



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

L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals September 2002

PRESIDENT'S MESSAGE

September brings a change of season as well as RIMS events for your enjoyment.

Have you registered yet for the Western Regional Conference? This conference is a favorite. Casual atmosphere combined with a learning environment equals a quality conference. The conference will be held at the beautiful Port Ludlow Resort, in Washington, from September 18 through September 20, 2002. Check our website, www.larims.org, for more details. You don't want to miss this conference.

Also, this year several local chapters are coming together to provide a joint meeting for members on Thursday, September 26, 2002. It has been several years since the Southern California Chapters have come together to provide an event and we thought it was time for another. The last successful combined chapter event was Disneyland night...do you remember? With the enthusiasm from the four chapters, another successful event is planned. The chapters involved are the Los Angeles Chapter, the San Diego Chapter, the Orange County Chapter, and the Inland Empire Chapter. We are in the process of centralizing the meeting location, and it will be either San Clemente or San Juan Capistrano. The topic will be Legal Legislative Update. More information with further details will be provided to you by email and on our website.

Be sure to mark your calendars for September's events:

September 17-20 for the Western Regional RIMS Conference; September 18th for the L.A. Chapter's monthly luncheon meeting, and September 26th for the So Cal Chapters Joint Meeting.

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

FRIENDS OF RIMS CORNER

Mold: What About Environmental Impairment Liability (EIL) Coverage?

*The following article is written by
Rachel Jakubovitz compliments of Willis.*

Mold.....everywhere we turn these days there are articles or commentaries on mold. Local and national newspapers, magazines, and television are inundating us with mold discussions - particularly focusing on the potential health hazards of mold and the escalating number of mold cases being litigated. By now, most people have heard about the infamous Ballard case in Texas. In June 2001, a Texas jury awarded Melinda Ballard and her family \$32,000,000 in damages from the Farmers Insurance Company, which issued the family's homeowners policy.

The wave of mold litigation has caused concern in the insurance, legal and regulatory communities. The property insurance companies in Texas attempted to stop writing homeowners coverage altogether. The state of California passed the first legislation on mold in the nation and most insurance companies have added some form of "mold exclusion" to their policies. Whether mold will be the next "asbestos type" of toxic tort is still unclear.

Any corporation that buys, sells, rents and/or leases real property needs to be aware of these issues and how to address them appropriately. To review this article in its entirety, please visit the site for Willis at www.willisenvironmental.com or you may contact Rachel Jakubovitz at 615.872.3479.

CHAPTER CLIPS

SEPTEMBER 30 - OCTOBER 1 SAN DIEGO ALTERNATIVE RISK FINANCING TECHNIQUES

“Hard” insurance markets naturally drive increased interest in alternative risk financing methods. Savvy risk managers have learned to turn adversity into opportunity using alternative markets. This two-day course is a no-frills, roll up your sleeves “how to” workshop designed to provide practical, useful information. Contact RIMS Professional Development Department at pd@rims.org

SAVE THE DATE

OCTOBER 16, 2002, our annual Education Day Fall Conference. This one you won’t want to miss! Stay tuned, more to come...

OCTOBER 21-23, 2002, Business Insurance Workers Compensation and Disability Management Conference in San Francisco. Over 30 leading industry experts addressing the workers comp issues you want to hear about. If you want to know how to cope with ominous legislative, regulatory and case law developments, the current market crisis, coping with catastrophe’s such as September 11, avoiding legal pitfalls in responsive return to work programs and more, then this is the conference for you! For more information, you may contact Cathey Fenn at 516.594.3000, Ext. 21.

JOB OPPORTUNITIES

CLAIMS MANAGER - CKE RESTAURANTS

Effective immediately, claims manager position available at CKE Restaurants located in Carpenteria, CA. Position manages the AL, GL and WC claims programs nationwide and supervises 2 other positions and several vendors. Please e-mail resume and interest to Barbara Anderson, Director of Risk Management: banderson@ckr.com or phone: 1.800.422.4141 Ext. 4426.

LEGISLATIVE UPDATES

MANY AIRLINE WORKERS TO BENEFIT FROM WHISTLEBLOWER PROTECTIONS

OSHA and the Federal Aviation Administration (FAA) have signed an agreement that protects flight attendants and other aviation workers who blow the whistle about safety-related concerns. The move was applauded by the Association of Flight Attendants (AAF), which pushed for this protection.

The memorandum of understanding signed by the agencies provides that, in the event of discrimination resulting from a worker’s report, the FAA must investigate the safety complaint and share the information with OSHA. The FAA must also provide the worker with the local address and phone number of the nearest OSHA office and advise the individual that the law requires that formal complaints be filed with OSHA within 90 days of the date the discrimination occurred. In the event of an employee complaint of discrimination, OSHA may require the employer to reinstate the worker with back pay and compensatory damages.

AAF president Patricia Friend observed that: “An employee’s ability to report a potentially dangerous problem without fear of retribution is an essential component in a truly secure system.” In a press release, she expressed disappointment that not all aviation employees, including the newly federalized security screening workers, will be afforded such protection.

GOVERNMENT AWARDS 9/11 - RELATED SAFETY AND HEALTH GRANTS

In an effort to reach out to emergency workers in need of mental health and other services, the U.S. Department of Health and Human Services (HSS) has made a dozen research and training grants worth \$10.5 million. The grants will go specifically to organizations that serve public safety workers in New York and in other states affected by the attacks.

HHS Secretary Tommy Thompson recalled that “When the terrorists attacked, we turned to firefighters, police officers, and other rescue workers to save lives and help America recover. These grants will help fulfill our obligation to these brave men and women by supporting needed research, training, and health services to protect their health and well-being.”

LEGISLATIVE UPDATES

The funds come from the department's National Institute of Environmental Health Sciences. Organizations that will receive the funds include the International Association of Firefighters, the International Union of Operating Engineers, the Alice Hamilton Occupational Health Center, the Maine Labor Group on Health, the University of Medicine & Dentistry of New Jersey, John Hopkins University, the University of North Carolina, and the Center to Protect Workers' Rights, among others. The research and training programs to be developed involve hazardous material handling, exposure assessment, respiratory symptoms, pregnancy outcomes in exposed women, and environmental remediation.

REQUIRED WORKPLACE POSTING NOTICE

California Labor Code, Section 3550, requires that: "Every employer...shall post and keep posted in a conspicuous location frequented by employees and where it may be easily read by employees during the hours of the workday, a notice which shall state the name of a current compensation insurance carrier..."

Failure to comply with this requirement is a misdemeanor and considered evidence of non insurance. State Fund provides a form, Notice to Employees, #13708 (English) or #13709 (Spanish), which complies with this requirement. If you would like to order this notice, contact the Loss Control department of your nearest State Fund office.

"upon request of an employee..." Labor Code, Section 3552, requires that: "an employer shall provide...an appropriate form on which the employee may state the name of his/her 'personal physician'..." However, employers are not required to solicit employees for this designation of personal physician. When ordering, ask for form #13506.

NEW GUIDELINES ISSUED TO SAFEGUARD BUILDINGS FOR TERRORISM

NIOSH has issued guidelines for protecting ventilation systems in commercial and government buildings from chemical, biological, and radiological attacks. The guidance includes recommendations that address the physical security of ventilation systems, airflow and filtration, systems maintenance, and maintenance staff training. The document was prepared by NIOSH in conjunction with the Office of Homeland Security and a number of other federal agencies, state and local groups, and professional associations.

The guidelines recommend that security measures be adopted for air intakes and return-air grilles, and that access to building operations systems and building design information be restricted. It's also recommended that emergency capabilities of systems' operational controls should be assessed and that building emergency plans be updated and preventive maintenance steps taken. Building owners are warned against taking "detrimental actions," such as permanently sealing outdoor air intakes.

The publication, "Guidance for Protecting Building Environments from Airborne Chemical Biological, or Radiological Attacks," is available on NIOSH website at www.cdc.gov/niosh

CALENDAR OF EVENTS

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

September 18, 2002

Monthly Luncheon

September 18-20, 2002

RIMS Western Regional Conference
Port Ludlow, WA

October 16, 2002

Education Day Fall Conference

November 20, 2002

RIMS L.A. Annual Meeting

December 11, 2002

Holiday Party
The Jonathan Club

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