

# SCAA

April 2009

Vol. 36 No. 8

## Seattle Claims Adjusters Association

**Celebrating over 75 years of service to the claims community — Founded in 1930**

*“A professional organization dedicated to the ongoing education of the claims community.*

*Providing an arena for member interaction and the sharing of resources.”*



### James' Headlines

— by James K. Gomez, SCAA President

Hopefully everyone had a chance to attend the PLRB/LIRB Conference in Seattle during the dates of March 23 and 24. Did you see the SCAA/TCAA booth there? It was quite a site! The booth was manned by our present officers, past presidents and other volunteers from SCAA and TCAA. The very large conference was an opportunity for both of our associations to attract new members and an opportunity for everyone working in the insurance industry to see and meet with some of the businesses that provide various services to our industry.

Our next SCAA meeting will be on April 17, 2009 at the Swedish Club. Please be sure to RSVP at our website, [www.seattleadjuster.org](http://www.seattleadjuster.org). The theme of the next meeting will be Vendor Appreciation. Vendors, be sure to check your email for the invitation that was sent out. Our guest speaker will be **Bradley Probst** with ARCCA, who is returning to provide his presentation on automobile “Low Speed Impact” case studies. As you may recall, Bradley was our guest speaker at the October meeting and the presentation topic was Slip, Trip and Fall cases.

As we approach the end of the 2008-2009 Season, it's that time of the year when the SCAA Officers begin reviewing candidates for the Treasurer position beginning in the 2009-2010 Season. If you are an adjuster and would like to volunteer or throw your name into the hat for the upcoming elections, please contact myself or another SCAA Officer immediately. Also, if you know someone who is an adjuster that you would like to recommend for the posi-

*(See Headlines... continued on page 3)*

#### Next Meeting of the SCAA

**April 17, 2009**

The Swedish Club, 1920 Dexter Ave North, Seattle, WA

#### Program

**Bradley Probst, PhD, ARCCA Inc  
on Low Speed Impact Cases**

**Election of Officers & Vendor Appreciation Day!**

#### Cost

**\$15 Members    \$20 Non-Members**

#### Time

**11:30 a.m.**

It is important for you to RSVP if you are going to attend our luncheon meetings. Do so through our website or contact James Gomez at [jgomez@frontieradjusters.com](mailto:jgomez@frontieradjusters.com). Thank you!



#### **DON'T FORGET TO RSVP!**

Please let us know you will be attending our next meeting by submitting an RSVP at our website:  
[www.seattleadjuster.org](http://www.seattleadjuster.org)



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## ON THE DOCKET FOR 2009

Date	Speaker/Topic
April 17	Bradley Probst PhD, ARCCA on Low Speed Impact Cases Vendor Appreciation Day & Elections
May 15	SCAA Meeting — Past President's Luncheon
Sept 18	SCAA Meeting & Membership Drive
Oct 16	SCAA Meeting
Nov 20	SCAA Meeting

### Meeting Information

Please keep in mind that we'd like to start and end promptly during our monthly meetings. Here is the timeline for each meeting:

11:30 a.m. Registration  
 11:45 a.m. Buffet  
 12:00 p.m. Meeting Called to Order  
 1:00 p.m. End of Meeting

Please arrive on time and have your cash or check (payable to SCAA) ready. We appreciate your cooperation and assistance.



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### The Seattle Adjuster

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## Headlines... *(Continued from front page)*

tion, please let an SCAA Officer know as well. The elections will be held at the April Meeting.

Also don't forget that our May meeting is a time to honor our SCAA Past Presidents. If you want to hear some stories from the "good ol' days" be sure to join us for lunch on May 15.

Further down the road and at the end of the 2008-2009 season, the last two SCAA functions are the "SCAA President's Cup" Tennis outing on Saturday, June 06 and the 2009 SCAA Golf Tournament on Friday, June 19. Again, please sign up early, since space is limited for the tennis tournament. You can visit our website or see the flyers in this newsletter for further details on both events.

Please remember to RSVP if you plan to attend our meetings and preferably a few days prior to the day of the meeting. Registering early helps with our planning and the proper head count for the Swedish Club and the caterers. Thanks again for joining us and please remember to invite adjusters that you work with or are associated with!

See everyone at our next meeting, April 17! Be sure to see April's menu below; it's sure to please every palette! ❖



### DON'T FORGET TO RSVP!

Please let us know you will be attending our next meeting by submitting an RSVP at our website: [www.seattleadjuster.org](http://www.seattleadjuster.org)

### SCAA Lunch Menus for 2009

#### APRIL

Baby Greens with Gorgonzola Cheese and Pomegranate Vinaigrette  
Chicken Breasts with Peach Chutney, Rice Pilaf, Grilled Washington Asparagus, Crusty Rolls and Butter, Turtle Bars  
Mrs. Swindells Fruited Tea, Coffee and Ice Water

#### MAY

Cedar Planked Salmon with Aioli, Seattle's best Swedish Meatballs with Sour Cream Brown Gravy and Lingonberries, Baby Red Potatoes with Dill, Green Pea Salad with Bacon and Water Chestnuts, Soft White Rolls and Butter, Decadent Chocolate Mousse with whipped cream and shaved chocolate, Arnold Palmers (lemonade and iced tea mixed), Coffee and Ice Water

#### VEGETARIAN OPTIONS

We can make vegetarian entrees for those who pre-order at least 48 hours in advance.

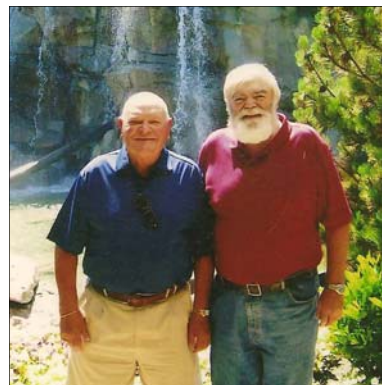
## In Memory of Tom Bishop Scholarship Fund

As many of Tom's friends know, he was an umpire for many years with the District 9 Little League. It was a passion of his. A Scholarship Fund has been set up for District 9 Umpire Training in memory of Tom. Many of our SCAA members will be making a contribution, won't you please join us.

Make your check payable to "District 9 Little League" and send to:  
District 9 Little League  
C/O Chris Martin  
12216 102<sup>nd</sup> Pl. NE  
Kirkland, WA 98034-3829  
Reference the Tom Bishop Scholarship Fund on your check  
Thank you for remembering Tom in this way!

## Remembering Tom Bishop

I met TB in 1967 when he was an insurance adjuster for Uni-gard. TB was my nickname for Tom.



Dick Gaither & Tom Bishop (TB)  
August 2008

After my retirement from North Pacific in 1989, I still kept in contact with TB. Last summer, I met him at the Marysville Casino and we had a great visit! We both won \$\$\$!

TB was a good friend and a very nice guy. We all will miss him.

— Dick Gaither, Mesa, AZ  
SCAA Past President 1980-81

### Attend the CPCU Society Workshops in Lynnwood, WA

Thursday, April 23  
Managing Conflict in the Workplace  
8:30am to noon

### Successful Negotiations

1:00pm to 4:30pm

PEMCO Mutual Insurance Company in Lynnwood, WA

CPCU Society Members: \$79 for one, \$140 for both  
Nonmembers: \$89 for one, \$160 for both

*CPCUs will be awarded four (4) CPDs for each workshop*

Register online by visiting  
[www.cpcusociety.org](http://www.cpcusociety.org)



Medical Notes

## Life Expectancy

Article provided by Health Cost Management

**hcm**

— by **Scott J. Kush, MD, MPH**

*Abridged from original article. Please contact HCM for a copy of the full text with references; 800/755-4283.*

Other than the quality of life, it is difficult to imagine a factor as important to an individual as the number of years remaining to live. And while most will rightly understand that there is no way to pinpoint an individual's exact date and time of death, few are aware that there is a widely-used and well-accepted scientific method to compute various summary measures of survival, such as the life expectancy. Medical researchers use their education, training, and expertise – together with the world's medical literature and standard scientific methods – to calculate life expectancy. I discuss these methods, and their application, in the present article.

Survival time is the actual number of years a person will live. The life expectancy of an individual (or group of similar persons) of a given age and condition is the average number of remaining years of

life. While a person's *actual survival time cannot be predicted with any accuracy*, their life expectancy, in most instances, *can be calculated with considerable accuracy*.

A related question may arise: What is the point after which exactly half of a large group of persons like our individual are still alive? Or, put another way, what is the *more likely than not* survival time? The answer is the median survival time, the middle value of all survival times if they were ordered from smallest to largest, and this quantity derives from the same analyses that yield the life expectancy.

Life expectancy most commonly comes from a life table. The table is a summary of the mortality experience of a population, and is a key tool of actuaries and others concerned with survival. It has been used for hundreds of years, dating from John Graunt's use to describe survival in Britain about the time of the Great Plague. (See the full text article for more details about the life table.)

Factors known to affect survival include demographics, lifestyle, and medical conditions. Demographics are age, sex, family history, race, and education. Lifestyle factors are smoking, alcohol, obesity and amount of exercise. Some common medical conditions include heart disease, cancer, and

## Membership Application for 2008-2009



### SCAA Annual Membership Application

Membership Dues for the year September 1, 2008 to August 31, 2009

**DUES ARE NOT PRO-RATED**

Please print neatly, one application per person

Applicant \_\_\_\_\_ Company \_\_\_\_\_

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip+4 (Required) \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Check the appropriate boxes:  Renewal, year first joined \_\_\_\_\_  Change of Address  New

Active Member — Adjusters & Claims Persons **\$25 Due**  Life Member — Past President or Retired **No Money Due**

Associate Member — Member of Defense Bar or Former Claims Person **\$25 Due**  Corporate Sponsor — Legal Firms **\$125 Due**

Send payment and completed application to: **The Seattle Claims Adjusters Association**  
Barb Tyler—Alquemie Publishing  
PO Box 87  
Dexter, OR 97431

If you have any questions on type of membership or membership status, contact Barb Tyler at 541/937-2611, or by email: [npassist@msn.com](mailto:npassist@msn.com)

diabetes. In each case, the type and severity of the condition can be important. Disabilities also affect survival, as is evidenced by an abundant literature on cerebral palsy, traumatic brain injury, and spinal cord injury.

The above-noted “risk factors” (diseases, conditions, or lifestyles) affect mortality rates. The difference between the death rate in a study population (the group with the risk factor in question) and that in a suitable reference population (usually those without such risk) is the excess death rate (EDR). The ratio of the same two quantities is the relative risk (RR).

To calculate life expectancy for an individual with a given set of risk factors, the baseline, or starting, mortality rates at all ages are adjusted, usually using EDRs or RRs, and a new life table is constructed. If EDRs for a given factor are known, they are added to the standard rates. If instead RRs are known, the standard rates are multiplied by these. For example, if a given condition confers an extra 1% risk of death per year (EDR) at ages 50+, then the mortality rates at ages 50 and up are to be increased by 1%. Doing so, and constructing a new life table, we find that the life expectancy at age 10 for a U.S. male decreases from 65.5 to 61.6. On the other hand, if favorable lifestyle and other conditions apply, and a (favorable) factor of 0.8 (RR) applies for life, the life expectancy increases from 65.5 to 68.2.

In general, it would not be appropriate to use the general population (GP) life tables for someone with serious medical conditions or disabilities. Instead, a new life table must be constructed taking specifically into consideration their various lifestyles, conditions, and disabilities. For example, persons with (“mild”) diabetes have a risk of death that is 50% higher than that of the general population. This fact is documented in over 100 independent, peer-reviewed, published studies in the medical literature. Quantitatively, it means that the baseline mortality rates should be increased using an (a) RR of 1.5, or (2) EDR of 0.5 times the baseline rate. One then constructs a life table with the new rates, and “reads off” the new life expectancy. At age 50, say, the life expectancy is now 24.6 years, rather than 28.5 using the general population rates for a man, or 3.9 years lower.

(See **Medical Notes...** continued on page 6)

## The Subluxated Adjuster The Metamorphosis by Keo Capestany

*“When Gregor Samsa woke up one morning from unsettling dreams, he found himself changed in his bed into a monstrous vermin.”*

Kafka does not say it but from the narrative it appears that what Gregor became was a cockroach. The same happened to AIG; overnight it was transformed from respected member of the financial community into the poster cockroach of a rotten system. Of course, it did not happen overnight; it started decades ago when many insurance companies became really investment firms.

During my career in claims I was criticized for just about everything you can imagine but I got more memos about being too tight with the money than about any other subject. I defended myself by pointing to my superiors that Safeco always made money underwriting and that they did not. But my superiors would reply, yes but we make more money than they do.

Safeco, at least 35 years ago, was not famous for overpaying claimants and their managers used to say that they were an insurance company and that insurance companies ought to make money underwriting.

Insurance companies no doubt have to make money with investments but their main purpose should still be to make money underwriting. Perhaps when the companies become cash cows is that the philosophy that the only good file is a closed file takes hold giving the impression of them wanting to move too rapidly the funds out of claims reserves into areas in which they could be more liberally invested.

Well, what the heck, I know since other than a mercifully short stint as a claims supervisor I was for a quarter of a century a lowly adjuster and I still treasure a memo from a regional claims manager that said, Mr. Capestany, this company has a heck of a lot of people that know a heck of a lot more than you do about insurance. A very true statement; I am certain that AIG had even more. ❖

## Medical Notes... *(Continued from page 5)*

Similarly, for very healthy persons, the absence of risk factors must be taken into account. For most diseases and conditions, there is an abundant scientific literature to consult. Depending on their age and myriad other factors, a person's life expectancy can vary from less than a year to as many as 85+ additional years.

The science of life expectancy has found myriad applications over the years. The most common application is life insurance, wherein annual premium payments depend critically on the person's short- or long-term survival prospects. A related product, and one usually sold by a division of a life insurance company, is a life annuity (the sale of a lifetime stream of payments, like a pension, in exchange for a lump sum). Most recently, the opposite of this, a so-called reverse mortgage (wherein the owner is given a lump sum now, in exchange for agreeing to transfer the trust deed on a house upon death), has gained popularity.

In a civil litigation setting, life expectancy can be a major factor in determining damages. It is a key input for economists, who compute the present value of future medical expenses. It is also frequently noted by lifecare planners, who estimate the yearly future expenses.

Life expectancy is part of the pattern jury instructions for most jurisdictions in the United States. The jury (or "the trier of fact"), is often advised to use the standard tables, and to adjust those to account for lifestyle and medical factors. As we have seen, this can be done using standard scientific methods and the medical literature. ❖

Examples of life expectancies for various groups are shown below. As can be seen, life expectancy can vary greatly, even for persons of the same age and sex.

### Life expectancies (additional years) for various groups:

Group	Life Expectancy
Male at birth	75
Female at birth	80
20 year-old female	61
20 year-old with paraplegia due to spinal cord injury	46
20 year-old in a persistent vegetative state	11
35 year-old male	42
35 year-old male with minor traumatic brain injury	37
35 year-old male with severe traumatic brain injury	19
50 year-old male	29
50 year-old male non-smoker	31
50 year-old male heavy smoker	22
50 year-old male with 2 vessel coronary artery disease and normal ejection fraction	24
65 year-old male on dialysis for life	3
70 year-old male	14
90 year-old woman	4
Person with untreatable metastatic cancer	< 1

## All Day CE Seminar

Hosted by

Tacoma Pierce County Insurance  
Professionals (TPCIP)

**April 15, 2009**

8-5pm

La Quinta Inn & Suites  
1425 E 27th St, Tacoma, WA



### Ethics—Making a Difference

with Linda Doherty, CPIW, DAE — 3 hrs

### How to Avoid E&O Claims

with Linda Doherty, CPIW, DAE — 2 hrs

### Claims Process for Consumers

with Detta Hanson, AIC, CPIW — 1 hr

### Risk Management

with Detta Hanson, AIC, CPIW — 1 hr

### Compliance & You

with Sherry Donovan, CPIW — 1 hr

For more info and to register contact

Rebecca Donovan

800/366-5551 x3147

[rdonovan@mutualofenumclaw.com](mailto:rdonovan@mutualofenumclaw.com)



### Tacoma Claims Adjusters

— Upcoming Meeting —

**April 10, 2009**

11:30 am - 2:00 pm

LaQuinta Inn

1425 East 27th Street, Tacoma, WA

For more information visit:

[www.tacomaadjusters.org](http://www.tacomaadjusters.org)