



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

# L.A. RIMS NEWS

**Los Angeles Chapter**

The Newsletter for Risk and Insurance Management Professionals May 2002

## **PRESIDENT'S CORNER**

Our annual golf tournament is approaching. This is our biggest event of the year. We are fortunate to have Mike Carlin chairing this event again this year. The purpose of our golf tournament is to raise funds for RIMS scholarships, donations to Spencer Foundation, provide educational meetings for our members, and provide representation at RIMS conferences.

This year the Los Angeles Chapter sponsored Kristina Behrens for the RIMS National Conference. She grew up in Palos Verdes and then became a student at the University of Utah. In 2000, Ms. Behrens won the RIMS Edith F. Lichota Award. Her sponsorship is an example of the benefits received from our annual golf tournament.

This year, we hope to support our local colleges by helping those students considering a career in risk management. The golf tournament provides us the opportunity for this outreach. Yes, since 9/11 the job market has been tight, there have been downsizings, and people changing careers. But if we can encourage those who have shown an interest in risk management, we can help improve our industry by providing a knowledgeable and well-educated work force for the future.

So it's just not about golf. It's about helping our industry grow. And if we happen to have a good time while doing it, all the better.

See you at the next meeting,

**Kathy Merkovsky  
President, RIMS L.A. Chapter**

## **CHAPTER CLIPS**

### **L.A. RIMS GOLF TOURNAMENT**

It is time to mark your calendar and register for our 2002 LA RIMS Golf Tournament. Each Year we have a sell out crowd for a fun day of golf followed by a dinner and awards banquet - so sign up now to save a spot.

Location: Brookside Country Club - Pasadena, CA  
Date: June 3, 2002  
Time: 11:00 a.m.

### **PROMOTIONS, ETC**

Sam Williams retired as the Risk Manager for the Port of Los Angeles and Kathy Merkovsky was recently promoted to replace him. Manuel Ramirez previously a Safety Engineer at the Port, was also promoted to Assistant Risk Manager. Jennifer Bersales-Reyes was recently hired as Management Analyst II to assist Kathy and Manuel with the Port's risk management Program.

### **RIMS OSHA TO PARTNER ON SAFETY EFFORTS**

The Risk & Insurance Management Society Inc. and the occupational Safety and Health Administration have entered into an alliance to promote safety and health programs. A primary objective of the alliance which significantly expands a partnering charter OSHA and RIMS signed in 1998, will be to develop tools for measuring how safety and health can benefit businesses and organizations. The first step in the partnership will be the establishment of an implementation team made up of representatives from OSHA and RIMS

## LEGISLATIVE UPDATES

Department of Insurance Notice – 2/25/02 Premium Tax on Workers Compensation Deductible Policies.

The California Department of Insurance provided a notice dated February 25, 2002 to all insurers licensed to write workers' compensation in California of its intent to collect taxes on deductible payments dating back to 1997. The "Notice" advised that deductible amounts received from insured employers are considered "gross premiums" and are subject to premium taxation during the tax year in which the amounts are paid.

The Department made this decision without any public input and could cost insurers and businesses over \$100 million in potential back taxes. If your firm has/had a deductible policy, you should check with your insurance broker to determine the potential financial impact to your firm.

### Terrorism Insurance

In a speech in early April, President Bush announced his support for terrorism insurance legislation. The House of Representatives passed terrorism insurance legislation in November, 2001 and has been held up in the Senate due to tort reform measures being attached to the bill. Let's see if action on the legislation is taken up by the Senate this month and next.

### 401(k) Reform

The legislative changes being contemplated for 401(k) programs are as follows:

- Investment diversity – Employees would be able to sell company matched stock after three years in the plan or three years of service.
- Limit on investments in employer stock.
- Blackout periods – 30-day notice prior to blackout or lockdown periods and executives would be subject to the same blackout period.
- Employee representation – Employee representation on 401(k) board of trustees.

(Source: 3/25/02 Business Insurance)

### Miscellaneous

The Annual RIMS on the Hill is scheduled for June 5th and 6th. RIMS National has scheduled meetings with various members of Congress or their staff to discuss the top legislative issues for its members.

### SENATOR SEEKS MORE INFO RE EMPLOYEE HEALTH COMPLAINTS

Senator Chuck Grassley, R-Iowa, has asked the federal office of compliance to investigate complaints by Senate employees about ill-health effects from the Hart Building cleanup and irradiated mail. The Office of Compliance is the legislative office responsible for safety and health compliance by government agencies. In a letter to its general counsel Gary Green, Grassley asked that the office conduct an investigation.

"As you know," he wrote, "at least 73 Senate employees have reported symptoms such as headaches, skin rashes, dry mouth, and eye irritation after handling irradiated mail. Also between 50 and 60 employees in the Hart building have complained of dry eyes, dry throats, and headaches."

Specifically, he asked Green to look into: possible health problems from irradiated mail; the air quality of the Hart Building, "and whether adequate measures have been taken to respond to the complaints." Grassley urged Green to use the resources of OSHA and NIOSH to conduct the investigation.

### EXPERT ANTICIPATES UPSURGE IN PREEMPLOYMENT SCREENING

As the United States continues to maintain its high-alert status, employment screenings and be more vigilant in the hiring process. That's the assessment of labor and employment attorney Michael D. Karpeles. In the past, he explains, many companies paid only lip service to preemployment background checks. "They either didn't have the resources to conduct proper checks or money spent on a properly conducted preemployment screening can help ensure a safe and secure workplace."

Karpeles observes that even though information about disabilities and religious preferences cannot be asked for, "there is still much that can be learned

## LEGISLATIVE UPDATES CONTINUED

about an employment candidate.” He includes such things as criminal background, education and credit checks, and drug use.

On a related note, the U.S. Supreme Court will not review the case of a South Carolina man who sought to sell his urine online as a service to those trying to beat drug tests. The entrepreneur’s lawyer held that his client was selling a natural product and that he was not responsible for how it was used by those who purchased it. The Supreme Court justices refused to review an appellate court ruling that banned him from selling the product.

## CHAPTER CLIPS

### RIMS MAY GET PARTNERS FOR SCORECARD SUCCESSOR

The Risk & Insurance Management Society Inc. may soon have two new partners for its Performance Satisfaction Measurement Tool. Speaking during a question and answer session at last week’s 40th RIMS Annual Conference and Exhibition in New Orleans, outgoing RIMS President, David Mair said that RIMS will announce, within the next 30 to 60 days, “significant partnerships” with the Council of Insurance Agents & Brokers and The American Insurance Association. The Performance Satisfaction Measurement Tool is the successor to the RIMS/Quality Insurance Congress Quality Scorecard. RIMS and the CIAB “haven’t reached a final agreement,” said a CIAB spokesman. “But the Council looks forward to working with RIMS to release the scorecard some time in 2003.” An AIA spokesman said the group has not yet seen details of the RIMS proposal.

## TIPS OF THE MONTH

**THANK CUSTOMERS WHO COMPLAIN,** don’t dismiss them. After all, they’re doing you a favor by pointing out problems, so listen with interest and enthusiasm when they complain. Never say “No one has complained about that.”

## TIPS OF THE MONTH CONTINUED

**ASK QUESTIONS** to draw out the outsider’s discontent. Example: “You seem distant and unhappy lately. What’s causing you to feel that way?”

**LISTEN AND AGREE.** Use phrases such as “I see your point” or “I agree with you.” Then stop talking. Don’t explain why you agree; instead, let the employee complain.

*Excerpted from Communication Briefings May 2002*

## 2002 CALENDAR OF EVENTS

May 15, 2002

Chapter Luncheon  
The New Otani Hotel

“Terrorism Coverage Finding it”  
Speaker: Lori Yanklevits - Attorney,  
Howrey, Simon, Arnold & White,  
LLP

June 3, 2002

RIMS L.A. Golf Tournament  
Brookside Golf Course  
Pasadena, CA

### L.A. RIMS NEWS



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