



Quarterly Newsletter

Fall 2012

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PRESIDENT’S MESSAGE

Well, so far...so good....

That is the definition of an optimist when, after he jumps off the Empire State Building, and upon reaching the 50th floor on the way down he makes that statement. One could also make that statement since we have thus far come through 2012 without any major catastrophes. That is good news, because as more and more of us are beginning to observe, the insurance market is in a state of transition. Gone are the expectations of double-digit rate decreases. Such is not the case with the Los Angeles Chapter of RIMS. We have had a fantastic year and we are really excited as we push toward the end of the year. As I mentioned in my last message, the Golf Tournament was a blowout success that exceeded any golf tournament we had previously. We then launched into planning our traditional Risk Manager Summer Mixer at the Playboy Mansion. Wow! That was a fabulous event attended by 246 risk management professionals. I still hear people talking about it. Please stay tuned to find out how we’re going to beat that next year.

We are now wrapping up the final plans for Education Day and our annual Officer Installation Dinner and Holiday Party, which will be held on Thursday December 6, 2012 at the Woodland Hills Country Club. As for Education Day, we are excited to announce that Dr. Lucy Jones of the U.S. Geological Survey and Caltech will deliver the keynote address. Also speaking will be Dr. Robert Hartwig of the Insurance Information Institute. This program has been crafted by Dr. Weili Lu of California State University in partnership with the Los Angeles Chapter of RIMS. And to top it all off, the California Department of Insurance has authorized this course for six (6) CE credit hours, so if you hold a broker’s license, please don’t miss out on receiving six (6) CE credits for the next license renewal.

On September 19th, we launched our new Risk Manager Round Table meeting that was hosted by the risk management department as Guess?, Inc. If you are a risk manager or work in a risk management department, please join us for the next Risk Manager Round Table which will be held on January 9, 2013. If you wish to attend, please contact Amber Ardizone at LA RIMS at (818) 843-2245 to register. We look forward to seeing you at Education Day on October 17th and also at the Holiday Party on December 6th. We at the LA RIMS Chapter wish you and your family and healthy and happy Holiday Season and a prosperous New Year!

Ross Pebley – LA RIMS Chapter President 2012-2013

UPCOMING EVENTS

*Education Day - October 17, 2012
Beverly Garland Holiday Inn, Studio City, CA*

*Monthly Luncheon - November 14, 2012
Beverly Garland Holiday Inn, Studio City, CA*

*Annual Installation of Officers, Dinner, Holiday Party - December 6, 2012
Woodland Hills Country Club, Woodland Hills, CA*

LA RIMS SUMMER MIXER PLAYBOY MANSION JULY 25, 2012

The most successful LA RIMS summer mixer to date was held on Wednesday the 25th at the famed Playboy Mansion in Holmby Hills. In a blowout event that sold out in mere days, 250 guests enjoyed drinks and dinner, created by the on premises mansion culinary team, while mingling among the peacocks that roam freely over the lawn. It was a very enjoyable evening and was the talk of the LA risk management community.

The Playboy Mansion is the private residence of Hugh Hefner and is closed to the public. Not only were RIMS attendees treated to an exclusive affair on the manicured mansion grounds, but they were also given personal tours of the extensive gardens, zoo and cottages that span the property. Several Playboy corporate employees were on hand to take groups of attendees through the zoo, game room cottage, guest cottage, tennis court and famous pool grotto, giving attendees an inside glimpse of the workings of the mansion. Many thanks to those employees who volunteered to take an enthusiastic and inquisitive bunch of insurance people around the grounds! If you didn't attend, you may be surprised to learn that the zoo at the mansion is one of the largest private zoos in the US, with monkeys, various birds, fish and reptiles, all cared for by full time keepers. Several birds were out of their cages mingling (and nibbling) with/on the partygoers.

The house DJ kept the tunes flowing while guests mingled, met old, and made some new friends. A true sign of a successful party: no one wanted to leave when it was over!

A photographer was on site to take photos of attendees in front of the mansion. If you have not picked up your photos please contact Amber Ardizone at LA Rims.

A huge thank you is in order to Playboy risk manager Rumana Yasmin, who not only made this entire evening possible, but is an invaluable member of the LA RIMS board. Rumana worked tirelessly on every detail of this event to make it a truly memorable evening for all attendees. Thank you again Rumana.

We look forward to seeing you at our next summer mixer in 2013. It's not to be missed!

**L A RIMS SUMMER MIXER
PLAYBOY MANSION
JULY 25, 2012**



To see more photos go to www.larims.org

**LA RIMS SUMMER MIXER
PLAYBOY MANSION
JULY 25, 2012**



RISK MANAGER ROUND TABLE LUNCHEON SEPTEMBER 19, 2012

On the suggestion of Guess?, Inc's risk manager Susan Welch, the first Risk Manager round table luncheon was held at their corporate office and it was an immediate hit. Hosted by Guess? and open to risk managers and their staff only, 15 attendees from a variety of industries had a chance to meet in one of Guess' floating conference rooms in downtown LA to discuss the common issues we all face. The relaxed forum allowed risk managers to discuss concerns, find solutions, and trade ideas amongst themselves. With no designated speaker, each risk manager had the opportunity to ask questions and share ideas with peers while also learning a little about the corporate culture of each company. A tasty gourmet lunch was served by their on-site commissary and all attendees had a chance to shop at their factory store. The incredible gift bags of iconic Guess swag all attendees took home were a nice touch. A huge thank you to their risk management staff of Susan Welch, Armando Beltran, and Susan Quinn for developing and hosting this event! Due to its popularity, another round table lunch will be offered on January 9th, 2013, location TBD. Since they will be hosted by our members, there are no charge for these luncheons. If you wish to volunteer and host a future round table risk manager lunch, please contact Amber Ardizone at amber@emaoffice.com.

EDUCATION DAY OCTOBER 17, 2012

Los Angeles RIMS and Cal State Fullerton are proud to host an exciting Education Day on the topic of Earthquake-Related Challenges. Sign up fast to hear our Keynote Speaker, Dr. Lucy Jones, Seismologist with the USGS and Research Associate at the Seismological Lab of Caltech. Dr. Lucy Jones is often interviewed on local news stations for her expert earthquake information. You will also hear from these distinguished leaders in our industry: Dr. Robert Hartwig, President - Insurance Information Institute; Dr. Steve D'Arcy, Robitaille - CSU Fullerton; Kate Stillwell, EQECAT; George Yen, Product Manager - CDI; Tony Joseph, Director - Lloyds of London; Jerry Sullivan, President - Sullivan Group; Frank Beuthin, V.P. - Willis; Yohei Miyamoto - AON; and Curtis DeVera, Managing Director - Marsh.

We are also proud to announce that we have been approved for 6 (six) CEU credits. Breakfast and lunch will also be provided. This is truly going to be an exciting event, so be sure to register early as space is limited. Special thanks to Dr. Weili Lu - Cal State Fullerton, Maling Huang - Newegg and Scott Ritto - Westfield for their hard work in putting together such an amazing agenda.

Register at

<http://www.larims.org/eventInfo.php?mName=Oct2012>



NOW AVAILABLE !

RIMS Polo Shirts

\$45 (includes shipping and handling)

to order on our site go to

<http://www.larims.org/store.php>

Welcome New Members

*Miguel Bernal - CAPS Payroll
Jasmine Breitbach - Blair & Company
Chris Burgee - DIRECTV Inc.
Anthony Campos - American Apparel
Alan Cantor - Cantor & Company
Elise Collins - CAPS Payroll
Jonathan Colman - McDowell Shaw Colman & Garcia
Amy Davis - AED Authority
Margy Gunnar - University of Southern California
Glenn Inanaga - Panda Restaurant Group Inc.
Fred Kipperman - Praedicat Inc.
George Loziza Jr. - CAPS Payroll
Jeffrey Masters - Cox Castle & Nicholson LLP
Melissa Schuettler - CareMeridian, LLC
John Musitano - Cox Castle & Nicholson
Patricia Ortiz - Children's Institute Inc.
Marina Petrossian - AEG
Jaqueline Sauter - Reiter Affiliated Companies
Reynold Siemens - Pillsbury Winthrop Shaw Pittma
Judith Stalk - The Capital Group Companies, Inc.
Max Torres - American Apparel
Richard Wolff - Valley Crest Companies*

SOCIAL MONITORING AS AN INVESTIGATIVE SCIENCE

Moving from Surveillance to Monitoring Why social media and digital due diligence should re-shape claims investigations

**Garrett McGinn & Liam Murray
Digistream Investigations**

Insurance claims investigations are undergoing monumental changes in the Digital Age. The explosion of social media and online content is bringing change and opportunity to the field. From an investigative standpoint, the popularity of social mediums designed for easy sharing of personal information in textual, photographic and video form is a veritable treasure trove. Even individuals who wish to post anonymously to the web and social media can have their actions traced by trained investigators aided by quality database connections. Preferably used early and in conjunction with traditional investigative resources, social media monitoring is a very effective tool.

Where Are We Heading?

The contemporary phenomenon of “self-surveillance” is what drives the relevance of social media investigations today. The term, coined by sociologists, describe citizens of our Digital Age who, it is said, are inching tirelessly toward a reality in which they voluntarily track many of their own daily activities via social media. This is not a far-fetched reality, as our own Research Analysts uncover geotagged photographs, location updates, blogs, weight-loss charts, and videos daily, which provide a rich layer of information to develop any claim file. Such a plethora of information begs an obvious question: Why would a claimant or plaintiff post information which, if found, would jeopardize their claim or their lawsuit? Simply put, for a large group of the population, promoting a “personal brand” online trumps the traditional desire for privacy. Sharing, connecting and broadcasting have simply become too important to give up for the sake of an insurance claim or lawsuit. This shift in social norms will ensure the increasing relevance of these investigations.

The only inherent problem with social media investigations is that anyone can claim to do them properly (the same could also be said of surveillance). The barrier to entry is so low that every private investigation firm in the nation now offers this service in one form or another. There is a marked difference, however, between “Intense Googling” by office personnel and a targeted search by a full-time, trained Research Analyst equipped with quality database access who is more computer savvy than anyone he or she is likely to be investigating.

Goals of Social Media Monitoring

Initiating social media monitoring requires that you as claims professionals forge investigative relationships based on the assumption that your vendor is an enthusiastic student of evolving social norms, legal precedents and information technology. Conducted legally, social media investigations are but one tool of many available to insurance professionals faced with suspect claims. Any examination should center on what Digistream Investigations refers to as the Four C’s:

- **Content:** Rich content is that which is useable in court for impeachment purposes, or by a claims professional to aid in surveillance or the denial of a claim. Photographs and video of activity are what the trained investigator is looking for, as well as postings indicating recent or future activities and the locations of these activities.
- **Context:** The content gathered by an investigator is best used when placed in the context of both the insurance claim as well as the individual's background information. For example, an investigator may not grasp the true relevance of a claimant's Craigslist posting stating he is interested in buying circuit boards if he is unaware there is a computer repair business registered to his address. Likewise, hobbies and interests following the date of injury are more significant than those documented years in the past.
- **Compare:** Social media should provide a means of comparing the claimant's statements or activities uncovered during surveillance with their social media posts. Statements in a deposition that they "love" their job can often be contrasted by acutely negative remarks online about their work environment.
- **Courtroom Relevance:** Improperly logged social media investigations have little evidentiary value, particularly if profiles have been made private. Issuing subpoenas to Facebook and other sites after a file has become litigated is expensive and are often rejected on the grounds they are "overly broad" or place "undue burden" on the social media site. All social media and internet evidence should be properly logged, date and time stamped by the investigator to ensure its evidentiary value from the start. The investigator should also be prepared to offer an affidavit detailing how the identity of the claimant was resolved and how evidence was handled.

Like any investment, the return on social media monitoring should be evaluated over an extended period of time, not on the basis of a few cases. It is not uncommon for a claims professional to refer a single file for social media monitoring after attending a seminar on the subject, only to be disappointed that the investigation was not more fruitful. Being a discerning judge of which files are appropriate for social media investigation is important.

When to Conduct Social Media Investigations?

There are four guiding features which can help assist a claims or legal professional in determining whether a file should be referred for a social media investigation:

- **Demographic:** Special attention should be paid to claimants born after 1970 as they represent a large portion of the useful content available. It should be noted, however, that social media is no longer dominated by the “Millennial” generation; roughly one-third of all users of Facebook, for example, are between the ages of 45 and 54. With that said, the frequent posting of upcoming social activities, as well as the utilization of geotagging, photo sharing and other services worth investigating, is still dominated by a younger demographic.
- **Alleged Injury:** Stress, psyche and anxiety claims should warrant immediate social media investigation. The nature of these claims is such that social media content is generally more applicable to refuting the claim than surveillance. It is one of the few places in which a person’s disposition can be clearly documented and saved.
- **“Rumor-Mill”:** When rumors surface that an individual may have been injured while on vacation, while engaging in outside employment or physical activities, a social media investigation is a prudent starting point. While surveillance is forward-looking, social media chronicles the past and efforts on this front should be exhausted before moving ahead with surveillance.
- **Imminent Surveillance:** cursory scans for social media content are always a prudent way to prepare for surveillance. However, leveraging the resources of a full-time Research Analyst devoting hours to trawling for content in a full-fledged investigation is advisable on high-exposure claims or in cases where the client wishes surveillance to be more targeted.

In summary, social media monitoring should make up an increasing portion of any legal or claims professionals investigative portfolio. Forge a relationship with a vendor offering full-time analysts and refer early, selectively and consistently. The cost-benefit ratio of a concerted effort to utilize the service will ensure outsized benefits to the insured.

