



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

**RTMS NEWS
AUGUST
2004**

THE AWARD WINNING HOUSTON CHAPTER

Advancing the Risk Management Profession

“Broker Compensation” *Tips to prevent employees exposure to the West Nile Virus*

*Guest Speaker - James P. Loucks,
Managing Director
Aon Risk Services*

Ever wonder what makes up Broker Compensation? What is the basis of the broker's compensation? Fee or Commission? Should you expect full disclosure from your broker? What are "gain share" (risk or profit sharing) arrangements? Are there service incentives scorecards? How are service fees developed? What about contingent commissions/overrides/and placement services agreements?

Join us as James P. Loucks, Managing Director and Aon Risk Services Market Area Business Development Leader for the Southwest Region, unlocks the mysteries of Broker Compensation.

New Members

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

Sheroy Haveliwala - MKM Engineers

Michelle Burton - MKM Engineers

Andrew Scott - Talent Tree

Shona Bascon - Shell Oil Company

TWCC PUBLIC INFORMATION OFFICE

July 26, 2004 AUSTIN, TX - During the summer, when mosquitoes are the most active, the Texas Workers' Compensation Commission reminds employers and workers to take precautions when working outside. Workers at highest risk of exposure to the West Nile Virus are those working outdoors during times when mosquitoes are actively biting. Occupations at risk include farmers, foresters, landscapers, groundskeepers, painters, roofers, road pavers, construction workers, and other outdoor workers. Preventing mosquito bites reduces the risk of contracting the West Nile Virus, along with other diseases that mosquitoes can carry.

Employers can protect their employees by establishing safe practices while working outdoors.

- When possible, do not schedule work at dawn and dusk to avoid having workers outdoors when mosquitoes are most active and biting.
- Eliminate as many sources of standing water as possible to eliminate mosquito-breeding areas. Change the water regularly in animal drinking troughs, ponds and other standing bodies of water.
- Turn over, cover, or remove equipment such as tarps, buckets, barrels, and wheel barrows that accumulate water.
- Discard tires, buckets, cans, and containers in the area.
- Place drain holes in containers that cannot be discarded.
- Clean out rain gutters and ditches to get rid of standing water.
- Fill in ruts and other areas that accumulate water.

Recommendations for workers

Outdoors workers can decrease their risk of West Nile Virus infection by reducing their contact with mosquitoes through the use of the personal protective measures.

- Wear long-sleeved shirts, long pants, and socks when possible.
- Spray exposed skin with insect repellents.
 - Read and follow label directions for repellent use.
 - Use repellents at the lowest effective concentration.
 - Use repellents containing DEET (N-N-diethyl-3-methylbenzamide or N,N-diethylmetatoluamide) at concentrations of 35 percent or less.

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From the President's Desk

Hello Everyone,

Well, I'm pleased to say that our new luncheon location, The University of Houston Hilton, was a HUGE success! I'm not sure we'll have a fire drill again, but you never know! They swore that it had nothing to do with the fact that Risk Managers were "in-the-house" but...I'm not so sure. It was a fun way to start a new adventure! And Dr. Kelaher, well... enough said.

Our topic this month, "Broker's Compensation" is way overdue. You know I've been dying to ask what everyone else does. Jim Loucks with Aon is an exceptional speaker and will no doubt give us guidance on what we should expect from our broker and how we should base the compensation. I can't wait.

Remember, our Fall Conference 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 look for your registration to be arriving shortly.

Take care and I'll see you Wednesday,

Colleen

IN RE DANA CORPORATION: THE PRODUCTION OF INSURANCE POLICIES IN LITIGATION

BY: JAMES L. CORNELL*

If you are ever unfortunate enough to be involved in litigation, you are familiar with the process known as "discovery". This is the pre-trial phase of the suit in which each party is permitted to ask written and oral questions, and ask for documents. Discovery can often be quite contentious, requiring the intervention of the Court.

In almost all cases, the Plaintiff will request the production of any insurance policies that might be applicable to cover a claim. This request sounds simple enough, but in toxic tort or environmental cases in which potential exposures span several decades, producing insurance policies over a 20 to 30 year period can be quite challenging.

That was the situation in the Dana case. There, Dana had been sued by 1260 Plaintiffs who sought production of insurance policies from the 1930's. The trial court ordered the production, but the Texas Supreme Court limited the production to only those policies shown to be applicable to the underlying litigation. In other words, since the Plaintiffs could only produce affidavits showing exposure dating back to 1945, Dana did not have to produce policies which pre-dated 1945.

That's still a very difficult task for most companies, but is far better than producing policies back to the 1930's.

Practice Pointer: Never assume that you do not need copies of your policies after the policy term expires. Be sure to keep copies in a safe place. If your company is acquiring another company, an inventory of the new company's policies should be a priority task.

* James L. Cornell practices law at Haynes and Boone. His practice includes representing policy-holders in pursuing their claims against insurance carriers and maximizing their insurance coverage. He may be reached at 713.547.2231 or james.cornell@haynesboone.com

Education Corner

*Want to sharpen your Risk Management skills?
Looking for career advancement?*

Get help earning your Associates in Risk Management (ARM) designation by taking classes sponsored by the Award Winning Houston Chapter of RIMS!

To earn the ARM designation, you must successfully pass (via a national exam) three courses; ARM 54 Essentials of Risk Management, ARM 55 Essentials of Risk Control, and ARM 56 Essentials of Risk Finance.

ARM 55 - Essentials of Risk Control, the middle part of the three part certification process, is being offered this fall (starting Monday, August 16th).

Please email Virgil Mead (virgil.mead@nabors.com) for a registration / information form

Door Prize & Speaker Evaluation Winners...

Door Prize Drawing – Rebecca Walker of David E. Harvey Builders won a Houston Chronicle golf umbrella and an AON cap.

Speaker Evaluation Drawing – Victor Pivetta won \$20.00 cash. August's drawing will be for \$20.00.

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, contact Ginny Penzell.

Houston Area Job Links for August 2004

Company: NRH City of North Richland Hills
Location: North Richland Hills, TX 76180 (near Dallas/Forth Worth)
Position Title: Risk Manager

Company: Shelter Insurance Companies
Location: Kansas City, MO
Position Title: Claims Supervisor

Company: Sedgwick Claims Management Services, Inc.
Location: Southfield, Michigan
Position Title: Manager/Supervisor of Staff

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>

Tips - Continued from page 1

- Do not apply repellents to cuts, wounds, or irritated skin.
- When needed, reapply repellents according to label directions.
- Spray clothing with products containing DEET or permethrin, as mosquitoes may bite through thin clothing.
 - Wash treated clothing before wearing it again.
 - Do not apply repellents under clothing.

The Texas Workers' Compensation Commission offers resources to help employers teach their workers how to avoid contact with mosquitoes that may transmit the West Nile Virus. For free occupational health and safety training materials and video loans, employers can contact the Health and Safety Resource Center at 512-804-4620 or by email at Resource.Center@twcc.state.tx.us. The Commission's professional trainers can also provide employers with affordable on-site training. Publications and information can also be found at the Commission's website at www.twcc.state.tx.us.



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

August 18, 2004

“Broker Compensation”

**James P. Loucks, Managing Director
Aon Risk Services**

September 15, 2004

October 25, 2004

Houston Chapter RIMS Fall Conference

November 17, 2004

December 15, 2004

Check the website:
www.rims.org > chapters > chapter web sites > Houston.
Watch for event information.

August Reservation Deadline

Monday, June 14, 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 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.

