



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

THE AWARD WINNING HOUSTON CHAPTER

Chapter of Distinction

Outstanding Chapter Programming

Advancing the Risk Management Profession

August 2008

In This Edition:

- Chapter President Note
- August 20th Meeting
- Coverage Discussions
- Fall Conference
- Educational Opportunity
- Professional Development Schedule
- New and Renewed Members
- Job Postings
- Chapter Meeting Place

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FROM THE DESK OF THE CHAPTER PRESIDENT...

If you missed the July 16th Monthly meeting, you missed Andy Sall's presentation regarding the Foreign Corrupt Practices Act, and its significance and applicability in the work environment. Andy's presentation can be found on our chapter website.

The **August 20th** Chapter meeting promises to be very enlightening as Jill Hassling, President of the Weather Research Center and Executive Director of the John C. Freeman Weather Society will talk about the Houston Weather Museum and provide valuable information regarding hurricanes and some proactive steps we can take to protect our homes and businesses. Continuing Education credits should be available for attendees.

Remember that the August meeting starts at 11:30am and will be at the Briar Club on Timmons.

By now you should have received a registration form for the **RIMS Houston Chapter Fall Conference and Golf Tournament** at The Woodlands Resort which will be held on **October 17, 2008**. The Conference theme is "Building for the Future" and the speakers will bring a wealth of knowledge related to Construction, Insurance Legislation, Education and Workers' Compensation. Information regarding sponsorship and vendor exhibits has also been distributed. I appeal to all our members and associates to join us on this special day. Proceeds from this event will go to help support Risk Management education programs here in Houston. Furthermore, CE credits will be offered by many of the presentations. You can find out more about this event on the Houston Chapter website or contact Ginny Penzell at Ginny.Penzell@elpaso.com or Marty Timpano at timpano.marty@corp.sysco.com.

Look forward to seeing you at these events.

See you soon!

Ginny Penzell

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August Meeting Topic and Speaker

Wednesday, August 20, 2008

11:30 AM – 1:00 PM

Topic: LEARNING FROM THE PAST:

What Have We Learned from Past Gulf Coast Hurricanes in Order to Determine the Upper Texas Coast's Risk

Speaker: Jill Hasling

Did you know we have hurricanes in Texas? Of course you do. However, I bet you didn't know we have a Weather Museum here in Houston! Come to our August meeting to hear Jill Hasling, President of the Weather Research Center and Executive Director of the John C. Freeman Weather Society, who will talk to us about the Museum and also give us valuable information about hurricanes and some proactive steps we can take to reduce the risk to property.

Jill has worked in the field of meteorology since 1974 as a programmer, forecaster, researcher and forensic meteorologist. She founded the Weather Research Center with her father, Dr. John C. Freeman, in 1987 and continued her work training young meteorologists in the art of marine and tropical weather forecasting. She has work on several tropical projects including the development of a hurricane wind field and storm surge model.

We are sure you will take home valuable information about hurricane forecasting and steps you can take to protect your home and your businesses.

[This program has applied to the State of Texas Department of Insurance for continue education credit toward all general insurance lines](#)

Coverage Discussions

Additional Insureds and State Anti-Indemnity Statutes

In the last few years an increasing number of states have enacted legislation aimed at limiting indemnity obligations under various contracts. The intent of these new laws is to equalize the playing field between contracting parties, where one may be dominant and seek unfair advantage of the weaker party. For example,

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Pending

Meeting Dates for 2008

August 20, 2008

September 17, 2008
Education Day

October 17, 2008
Houston Chapter
Fall Conference
and
Golf Tournament

November 19, 2008
ARM Completers Recognition

December 17, 2008

someone may be required to sign a lease before rented property may be occupied. Few renters ever bother to read the "fine print," hence may find themselves obligated to undertake expense of loss for which he or she may not necessarily be liable, but will be forced to pay by virtue of the contractual agreements. The laws often seek mutuality in such agreements.

Typical of such contractual clauses are hold harmless and indemnity agreements or exculpatory clauses. These can come in a variety of formats, from very broad, where one party is required to hold another harmless and indemnify for loss even when that other party is totally liable for the loss, to limited agreements, where the contracting party is liable for loss only when he or she is legally responsible for it. Exculpatory notices are likewise suspect. When one enters a contract (including the purchase of a ticket to a sports event or the parking of an automobile) where the printed notice says that the one party "shall not be liable for loss, damage or injury" to the other, then the other party is agreeing to be liable regardless of cause.

It is quite common in general liability insurance for an insured to be required by a contract to name the other contracting party an "additional insured" under the policy. A number of endorsements make this possible. The additional insured thus acquires rights and duties similar to those of the Named Insured. However, the intent and impact of the agreements and the terms of the contract can often become the subject of heated litigation between that "additional insured" and the insurance company.

In construction liability claims the issues can become even more complicated as disputes over who is "additionally insured" under a subcontractor's or a general contractor's coverage may come into play. The new statutes often are directed at such issues, permitting indemnification only in cases where it was the clear intent of the party required to indemnify to do so regardless of the other party's negligence. Where that was not the clear intent, the new laws - which differ in each state - may supersede the policy.

Punitive Damages

In the case, *American International Specialty Lines Ins. Co. v. Res-Care Inc. C.A.5 (Tex.), 2008*, involves the death of a mentally disabled patient at the insured's group home. The carrier settled the matter for \$9,000,000 and sought reimbursement of non-covered parts of the loss. The Appellate Court agreed with a lower court that apportionment for reimbursement involves a judicial determination of what would "reasonably" be covered damages and does not require a full trial of the underlying facts. The Court also looked at the punitive damage issue and held that it was against Texas public policy to allow insurability for the punitive damage component in this case. The State of Texas has yet to rule on the issue of insurability. A copy of the court ruling is available upon request.

2008 Fall Conference

The Houston Chapter RIMS mailing address is

5090 Richmond Ave. #86
Houston, TX 77056-7402

NOTICE:

Effective January 1, 2008, the RIMS Society has changed their method of collecting Local Chapter Dues. In the past there were two deputies included with the membership, then a charge for each additional deputy added. Under the new structure they will begin collecting chapter dues on a per deputy member basis. The new structure for the Houston Chapter Dues is \$55 per deputy member. The change will be reflected on the renewal invoice. The dues structure for associate membership has not changed.

Please see our Chapter Website for additional information:

<http://houston.rims.org/ChapterWebsite/RIMSChapter.cfm?CID=328>

or

WWW.RIMS.ORG – Chapters - Houston

The Houston Chapter of the Risk & Insurance Management Society is hosting the RIMS Fall Conference.

The Conference is scheduled for **Friday, October 17, 2008** at the Woodlands Country Club in The Woodlands, Texas. The theme is "Building for the Future." This exciting event will include educational sessions with a focus on the ever-changing risk management industry, including risk management issues related to contracts and construction. Besides the educational morning, the program will include lunch, and a choice of participating in a golf tournament or team building exercises (at the Main Event) in the afternoon.

Please plan to join us. Please see the attached registration forms.

Educational Opportunities

ARM Program

ARM 55 – Risk Control:

CLASS START DATE:

Tuesdays - Starting August 19, 2008, 5:30 P.M. – 7:30 P.M.

COURSE LEADER:

Jim Drew, ARM, CIC
Office Phone: (713) 880-7172
E-mail: jdrew@bmb-inc.com

CPCU PROGRAM

CPCU 510 - Foundations of Risk Management, Insurance and Professionalism

CLASS START DATE:

Wednesdays, beginning August 20, 2008 5:30 PM – 7:30 PM

**Educational and Associations
Websites:**

**American Institute for CPCU and
Insurance Institute of America**
www.aicpcu.org

**Charter Property Casualty
Underwriters Society**
www.cpcusociety.org

**Institutional Risk
Management Institute**
www.irmi.org

The National Alliance
www.scic.com

**Construction Risk and
Insurance Specialist**
www.cris-ce.com

COURSE LEADER:

Tina Fick, CPCU; Olga Thompson, CPCU; Roya Azari, CPCU
Office Telephone: (713) 490-4510
E-mail: tina.fick@usi.biz

The Registration Forms for the referenced courses accompanies this newsletter edition.

Professional Development Schedule

RIMS Courses

Directors and Officers Liability and Insurance

A RIMS Fellow® workshop

September 18-19, Seattle

This workshop will clarify the complexities of D&O coverage and the coverage and structural alternatives that affect D&O premiums. Learn how to evaluate and secure insurance that best fits your organization. Gain tools for reducing the risk of claims and tips for presenting risk profiles to D&O underwriters to achieve the best renewals.

Workers Compensation Management

A RIMS Fellow® Workshop

September 22-23, Dallas

Gain a comprehensive understanding of Workers Compensation laws and coverage. Learn how to manage your workers compensation exposure and reduce your organization's loss costs. Hear how adjusters, lawyers and other professionals can help you reduce costs and facilitate early return to work.

Enterprise Risk Management

A RIMS Fellow® Workshop

October 6-7, New York

This two-day interactive workshop covers the essentials of Enterprise Risk Management. Gain an overview of ERM, including a framework for beginning the process in your organization. Bring back a five-step model that will allow you to introduce an ERM framework process to your organization.

Alternative Risk Financing Techniques

A RIMS Fellow® Workshop

October 6-7, Boston

Alternative Risk Transfer (ART) grows in all market conditions, but savvy risk managers know that the best time to establish an ART program is in soft markets. This 2 day workshop is a no-frills "how-to" program designed to provide practical, useful information on how to set up a successful ART program.

The Energy School



The Energy School program is intended to enhance and develop the risk management skills of staff members by providing an intensive and challenging forum of various aspects of energy risk management.

What to Expect

- A forum for current energy industry risk management issues.
- Case study exercises dealing with "real world" industry scenarios.
- An opportunity for risk management colleagues to interact on common matters.

Where

Saint Joseph's University, Philadelphia, PA

When

October 19-24, 2008

Who Should Attend

The program is targeted for risk management professional staff and is designed to provide these individuals with knowledge and skills necessary to perform and adapt amid the challenges of the industry.

URL Address

<http://www.sju.edu/academics/hsb/special/energyschool/>

Welcome New/Renewed Members

Pam Birkholz – KMG Chemicals
Stacy Carraway – CITGO Petroleum
Linda Greene – CITGO Petroleum
Christina Rey- INVISTA
Rebecca Rowland – Link Staffing Services Corporation
John Sobchak – KMG Chemicals
Mark Stancell - CITGO Petroleum
Candice Wilson – Cemex, Inc.

Job Postings

Please see the Local Chapter website and the RIMS.org Jobs Listing for details.

National RIMS Website

Risk Analyst – Irving, Texas

Local Chapter RIMS Websites

Houston Area:

Director of Risk
Safety Manager
Risk Manager
Regulatory Compliance Officer
Claims Examiner
Risk Analyst I
Risk Management Accountant

Austin Area:

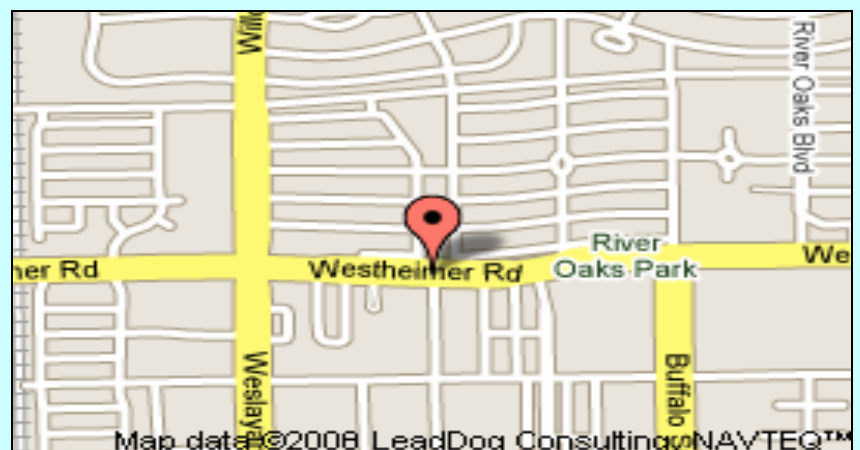
Claims Adjuster

Dallas Area:

Risk Management Specialist
Risk Analyst
Insurance and Captives Manager

July Luncheon Meeting Place:

**The Briar Club
2603 Timmons Lane
Houston, Texas 77027
Telephone: (713) 622-3667**



Directions to The Briar Club

The Briar Club is located at 2603 Timmons Lane, Houston, TX 77027. It is on the corner of Westheimer and Timmons Lane between the north - south streets of Edloe and Wesleyan.

Border Streets

Between Wesleyan and Buffalo Speedway (N-S) and West Alabama and Westheimer (E-W)
» East of Galleria towards downtown
» West of Kirby and Shepherd

From George Bush Intercontinental Airport (IAH)

Go South on US-59/Eastex Freeway
Exit Buffalo Speedway and turn RIGHT/North
Turn LEFT on Westheimer
Turn LEFT on Timmons Lane @ WhataBurger

From William P. Hobby Airport (HOU)

Go North on I-45/Gulf Freeway
Exit US-59 South toward Victoria
Exit at Buffalo Speedway and turn RIGHT/North
Turn LEFT on Westheimer
Turn LEFT on Timmons Lane @ WhataBurger

From Sugar Land

Go North on US-59/Eastex Freeway
Exit at Buffalo Speedway and turn LEFT under the Freeway
Turn LEFT on Westheimer
Turn LEFT on Timmons Lane @ WhataBurger

From 290/Northwest

Go East on 290/Northwest Freeway
Take 610 South
Exit at Westheimer and turn LEFT under the Freeway
Turn RIGHT on Timmons Lane @ WhataBurger

From Katy

Go East on I-10 (Katy Freeway)
Take 610 South
Exit at Westheimer and turn LEFT under the Freeway
Turn RIGHT on Timmons Lane @ WhataBurger

From Kingwood

Go South on US-59/Eastex Freeway
Exit at Buffalo Speedway and turn RIGHT/North
To Westheimer
Turn LEFT on Timmons Lane @ Whataburger