



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

# L.A. RIMS NEWS

Los Angeles Chapter

The Newsletter for Risk and Insurance Management Professionals February 2003

## **PRESIDENT'S MESSAGE**

Have you noticed that we have a few new members to our Board of Directors? They are Madeline Ramirez of Los Angeles World Airports, Scott Ritto of Metropolitan Stevedore, and Dennis Healy of L.A. Newspaper Group.

Madeline is the Director of Public Relations for the L.A. Chapter. She will oversee the marketing of our Chapter, such as event registration forms and flyers, informational flyers, website notifications, as well as help us organize and create templates for future usage. Maddie has a keen eye, so I trust she will be an asset to our board.

Scott is the Director of Education for our chapter. He will promote our ARM and CPCU scholarship program, further our search for colleges who can benefit from the Spencer Foundation, oversee our collegiate scholarship program, steer our Education Day Committee, and seek for other educational opportunities for our membership. Scott's commitment to improve our education program is a plus for our Chapter.

Dennis is Co-Director of Membership. If you have attended our monthly luncheon meetings, you already may be aware of some of the changes he has implemented: recognizing new members and improving the nametags for new members. Dennis, with the assistance of Becky Smith, assists our board in providing details of new members for our vote. A new and improved directory is also in the works. Our board welcomes Dennis' enthusiasm.

If you haven't met our newest board members, please take the opportunity to introduce yourself to them at our next luncheon meeting, give them a call, or drop them an email...or better yet, offer to assist them in any way you can. I know they would like to get to know you too.

Until the next meeting,

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

## **FRIENDS OF RIMS CORNER**

**THE LOWDOWN ON TRIA** - *The following article was excerpted from The Bridge, a publication of Willis Construction*

As we all know, President Bush signed the Terrorism Risk Insurance Act on November 26th to provide relief to insurers and reinsurers for terrorism and hopefully get more Americans back to work as owners and contractors will now be able to buy the necessary coverage needed to satisfy lender requirements. As with any bill passed, TRIA is extremely complex and contains many caveats that are not easily understood. For this reason, we would like to address this issue to provide clarification around what the bill exactly does.

These are the facts, as we understand them (today!). Please remember this situation is fluid. The impact of TRIA will be determined in large part by regulations yet to be issued by the Secretary of the Treasury.

1. President Bush signed the TRIA on November 26, 2002. It was effective immediately. It will remain in effect for two years. The Secretary of the Treasury has the discretion to extend the act for a third year.
2. TRIA applies ONLY to damages by "certified acts of terrorism." In order to be certified an act of "terrorism" must be certified by the Secretary of the Treasury, the Secretary of State, and the Attorney General.
3. The criteria for certification are 1) the damages must be the result of an act that is violent or dangerous to human life, property, or infrastructure. 2) The damage must have occurred to property located within the US (including US territories, missions, and possessions and US territorial waters) or to US air carriers or vessels as defined in TRIA irrespective of where they are located when the damages occur. 3) Damages must be committed by

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## **FRIENDS OF RIMS CONTINUED**

or on behalf of a foreign person or foreign interest. TRIA does not apply to domestic terrorism. If coverage was needed for domestic acts of terrorism before November 26, it is still needed.

4. When the President signed the bill, all exclusions applying to "terrorism," as defined by TRIA, were nullified. The nullification applies to policies written by all admitted insurers, surplus lines insurers on the NAIC list of eligible alien insurers, assigned risk plans, and other residual markets as if they are true risk takers. TRIA does not apply to captive insurance companies or self-insurance schemes, but the Secretary of the Treasury has the discretion to bring them under the TRIA later. So far as we know, if the Secretary puts captives and self-insured schemes under the act, his decision will apply to all such companies; we do not expect individual captives or reinsurers to have the discretion to opt in or opt out.

5. No insurance company is obligated to accept TRIA insurance, (for some reason, the statute does not call it reinsurance), but no insurance company can escape its legal duty to cover "certified terrorism" by rejecting the Federal insurance.

6. If any insurance company wants to be covered by TRIA insurance, it must issue notices to its policyholders. These notices have started appearing in your mailboxes already.

7. TRIA does not regulate "terrorism" insurance rates. However, TRIA does not affect the authority of insurance commissioners to regulate rates except that, until December 31, 2003, the authority for prior approval is changed to authority for retroactive review.

This is TRIA, as we understand it today. The situation will experience change and should be followed closely.

## **CHAPTER CLIPS**

### ***FUNDAMENTALS OF INSURANCE COURSE, FEBRUARY 10-11, 2003, COSTA MESA, CA***

Registrations are now being accepted for the above course. For details and registration information, please contact RIMS professional Development Department at [pd@rims.org](mailto:pd@rims.org) or call 212.655.6212

## **LEGISLATIVE UPDATES**

### ***SINGER CLAIMS POOR WORK CLIMATE, SAYS FAKE FOG IS A JOB HAZARD***

An opera singer has sued the San Francisco Opera Association, claiming that the fake fog used to add drama to productions is making her sick. The case involves Alexandra Nehra, who is also suing Rosco Laboratories, which makes the fog machine used by the opera company. Nehra's lawyer says she first became ill in 1999, suffering an asthma attack as the fog machines poured out mist on stage. Ever since Nehra has suffered from breathing problems and migraines, the attorney claims.

The problem is not new. Critics have claimed for years that glycol fog irritates and dries out the throat. Another member of the San Francisco Opera company, Pamela Dale, was eventually diagnosed with reactive airway disease after exposure to the fog. Now, the opera excuses her from performances where it is used, a significant percentage of the operas performed. Rosco, the world's largest maker of glycol fog machines, has defended its product staunchly. In fact, in 1984 Rosco and a German inventor won an Academy Award for "developing a nontoxic fluid that creates simulated fog and smoke." The California Department of Health Services has surveyed opera singers, and reported high levels of respiratory problems. Cal/OSHA has cited the San Francisco Opera, claiming that employees suffered "adverse physical symptoms as a result of theatrical smoke and fog." A NIOSH study in 1994 found no evidence that the fake fog causes asthma.

## **JOB OPPORTUNITIES**

### ***VICE PRESIDENT - RISK MANAGEMENT***

M.D.C. Holdings, Inc., building homes under the name of Richmond American Homes, one of the largest and best performing homebuilders in the United States is hiring a Vice President of Risk Management who will oversee all aspects of the Risk Management function including program direction, goals and functions. The ideal candidate will be able to architect, execute and enterprise a wide operational risk management program including designing and implementing measures to avoid, eliminate, control or reduce the effect of assessed risk. The position requires an individual who will rely on eight -10

## JOB OPPORTUNITIES

years' experience and judgment to analyze risk and make recommendations to senior management. Candidate should be a creative thinker, have a strong business mentality, and have the experience/capability to finance risk for the company. Qualifications for this position include: MBA and insurance designation; strong financial background; demonstrated success at developing innovative strategic solutions within a complex, large and fast-paced culture; excellent communication and facilitation skills with all professional levels; strong project management and multi-tasking capabilities. Candidate must be willing to travel and demonstrate an ability to champion efforts to create and sustain a diverse work environment.

Please send resume and salary history to:  
careers1@mdch.com  
www.RichmondAmerican.com

### **COMPLIANCE AND RISK MANAGEMENT OFFICER (CRMO)**

Jim Harnagel, senior consultant with LHB Consulting in Los Angeles ([www.lhbconsulting.com](http://www.lhbconsulting.com)), a search firm, is recruiting for an international firm based in Orange County. They are seeking a Compliance and Risk Management Officer (CRMO).

The CRMO reports to the VP GC. The CRMO is responsible for the development, implementation, and maintenance of policies and procedures related to corp. gov., regulatory compliance, and risk management programs.

It is crucial that the candidate come from a technical environment, i.e. software sales and that they have a solid background in insurance regs. The CRMO will manage the relationship with all firms providing risk insurance services to the company. This includes evaluating and selecting the firm(s), developing the contractual relationship, and administering the claims function. The CRMO is the primary contact for the Emergency Response Unit.

Ten -15 years of experience in the high tech sector and experience in the insurance industry is desired. They will not relocate and are offering approx. \$120k for this position.

If anyone is interested, they may e-mail their CV to Jim Harnagel or call him at (310) 823-3307.

### **SENIOR RISK MANAGEMENT SPECIALIST**

Westfield Corporation, Inc. - Los Angeles

Westfield Corporation, Inc. owns, develops and currently operates 62 shopping centers in the U.S. branded as Westfield Shoppingtowns. Westfield's corporate U.S. offices are located in West Los Angeles.

The Senior Risk Management Specialist position will report to the V.P. - Risk Management and will be involved in all aspects of the department function, including the administration and coordination of all lines of insurance and ad hoc projects. Responsibilities would include involvement in property, casualty, financial products, allocations, contract review, property losses, and provide support on liability claims management and loss control. 7-10 years experience in related field a minimum and proficient computer skills and a financial aptitude a must. Interested parties may e-mail their resumes to Ruth Chapman V.P. - Risk Mgmt. at: [Rchapman@westfield.com](mailto:Rchapman@westfield.com)

## CALENDAR OF EVENTS

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

February 19, 2003  
Monthly Luncheon

March 19, 2003  
Monthly Luncheon

May 21, 2003  
Monthly Luncheon

June 2, 2003  
RIMS L.A. Annual Golf Tournament  
Brookside Golf Course, Pasadena, CA

### L.A. RIMS NEWS



L.A. RIMS is published monthly. Please send address corrections or articles and photos to

LA RIMS office at:

**P.O. Box 10065**

**Burbank, CA 91510**

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