



Los Angeles Risk and Insurance Management Society

# Quarterly Newsletter

- Fall 2013 -

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# President's Message

*From Kurt Leisure*



# Upcoming Events!

*Mark your calendars!*

October 16, 2013

Education Day  
Beverly Garland Holiday Inn, Studio City, CA

November 20, 2013

Monthly Luncheon  
Beverly Garland Holiday Inn, Studio City, CA

December 5, 2013

Installation of Officers-Holiday Party  
Woodland Hills Country Club

January 15, 2014

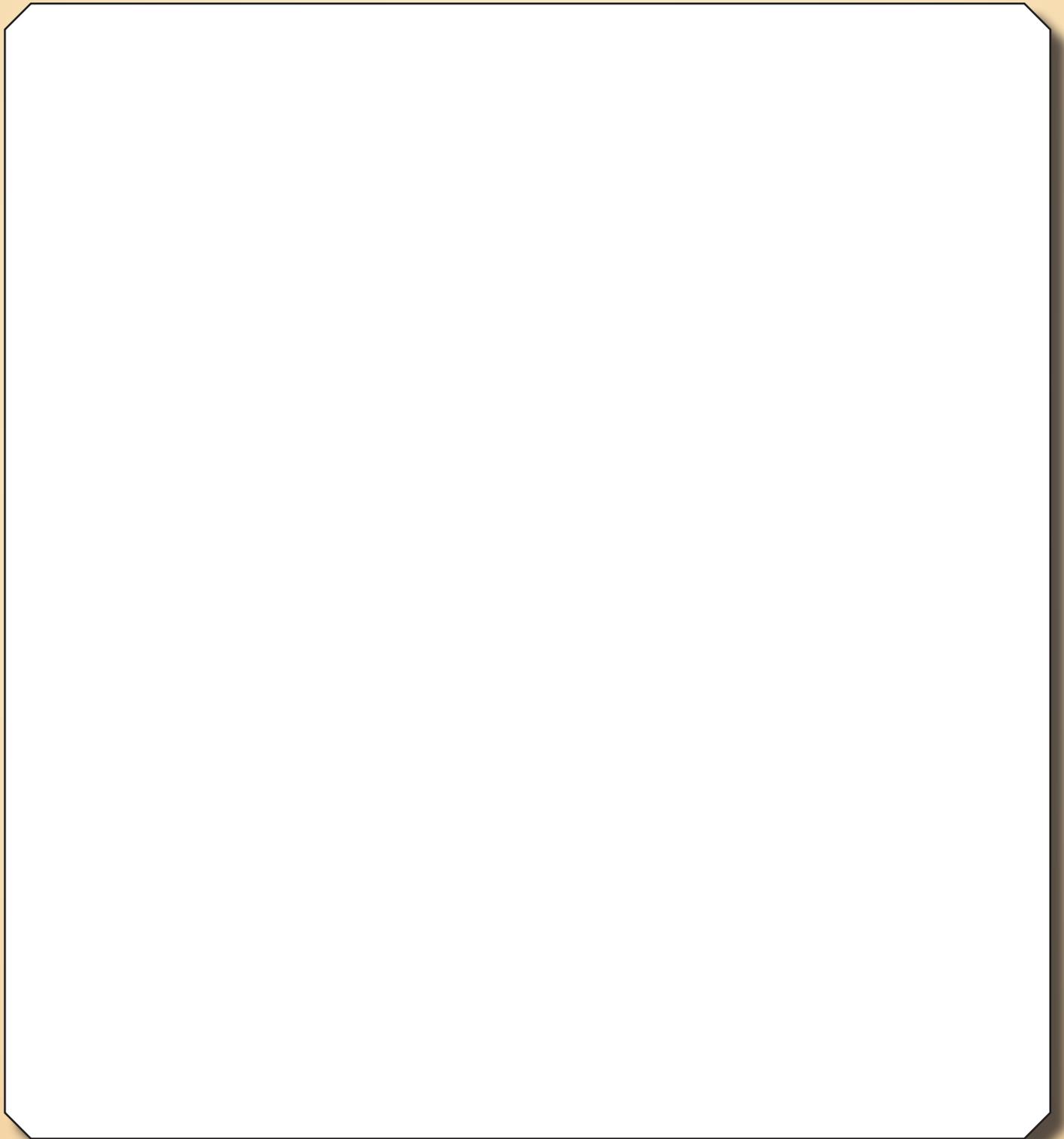
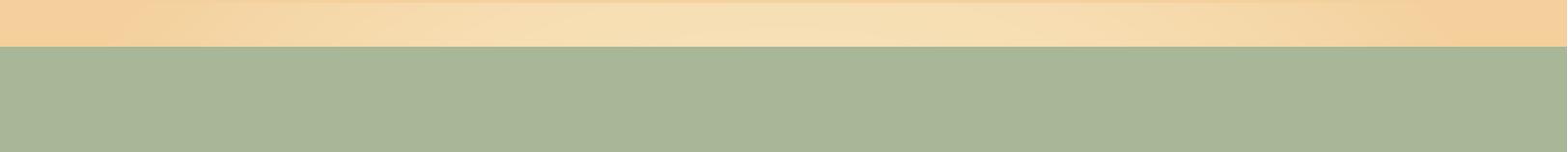
Monthly Luncheon  
Beverly Garland Holiday Inn, Studio City, CA

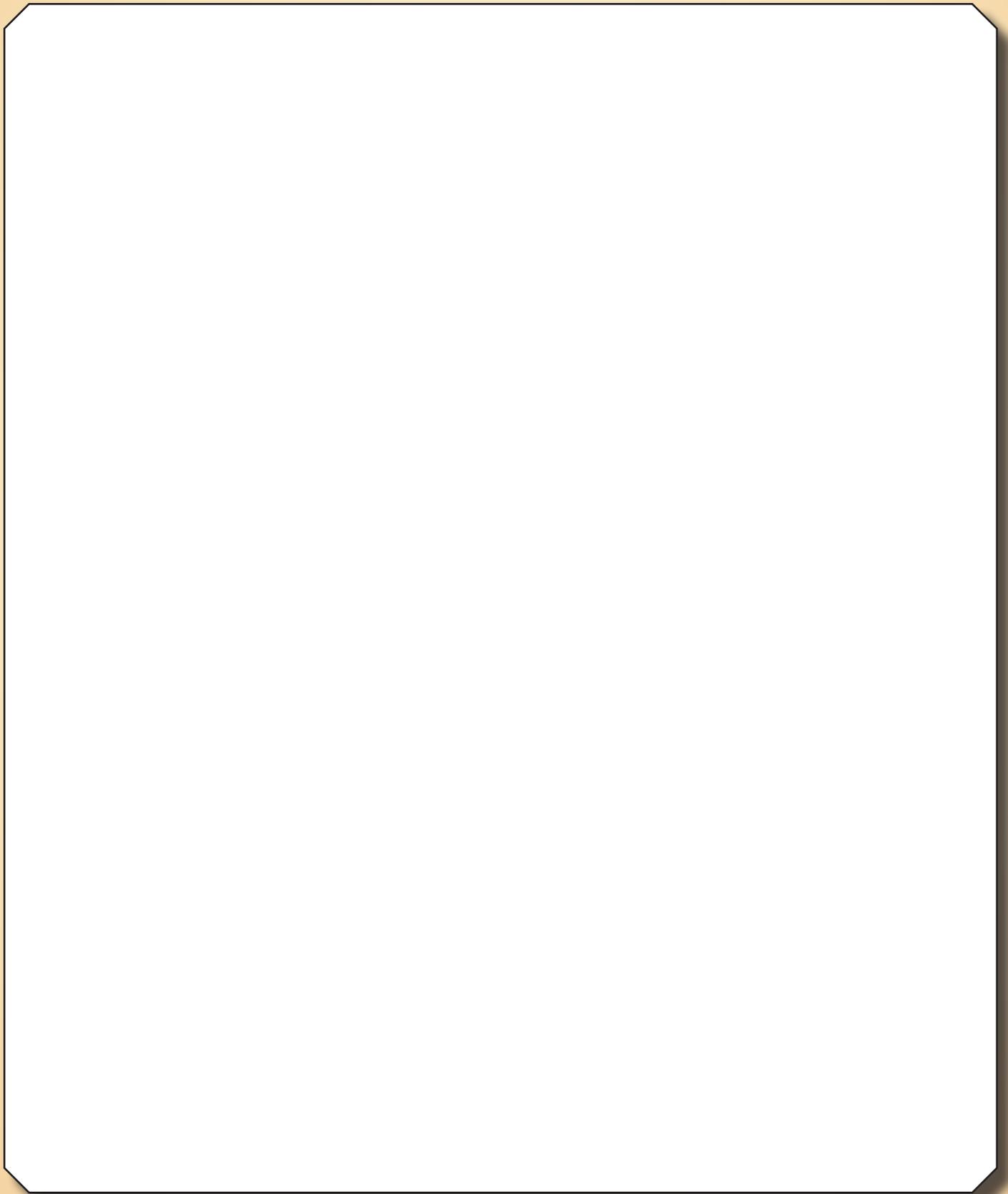
# Welcome

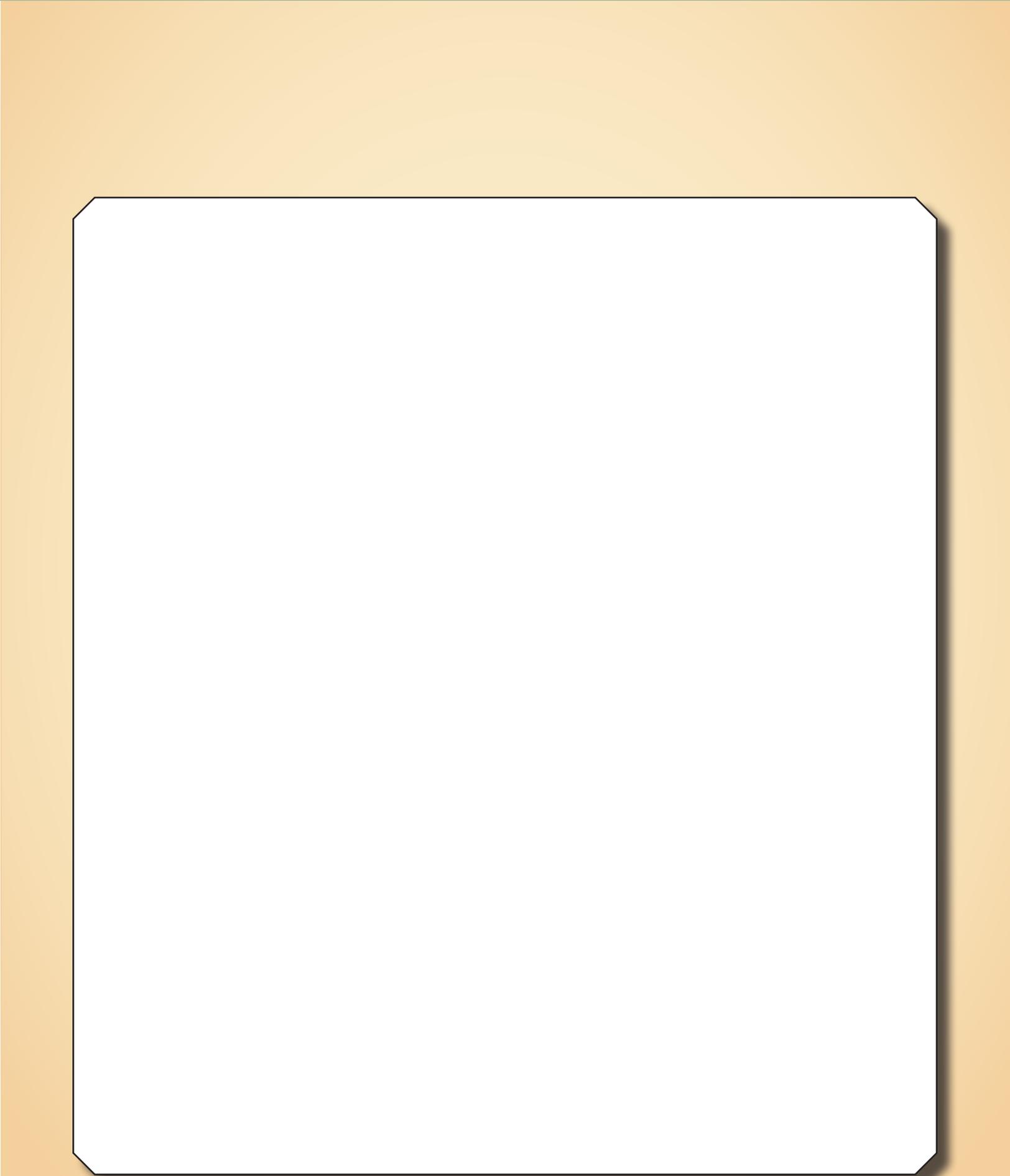
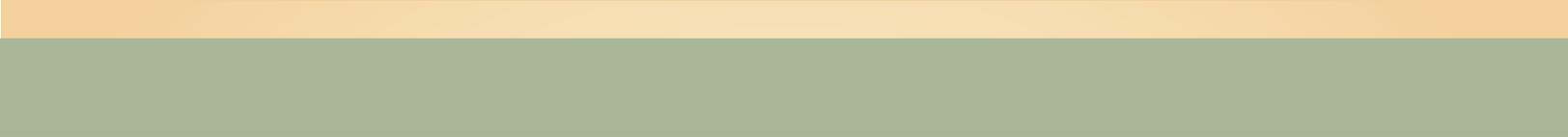
## New RIMS Members

Ben Figlock	Occidental Petroleum Corporation
Lisa Hilton	AARP
Roanld Homan	Homan & Stone
Toshia Johnson	PTPN
Kathryn Zarkos	CAPS Payroll









# Preparing Before a Disaster Strikes

## **ROBB GREENSPAN, SPPA**

*The Greenspan Co /Adjusters International*

*Claims Consultant For The Policyholder*

By definition, disasters are rarely tame and almost never predictable. Few businesses or residences are truly prepared for the full extent of a disaster when it strikes. While recovery is never easy, there are a few key steps Risk Managers can take before a loss occurs to help make your insurance claim go smoothly.



### **Prior to a Claim**

It is important to take many photographs or videos of your business once a year, especially after any additions or remodeling projects have been completed. Make sure your photos detail both the interior and exterior of your property, as well as its contents, to assist you in proving the extent of the damages in the event of a fire. It is a very valuable memory tool when you are preparing your inventory of “total loss” goods.

Back up Critical Business Information (such as pre-loss inventories, books and records of account, customer and sales data, etc.) and store them in an off-site location. After a loss, you will need to retrieve key client information and financial history, to run your business and to prove your claim. At least two years of prior financial information will be needed for your insurance claim. Any physical inventories taken on a monthly or yearly basis should also be copied and kept off-site to prove your inventory losses.

### **Have a Response Team in Place**

Putting together a Claims Management Team before a disaster strikes can solve many claim problems before they even occur. Assigning a lead spokesperson that is knowledgeable about your business and the insurance coverages in place can be a valuable asset to you. This person can interact with your carrier and lead your staff in preparing the claim and rebuilding the business. Keep in mind that the smallest comment made to an adjuster can make a big difference on how much money you will ultimately recover. It is best to have only one spokesperson working with the adjuster.

### **Review Your Insurance Coverages Annually**

Coverages that were good last year may not be adequate this year, so you must review and update your policies annually. Notify your insurance agent or broker about any new acquisitions, construction, furniture, fixtures or equipment added in the last year. Likewise, any changes in income should be communicated to your insurance agent or broker and reflected in your policy of insurance. The most common problem that occurs in claims is having the wrong values in place.



### **Settling the claim**

Be sure to document all conversations and agreements that are made with your insurance agent and carrier in writing. The only proof you have of what insurance you asked for and what was sold to you is the written record. If in the event of a claim you discover that you did not get what you asked for in coverage, you will need proof to argue this point. Date these records and keep them off-site for future reference.

### **Pre loss claims scenarios**

A great exercise to run within your company and as part of your disaster planning work is to simulate a fire, flood or other shutdown of your business on paper. Asking hypothetical questions as to how you will respond to a fire or flood prior to a disaster will help you prepare and to move quickly reestablishing your business. These questions can be general, such as “what will we do if the plant burns?” and “how will we operate and get back into business?” or they can deal with more specific issues, such as “will we lose telephone service or data service?” and “where will we relocate to and how will we deal with customers?”

The questions are endless, but will lead you to a better understanding of what your needs will be and how your insurance will respond. Issues like “do we need extra expense coverage or versus more business interruption coverage?” will become apparent when you first consider all of the possibilities.

At The Greenspan Company/ Adjusters International, we are frequently contacted by businesses and their brokers to review the coverage in place from a claims point of view. We discuss how the coverages in place will apply should disaster strike. We also use our unique perspective in handling various types of business claims and apply our experiences to their issues, analyzing what is really needed to protect the financial investments of the company.

As a RIMS member, we are happy offer these reviews to other RIMS members at no cost.

Robb Greenspan, SPPA is a senior partner of The Greenspan Company/ Adjusters International, a public adjusting firm established in 1946 in Los Angeles. Greenspan/AI is dedicated to representing the policyholder’s interest in property claims only. Robb has written numerous articles and papers on insurance and has been teaching continuing education classes for Agents and Brokers as well as other Risk Manager professionals for over 25 years. Robb Greenspan is currently serving as a member of the Curriculum Board for the California Department of Insurance and was a past member of the Insurance Commissioners Consumer Complaint and Unfair Claims Practices task force. He holds the Senior Professional Public Adjusters accreditation issued by the National Association of Public Adjusters.

Visit [www.greenspan.com](http://www.greenspan.com) for more information.



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# How to Benefit from SB 863

## Combatting Excessive Medical Charges

### Michael E. Lents

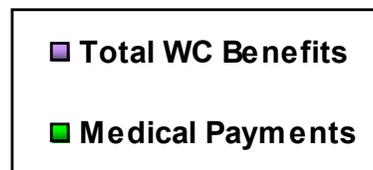
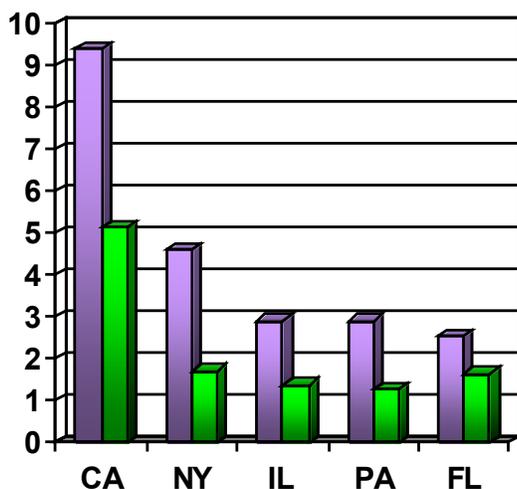
Director, Lien Defense

Lein On Me, Inc

I know we have all heard and been to many seminars regarding Senate Bill 863 (SB 863) over the last year. Some of things have made sense and others have gone in one ear and out the other. In this article, I am going to try to make some sense of how you, as the Risk Manager, can be proactive and benefit from SB 863.

In 2011, Lien On Me was asked by CAJPA to testify regarding the lien abuses before a Senate Committee hearing on SB 863. I discussed that based on our data, in 2000, the average lien was \$3,251.64 and that in 2010, the average lien DOUBLED to \$6,537.96. I indicated that many liens were coming out of the woodwork for dates of service 5, 10, 15 years prior. These liens that were thought to be non-existent create unforeseen costs which force a reallocation of funds.

One recent example of this abuse was a provider that sought additional payments from multiple cities we represent for services dating back to 2000. With one of our cities, this provider filed 50 liens against 34 individual claims. Although, the provider never disputed the initial payments made, they referred their aged account receivables to a collection agency. The outstanding balances on the 50 liens totaled over \$150K that



was being litigated. After extensive negotiations, the City chose to settle all 50 liens to avoid significant litigation costs, which I conservatively calculated at \$83,300 (34 claims x 3.5 hearings/claim x 4 up

