



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

L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals

March 2001

PRESIDENT'S CORNER

The March new board member profile is our Special Events Coordinator Kurt Leisure. Kurt E. Leisure began his career in the Insurance industry in 1985 marketing Life and Disability insurance, and has been a Risk Management professional in the restaurant industry since 1987. Mr. Leisure's specialties include workplace injuries, general and product liability issues, crisis management, property claims management and post claim cost containment strategies. In 1999, Mr. Leisure joined The Cheesecake Factory Incorporated as the Director of Risk Services. Mr. Leisure is recognized by the National Restaurant Association as a leader in the Risk Management and Insurance field and is a frequent guest speaker at the organization's Risk and Safety Managers Conference.

Our committee formation is progressing and we are concentrating on three committees. The first is "Public Relations/Communication". This committee will review our methods of communicating our activities with our members, "Friends of RIMS" and National. The second committee will be Membership and will address our retention and recruitment of our members. The third committee will be on our golf tournament which will help plan and coordinate our golf tournament. In next month's newsletter, we will provide a volunteer form for those interested in serving on a committee.

That's all for this month. Thank you again for your support.

Michael Carlin, ARM
RIMS-LA President

CHAPTER CLIPS

L.A. CHAPTER REMEMBERS SUSAN FIELDS

The Los Angeles Chapter of RIMS extends its deepest sympathy to the family of Susan Fields and to our Risk Management family at the City's Department of Airports where Susan was employed as a Risk Manager for many years. Susan was very actively involved in various programs throughout the City of Los Angeles. She helped to organize the 1984 Olympics and is credited with developing a comprehensive, pro-active Risk Management Program for the Department of Airports.

Susan Elizabeth Fields passed away January 12, 2001 after a lengthy illness. The following organization gave Susan special help as she struggled with her illness. For friends wanting a way to give a remembrance in Susan's name, a donation may be made to the following breast cancer support group: Best Friends' Sisters, 6889 Andrew Way, Cypress, CA 90630

SAVE THE DATE

Mark your calendars. Monday, June 11th is the RIMS Golf Tournament at Brookside in Pasadena. One and all are welcome...novices, high handicappers, those looking for free beer...we let everyone play. If you are a serious golfer, get your foursome together before all the scratch golfers are taken. If you are looking for a day in the sun with friends, a hearty meal, and raffle prizes, call your buddies and let them know. Interested in attending the dinner only? Be sure to save the date!

GOLF COMMITTEE

Interested in participating in our most successful event? You don't even have to know how to golf in order to participate. Join our committee and help us plan the day's event, gather prizes, coordinate registration, and meet new people. Contact Kurt Leisure at 818.871.3097 or e-mail to: kleisure@thecheesecakefactory.com.

CHAPTER CLIPS CONTINUED

LEGISLATIVE UPDATES

SURVIVAL OF THE RISK MANAGER DURING THE HARD MARKET

After a decade of “soft markets” many of today’s Risk Managers have not faced what we are now encountering, basically the “hard market”. Suddenly the insurance carriers are in the drivers’ seat and taking no prisoners and Risk Managers have never worked harder. The “hard market” began as a “firm market” in late 1999 and rapidly turned into a “hard market” by mid 2000. Property rates increased by anywhere from 15% to over 100% depending upon the risk and loss history. Liability rates increased in a range of 10% to 50% depending upon the perceived exposure. D & O rates are increasing and the 3 year prepaid policy discounted to give credit for prepayment is an extinct product. Other policies such as Fidelity Kidnap and Ransom, Employers’ Practice Liability etc., are following the paths of the Property and Casualty insurance market. In addition, the insurance companies are tightening the coverage terms and becoming more inflexible in changing those terms. Also, the aggregate limits are being increased by the casualty carriers. The reasons for increased premiums and coverage tightening are several. Foremost most insurance companies have had loss ratios exceeding 100% and in some cases reaching 200% over the past few years. Catastrophes such as the European windstorms of last years and the recent Taiwan Earthquake have severely impacted the property market. Increasing product liability awards have affected the liability market and other markets have been similarly affected. It is not a pretty picture and Risk Managers who used to be highly favored by senior management because their insurance budgets were either stable or shrinking are now being closely scrutinized because of the rapidly increasing insurance costs.

We would like to hear from our members on how you are surviving this hard market. Please write to us and relate your experiences in the current “hard market” and your suggestions for survival. We would like to share your suggestions with other members by publishing your comments in our Newsletter. You may fax to the L.A. RIMS Office at 818.843.7423 and reference “Survival of the Risk Manager During the Hard Market”.

CA - WORKERS’ COMPENSATION

AB 196 - Disability Retirement - Blood borne Diseases -Assembly Member Correa. This is the second bill related to blood-borne disease introduced by this assembly member. In the last active session, Assembly Member Correa successfully introduced AB 1817, the measure enacted into law that provides for the blood-borne disease presumption. The current bill eliminates the requirements that certain safety employees, including firefighters and active law enforcement, demonstrate they were exposed to blood or blood products as a result of performance of job duties in order to take advantage of the presumption that contraction of a blood-borne disease arose out of the course of employment.

SB 69 - Death Benefits - Senator Battin. Current law provides for the payment of state scholarships to the dependents of certain peace officers, correctional officers or employees, and firefighters if such individuals are killed in the performance of duty or if death or permanent disability is the result of specified accidents or injuries incurred in the line of duty. Eligibility for such scholarships is limited to dependents that demonstrate a financial need to the Student Aid Commission. SB 69 would eliminate the requirement that the dependents prove that they are in need of the financial support.

AB 129 - Workers’ Compensation - Assembly Member R. Pacheco. This bill mandates that an employer may ask anyone who makes an application for employment to disclose whether he or she has even been determined to have committed certain specified unlawful acts, including presentation of knowingly false or fraudulent written or oral material statements in order to obtain or deny a claim for workers’ compensation.

SB 71 - Workers’ Compensation - Senate President Pro Tem John Burton. In its current form, the bill directs the Senate Office of Research to “conduct a study to determine the appropriate level of workers’ compensation benefits.” It is widely presumed that SB 71 is really a “spot” bill, one meant to serve as a place-holder while the details on a workers’ compensation benefits bill are being worked out behind the scenes. SB 71 also directs the Senate Office of Research to “identify, where appropriate, any potential efficiencies within the workers’ compensation system. Stay tuned.

MEMBERS ON THE MOVE

Richard (Rick) B. Gough, ARM, who has just recently joined the Risk Management and Safety Division of the City of Los Angeles as Risk Manager. One of Rick's primary responsibilities will be to head the claims management team, working directly with the City Attorney's Office and workers compensation divisions. Rick has an extensive risk management and public entity history. He served as the Risk Manager for 13 years for the Southern California Gas Company and prior to that, he was Risk Manager for the Port of Los Angeles. Some of you may remember Rick as a former Board of Director for the L.A. Chapter of RIMS. Congratulations Rick!

JOB OPPORTUNITIES

WORKERS COMPENSATION ASSOCIATE

Panda Management Company, Incorporated is the parent company of Panda Express, Panda Inn, Panda Panda and Hibachi-San restaurants. It operates over 375 restaurants in over 36 states. We are looking for an HR professional to join the HR department in its South Pasadena head office:

Description:

Responsibilities include administration of workers compensation program in a multi-states environment: claims reporting, investigation, training and cost reconciliation.

Experience:

Candidate should have 1-3 years of experience in related field. Familiar with safety and workers compensation issues. Bilingual in Spanish a must. Proficient with computer software. Requires good analytical skills.

Education:

BA/BS in Business or related field.

Interested candidate please fax in your resume to: Vivian Lau, Staffing Manager at 626.403.8641 or e-mail to jobs@pandamgmt.com. web: www.pandamgmt.com

2001 CALENDAR OF EVENTS

March 2001

21st Chapter Luncheon
The New Otani Hotel

April 2001

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

April 29-May 3, 2001

RIMS National Conference
Atlanta, GA

June 2001

11th Golf Tournament
Brookside Golf Course

July 2001

18th Chapter Luncheon
The New Otani Hotel



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