

## President's Message

### Scott Ritto

L.A. RIMS Chapter President

I hope that everyone attending this year's National Conference had an enjoyable time and accomplished everything they intended. I personally was able to utilize the opportunity to meet with several of my organization's insurance carrier representatives prior to our annual renewal, as well as gaining important knowledge related to Enterprise Risk Management. At no other time throughout the year do we have such a congregation of insurance and risk management professionals.

Our focus this month turns to the golf tournament that is quickly approaching. We have an incredible number of sponsors for the golf tournament this year, and we would like to extend our sincere thanks and appreciation to all of the generous sponsors. The relationships that we maintain with our corporate sponsors, all of the volunteers, and golfers work to keep the Los Angeles Chapter of RIMS moving forward in the right direction, and I am very proud to be a representative of this organization. Thanks again for all of the support.

All the best,  
Scott Ritto  
L.A. RIMS Chapter President



## Calendar of Events

~ ~ MARK YOUR CALENDARS FOR  
2006! ~ ~



### May 22 ~ L.A. Chapter's Annual Golf Tournament

June 21 ~ Luncheon Meeting at The New Otani

July 19 ~ Luncheon Meeting at The New Otani

August 23 ~ Luncheon Meeting at The New Otani  
(Please note this is the 4<sup>th</sup> Wednesday of the month)

September 20 ~ Luncheon Meeting at The New Otani

October 1-4 ~ RIMS Western Regional Conference in Park City, Utah

October 18 ~ L.A. Chapter's Education Day

November 15 ~ Luncheon Meeting at The New Otani

December 6 ~ L.A. Chapter's Holiday Event & Installation at the Jonathan Club

*Dates and locations are subject to change. Advance notice will be provided. Check our website at <http://losangeles.rims.org> for the most current information.*

Please visit the LA RIMS Survey and give us your feedback and help us improve our services:

<http://www.larims.org/survey2.htm>

WE WOULD LIKE TO EXTEND A SPECIAL THANKS TO  
THE MANY SPONSORS ALREADY INVOLVED IN THIS  
YEARS GOLF TOURNAMENT

ACE USA Special Risk  
AIG National Accounts  
Allianz Insurance  
American Technologies Inc.  
AON Risk Services  
AON/Albert G. Ruben  
Arch Insurance  
Arthur J. Gallagher & Co.  
Axis U.S. Insurance  
Beecher Carlson  
Chubb  
Comp IQ Corp  
Corvel Corporation  
Crawford & Co.  
Cumbre Insurance Services

Dempsey & Meyers  
Dickstein Shapiro Morin & Oshinsky  
Discover Re  
FM Global  
Insurance Law Group  
Liberty Mutual  
Lockton  
Marsh Risk & Insurance Services  
Morgan Lewis & Bockius  
Toyota Risk Management  
Ward-U.S. Risk  
Willis

**Thank you!**

LA RIMS would especially like to thank

**ZURICH**

Our Golf Tournament Co Sponsor

# Welcome New Members

## Deputy Member

- ❖ Charlene Abe County of Los Angeles
- ❖ Sean Conley Countrywide Financial
- ❖ Robert Feld Los Angeles World Airports
- ❖ Eric Shallenberger AEG

## Associate Member

- ❖ Bob Cohen iJet Intelligent Risk Systems
- ❖ Fernando Pla Octagon Risk Services
- ❖ Brian Schneider Schneider & Associates



## Chapter Clips

## JUNE 21, 2006 LUNCHEON

TOPIC: PROTECTING YOUR INTELLECTUAL PROPERTY

SPEAKERS:

**Christian Tregillis** is a Managing Director for Kroll Financial Advisory Services, in Los Angeles. He also serves as the National Practice Leader of Kroll's Intellectual Property Services group.

**Mark Vella** is a Vice President for Marsh Risk & Insurance Services, in the FINPRO Client Advisory department, in Newport Beach. As an errors and omissions specialist, he offers clients critical guidance on coverages and program design for intellectual property coverage.

Intellectual property creates exclusivity, which drive the profitability, and hence, the value in companies. If it is lost, the value of a company can fall significantly. It can be lost or diminished for a variety of reasons, including theft and infringement. We've all watched with interest the ongoing court battle over the Blackberry. No sooner was the issue with NTP, Inc. settled, but a second lawsuit was filed against Research in Motion Ltd. by Visto, also alleging patent infringement.

How can you minimize your risk? What risk transfer and related tools are in use? Our speakers, Christian Tregillis and Mark Vella will cover these issues and more in our June luncheon program.

Please plan on joining us on Wednesday, June 21, 2006.

## **DEFENSE BASE ACT**

### **PLACES OF EMPLOYMENT**

The Defense Base Act applies to contractors or subcontractors engaged in any employment:

1. At any overseas military, air, or naval base;
2. Upon any lands occupied or used by the U.S. for military or naval purposes;
3. Upon any public work outside the U.S. under a contract with the U.S.;
4. Under a contract entered into with the U.S. or any agency thereof where such contract is to be performed outside the continental U.S. for the purpose in engaging in public work;
5. Under a contract approved and financed by the U.S. or any agency thereof where such contract is to be performed outside the continental U.S. and has been deemed necessary to U.S. National Security; or
6. With an American employer providing welfare or similar services outside of the United States for the benefit of the Armed Forces, e.g. the USO.

All employees engaged in such employment as noted above are covered under the Act, regardless of nationality.

### **INSURANCE REQUIREMENTS**

Federal law requires (Section 32(a) of the Longshore Act) that all U.S. government contractors and subcontractors secure workers' compensation insurance for their employees working overseas. Such insurance must be provided by an insurance carrier authorized to write coverage under the Defense Base Act extension of the Longshore and Harbor Workers' Compensation Act. The U.S. Department of Labor, Office of Workers' Compensation Programs is responsible for the authorization of insurance carriers and self-insurance of employers. ACE USA, AIG, and CNA are the three major insurance carriers currently providing Defense Base Act insurance coverage.

### **DEFENSE BASE ACT BENEFITS**

The Defense Base Act provides disability, medical, and death benefits to covered employees injured or killed in the course of employment, whether or not the injury or death occurred during work hours.

The scope of compensability under the Defense Base Act:

1. Arising out of and in the course of employment.
2. Doctrine of Zone of Special Danger – a judicially created legal concept. First enunciated by the U.S. Supreme Court in a 1951 decision in the following terms: The test of recovery is not a causal relation between the nature of employment of the injured person and the accident. Nor is it necessary that the employee be engaged at the time of the injury in activity of the benefit to his employer. All that is required is that the "obligation or condition" of employment create the "zone of special danger" out of which the injury arose.
3. Doctrine of Reasonable Recreation – where an employer furnishes, funds or promotes recreational activities.

### **WAR HAZARDS COMPENSATION ACT**

The War Hazards Compensation Act (WHCA) 42 U.S.C. § 1701 et seq. establishes a compensation system that provides reimbursement to contractors covered by the Defense Base Act (DBA) 42 U.S.C. § 1651, et seq. for both benefit and administrative costs resulting from an injury or death caused by a "war risk hazard." It also provides direct payments to DBA and certain employees as a result of their detention by a "hostile force or person" and payments to certain employees (and their dependents) when injury or death occurs due to a "war risk hazard."

***This summary has been provided on behalf of ACE USA's International & Specialty Unit, which specializes in global programs and specialty coverages. ACE International & Specialty offers coverages for a broad range of mid-to large-sized U.S.-based companies. ACE USA is the U.S.-based retail operating division of the ACE Group of Companies, headed by ACE Limited (NYSE: ACE), and is rated A+ (Superior) by A.M. Best Company and A+ (Strong) Standard & Poor's. ACE USA, through its underwriting companies, provides insurance products and services throughout the U.S. Additional information on ACE USA and its products and services can be found at [www.ace-ina.com](http://www.ace-ina.com) ◆***

## SAVE THE DATE

Mark your calendars and note that you will be golfing on May 22<sup>nd</sup> at the Rio Hondo Country Club with the RIMS L.A. Chapter!



You don't want to miss our chapter's biggest event of the year...a day on the course, plenty of food and beverages, and a chance to win great prizes.

~~ **FEATURED PRIZE** ~~

Two Clubhouse Passes  
To the Target World Challenge  
PGA Tournament Featuring  
**TIGER WOODS** for Friday, December 8, 2006

~~Donated by~~

**Castle & Cooke & Dole Food Company, Inc.**

All for a good cause: to raise money for scholarships, to contribute to those in need in our community, and to continue to provide education and support to our membership.



### GOLF TOURNAMENT LOCATION

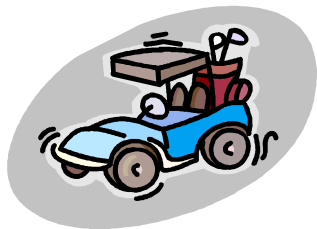
This year's golf tournament will be held at the Rio Hondo Country Club in Downey. We really enjoyed this course last year and know you that you will too! Rio Hondo offers a challenging course, an updated banquet facility, serve excellent food, and all your favorite beverages.

For more details about the golf course, go to [http://www.downeyca.org/city\\_cs\\_riohondo.php](http://www.downeyca.org/city_cs_riohondo.php)

### VOLUNTEERS AND PRIZES

Would you like to help out at the annual golf tournament?

Would your company like to donate a prize for the evening's raffle? How about items for the giveaway bags?



**Volunteers** are needed for this event. Even if you don't play golf, you will have a good time!

Plus, each year we've had volunteers win great prizes without having to know the difference between a sand wedge and a chip...and yes, lunch is provided. If you are interested in volunteering, please contact Todd Marumoto at 310-252-3208 or [Todd.Marumoto@Mattel.com](mailto:Todd.Marumoto@Mattel.com). ♦

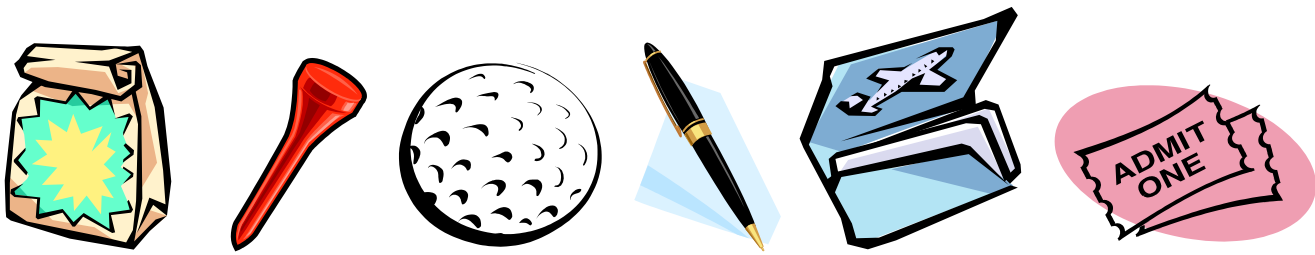
### **Raffle Donations:**

If your company would like to participate in the evening's raffle by donating door prizes, such as sporting tickets, golf shirts, jackets, golf bags, clubs, gift baskets, trips, amusement park tickets, gift certificates, etc., then please contact Kurt Leisure at 818-871-3097 or [KLeisure@TheCheesecakeFactory.com](mailto:KLeisure@TheCheesecakeFactory.com).



### **Giveaway Bags:**

If you would like to donate items for the giveaway bags, such as golf balls, tees, golf towels, pens, etc., please let us know what you can donate by contacting Noriel Sandoval at [nsandoval@castlecooke.com](mailto:nsandoval@castlecooke.com) if interested.



**Your donation, whether it is your time or a gift, will be appreciated by the L.A. Chapter membership, associates, and friends!**

# SAVE THE DATE

October 1 - 4, 2006



## RIMS Western Regional Conference Hosted by the Utah Chapter of RIMS *Park City, Utah*

- Dynamic risk managers sharing best practices
- Separate track for public risk managers
- Great \$79 room rate at Marriott Park City
- Fantastic venue, beautiful Park City Utah!



### MARK YOUR CALENDARS NOW!

Watch for registration information coming soon or  
Contact Co-Chairs for more information:

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