.S. Senate Overwhelmingly Passes Federal Tobacco Tax. The messages we sent to our Members of Congress continue to pay dividends. On Thursday night, 1/29/09, the U.S. Senate joined the House and passed an increase in the federal tobacco tax to help fund the State Children's Health Insurance (CHIP) program. After a brief conference committee to iron out minor differences between the two bills, the next stop will be President Obama, who has indicated that he will sign the bill. Thank you for your great work on this legislation. Together, we are making cancer a national priority.

As I have mentioned before, we can make a difference when we write, email and call our congressmen and congresswomen.

On that note, Gail had send me a memo from Congressman Paul E. Kanjorski regarding a Credit Cardholders' Bill of Rights that he co-sponsored, which passed in the House in September and is waiting on

Senate action. The bill provides crucial protections against unfair, but unfortunately common, credit card industry practices. Amount other protections, this bill would help to shield cardholders from arbitrary interest rate increases, prevent cardholders who pay on time from being unfairly penalized, and prohibit card companies from imposing excessive fees on vulnerable cardholders. If you are facing problems with your credit card, you can contact the Consumer Credit Counseling Service of NE PA by calling 800-922-9537 or visiting <http://www.cccsnepa.org>. Also, be sure to call, email or write your Senators to ask them to help pass this bill.

I know that congress seems to be sticking to party lines regarding the \$819 billion stimulus act, but we can hope that the President can make good on is promise of bipartisanship. Please stay informed as this progresses and make your voice heard!

Finally, how great is it that President Obama signed the Lilly Ledbetter Fair Pay Act!

Membership....Donna Coombs, LUTCF, AAI, CPIW

Celebrate! Celebrate!! Now we have two new members!!! Christina Bowman has joined our group and I would like to extend her a warm welcome. Thanks to Barb Kressler, Christina and her two daughters worked side by side with us at the holiday soup kitchen, and that experience convinced her to join up. **Welcome, Christina!!!**

Zabrina Ashton, deputy director for the Women's Center will be joining us for dinner at our February meeting where we will be presenting her with a check for the proceeds of our holiday Chinese auction. **Cindy Kline had a great idea!** She bought a nice big laundry basket for us to fill with anything on the "Charity Update" list in this newsletter. We haven't collected anything on the list since November, so **please add an item or two to your shopping list** and bring it to the meeting to put in the

basket. It would be wonderful to have a basket full of needed items to present to Zabrina, along with our check – and I know that it will be much appreciated.

Web site sponsorship update: Many of you enjoyed the one hour CE presented by Vince Phillips at January's meeting, and now Vince Phillips Associates will be a featured sponsor of our website with a link to his. It is in the works – so check www.ipsv.net and be the first one to see it! Jeff Duggan, our local Diamond and Safelite glass rep, has promised me that he'll be stopping by soon with his check, so he will become our second featured sponsor.

Bring a friend/colleague to February's meeting and you'll both **receive a "free gas" card!**
See you there...

Education....Dee Musgrave, CISR, CPIW

Pa Property damage, faulty workmanship and the subcontractor

PART 2

Although the lower courts agreed with Kvaerner, in doing so, the Pa Supreme Court did not address the subcontractor exception to the Damage to Your Work exclusion. Instead, their decision was based on their opinion that faulty workmanship does not constitute an "occurrence" and therefore does not trigger the insuring agreement of the CGL.

Many courts have applied this same theory and stated that the CGL policy is not a performance bond and is not intended to protect a contractor's business risk to replace or repair defective work.

Now, the magical question. If faulty workmanship is not an occurrence, why is there an exception to the exclusion for subcontractors? Some courts have concluded that an exception to exclusion cannot create coverage where none exists. In other words, the subcontractor exception is worthless!

In *Knutson Construction v. St. Paul Fire & Marine Insurance* and *Tucker Construction v. Michigan Mutual Insurance*, the courts found that faulty completed subcontractor work also fails to trigger the CGL insuring agreement. They stated that once the work was turned over to the owner, the general contractor had accepted the subcontractors work and incorporated that work into its own finished work product.

However, the trend in most jurisdictions is to consider faulty work of a subcontractor an accident from the standpoint of the insured general contractor. These courts conclude that the general contractor can control its own performance but cannot necessarily control a subcontractor's performance.

One argument raised by those who oppose coverage under the subcontractor exception is that providing coverage for faulty subcontractor work turns the CGL policy into a performance bond and makes the general contractor the surety for defective work performed by a subcontractor.

Responding to this argument, the Tennessee courts, in *Travelers Indemnity Co. of America v. Moore & Associates, Inc* stated the following:

"We realize that under our holding a general contractor who contracts out all the work to subcontractors, remaining on the job in a merely supervisory capacity can ensure complete coverage for faulty workmanship. However, it is not our holding that creates this result; it is the addition of the new language to the policy. We have not made the policy closer to a performance bond for general contractors, the insurance industry has."

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the Family Readiness Group for soldiers deployed overseas and also one from the Ronald McDonald House of Danville for our tab donations. Gail also showed us a copy of the cards St Jude's makes that was sent to Millville Mutual. Please remember to bring in your cards for Gail.

Vince asked that he be added to our newsletter email list. Barbara will add him on.

After all present participated in For the Good of the Cause and member visions, and there being no more business to discuss, the meeting was adjourned by President Gail Bradley at 8:20pm.

Respectfully submitted,
Patsy Lachat, Secretary

Safety.... Jeannie Upright

Winter Safety...Frozen Pipe Prevention

According to industry studies, an average of a quarter-million families have their homes damaged and their lives disrupted each winter, all because of water pipes that freeze and burst.

Even the smallest leaks can cause big trouble and both plastic (PVC) and copper pipes are vulnerable. An eighth-inch crack in a pipe can spew up to 250 gallons of water in 24 hours, causing extensive damage and aggravation for the homeowner.

When the outside temperature dips into the low 20s, the threat of freezing pipes rises. This threat is increased when windy conditions are present. Once ice forms a blockage in a pipe, water pressure builds, potentially causing the pipe to burst.

Prevent Water Pipes Freezing ...Proactive steps to follow:

Fit exposed pipes with insulation sleeves or wrapping to slow the transfer of heat.

Seal cracks in outside walls near water pipes with caulking

Open cabinet doors during cold spells to allow warm air to circulate around pipes in bathroom and kitchen

Keep a slow trickle of water flowing through faucets connected to pipes that run through an unheated or unprotected space

If you're vacationing, never turn your heat off, or set the thermostat below 55 degrees.

Drain the water system if your house will be unattended for a long period of time.

Know where the water shutoff valve is and how to use it.

If Your Pipes Freeze

If you turn on your faucet and nothing comes out, leave the faucet on and call a plumber.

NEVER try to thaw a pipe with a torch or other open flame.

You may be able to thaw a frozen pipe with the warm air from a hair dryer. Start by warming the pipe as close to the faucet as possible, working toward the coldest section of pipe.

DO NOT use electrical appliances in areas of standing water.

If you detect that your water pipes have frozen and burst, turn off the water at the main shut-off valve, leaving the water faucets turned on.

Excerpt from PuroCleanOf Central Pa. Newsletter January 2009

Charity Up Date

The following are items that are desperately needed, please include these in your weekly shopping list and bring to our monthly meetings.

- Feminine products
- Toiletries – soap, shampoo, toothpaste, etc
- Cleaning supplies such as cleansers, Lysol based products (germ control)
- Antibacterial wet wipes
- Laundry detergent
- Garbage bags
- Fresh fruits and/or vegetables

Donna will be happy to collect at our meetings & drop off at the center, next day.

THANK YOU FOR ALL THE ITEMS THAT HAVE BEEN BROUGHT IN, KEEP IT COMING!

Upcoming Events....

Association Meeting	February 18, 2009
Association Meeting	March 18, 2009
Regional Conference	March 22-25, 2009 Niagara Falls, NY
National Conference	May 27-31, 2009 New Orleans, LA

Program & Menu....

February 18th dinner meeting to be held at Portabella Catering with dinner being served at 6:00 PM.

Please e-mail Jeannie at ottiss98@yahoo.com to make your reservations by February 12th. Last minute adds are ok. If you need to cancel your reservation the day of please call Jeannie at 570-326-2343.

Birthdays....

February -

Reminder....

- **Code your cell phone with your emergency contact labeled ICE, In Case of Emergency**
 - **Be sure to check out our web site often, as well as the PA State Council web site and the National web site. Addresses on page 4**
 - **Bring in your items for the Women's Center**
 - **Save those aluminum soda and beer, etc., tabs for the Ronald McDonald House**
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In response to the courts findings coverage under the subcontractor exception, the insurance industry has responded. In 2001 the Insurance Services Office (ISO) introduced the Exclusion – Damage to Work Performed by Subcontractors on Your Behalf endorsement (CG 22 94). This endorsement simply states that the Damage to Your Work exclusion is deleted and replaced by an identical Damage to Your Work exclusion without the subcontractor exception. With this endorsement attached, the Damage to Your Work exclusion is absolute, regardless of who did the work.

The issue of whether the general contractor's CGL policy faulty completed subcontractor work is far from settled. The (CG 22 94) endorsement is being added by many insurers, and the courts are interpreting.

Jerry Milton CIC Contributed this resource

January's Speaker, Vince Philips with our Pres, Gail.



No one can go back and make a brand new start, my friend, but anyone can start from here and make a brand new end. Dan Zadra, Authyor

