



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

L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals

October 2001

PRESIDENT'S CORNER

Last month we all had to come to grips with the unspeakable horror and terrible tragedy that struck the U.S. As we all try to comprehend the effect on our family, colleagues, companies, and what the short- and long-term impact will be on our country, we all must realize and understand allowing terrorism to disrupt our business only serves terrorist aims, so we must slowly try to recover.

There are so many emotions and issues that we must confront because of these heinous acts and we must do them with strength, patriotism, and compassion. The times ahead are going to be very difficult for our nation especially considering the personal suffering and grief seems to intensify as events unfold.

I would like to extend, on behalf of the LA RIMS Board, my sincere condolences to the victims and their families. LA RIMS Chapter has made a small donation to the Marsh and AON Fund to help assist the families in their time of need. These are very sad times especially considering the suddenness and the horrible evil involved and hopefully our small donation will make a slight difference.

May God bless us all and God Bless America.

MICHAEL CARLIN
LA RIMS PRESIDENT

CHAPTER CLIPS

OUR DEEPEST SYMPATHIES TO OUR FRIENDS OF RIMS

The L.A. Chapter extends deepest sympathies to Marsh Insurance Services, Inc., AON, AIG, and other Friends of RIMS who maintained offices in the World Trade Center in New York. The overwhelming grief and sadness felt nationwide by the September 11, 2001 tragedies were compounded by the loss of life sustained by our colleagues in the insurance industry and others with whom we come into daily contact.

CHAPTER CLIPS

The Los Angeles Chapter of RIMS wishes to contribute to any fund established by our Friends of RIMS for the families of their employees who lost their lives in these senseless terrorist attacks. Again, our deepest condolences to all our Friends of RIMS who have suffered this loss, and to their families.

THE LOS ANGELES RIMS CHAPTER EDUCATION DAY CONFERENCE HAS BEEN RESCHEDULED FOR JANUARY 16TH, 2002. PLEASE MARK THE DATE. Any questions, please contact Barbara Anderson at 213.217.5782

RISK MANAGEMENT ON THE INTERNET

Want to keep up on the latest environmental issues? Following is a list of recommended websites, in alphabetical order:

- Resources for the Future (www.rff.org) – A "think tank" located in Washington D.C. that provides research on environmental and natural resource issues. Very informative and well-organized website. Check out the section regarding Risk.
- ENN – Environmental News Network (www.enn.com) – Provides environmental headlines, press releases from environmental organizations, lobbying groups, universities, and businesses.
- EPA Online – Environmental Protection Agency (www.epa.gov/enviro/index_java.html) – Includes a guide for first-time users. Also has a section called Enviromapper which is able to map several types of environmental information, including drinking water, toxic and air releases, hazardous waste, water discharge permits, and Superfund sites at the national, state, and county levels. A very informative website.
- Right-to-Know (www.rtk.net) - Databases, text files and conferences on the environment. Provides a link to Risk Management Plans for U.S. companies by state.

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

LEGISLATIVE UPDATES

SELF INSURED EMPLOYERS

The Department of Industrial Relations has amended a regulation regarding the assessment of annual license fees for private self-insured employers. Average assessments are increased to generate funds sufficient to cover the costs of the program.

Prior to this action, fees were assessed according to seven tiers defined by the number of employees employed by the self-insurer. This action reduces the number of tiers to three by combining the former first through fourth tiers and the former fifth and sixth tiers. The fees for the tiers have been increased, as has the fee for additional locations. The Department estimates the majority of self-insurers will be assessed an additional \$2,600 a year as a result of these changes.

In addition, these amendments extend the period of continued assessments against private self-insurers who have had their license revoked from three to five years, or until their security deposit reaches the statutory minimum, to cover the cost of continued administration.

Regulatory Action: Changes affect title 8, section 15230.

Agency Contact: Tina Freese 916.483.3392

PROPOSED BY LAW CHANGES

The following are revisions to Chapter Constitution and Bylaws:

- 1) Article III Section 1A2 - Deleting the paragraph that previously allowed others of a company than the two designated RIMS deputy members to avail themselves of the various services and discounts to the National Conference.
- 2) Article III Section 1C - Redefining educational memberships and making educational members pay dues.
- 3) Article IV Section 2 - Clarifying collection of Chapter dues.
- 4) Article VI Section 7D - Eliminating requirement for signed acceptance by nominee.
- 5) Article VII - Section 2A, B, C and D - This is new and further defines the structure of the nominating committee (See Article VIII, Section 1).
- 6) Article VIII Section 1 - Removed the requirement of a signed acceptance from the nominees.

REVISED MEDICAL FEE SCHEDULED

The Division of Workers' Compensation has revised the official medical fee schedule (OMFS), which establishes the reasonable maximum workers' compensation fees paid for medical services. As was true prior to this action, admissions where the length of stay exceeds a set threshold are excluded from the application of the fee-setting methodology. Such admissions are referred to as "outliers." The Division has determined that significant shortfalls in reimbursement may occur for some inpatient procedures in instances where the total costs of the admission greatly exceeds the fee schedule's maximum allowable reimbursement without exceeding the length-of-stay outlier threshold. The division further states that this situation may result in a threat to access to health care for seriously injured workers.

The amendments add a cost outlier methodology alongside the length-of-stay outlier methodology already in place. The cost outlier threshold, effective where the admission occurs on or after the effective date of the regulations, will be triggered where the total billed charges for the admission, excluding any non-medical charges such as television and telephone charges, exceed five times the diagnosis-related group (DRG) computed reimbursement.

The appendices providing DRG weights and hospital composite factors have been repealed, and new appendices have been added in their place.

Regulatory Action: Changes affect title 8, sections 9790.1 and 9792.1, Appendices A and B.

Agency Contact: James Robbins 415.703.4600

ANNUAL MEETING

Our Annual Meeting will be on November 21st at the New Otani Hotel in Los Angeles at 11:30 a.m. Please join us as we will be electing our Board Members for 2002 and voting on the proposed bylaws changes, outlined above.

Our Speaker will be Ron Rakich, CPCU, ARM, from Alameda Corridor Transportation Authority

Our topic will be: The risk management problems of a unique project with its technical and political ramifications.

JOB OPPORTUNITIES

FINANCE DIVISION INSURANCE ANALYST

Job Duties: Provide analytical and administrative support to the risk management and insurance function in order to maintain maximum protection of assets at economic rates; assist with the recording and reconciliation of insurance payments to the various insurers; prepare reports as required for management, outside users and internal/external auditors, and as needed to support data requests from BU; gather data to adjust property and casualty claims.

Classification: Typically, a Bachelor's degree preferably concentrating on Business Administration and a minimum of two years of insurance, accounting, finance or risk management - related experience, with strong knowledge of financial analysis and excellent interpersonal skills. Candidate must be PC literate, and have a customer focused approach and the ability to work in a fast paced environment, and handle multiple priorities, projects and deadlines.

Contact: Linda Yocum at: 310.336.6743
or fax to: 310.336.0619

RISK MANAGER

Responsible for managing Safety, General Liability and Workers' Compensation for a national restaurant chain. Manage safety programs, restaurant inspections and safety bonus programs. Work with insurance carriers regarding insurance premiums, risk claims, and workers' compensation claims. Understand letters of Credit and bonds for insurance companies and self insured state programs. Creates reports on monthly claim payments. Handles premium bills, monthly carrier's claims reimbursements and claim handling fees, etc. Monitors claims reserve versus budget, reviews actuarial analysis results versus budget and reserve. Reviews and pay/credits retro premium audits, payroll audits, etc. Supervise Safety Manager and Risk Management Analyst.

Background in OSHA compliance a must. A minimum of 10 years experience in corporate risk management within a retain oriented or fast food franchise environment. A bachelor's degree, Business/Finance preferred. Travel Approximately 10%.

Contact: Karen M. Brooks, Branch Manager, Volt Services Group, Santa Barbara, CA 805.687.3911 or fax 805.563.2447 or e-mail: kBrooks@volt.com

JOB OPPORTUNITIES

SR OFFICE CLERK Insurance/Workers Compensation Start Date: ASAP

Salary: Commensurate with experience
(Full-Time Scheduled Hours: 8:00a.m. - 5:00 p.m.)

Reports to: Ram Bashan

Summary: Provide general office support to the Insurance and Workers Compensation Dept.

Essential Duties and Responsibilities:

Answer phones, take messages and direct calls, as needed. Maintain filing and office paper flow at a current level. Setting up and updating workers compensation files. Coding and mailing medical billing. Maintain OSHA logs. Log acknowledgements and releases in Excel Spreadsheet.

Experience and Skills Required:

Two + years experience in a business environment. Able to handle multiple tasks with a professional demeanor. Organizational skills and attention to detail a must. Excellent interpersonal and verbal communication skills. Computer literate within Windows98 operating system. Proficient in the use of Microsoft Office suite: (Word/Excel). Familiarity with insurance terminology a plus.

Inquiries: Sheri Madrid, 818.244.8080 ext. 289

2001 CALENDAR OF EVENTS

October 2001

19th Chapter Luncheon
The New Otani Hotel

November 2001

21st Annual Meeting & Chapter Luncheon
The New Otani Hotel

December 2001

12th Holiday Event
Jonathan Club

L.A. RIMS NEWS

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