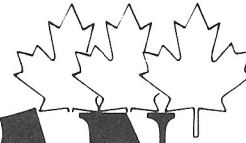


RIMSCAN



February, 1982

NEWSLETTER OF THE CANADIAN CHAPTERS OF THE RISK & INSURANCE MANAGEMENT SOCIETY

Ben Eisenstat, QRIMA, is the current Chairman of the Canadian Chapters Representatives (one appointee from each chapter). He has prepared a brief message for this first issue in 1982.

"On February 22, representatives of each of the Canadian Chapters of the Risk and Insurance Management Society will assemble in Calgary, Alberta. The occasion will be the bi-annual meeting of the Canadian Chapters Committee.

A study of part of the Agenda of topics to be discussed - Formalized Operating Guidelines and Power Structure of Chapters Committee; 1982 Risk Management Conference; Provincial legislative matters; Formation of new chapters; Inter-chapter communication; Liaison with parent organization - certainly leaves one with the feeling that the Risk Management profession is alive and well, and continuing to mature in our fair country.

Under the leadership of our Coordinator, Don Stuart, and with the cooperation of all chapter representatives, the Canadian Chapters Committee has reached a point where topics of growth as opposed to topics of survival dominate discussions and strategy sessions.

The progress to which I make reference will no doubt help to upgrade the quality and improve the awareness by others, of our profession.

For us to succeed and for growth to continue we must all work together. How?? By communicating!! If you have something to say, let us hear from you, NOW!!"

SASKATCHEWAN CHAPTER ENERGIZED !!

13 members have completed the start-up at January 1/82. 2 are former Manitoba reps; 6 non-chapter; and 5 newcomers. Ron Williams of CSP Foods is President; Al Olson of Potash Corporation, Vice-President; Bob Morrow, University of Saskatchewan, Secretary (all from Saskatoon); George Williams, City of Regina, Treasurer; Lou Brunelle, Saskatchewan Wheat Pool, Regina, RIMS Director and Canadian Chapters representative. Other Chapter members, City of Saskatoon, Don Litz; Saskatoon Public School Board, Ron Walters; Saskatchewan Telecommunications, Susan Getzlaf; (Doug Edelman is Deputy for City of Regina); Kallium Chemicals, Dick Elias; Saskatchewan Power Corporation, Jim Wilson; Interprovincial Steel and Pipe Company, Jim Kwong, Williams Brunelle J. McLennan (all of these from Regina); and Morris Rod Weeder, Yorkton, with deputies Steve Popowich and Craig Sharp. FLASH - #13 is Sask. Oil, Dave Wilson. Meeting coming up in Regina March 17. WELCOME AND BEST WISHES to all of you - No. 9, Canada!!



Williams



Morrow



Olson



LIAISON MEETING WITH TORONTO INSURANCE CONFERENCE - NOVEMBER 27/81

Representatives of TIC - Hugh Gibson, TSW; Al Luby, M & M; John Old, J & H, WF; Melba Self, John Titterton, RSS met at the Toronto Board of Trade, with ORIMS Liaison Committee members John Hanbidge, Toronto Harbour Commissioners; Gord Hird, Simpsons-Sears; Barry Shakespeare, Hawker Siddeley; Weldon Wheeler, Dominion Stores, and RIMS Canadian Coordinator, Don Stuart.

Hugh Gibson who chairs the Property Committee, suggested a number of their committees which would appear to fit into the liaison picture - Casualty, Automobile, Personal Lines, Claims, as well as Property. There are 45 members of TIC.

Replacement Cost Endorsement - In the revised wording of this endorsement, the Insured who opts for ACV will be 'stuck' with coinsurance to replacement value, creating a double penalty. On the inclusion of the word "new", HPR insurers use it freely - maybe because of their inspection services, appraisal facility, dealing with more sophisticated purchasers. Discussing the Statement of Values form (IAO 994) it hasn't been updated from days when replacement cover was not offered on equipment; comments were tendered on functional replacement, historical buildings and impossibility of 'new' replacement, betterment, current models entirely different due to technology; type of business (e.g. computers) creates another difficulty, as does partial loss. It is recognized that selling reps. are saying "You get new for old" so why not agree to put it in print?

24-month Prescription - Frequently claims cannot be finalized within current 1-year prescription time. It is felt this should be extended to 2 years; boiler and machinery already is 18 months. RIMS members present do not like the idea of having to issue a writ to protect right of action, and it is inconvenient to be required to request and monitor extensions of time. Both bodies are reviewing with IBC - and may put on the agenda for comments at the Supt. of Insur. Conference.

Joint Loss Agreements - Independent JLA's are being written, the suggested form not having been accepted universally. It is felt necessary to establish a right to call upon JLA in policy wording.

Delayed Claims Settlements - Information is being requested from members whether they perceive any slowing down trend, with interest rates so much higher than in the past. Consideration may have to be given at same time to payment of premiums.

COIRA - ORIMS members had met with COIRA (Canadian Overseas Insurance Risks Assn.) earlier. This group provides a Canadian market for offshore insurance needs, & request support. Members welcome a Canadian approach and subject to competence, stability, security, limitations, rates, would expect to consider this alternative market.

RISK WITH A PURPOSE - Friday, Oct. 9/81 Star carried an interview with Dr. Robt. McClure "Canadian Medical Missionary Hero". In talking of giving life meaning, he commented, "I think this piece of work gives me satisfaction, so I will do it whether other people think it is world-shaking or not. One of the feelings of satisfaction is not merely doing a job, but one which gives a feeling of adventure. I think it is one of the gut things of a vigorous young person, that feeling of adventure. And as you cultivate that, it grows. Risk with a purpose, as I call it, has always been a key part of my philosophy - a tremendous driving force."

SOME LEGISLATIVE ODDS AND ENDS :

Alberta Insurance Act - Motor vehicle accident benefits, after May 31/82, weekly benefit 80% of gross weekly earnings to maximum of \$150. weekly, for 104 wks. - or until injury ceases to be a total disability.....N. B. Fire Prevention Act - assessment 1% of premiums.....Ontario Regulations under the Registered Insurance Brokers Act - section 11 - "a member shall not act in placing insurance with an unlicensed insurer unless ---has informed the member of the public...of the following risks...1 - the insurer is not subject to regulation under the Insurance Act...2 - payment of claims may be more difficult...3 - the Superintendent has no authority...in respect of the insurer...and a (c) section, "sufficient insurance cannot be obtained at reasonable rates or in the form of contract required by the member of the public from insurers licensed under the Insurance Act" Section 21 requires the member (seller) to maintain E and O cover or some other form of financial guarantee to at least \$500,000. - and fidelity insurance to a minimum of \$100,000. (Copy of these regulations can be made available - contact Ed.)

Insurance Law Reports - Ontario case, insurer cannot raise the expiration of one year limitation period as a defence to a claim...when it has clearly and unambiguously admitted liability; Ontario, plaintiff's vehicle sideswiped by a vehicle stolen from a parking lot. The parking lot operator was found responsible for damage - keys had been left in the ignition - "the risk of theft could have been eliminated if the keys had been kept in the booth".

B. C. Senior Citizen Automobile Insurance Grant Act - owner age 65 or over...entitled to a grant or ICBC credit of 25% on the basic premium for auto insurance. Ontario - plaintiff stevedoring firm damaged a crane it hired to unload a ship. Insurer claimed damage was not covered under multi-peril policy by virtue of an exclusion to chartered property. Claim allowed - court finding 'charter' means 'hire' only when used in relation to a means of transportation, NOT in relation to a piece of equipment.

Manitoba - Lessor's insurer claimed fire damage to rental equipment was caused by lessee's negligence. Under rental agreement neither the lessor's undertaking to insure nor undertaking to assume responsibility for fire damage provided that such undertaking did not apply to damage caused by lessee's negligence; held that lessor and its insurer responsible for the fire damage.

MaRIMS November meeting, "How to Invest \$10,000. or less" - Ernie Schell of Dominion Securities Ames. Members hosted their secretaries in appreciation of their assistance...January meeting, "Analysis of a Major Fire Loss" - Grant Dennis...and from Reg Pitchford's Newsletter - a sign on a service station in December, SEASONS GREASINGS.

WELCOME!! SARIMS - Sulpetro Limited - Mrs. Anthea Lister, Insurance Manager, alternate Ms. Carol Ellis; Foothills Pipe Lines - Ed G. Lang, Manager Corporate Insurance....ORIMS - Chubb Industries - Maureen Casey, Manager Internal Audit and Administration; Hudson's Bay Mining and Smelting Co. Ltd. - Claude Bernier now Manager, Risk & Insurance; and new members - Credit Union Bonding Program - Bruno Oberski, Director Risk Management Division; Johnson Matthey Ltd. - Bernie A. Lafferty, Treasurer; Phil Barker, Secretary; Selkirk Communications Ltd. - John Sero, Controller....QRIMA - Asbestos Corp. - Roland Langlois, Ins. Mngr.; Domtar Inc. - alternate, Brian Matthews, Assistant Manager, Insurance; Steinburg Inc. - Gary Carter and Bernard Subissati.

1982 Insurance Day
All-Industry Conference

Wednesday, March 17, 1982

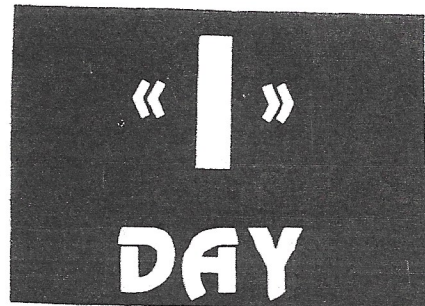
Location : Richmond Inn,
RICHMOND, B. C.

Host : British Columbia Risk &
Insurance Management Ass'n.

PROGRAM

- 8:30 Registration, Coffee/Danish
- 9:00 Opening Remarks
- 9:10 Risk Management - Audio/Visual
Presentation
- 9:30 Risk Management - in today's
Corporate Management Structure
- Pamela A. Dixon, Risk & Insur-
ance Manager, Suncor Inc.
- 10:00 Coffee
- 10:15 Risk Management Relationships -

Moderator, Peter Westlake, Weldwood
Adjuster, John Bell, UAB
Broker, Bill Gruenthal, M & M
Loss Prevention Officer - John
Iverson, B.C. Forest Products
Risk Manager, Jack Hall, Crown
Zellerbach Canada
Underwriter, Ron Scwab, Re & Ex.
- 12:00 Lunch
- 13:30 Workshops :
- 1 - Property Loss Prevention, The
Corporate View
 - 2 - Business Interruption Claim Proc.
 - 3 - Marketing Your Risk
 - 4 - Reinsurance
- (These will be led by the morning
speakers)
- 15:00 Coffee
- 15:15 Workshop Repeat.



Thursday, March 11, 1982

Location : Queen Elizabeth Hotel
MONTREAL

Hosts : QRIMA (Quebec Risk & In-
surance Management Asso-
ciation)

PROGRAM

- 8:15 Registration - Coffee
- 8:45 Introduction & Special
Guest Speaker
- 9:30 Workshops
- 10:45 Coffee
- 11:00 Workshops
- 12:15 Cash Bar and Lunch
- 2:00 Special Guest Speaker
- 2:30 Split-Sessions
- Special Guest Speakers
- Mr. George Springate
Mr. Arthur P. Earle
- Workshops
- Risk Management Process
Loss Prevention & Safety
Claims Adjusting & Handling
Group Home & Automobile Insurance,
1982 & Beyond
Business Interruption
Reinsurance
- Split Sessions
- Risk Financing
- FOR INFORMATION, contact editor,
or Paul St.Denis at Bell Canada.
- Cost : \$50.

QRIMA MEETING, December 10 - Michael Jenkin, Guardian Insurance Company, "Liquidity and Financial Responsibility of Insurers". The Montreal Gazette on December 11 reported with heading, "Instability among Insurers is new risk for managers". Emphasizing the losses which Insurers have experienced this past year, Mr. Jenkin advised, Risk Managers should examine an insurer's capitalization, solvency margin, net amount of business retained, general reinsurance arrangements, investment policy, and profitability. They must look beyond the present 'health' of an insurer and try to make judgments about its future. A simplified Security Check List was distributed, in which he showed the Guardian's position for 1980 as a demonstration exercise.

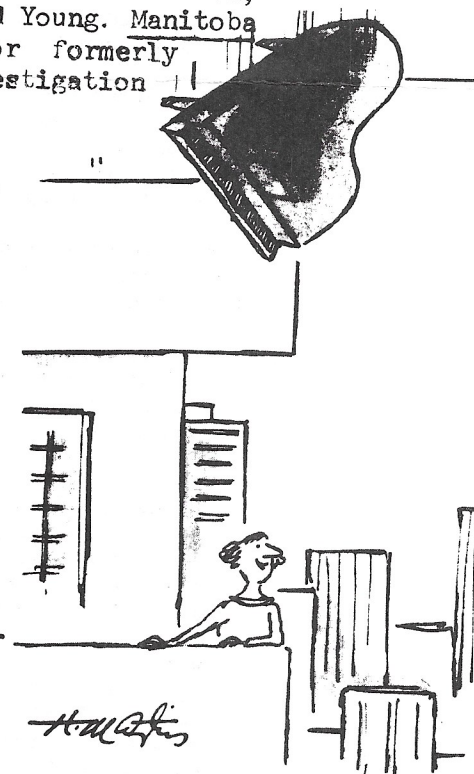
Nfld. & Lab. welcomes Erco Industries - deputies Reg Thorne & John Danton; Household Movers & Shippers - deputies David Howe & David Young. Manitoba reports an exc. Jan. meeting - Grant Dennis, an investigator formerly with the Outerbridge legal firm in Toronto, talking on investigation in analyzing a major loss.

BONSPIEL - DRIMS tried its first "fling of the rocks" Jan. 20. 8 teams composed of society members and the insurance fraternity put their best feet forward, mixing the novice with the expert, and when the ice had withstood the challenge, the rink of Jack Taylor, Barry Shakespeare, Tony Dennis (Royal), and Les Colbeck(skip) was victorious. I hear that Bill Robinson of SARIMS curls regularly in a semi-professional league - his rink was in fourth place at year end. Maybe we'll have a Chapters Challenge some time in the future??

BUSINESS INSURANCE - October 12/81 - pgs. 3, 72,73,74,75 - see write-ups by Eileen Norris on the Canadian Risk Management Conference, Toronto, September 20-23; dealing with Legal Aspects of Risk, Dr. Wayne Snider's "Strategy of Communications"; Security - condensing Des Gillion's remarks; Dr. Don MacRae's Wednesday morning session on "Communication and Motivation"; Felix Kloman's comments on the Future of Risk Management; Al Hill's Loss Prevention session.

Pg. 52 of the same issue gives a brief introduction to English-French terminology in insurance wordings and phrasing, in which you may find special interest.

The November 23/81 issue spotlighted the Canadian Market - 'Economy Spurs Risk Management' - pgs. 11,12,14,16,18, 20-23,27,28,30-36. You'll see a number of familiar faces among the pictures - Eckart Russell, James Horrick, Yvon Menard, Ken Joyce, Sheldon Rankin, Georges Balcer, Pierre Chouinard, Bill Tully, Allan Cole, John Roberts, John Watson. If any readers wish copy of any of these, advise editor - "Taxes Threaten Growth of Benefits", "Benefit Consultants Looking for New Talent", Toronto RMs Develop Skills, Toronto Brokers Stress Service, Montreal Finds Major Risks are Out of Town; Brokers Share Quebec Energy Project, Logging Risks Test Risk Manager's Mettle (article by Bill Tully); Two Insurance Companies Recent Problems Opening the Eyes of Canadian Risk Managers; Calgary Cowboys Shy on Risk Management; In Vancouver, Trees Grow into Forests of Complex Risks; Loss Prevention Gets Attention; Worry Grows over Product Liability Risks; Tougher Regulation of Industry Predicted; Commonwealth Captures more of Premiums; Canadian Indemnity Company.



"Good news, World! Today was my final session with my shrink. At last I'm free of my silly fear of falling pianos."

February/82

David Warren, Consultant in Orinda, California, publishes "The Warren Report" each month. Some of you subscribe. Carol Caswell drew my attention to the November/81 issue; I called Dave whom I have known for some years and received his permission to reprint the following article. Thanks, Dave!)

RISK MANAGEMENT MYTHS - II - RISK MANAGERS NEED INSURANCE EXPERIENCE

Look at these three facts :

1. Risk Management evolved from insurance management.
2. Insurance is a complex and vital part of risk management.
3. Most Risk Managers started their careers with an insurance company or producer.

Do you conclude from this that an insurance background is necessary or desirable for a risk manager? Many do, and there are two results : (1) too many poorly qualified people are thrust into risk manager positions, and (2) insurance maintains a dominance in risk management thought disproportionate to its importance.

I well remember a large financial corporation that suddenly lost its risk manager. It hastily replaced him with a middle-management underwriter from an insurance company, giving him the title "risk manager". An experienced broker commented scornfully on the move : "Yesterday he was a junior insurance clerk and today he is a risk manager. Ha!"

The broker's criticism was well justified. Later experience showed the choice to be a poor one. Unfortunately, this happens far too often, and because management has few guides for assessing the capability of its risk manager, incompetence is rife.

But, you say, insurance is highly complex and such an important part of risk management that some background is surely helpful. In this regard, I tend to believe, with Plato, that "experience takes away more than it adds." The insurance person's mind has been structured in a way that makes it hard to conceive of non-insurance solutions - solutions which are fast becoming more important.

The overriding quality needed by any risk manager is simple managerial capability. If he lacks this, no amount of experience will compensate. If he has this, all the rest can be learned or specialists hired as needed. Experts surround us, but the manager is the one with the overall vision and understanding to bring them all together in the right proportion.

Looking back over the hundreds of risk managers I have known personally, I have separated them into those with insurance background and those without. No real pattern of effectiveness is evident. There are good and bad in both groups, but if I had to pick one, I think the non-insurance group would come out ahead. Probably this is because such persons tend to be chosen more for general ability than do those trained in insurance. One of the best risk managers I have seen was trained as a lawyer, but in general, lawyers make poor risk managers, just as doctors make poor businessmen as a rule.

The conclusion I would draw is this : if you have to fill a risk management position, find the best manager you can. On a scale where 10 is the highest, I think risk manager qualities should be weighted as follows :

Managerial skill	10
General business knowledge	8
Knowledge of your company	6
Knowledge of finance	5
Knowledge of your business	4
Experience as a Risk Manager	4
Insurance knowledge	3
Loss Prevention knowledge	2
Claims knowledge	2

Any rebuttals?

MEMBERSHIP ROSTER CHANGES : (Please make following changes in your copy)

BCRIMA

✓ Page 2 - Canadian Forest Products - new address - 2800 - 1055 Dunsmuir St.,
Box 49420, Bentall Postal Stn.,
VANCOUVER, B. C., V7X 1B5
telephone changes - Richards 661-5235
Campbell 661-5237
Temple 661-5253

✓ NARIMS - Pg. 1, Canadian Utilities - delete Buksa, and remainder of line
(see bottom page 2 also)

SARIMS

✓ Page 1 - Delete Aquitaine Company (amalgamation with CDC Oil and Gas, forming Cantarra Energy)

✓ Page 2 - Delete CDC Oil and Gas Ltd.

- Insert Cantarra Energy Ltd., 505 Fifth Street S.W.,
CALGARY, T2P 2K7
Ron Hendy, Risk Manager 266-0466
GI, LC, Self, NA
Mrs. Dorothy Morton, alternate
- Delete CanDel Oil (merged with Sulpetro Ltd.)

✓ Page 3 - For Foothills Pipe Lines, address - 1600 - 205 Fifth Avenue S.W.,
CALGARY, ALBERTA, T2P 2V7
add - Ed G. Lang, Manager Corporate Insurance

✓ Page 4 - Nova - for alternate Dale McKinnon, add ARM designation.

✓ Page 5 - Add Sulpetro Limited, 3200 Bow Valley Square 3,
255 - Fifth Avenue S. W.,
CALGARY, ALBERTA, T2P 3C6
deputy, Mrs. Anthea Lister, Insurance Manager, 263-4410
alternate, Ms. Carol Ellis

ORIMS

✓ Page 4 - Chubb Industries - Delete Richard Konvalinka, substitute
Maureen Casey, BA, MBA, CIA; Manager, Internal Audit
& Administration; add Job Resp., Sa, Self

✓ Page 5 - Add Credit Union Bonding Program, Box 5048, Station A,
BURLINGTON, ONTARIO, L7R 3Y8 632-1221
Deputy, Bruno Oberski, AIIC, Director Risk Management Div. P

✓ Page 6 - George Weston, change address to Suite 202, and code to M4T 2S3

✓ Page 8 - Hudson's Bay Mining & Smelting, insert Claude Bernier, Manager Risk
& Insurance (NOTE - delete Claude Bernier from Campeau on page 2)

✓ Page 9 - Insert Johnson Matthey Ltd., 110 Industry Street, TORONTO, M6M 4M1
Deputy, Bernie A. Lafferty, CA, Treasurer 763-5111

Alternate, Phil Barker, Secretary NA
- Livingstone - change name to Livingstone International Inc.
alternate deputy is Geoff. M. Dalton, Risk & Ins. Manager

MEMBERSHIP ROSTER CHANGES - 2

ORIMS (continued)

- ✓ Page 12 - Rio Algom - add alternate deputy, Alex. Milne
- New member - Selkirk Communications Ltd., Suite 710, 2 Bloor St. W.,
TORONTO, M4W 3L7 967-5550
John Sero, Controller NA
- ✓ Page 13 - Standard Industries Ltd. - Dudley Jones has retired, and Ed Hadden
will be taking a similar move in a few months. Replacements in
deputy and alternate are : George H. Hawkett, Vice-President, Finance
Peter E. Dubas, Assistant Secretary.

CCRRIMA

- ✓ Page 2 - Courtaulds - Delete Parker; substitute D. A. (Tony) Brown,
Chief Financial Officer.
- ✓ - E. B. Eddy - change telephones to - Roddick 725-6710
Smith 725-6713
- ✓ - Department of Supply & Services Delete Costello, substitute
Peter Russell, Policy Advisor 997-7484

QRIMA

- ✓ Page 1 - Asbestos Corporation - insert Roland Langlois, Insurance Manager.
George McCammon is now President.
- ✓ Page 5 - Domtar - Change deputy to A. John Thomson GI,LC,Self 282-5550 W
Add alternate, Brian Matthews, Assistant Manager, Insurance
282-5241
- ✓ Page 7 - Lavalin - Beaudry is Director - Insurance GI,LC W
Jean Giroux - Vice President - Legal Affairs & Insurance.
- ✓ - Maislin - Alternate deputy, F. K. Seligman, Vice President Corporate
Affairs and Secretary GI,LC,Ben,Self NA
- ✓ Page 10 Steinberg - Delete alternates McDonnell and Capozzolo &
substitute Bernard Subissati, BA,FIIC
Gary Carter, BComm
The SNC Group - Delete Caron, substitute Claude Boudreau

NFLD. & LABRADOR

- ✓ Page 2 - Ultramar - Delete Adams, and substitute
Dick E. Yabsley, General Manager Operations & Commercial Sales
- ✓ Page 1 - Add - ERCO Industries Ltd., Box 5976, ST. JOHN'S, A1C 5X2 - 228-2700 N
Deputy Reg. Thorne, Management Accountant; John Danton, Commercial
Manager. Job resp. Ben.
Household Movers & Shippers Ltd., Box 9158, ST. JOHN'S, A1A 2X9 N
Deputy David Howe, Managing Director; David Young, Comptroller.
Job. resp. GI,LC,Sa,Ben; geog. involvement N 364-4271

NARIMS ✓ Pg. 1 - Allarco - delete deputy Uhrynychuk, substitute Guy Scott.

✓ Pg. 3 - Add Oxford Development Group Ltd., 2300 Royal Trust Tower,
Edmonton Centre, EDMONTON, ALBERTA T5J 3A4 426-6340
Deputy Wm. F. Chandler, Vice-President, Administration.