



**Risk and  
Insurance  
Management  
Society, Inc.**

# L.A. RIMS NEWS

**Los Angeles Chapter**

The Newsletter for Risk and Insurance Management Professionals

February 2001

## **PRESIDENT'S CORNER**

I would like to wish everyone a Happy New Year and a prosperous 2001. I would also like to welcome our three new board members. I will be profiling one of the new members in each of the next several newsletters. The first profile is of Stacy Stevens, CPCU, ARM, AIC, our new Legislation & Compliance Board Member. Ms. Stevens is the Vice President and Risk Manager of Lowe Enterprises. She is responsible for the management of the insurance, loss control and prevention programs for the company's assets under management including residential, commercial and hospitality. Ms. Stevens has twenty years of experience in the insurance and risk management industry and holds several professional designations. She has been a member of RIMS since 1998 and is also a member of the Chartered Property and Casualty Underwriters Society.

In early January we had our turnover meeting in which the new board officers/members were introduced and provided a general outline of their new position. We have a very talented board this year with lots of energy and new ideas.

The focus for the first quarter of 2001 will be to establish several committees which, hopefully, will include volunteers from our members and Friends of RIMS. The committee volunteers will help the L.A. RIMS Chapter transform ideas into action while enhancing our insurance community's professional network. We will be providing a brief description of each committee and will outline the committee volunteer process in the near future.

We had an excellent turnout for our monthly luncheon on Tire Problems. My sincere thank you to Mr. Lepper of Garrett Engineering for his excellent presentation.

Thank you for your continued support of the Los Angeles Chapter.

Michael Carlin  
RIMS-LA President

## **CHAPTER CLIPS**

### **PICTURES FROM RIMS-LA ANNUAL HOLIDAY DINNER DECEMBER 6, 2000**



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## CHAPTER CLIPS CONTINUED



making reservations by the deadline, which is the Friday before the Wednesday of our Chapter luncheons, pre-registers you and gives you a choice from the menu, and it's \$5.00 cheaper! Whenever possible, please remember to make reservations.

## LEGISLATIVE UPDATES

### SEISMIC GAS SHUT-OFF VALVES

On June 8, 2000, the California Public Utilities Commission decided that the Gas Company is liable for all earthquake automatic gas shut-off valves installed on its property by either the Gas Company or its qualified plumbing contractors. A study leading up to this decision found that approximately 5% of all residential gas shut-off valves are dysfunctional. This means that the Gas Company holds the duty of insuring the safety of earthquake valves installed on SoCal Gas' side of the meter.

Assuming 5% of the gas valves are dysfunctional, and if a homeowner resets their EQ seismic valve after an earthquake, and then discovers a leak, the homeowner may be unable to turn the gas off. As a safety precaution, it seems like a good idea to have an EQ seismic valve that has the ability to be turned off as well as reset after it trips. Currently, there are only two valves on the market that can be turned on or off. This needs to be taken into consideration when you are purchasing your seismic shut-off valve.

### ELECTRONIC SIGNATURES

The Electronic Signatures in Global and National Commerce Act ("E-Sign") became effective on October 1, 2000. The effect of this act is to give electronic signatures, contracts and records the same legal validity as the paper counterparts. The Act removes much of the uncertainty that has hindered many E-commerce transactions.

E-Sign establishes a general rule that validates electronic signatures and records used in any transaction in and affecting interstate and foreign commerce. E-Sign broadly provides that a signature, contract or other record relating to a transaction may not be denied legal effect, validity or enforceability solely because it is in electronic form or is executed via an electronic signature.

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### TIRE PROBLEMS

What's behind the Firestone/Bridgestone Recall? If you were at our last Chapter luncheon, you already know what's behind the Firestone/Bridgestone recall. It was a great presentation by Tom Lepper of the forensic division of Garrett Engineering. We had a great turn-out and for those who attended, you can certainly see why Mr. Lepper has been called upon as an expert witness to testify by the California State Superior Court. We would like to also remind our members that

## LEGISLATIVE UPDATES CONTINUED

The act does not require that an electronic signature necessarily be an actual signature in electronic form. A transaction can be confirmed in any electronic manner so long as the parties express acknowledgement that they wish to conduct the transaction electronically, i.e., an "I Agree" icon.

The Act does not require any person or organization to accept electronic records and signatures, rather E-Sign modifies existing law to the extent that the law requires contract or other records be written, signed or in a non-electronic format. An example is that many State and Federal statutes require "paper and ink" signatures for certain insurance and financial contracts, E-Sign would amend that requirement.

Following is a short list of some of the exceptions to the Act:

- Wills
- Adoption and Divorce decrees
- Default, Foreclosure or Eviction notices
- Product Safety recalls

While E-Sign will most likely encourage online contracting, many companies still need to consult counsel and information technology experts to develop systems to prove that electronic records have not been tampered with, and to ensure they are secure.

### OSHA AND INSURANCE INDUSTRY LAUNCH NATIONAL RISK MANAGEMENT PROGRAM

OSHA and the insurance industry are collaborating to provide training for small businesses to help them create a safe work environment, encourage high productivity and lower workers' compensation costs.

A series of free pilot workshops, "Safety at Work: Risk Management Techniques for Small Businesses" will launch the joint venture. The first workshop was held on Thursday, October 26, 2000, in Erie, PA. The workshops will be geared toward small business owners or managers with fewer than 100 employees or companies that do not have a full-time safety professional or risk manager on staff.

Future workshops may focus on ergonomics record-keeping, and slip-and-fall protection. Additional topics will be added to meet the needs of participating small business owners. For more information, you may contact John Stranahan at 814.833.5758.

### THE ISO TO REPORT ON COMMERCIAL PRICES

The insurance Services office in New York announced that it will begin reporting commercial insurance price change information with a product called ISO MarketWatch. ISO MarketWatch reports will be issued quarterly, tracking state and countrywide price changes on renewal business for general liability insurance, ISO said, noting that unlike estimates based on samples of reports from agents and brokers, ISO MarketWatch is based on a large sample of actual policies reported to ISO by participating insurers.

## 2001 CALENDAR OF EVENTS

### February 2001

7th Board Meeting at Fremont General Corp.  
21st Chapter Luncheon  
The New Otani Hotel

### March 2001

21st Chapter Luncheon  
The New Otani Hotel

### April 2001

4th Board Meeting  
18th Chapter Luncheon  
The New Otani Hotel

### May 2001

2nd Board Meeting  
16th Chapter Luncheon  
The New Otani Hotel



### L.A. RIMS NEWS

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