



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

**RIMS NEWS
SEPTEMBER
2004**

THE AWARD WINNING HOUSTON CHAPTER

Advancing the Risk Management Profession

Do You Believe In Medical Miracles?

(Texas Workers' Compensation Medical Costs)

Guest Speaker: Lucinda Dean Saxon
Government Affairs Manager
Texas Association of Business

It is reported that there are problems with the Texas Workers' Compensation System in that medical costs are higher than other systems across the United States. Who is it that says the Texas System has higher costs involved? Where do they get their information? What makes up the anatomy of medical costs and utilization? What about lost-time claims, how does Texas compare to other states? If the system is so bad, how can we improve it?

Join your colleagues at the monthly Houston Chapter of RIMS luncheon meeting on Wednesday, September 15, 2004, at 11:30 a.m. to learn more about the current status of our state's Workers' Compensation System. Lucinda Dean Saxon is the Government Affairs Manager for the Texas Association of Business (TAB) and is the TAB's person responsible for lobbying on workers' compensation, tort, and privacy policy.

New Members

We are very pleased to announce our new members that joined in August 2004:

Beverly Mathews - Metals USA, Inc.

Tammy Evans - Weingarten Realty Investors

"Claims Made" versus "Occurrence":

A Critical Difference for Business Policyholders

By: James L. Cornell*

There are generally two types of liability policies: "occurrence" and "claims made". Understanding the difference in these two types of policies and, more importantly, the reporting requirements for the policyholder that each entails, could mean the difference between maintaining coverage and losing it.

"Occurrence" policies provide coverage for claims arising out of covered events ("occurrences") which happen during the policy period, regardless of when the "occurrence" ripens into a claim or suit. An occurrence policy may provide coverage for claims that are asserted many years after the policy expires. Most Commercial General Liability ("CGL") policies are "occurrence" policies. They typically require the insured to give notice to the carrier of every demand, notice, claim, summons, suit or other process that the policyholder receives "immediately" (or "as soon as practicable").

In contrast, "claims made" policies cover only those claims that are actually made within the policy period. The "claims made" feature is typically found in Director and Officer liability and professional liability (architect, engineers, physicians, attorneys, etc.) policies.

There are different types of "claims made" policies. The more restrictive form is called a "claims made and reported" policy form. Under this form, not only does the claim have to be made during the policy period, but the policyholder must report it to the insurer during the policy period. This is a very critical requirement. If you have a "claims made and reported" policy, and you learn of a

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From the President's Desk

Hello Everyone,

I hope everyone's summer was safe and enjoyable and that all of your children have successfully made it back-to-school. Hopefully, you find that things have finally settled down and you can start planning for Christmas! Just Kidding.

Our speaker this month, Lucinda Dean Saxon, is the Manager of Government Affairs for the Texas Association of Business (TAB). As you know, in her position, she is responsible for lobbying on behalf of Texas businesses to help tort reform and our flailing workers' compensation program. It is part of our RIMS doctrine that if enough people work toward a common goal of improving a system through education and perseverance, reform will occur.

I invite each and every one of you to join us Wednesday and let Lucinda know what reforms your employers and companies require in order to have a more successful business. After all, it's by lobbying that we achieve improved programs and laws.

Remember, our 2004 Fall Conference – "The Known, The Unknown, and The Foreign" is scheduled for Monday, October 25th at Northgate Country Club. We've decided on 2 morning sessions and we'll have an afternoon session with an offsite "field trip" as well. Please get your registration form filled out and returned.

Take care and I'll see you Wednesday,

Colleen

claim, but do not report it within the policy period, you may lose coverage.

TIPS FOR BUSINESSES:

- Check your insurance portfolio. Be aware of which policies are "claims made".
- Most CGL policies are "occurrence" policies. An occurrence policy is triggered if an occurrence, accident, or event takes place within the policy period, regardless of when the claim is ultimately made.
- Most Director and Officer policies are "claims made". Be sure to give notice of a claim or circumstances which could rise to a claim as soon as you know about them if you have a "claims made" policy.

*James L. Cornell is a Houston attorney whose practice includes representing business clients pursuing their claims against insurance carriers and assisting businesses in maximizing their insurance coverage. Mr. Cornell is the author of Cornell's Texas Insurance Law Digest, and is the Immediate Past Chair of the Insurance Law Section of the State Bar of Texas. He may be reached at 713.547.2231 or james.cornell@haynesboone.com

Education Corner

Join us in November as we honor the most recent recipients of the ARM designation.

Please email Virgil Mead (virgil.mead@nabors.com) for information on RIMS education programs.

Door Prize & Speaker Evaluation Winners...

Door Prize Drawing – Ken Nibling of VARCO International, Inc.

Speaker Evaluation Drawing – No winner. September’s drawing will be for \$40.00.

Meeting Notices, Newsletters and other chapter correspondence are now sent out by e-mail.

If you are a deputy member and are not receiving yours please let us know by contacting Victor Pivetta, Membership Director. Deputies can update/correct information by logging on to the Society web site: www.rims.org. Associates & Non-Members should contact Ginny Penzell.

Houston Area Job Links for September 2004

Company: Katy Independent School District
 Location: P. O. Box 159, Katy, TX 77492-0159
 Position Title: Safety Manager

Company: Zenith Administrators
 Location: Houston
 Position Title: Claims Manager

Company: Employers Reinsurance Corporation, a GE company
 Location: Overland Park, Kansas
 Position Title: Senior Risk Specialist

Listing descriptions and contact information can be found at The Houston RIMS website:
<http://houston.rims.org/ChapterWebsite/RIMSChapter.cfm?CID=328>

For further information regarding positions or to place a job opening for your company in our newsletter, contact Marsha Phillips, Director - Job Placement (832)351-7149
[email:marsha.d.phillips@jacobs.com](mailto:marsha.d.phillips@jacobs.com)

For information regarding RIMS Society listings, contact Jennifer Berman in New York at (212) 286-9292
[email: jberman@rims.org](mailto:jberman@rims.org)

Also, look online at the Houston Chronicle’s classified web site under employment. Do a key word search for Safety or Risk Management at:
<http://www.houstonchronicle.com/classified>

or look online at the Houston Press’s classified web site:
<http://www.houstonpress.com/classifieds>



RIMS Society News

Schedule of RIMS Workshops and Courses ***Update Your Knowledge - Keep Competitive. REGISTER NOW!***

DATE	COURSE	LOCATION
<i>September 22-23, 2004</i>	<i>Risk Management and the London Market</i>	<i>London, England</i>
<i>September 27-28, 2004</i>	<i>Risk Analysis Tools for Effective Risk Mgmt.</i>	<i>New York, NY</i>
<i>October 7-8, 2004</i>	<i>Alternative Risk Financing Techniques</i>	<i>Winnipeg, MB</i>
<i>October 12-13, 2004</i>	<i>Enterprise Risk Management</i>	<i>Dallas, TX</i>
<i>October 14-15, 2004</i>	<i>Finance for the Risk Manager</i>	<i>New York, NY</i>

* Credit towards the RIMS Fellow designation

For details about any of the above workshop or courses, visit:

<http://www.rims.org/education>

For details about the RIMS Fellow designation, visit:

<http://www.rims.org/aboutrf>

For Information about the On-line Crisis Readiness Courses, visit:

<http://www.rims.org/onlinecourses>

For additional info contact the Professional Development Dept. at 212.655.6212 or e-mail pd@rims.org

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Houston Chapter of RIMS

UPCOMING EVENTS

Luncheon meetings are at 11:30 am

2004

September 15, 2004

Do You Believe in Medical Miracles?

October 25, 2004

Houston Chapter RIMS Fall Conference

November 17, 2004

Honararium of ARM Recipients

December 15, 2004

Holiday Topic

2005

January 19, 2005

Risk Manager of the Year

February 16, 2005

Past President Meeting

Presentation by Risk Manager of the Year

March 16, 2005

Joint RIMS/CPCU Meeting

April 17-21, 2005

RIMS Annual Conference - Philadelphia

Check the website:

www.rims.org > chapters > chapter web sites > Houston.
Watch for event information.

September Reservation Deadline

Friday, September 10, 2004 at 4pm

Please send your response by e-mail to jlyon@contactpsc.com or fax the notice to 713.625.7087.

The Luncheon Registration form is available on the chapter web site at www.rims.org

choose "chapters" then "chapter web sites" then "Houston" look for the "Monthly Meeting Notice" on the list to the left.

MEETING PLACE

The Hilton University of Houston

University Drive - Entrance One, Suite 207
Phone #713.741.2447

- Parking is being provided by the Houston Chapter of RIMS.
- Be sure to pick up your token at the registration desk so you can get out of the parking garage free of charge.

