



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

L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals

June 2001

PRESIDENT'S CORNER

In this month we will be holding our annual LA RIMS golf tournament at Brookside Country Club in Pasadena on June 11th. As in the past, golfers and tournament volunteers join together for a guaranteed day of enjoyable golf followed by an awards dinner.

Each year, the golf tournament helps raise the necessary funds to support the various activities and events of the Los Angeles RIMS chapter which include:

- RIMS scholarship funds
- Subsidize the cost of breakfast and lunch meetings which provide valuable insight to current events
- Representation at the National RIMS conference
- Cost associated with the Western and Fall Conference

These and other activities of the Los Angeles RIMS chapter help make a difference within our business community.

The tournament takes a tremendous amount of time and energy of our board members and volunteers. I would like to thank everyone involved in the tournament and know it will be another successful tournament.

I would also like to quickly comment on the chapters developing committees. We have formed three committees; 1) Public Relations 2) Membership 3) Golf Tournament. The committee members have met and outlined some goals and objectives which will be presented and reviewed during our next monthly board meeting.

That it for this month and I hope to see all of you at the golf tournament.

Regards;

||||| |
President
LA RIMS

CHAPTER CLIPS

LEARN HOW TO KEEP YOUR RISK MANAGEMENT HEAD ABOVE WATER

At the 2001 Western Regional Conference October 9-12 in Carmel on the Monterey Bay Peninsula, there will be a Golf Tournament at Rancho Canada on October 9th. Special Sunday, Monday rates at the Carmel Mission Inn October 7th and 8th. More information to follow in a few weeks.

EDUCATION DAY FALL CONFERENCE

Wednesday October 17, 2001. Education Day Fall Conference "Survival of Risk Managers". Join others who are surviving the challenges of litigation, product recall, reorganization, difficult insurance renewals, et al. Your vote will tell us who really is the best survivor this year. Better yet, be a part of the team putting this reality program in action and contact Barbara Anderson at 213.217.5782 or email www.byanderson@mwd.dst.ca.us. Team meetings occur 10:30a.m. at the New Otani Hotel right before the monthly RIMS Luncheons.

RISK MANAGEMENT ON THE INTERNET

Picture this: You are searching the Internet for a website that will provide you actuarial information. You decide to use Yahoo's search engine. You type in the word "actuarial" and you only get three category matches and ninety-two site matches. You switch over to MSN and their search engine comes up with sixty-three sites. Should you use another search engine? Do you have time to click through all those sites to find what you are looking for? Probably not.

To help you filter your options, following is a concise list of recommended actuarial websites.

- Actuary.com (<http://www.actuary.com>) – Actuarial information and employment opportunities. Includes a section of actuarial jokes.

chapter clips continued on page 3

LEGISLATIVE UPDATES

18,000 Expected in Atlanta this September for the Nation's Largest Safety & Health Convention Itasca, IL

"The Odyssey Starts Here" is the dynamic theme of the National Safety Council's (NSC) Congress & Expo 2001. The NSC will host the 89th annual Congress & Expo in Atlanta, Georgia, at the Georgia World Congress Center, from September 21-28, 2001. The convention is the nation's largest annual safety, health and environmental convention. Congress & Expo is designed to help everyone—from the new recruit to the industry veteran—prepare for the health and safety challenges of the 21st Century. A three-fold event, the Congress & Expo combines the annual meeting of the Council, educational sessions and the Expo. The opening session features Apollo 13 mission's Gene Kranz and Jim Lovell, who will discuss why "Failure is NOT an Option!" and why all safety professionals need to work together and communicate in a time of crisis.

NSC divisions will meet to discuss the most pressing issues in health and safety today.

Attendees will tap into this unmatched pool of industry talent and experience, including 30 Professional Development Seminars, where 10 new topics will be covered:

- Workplace Violence - Confronting the Threat
- The Elements of an Effective Ergonomics Program
- Creative Hazardous Energy Control:
Lockout/Tagout & Alternative Methods
- Team Safety
- Safety Communications Techniques
- Achieving Total Safety Culture through Safety Leadership
- OSHA Record Keeping, the "New and the Old"
- Safe Performance Development:
Securing the Future of Safety & Health

VERDICT TRENDS

While some believe that the effort to reform the tort system which has been ongoing over the past decade and a half has had an impact on the exposure, the facts do not seem to support that conclusion. It is true that the number of cases actually going to verdict are down slightly but the size of verdicts have increased in just about all lines of personal injury litigation, and particularly in the field of products liability from 1993 through 1999, according to a study recently released by Jury Verdict Research entitled "2000 Current Award Trends".

The study reveals that the mean verdict from 1993 to 1999 increased from \$324,037 to \$457,422 in premises liability; \$758,539 to \$1,727,220 in business negligence; \$1,953,383 to \$3,495,354 in medical malpractice; \$248,833 to \$2,959,047 in personal negligence; and up to \$7,350,888 in products liability. And what is more alarming is that the rate of increase accelerated dramatically from 1998 to 1999. For example personal negligence rose from \$628,148 in 1998 to \$2,959,047 in 1999 and products liability went from \$3,154,043 to \$7,350,888 over that same time period. Overall, jury verdicts just about doubled from 1993 to 1999 with around 60% of that increase taking place in just the last year of the study period.

Of course, these are means so that they can be skewed by a small number of high verdicts. The point to be made, however, is that these large verdicts are occurring in alarmingly increasing numbers. Moreover, the *median* award, not including punitive damages, has more than tripled over the period of the study, from \$500,300 in 1993 to \$1.8 million in 1999. Again, the biggest part of the increase has taken place over the last three years, and awards now are growing at the fastest rate in two decades.

The trends in settlements was similar. This is important since only a small percentage of cases reach the trial stage and an even smaller percentage actually proceed through the trial to a jury verdict.

Another significant fact is that 4% of the cases included a punitive damage award in 1999 compared to 3% in 1998, with a median punitive award of \$200,000.

Verdict Trends was excerpted from AIG-The Excess Casualty World of 2001

CHAPTER CLIPS CONTINUED

- Insurance Date Management Association (<http://www.idma.org>) – Keeps members current on data management trends as they apply to insurance data.
- Institute of Actuaries of Australia (<http://www.actuaries.asn.au/>) – Actuarial information and links to associations around the world.
- National Council on Compensation Insurance (<http://www.NCCI.com>) – Information about workers' compensation, experience rating and sample report forms, and useful loss prevention info.
- University of Calgary (<http://balducci.math.ucalgary.ca/ari.html>) – An abundance of statistical and actuarial information.
- Society of Actuaries (<http://www.soa.org>) – A listing of the society's activities, special projects and printed publications. Includes a virtual campus.

Look for more Risk Management on the Internet in next month's newsletter.

CHANGE IN NATIONAL RIMS BYLAWS

During the recent RIMS National Conference in Atlanta the House of Delegates passed an amendment to the RIMS Constitution and Bylaws which could have a significant financial impact on attending future National Conferences. As most of you are aware membership in RIMS allows only two deputy memberships for each member.

Very often larger companies such as Disney and Mattel would send somebody else from their department that was not classified as a deputy member. Commencing in April 2002 such attendees will have to pay the non-member registration fee which is \$300 higher than the registration fee for deputy members. One solution to reduce this cost would be to pay for additional deputy members at renewal time at a cost of \$125 per additional deputy members.

The Los Angeles chapter Board of Directors is not happy with this change in the bylaws and voted against it at the House of Delegates meeting. Unfortunately while the vote was close the motion to change the bylaws carried. Compared to other conferences the RIMS National Conference is still a bargain and very worthwhile attending so we urge you to budget for the conference in New Orleans next April and if you intend to send a member of your department who is not a deputy add them to your list of deputies when you renew in 2002.

2001 CALENDAR OF EVENTS

July 2001

- 18th** Chapter Luncheon
The New Otani Hotel

August 2001

- 15th** Chapter Luncheon
The New Otani Hotel

September 2001

- 17th** Chapter Luncheon
The New Otani Hotel

October 2001

- 17th** Education Day Fall Conference
The New Otani Hotel

November 2001

- 21st** Chapter Luncheon
The New Otani Hotel

December 2001

Holiday Event
Location TBD



L.A. RIMS NEWS

L.A. RIMS is published monthly. Please send address corrections or articles and photos to:

LA RIMS Office
P.O. Box 10065, Burbank, CA 91510

Telephone: 818.842.6096 ♦ Fax: 818.843.7423

Web site: www.larims.org

News articles must be received by the 15th of each month.