

to play an increased role.

The Sector Remains Stable

Although the reinsurance industry is facing numerous challenges, S&P thinks that “reinsurers’ strong balance

sheets and ERM practices will keep their creditworthiness stable in the next 12 months;” however, if reinsurers begin to underprice risk in an effort to “grow aggressively, especially in soft-er lines of business, we will likely take negative rating actions,” said S&P. ■

claims people were seeing the number of accidents resulting from distracting driving, and the subset of this was that, more and more, it was involving young people. It bubbled up from there to the executive level,” said Donohue.

Fortuitously, Arbella connected with Dr. Don Fisher at University of Massachusetts, Amherst’s engineering school shortly thereafter. Aided by federal funding, Fisher and his students had already built a driving simulator to conduct research on distracted driving. The next hurdle was developing an instructional driving simulation experience that could leave the university classroom and “go directly to where the kids are.”

Partnering with Dr. Fisher and assisted by a PR firm, Arbella developed a mobile simulator that can be transported to venues, such as high schools. The sessions last about 45 minutes and are aimed high school juniors and seniors. In addition, Arbella designed a website with suggested learning plans that enable teachers to incorporate follow-up instruction into their class curriculum to enhance lessons learned in the simulator.

To assess the effectiveness of Distractology, Arbella interviews participating students before and after their sessions, additionally drawing population samples from 43,135 Arbella operators six months later. Through June of this year, 13,447 New England teens have taken the course. These drivers are 19% less likely to have an accident and 25% less likely to get traffic violations than nonparticipants.

Citing grim statistics detailing crashes and deaths caused by distracted driving, Donohue observed that the impact on pedestrians (themselves often distracted by their cell phones) is at an all-time high. He pointed out that distracted driving predates the introduction of cell phones. “This isn’t just about phone use while driving ... it involves putting on lipstick, it involves eating hamburgers, all sorts of things. It’s always been out there.”

Donohue would like to see other insurance organizations join Arbella with

Arbella President Addresses Distracted Driving, Corporate Responsibility at CPCU Meeting

DEDHAM, MASS. — The growing number of traffic accidents attributed to distracted driving is cause for alarm, with young drivers a major source of concern. They have fewer years’ experience behind the wheel and a penchant for being on their cell phones, they are more at risk of getting into accidents. To address the issue, Arbella Insurance Group has taken a hands-on, data-driven approach to educate young drivers through its Distractology program.

John Donohue, president and CEO of the Arbella Insurance Group and chairman of the Arbella Insurance

Foundation, recently discussed the program with members of the Boston chapter of the CPCU Society. He emphasized that Arbella, in partnership with the foundation, considers promoting safe driving as a means of exercising corporate social responsibility. Referring to distracted driving as an “epidemic” with expensive and sometimes tragic results, Donohue acknowledged the challenge of getting the message out to young drivers.

Launched in 2010, the Distractology program had its origins in Arbella’s claims department. “Our front line



Boston CPCU Society President Jonathan Gordon, Arbella President & CEO John Donohue, Courtney Knowlton, operations team manager at Arbella Service Center and Craig Billings, Boston CPCU Society secretary.

their own campaigns against distracted driving, but conceded the expense of running a program like Distractology can be a deterrent. Beyond its \$1.2 million development price tag and a recent \$700,000 upgrade, the annual cost of running Distractology is \$500,000, funded by the Arbella Insurance Foundation.

“I wish there were more copycats, but all of this does not come cheap,” he said. “Why do we do this? We’re local, part of your community, and we feel it’s our responsibility as a local company to give back to our community. Citizenship is one of Arbella’s core values; giving back is important to our employees and our independent agents.” ■

MAIA Testifies Against Deceptive Auto Insurance Quotes

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“Online portals for soliciting auto insurance quotes are tools available to consumers who wish to compare costs and coverage, but accuracy should not be sacrificed for the sake of expediency,” said Fyntrilakis.

Oral and written testimony provided by consumers about their experience with quotes from direct providers described a confusing process that makes it difficult to compare costs across providers.

Keith Williams, a computer programmer from Centerville, Mass., testified about his experience as a consumer soliciting a quote from Geico. He was told that, based upon what Geico’s representative could see in his driving history, his premium for a 12-month policy would cost \$1,600. Geico issued him a policy, accepted his payment in full and cancelled his existing insurance policy. It was only then that Williams received an email from Geico raising his yearly rate to \$3,774.10 — more than double the quoted premium. Williams cancelled the policy and sought different coverage.

“I felt misled. I do not think any more consumers in Massachusetts should find themselves in my position: thinking that they were locked into one rate, only to find themselves responsible for one far higher.” ■

In Memoriam



Frederick J. England Jr., 86, of Exeter, N.H., has died. He was the former CEO of Hastings-Tapley Insurance Agency Inc.

England was born in Lynn, Mass., and raised in Saugus. He graduated from the Browne & Nichols School in Cambridge, Mass., received his B.A. from Dartmouth College and his MBA from Dartmouth’s Amos Tuck School of Business. After graduating, he served in the U.S. Navy for two years before joining his father in his insurance agency.

England earned his CPCU designation in 1960 and served as CEO of Hastings-Tapley Insurance Agency Inc. until his retirement in 2003. An active member of the insurance community, England served as president of the Independent Insurance Agents of America and was chairman of the American Institute for Chartered Property Casualty Underwriters, the Insurance Institute of America and the Insurance Institute at Northeastern University. He was director of Insurance Services Office Inc. and served on numerous insurance boards and advisory committees.

In addition, England served as president of Tanners National Bank in Woburn, Mass., and was a director and trustee of Eastern Bank Corporation.

England is survived by his wife Valerie, three children and 10 grandchildren and great-grandchildren.

Donations in England’s name may be made to: Alzheimer’s Association at www.alz.org, Spencer Memorial Fund at RiverWoods, 5 White Oak Dr., Exeter, N.H., 03833 or the Insurance Library in Boston at www.insurancelibrary.org.

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