



PRESIDENT'S CORNER

Summer is hopefully almost over and the rolling blackouts that were predicted seemed to have missed us.

We had our annual Port of Los Angeles boat tour and Board Meeting on August 1st. The attendance for both was excellent and I enjoyed meeting some new folks. One of the purposes of the meeting was to invite individuals that may be interested in becoming Board Members. I was very pleased that the following individuals attended the meeting and/or have expressed an interest in becoming a Board Member:

- 1) Ruth Lindstrom - Jacobs Engineering
- 2) Leo Costantino - MTA
- 3) Sharon Liu - Walt Disney Company
- 4) Scott Ritto - Metropolitan Stevedore
- 5) Nancy Townsend - Westfield Properties
- 6) Becky Smith - Walt Disney
- 7) Calvin Joe - City of Los Angeles
- 8) Angelica Gomez - City of Los Angeles

We greatly appreciate the interest and look forward to working with some new Board members during 2002.

At the meeting, Steve Wilder, Vice President, Risk Management of the Walt Disney Company gave a presentation on the Spencer Foundation. Steve is currently the President of the Foundation. Steve discussed that the mission statement of the Spencer Education Foundation is to stimulate, promote and encourage promising students of risk management disciplines in fulfilling their educational goals by providing scholarship awards and educational grants. The purpose of Steve's presentation was to reconfirm Spencer's goals to help determine our Chapter's financial support of the Foundation.

Steve also provided guidelines regarding Spencer's internship program, which we have included in this newsletter. The program is very worthwhile and I hope there are some member companies that are interested in the program. If you are interested, please contact me by sending me an email at Michael.Carlin@Jacobs.com.

That's all for this month,

MICHAEL CARLIN
LA RIMS PRESIDENT

FRIENDS OF RIMS CORNER

Excerpts from the following Friends of RIMS article was written by Peter S. Selvin of Loeb & Loeb LLP.

INSURANCE COVERAGE AND THE POWER CRISIS

Companies whose operations have been disrupted by power outages may be able to recover their losses under their "business interruption" insurance policies.

While no reported cases have yet addressed the liability of business interruption carriers for losses sustained as a result of the California energy crisis, the following principles are important to keep in mind:

- While business interruption policies typically require that an insured sustain "property damage", some courts have recently broadened the definition of "property damage" to include the physical destruction or harm of computer circuitry, including the loss of access, use and functionality of computer systems. This trend means that damage to computer systems and computer files could potentially be covered under business interruption policies.
- Before asserting a claim under a business interruption policy, a review of the particular policy language is essential. For example, many business interruption policies require that in order to be covered the "interruption" persist for at least 12 hours. In circumstances where a power outage lasts only for a short period of time, no coverage may be available,
- Some business interruption policies may contain various exclusions which might eliminate coverage in cases where the "interruption" is due to a power outage. For example, some business interruption policies contain exclusions relating to a utility company's inability to supply electricity. This so-called "utility service failure" exclusion may bar coverage for loss of power if the failure occurs away from the business premises.
- In light of the recent energy crisis, insurance companies may begin to revise their policies,

FRIENDS OF RIMS CORNER CONTINUED

- with the aim of inserting additional policy exclusions into business interruption policies in order to avoid coverage for power outages in the future. Therefore, the policies which are in force today may in fact have the best available coverage for such power-related interruptions.

In every case, it is important for policyholders to carefully review their insurance policies before submitting a claim. Nevertheless, the current energy crisis may provide policyholders with a unique opportunity to utilize their business interruption coverage in a way to reduce their business losses.

This article in its entirety can be found on our Website

LEGISLATIVE UPDATES

RIMS ON THE HILL

(as reported by Stacy Stevens Legislative Director)

RIMS members from throughout the USA converged on Washington DC June 20th and 21st. This was my first visit to The Hill as anything other than a tourist. The staff from the RIMS office in New York put together a suggested list of topics for us, based on national responses as to the top concerns of risk managers. The three issues we discussed were: Patient Bill of Rights, Right to Privacy matters and Class-Action Tort Reform. The attendees were grouped by state/county for the meeting. My agenda included meetings with three members of Congress from Southern California: Rep. Adam Schiff (D) a freshman from the 27th district, Rep. Edward Royce (D) 5th term from the 39th district and Rep. Henry Waxman (D) 14th term from the 29th district. The day was grueling in the 95 degree heat with 95% humidity, but we were heard. The event gave me a whole new perspective on how government works, though I can't say that it provided me with any comfort regarding our country's administration. The offices are bombarded daily with people doing just what we were doing on a wide range of topics. You get only a few moments to tell your story and as was the case for my group, though the appointment was with the member of Congress, the persons with whom we met were legislative staffers. One meeting was even held standing in the middle of a hallway. I left DC wondering if that is really what is so appealing to so many in politics...I doubt it, it must be the power appeal.

NEW OSHA DOCUMENT OUTLINES REQUIRED PERFORMANCE FOR STATE PLANS

Requirements for states that run their own job safety and health programs are outlined in the final version of a manual published by OSHA. Known as directive STP 2-0.22B, the document includes guidance on the meaning of OSHA's term for describing state-plan performance requirements: "at least as effective" (meaning as compared to the federal agency's regulations).

For the past several years, states have been working from a draft of the document. The publication differs from older

LEGISLATIVE UPDATES CONTINUED

directives in its emphasis on performance. Noted Keith Goddard, a Maryland OSHA official who has been involved in the change process, "it's a fundamental shift. You're measured against what you said you were going to do." The idea, OSHA says, is to allow states to customize their approaches according to state-specific conditions.

NEW NIOSH DOCUMENTS COVER WOMEN'S HEALTH, HEARING LOSS

NIOSH announces new publications covering the hazards that face women workers and job-related hearing loss. *Women's Safety and Health Issues at Work* is the title of a new fact sheet and addresses hazards including violence, job stress, and musculoskeletal disorders. According to NIOSH, women make up 46 percent of the country's 137 million workers. In 1999, 75 percent of employed women worked full time, and 25 percent worked part time. Nearly 4 million worked more than one job.

The fact sheet notes that women experience more than half of all sprains and strains, carpal tunnel syndrome, tendonitis, and other MSD-related injuries. NIOSH plans additional research on why women are at greater risk than men for such ills. The publication also discusses women's vulnerability to job violence, noting that homicide accounts for 40 percent of all job deaths among women workers. Overall, says NIOSH, highway crashes are the leading killer of women workers, with homicides next on the list.

In the area of hearing loss, NIOSH has produced a series of publications. The documents cover topics including the progress of a NIOSH team working on a training curriculum for the prevention of job-related hearing loss. Other publications include a technical document evaluating exposure limits for occupational noise exposure, booklets about hearing protection devices, and a practical guide for employers to prevent hearing loss. Copies of the documents regarding women's health and hearing loss can be obtained free of charge by calling NIOSH at 800.356.4674.

CHAPTER CLIPS

The following article was written by Kristina Behrens who won a \$10,000 scholarship from the Spencer Foundation and also won the Edith Lichota Award from National RIMS in 2000:

Dear LA RIMS Members-

My name is Kristina Behrens. I am an MBA student at Westminster College in Salt Lake City, Utah. My undergraduate degree is in finance and environmental risk management from the University of Utah. This May, I was awarded a graduate scholarship from the Spencer

CHAPTER CLIPS CONTINUED

was Education Foundation. I am currently working on a master's thesis on RMIS and I am planning to submit this paper to next year's Edith Lichota Award.

I have selected twenty cities for my research project on RMIS: Atlanta, Chicago, San Francisco, Los Angeles, Houston, Dallas, New York City, Boston, Tampa, Phoenix, Kansas City, Philadelphia, Miami, San Diego, Cincinnati, Seattle, Denver, San Antonio, St. Louis, and Washington D.C. My hope is to identify which RMIS the general RIMS membership is using, how they are using their RMIS, and what they would like to see improved in the future. I am hoping to gather information that will help me conclude where the strengths and weaknesses are with current RMIS systems.

I also plan to interview 30 different RMIS vendors to see what they anticipate the future trends in RMIS to be, how they will address web-based systems, what new features they will offer, and how they plan to interface with other information systems within companies.

Kristina Behrens

SPENCER EDUCATION FOUNDATION , INC. STUDENT INTERNSHIP PROGRAM

The Spencer Educational Foundation is pleased to offer student internship grants to RIMS Chapters and member companies.

Grants of up to \$4,000 each will be awarded to selected RIMS Chapters or member and associate member companies to launch an internship program. If your Chapter/organization already has an existing internship program or if you wish to start one, you are encouraged to participate.

The program is being promoted to RIMS Chapters in the hope that those Chapters that already have a relationship with their local colleges and universities will administer and monitor the matching of intern with employer. We also encourage RIMS member companies to act as employers.

If your Chapter or company is interested in participating in this exciting and rewarding program please submit a one or two page explanation of how your existing internship program operates or how your Chapter/company would create and monitor an internship program if awarded a grant and a brief description of the project or activity the intern would be working on.

The Foundation requests that: priority be given to matching students with RIMS member company employers; the employer's project or research task be meaningful for the intern; the student possess a GPA of 2.7 or higher and the duration of the internship be eight weeks or more. Interim reports to the Foundation will be required. The deadline date for proposal submission for an internship grant is March 1, 2002.

If you have any additional questions, please call Angela Sabatino at (212) 655-6223 or by email at asabatino@rims.org.

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 10:30 a.m. at the New Otani Hotel right before the monthly RIMS Luncheons.

WESTERN REGIONAL CONFERENCE

Are you going? September 1st is the last day for early bird registration. But even if you miss that date, there is still time to sign up. the Conference is being held in Carmel California., October 9-12. For further information and online registration go to www.goldengaterims.org/wrc.

2001 CALENDAR OF EVENTS

September 2001

19th Chapter Luncheon
The New Otani Hotel

October 2001

19th Education Day Fall Conference
The New Otani Hotel

November 2001

21st Chapter Luncheon
The New Otani Hotel

December 2001

12th Holiday Event
Jonathan Club

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