



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

L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals October 2002

PRESIDENT'S MESSAGE

Having just returned from the 2002 Western Regional Conference, I thought I would provide highlights of this conference for those who were unable to attend.

The conference was held at Port Ludlow Resort in Washington, overlooking the Puget Sound. Everyone enjoyed the beautiful views, magnificent sunrises, and unusually clear, brisk weather. A variety of sessions were offered regarding the reinsurance market, enterprise risk management, employment practices liability, risk management career strategies, 9/11 business interruption claims, RIMS technology committee updates, risk communication, alternative risk financing, and workplace violence. There were also well-attended "hot topic" panel discussions and roundtable discussions, which I found to be the best. Because the Western Regional Conference is a closed members-only conference, the risk management professionals were comfortably willing to share information, experiences, ideas, and criticism.

This was my fourteenth year attending this conference, so I was able to renew old acquaintances and discover new ones. It has been my experience that these acquaintances can have a profound effect on your career. It's one of the benefits of being a member of RIMS.

Next year's conference will be at the Salishan Lodge & Golf Resort in Gleneden Beach, Oregon. It is tentatively set for September 14 through September 17 (Sunday through Wednesday). I highly recommend that you consider attending, as it can be invaluable to you and your career. It will provide you immeasurable resources, the most up to date risk management information, and an opportunity to broaden your circle of friends. Plan now and don't miss the chance to attend the Western Regional Conference in 2003.

Kathy Merkovsky
President, RIMS L.A. Chapter

CHAPTER CLIPS

PROPOSED CHAPTER CONSTITUTION AND BYLAW CHANGES

At the November 13, 2002 Annual Membership meeting, the deputy members of the Los Angeles Chapter will be asked to approve certain changes to the Chapter Constitution and Bylaws. The changes are being made to bring us into conformity with the RIMS National Constitution and Bylaws. The changes are as follows:

1. Addition to all membership categories that members must subscribe to the objectives of RIMS and abide by the RIMS Constitution and Bylaws.
2. A Student membership is limited to applicants who are not eligible for membership under another class.
3. Addition of "**Retired Member**" class.
4. The qualification to be a RIMS Delegate has been changed from that of having been a prior Chapter President to that of being or having been a member of the Chapter Board of Directors.

Members may view the proposed version of the Los Angeles Chapter Constitution and Bylaws at our website, larims.org.

RIMS NATIONAL COMMITTEES

National RIMS is looking for members devoted to the cause of furthering the Risk Management profession to serve on RIMS National Committees. RIMS currently has the following committees, sub-committees and task forces:

continued on page 2

CHAPTER CLIPS

Audit
Communications
Conference Programming
Education
Exhibits Advisory
External Affairs
Fellow Advisory Council
Goodell Award
Governance
Industry Relations
Long Range Planning
Members & Chapter Services
Nominating
Quality
Research
Risk Management Roundtable
Strategic Planning Task Force
Student Involvement
Technology Advisory Council

For further information go the website of National RIMS, www.rims.org. Under "About RIMS" select the "Committees" icon. If you have problems accessing the website or need additional information call John Pinner at 310.252.3324.

LEGISLATIVE UPDATES

TERRORISM REINSURANCE LEGISLATION

The House-Senate conference committee will be meeting soon to work on reconciling legislation which would make the government a backstop for insurers in the event of another terrorist attack. There are significant differences in the legislation passed by each Chamber over legal liability limits and whether insurers would have to pay back any bailout funds. Rep. Michael Oxley (R-Ohio), who is a member of the conference committee, has expressed concerns about signing off on a bill that "opens U.S. business owners and building owners to liability suits after they've endured terrorist attacks." As of this writing, the committee has yet to meet. The legislation must be reconciled and sent to President Bush this year, otherwise the process will have to start all over again with the next Congress.

LEGISLATIVE UPDATES

The Consumer Federation of America (CFA), a consumer lobbyist group, recently released a report stating that "commercial insurance for terrorism risks is widely available and there is no need for a federal insurance backstop." The CFA is lobbying against the reconciliation of the terrorism reinsurance legislation. A spokesman for the American Insurance Association responded to the CFA's report indicating that "the CFA does not speak for consumers of terrorism insurance and is not an authority on commercial property insurance."

To be continued.....

OSHA ERGONOMIC PLAN

Six major insurance industry trade groups recently announced their support for the ergonomics guidelines issued in April by the federal OSHA (Comprehensive Plan on Ergonomics). The guidelines as you recall, relate to reducing musculoskeletal disorders (MSDs) and they are currently implemented voluntarily. There is currently a battle between labor and business regarding OSHA's ergonomics program being implemented voluntarily vs. mandatory.

DOUBLE TORT TIME LIMIT

Governor Gray Davis has signed into law S.B. 688 which extends the statute of limitations for personal injury and wrongful death suits in the state to two years from the current one year. California was one of only four states with a one-year statute of limitations for injury and wrongful-death suits.

CALIFORNIA GUARANTY FUND ASSESSMENT

Governor Gray Davis has signed into law a bill that allows the California Insurance Guarantee Association to continue surcharging policies of up to 2% of premium through 2007. The 2% surcharge was scheduled to be reduced to 1% on September 12, 2002.

LEGISLATIVE UPDATES

MANDATORY PAID FAMILY LEAVE

Governor Gray Davis has signed into law SB1661 which establishes, within the state disability insurance program, the nation's first state family temporary disability insurance fund (FTDI). It will provide up to six weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new child. The program will be funded by a new 'tax' on employees.

LABOR GETS A NOD FROM CALIFORNIA LEGISLATORS

Fall is almost here, bringing to mind images of cooler weather and leaves turning vivid colors. September also ushers in new legislation for the Governor's signature. This year there are several significant labor and employment bills which will have a direct impact on all California employers from a risk management standpoint. There are too many bills to discuss in detail, but here are a few of the more interesting ones.

AB 2989 - Mandatory Severance Pay (To Governor) This bill will require severance pay to all qualifying hourly workers of companies which 1) have 100 or more workers and 2) provide any kind of bonus or severance pay to any salaried worker. When an employer relocates, or terminates a qualifying industrial or commercial facility, under specified conditions, or lays off employees at such a facility, the bill provides one week of pay for each 12 months of employment. The bill would also authorize the Labor Commissioner, in any investigation connected with this type of pay to examine the books and records of the employer.

SB 1538 - Employment Arbitration Clauses (To Governor) Existing law generally provides that written agreements to submit controversies to arbitration are valid and enforceable. This bill would amend existing law to invalidate pre-

dispute arbitration agreements as they relate to actions for employment pursuant to the Fair Housing and Employment Act (FEHA).

AB 2845 - Ergonomics (To Governor) Existing law requires Cal/OSHA to adopt ergonomic standards designed to reduce repetitive motion injuries in the workplace. Those standards were to be adopted before July 1, 1995. This bill would require Cal/OSHA to revise those standards on or before January 1, 2004. This has been considered to be the longest and most costly rulemaking in Cal/OSHA Standards Board history.

If you have any additional questions, please contact Clint Robison of the law firm of Ropers, Majeski, Kohn & Bentley at: crobison@ropers.com

CALENDAR OF EVENTS

*All monthly meetings are held at the New Otani Hotel,
unless otherwise noted*

October 16, 2002
Education Day Fall Conference

November 20, 2002
RIMS L.A. Annual Meeting

December 11, 2002
Holiday Party
The Jonathan Club

L.A. RIMS NEWS



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