



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

RIMS NEWS

March 2005

THE AWARD WINNING HOUSTON CHAPTER

Advancing the Risk Management Profession

March 15th Meeting Topic “Subrogation”

**Guest Speaker: Mark Curry, Mark Curry &
Associates**

Join us for the only joint RIMS-
CPCU Meeting of the Year!

Attorney Mark Curry will discuss
Subrogation issues.

The meeting begins at 11:30 am on
Tuesday, March 15th at the Briar
Club—2603 Timmons Lane.

Join us for this discussion and gain
some helpful hints to take back to
the office.

What Is A “Reservation of Rights” and What Do I Do When I Get One?

By: James L. Cornell*
Cornell & Pardue

Reservation of rights are sometimes viewed as intimidating legal documents. If you know your rights, they should not be.

A reservation of rights is a letter from the carrier stating that the carrier is going to defend the insured, but is reserving its rights on various grounds in the policy to continue to investigate and potentially deny coverage. It must

be distinguished from a “non-waiver agreement” where the carrier and the policyholder agree in writing that the carrier can investigate coverage while providing a defense without waiving its rights to later deny coverage. An insurer must reserve its rights before assuming the actual defense of the policyholder. If it does not, it may later be adjudged to have waived any coverage defenses that were not asserted in a reservation of rights. The reservation must also be specific, stating the reasons under the policy that the carrier is reserving its rights.

Faced with a reservation, the policyholder may either accept or reject it. Which course of action is best for the policyholder will depend on the facts, the policy and the basis upon which the carrier reserves its rights.

If the policyholder rejects the reservation and demands an unconditional defense, the carrier may: (i) withdraw the reservation and provide an unconditional defense to the policyholder; (ii) allow the policyholder to select and retain its own counsel while the carrier pays the fees; or, (iii) stand on its reservation and deny coverage altogether.

This is obviously a very complex topic which cannot be addressed in depth here, but understanding your rights will allow you to analyze the reservation and chart your course of action with confidence.

*James Cornell’s practice includes advising and representing corporations in pursuing their claims for insurance coverage, defense and other benefits. He may be reached at 713.526.0500 or jcornell@cornell-pardue.com

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From the President's Desk

Hello Everyone!

It is hard to believe that March is already upon us. Where *does* the time go?

As mentioned in the February newsletter, your Board met all day on Saturday, February 12th to try to plan meaningful activities for you for 2005. As we solidify our plans over the next couple of months, please send us your thoughts on topics and/or activities for the monthly meetings and the Fall Conference. We want your input and we need your help.

This month's meeting is our annual "joint meeting with CPCU". The speaker is Mark Curry with Mark Curry & Associates. He'll be talking with us about "Subrogation". Not only is this going to be an interesting topic, but also CPCU tells us that this is a "1 CEU Credit" topic! So for those of us who need CEUs – here's an easy one to get for 2005.

Don't forget – this meeting is not on our usual day of the month – we will meet on TUESDAY, March 15th, and we are not meeting at our usual place this month – CPCU meets at The Briar Club on Timmons.

We look forward to seeing you there!

Julia

New Members

We are pleased to announce the following new members who joined our chapter last month:

- John McGuire—Deloitte & Touche—Associate Member
- Terrence Mercier—Air Liquide America
- Janice Kelly—McNair Group
- Scott Schwinger—McNair Group
- H. Clifford Buster—Group 1 Automotive
- Rick Maidens—US Concrete
- Brian Proffit—Sasol North America
- Marlene Albers—Sasol North America
- Sandra Carson—SYSCO Corporation
- Phillip Schull—J.B. Poindexter and Company
- Brian McCafferty—J.B. Poindexter and Company
- Sandra Parker—Baylor College of Medicine
- Colin Barnes—Global Risk Strategies

Education Corner

RIMS Member Children's Scholarships

Attention all Deputy Members! Do you have a child attending college or technical school in the 2005? The Houston RIMS Chapter is proud to announce that we are sponsoring RIMS Member Children's Scholarships. Please see the attached application for instructions and scholarship details.

Note: The four (4) scholarships have been increased to \$1,000 each, and the registration is open until April 30.



Houston Risk Manager of the Year

The Houston Chapter Board of Directors has decided to defer the award for Houston's Risk Manager of the Year until further notice. The applications that have been submitted for the January 31, 2005, deadline will be retained and reviewed when the program is reactivated

Houston Area Job Links for March 2005

For further information regarding positions or to place a job opening for your company in our newsletter, contact Pam Chavez, Director—Job Placement (832) 351-7144

Email: pam.chavez@jacobs.com

Listing descriptions and contact information can be found at The Houston RIMS website:

<http://Houston.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>

Legislative Update

Bush signs class action reform measure

The House of Representatives recently passed, and President Bush signed, the Class Action Fairness Act. Among other things, the act permits the removal of certain class actions involving defendants and plaintiffs from multiple states to federal court from state court. Businesses have long sought such a change, holding that corporate defendants are often denied fair trials in certain overly plaintiff-friendly state courts. A similar effort in the last Congress passed the House but died in the Senate.

March Luncheon Meeting

Please send your response by email 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 Notices, Newsletters and other chapter correspondence are now distributed by email.

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

On the first page of each RIMS Monthly Newsletter, we publish a **brief** article of interest to our members. If you have one to submit for publication, please send articles of interest (no advertisements please) to:
34391.Stephen.Broderick@rimsmail.org

Houston Chapter of RIMS

UPCOMING EVENTS

Luncheon Meetings are at 11:30 am

2005

Tuesday, March 15, 2005
Joint RIMS/CPCU Meeting
Hosted by CPCU at Briar Club
For Directions:
<http://houston.cpcusociety.org/>

March 29, 2005
Secure Houston
Business Security Symposium
Houston Marriott Westchase

April 17-21, 2005
RIMS Annual Conference—Philadelphia
(No Local Chapter Meeting)

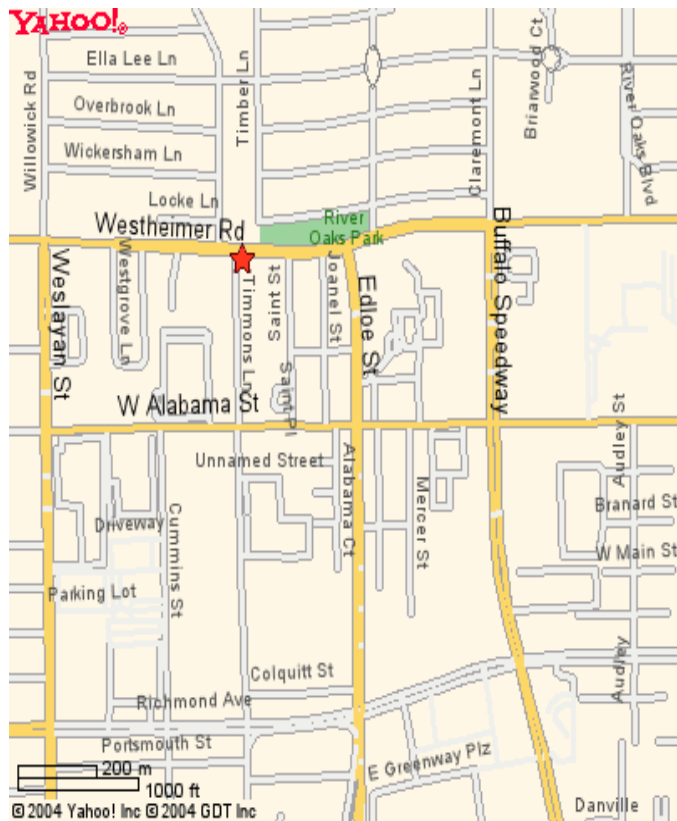
April 19, 2005
CPCU Society Workshop—Houston
Contractual Risk Transfer

MEETING PLACE

Briar Club

2603 Timmons Street (Corner of Westheimer)

Houston, Texas 77027
(713.622.3667)



HOUSTON CHAPTER OF RIMS SCHOLARSHIP APPLICATION
RIMS Member Children's Scholarship – 2005

SCHOLARSHIP AMOUNT: \$1,000

NUMBER OF SCHOLARSHIPS AVAILABLE: 4

APPLICATION DEADLINE: April 30, 2005 (received at submission address)

SUBMISSION ADDRESS:

Houston Chapter of RIMS Scholarship Committee

c/o Cynthia Vickers

El Paso Corporation

P. O. Box 2511

Houston, TX 77252-2511

**** The Houston Chapter of RIMS reserves the right to return all incomplete applications at any time or applications received after the deadline.****

REQUIREMENTS FOR SCHOLARSHIP:

1. Parent/Guardian of applicant must be a current Houston RIMS Chapter Deputy Member.

2. The applicant must:

- a. have been accepted to attend or be a continuing student for the Spring 2005 semester at an accredited college, university or vocational/technical school.**
- b. be less than 25 years of age at the beginning of the current school year (Sept 1, 2005).**

3. Complete and sign the Scholarship application form and submit all attachments.

4. Out of the submitted applications received, scholarship finalists will be selected by the Scholarship Committee. Finalists will participate in an interview to discuss their application and for the Scholarship Committee to get to know the applicant. Interviews will be held at a time and location to be announced between Feb. 28, 2005 – March 16, 2005.

5. (Prior to scholarship money being awarded) Applicant must be registered for classes at the applicants' university/school for the Spring 2005 semester and submit a copy of her/his Spring 2005 class schedule (registration statement) to the submission address.

QUESTIONS ABOUT SCHOLARSHIP OR FORM

Submit all questions in writing to the Submission Address.

ATTACHMENTS: All documents or an explanation must accompany the application form. Failure to do so disqualifies the applicant.

1. Copy of applicant's high school transcript (only if freshman)
2. Copy of applicant's letter of acceptance (only if freshman)
3. Certified copy of college transcript
4. Copy of any awards, recommendations or documents which applicant feels will assist the selection committee.

SCHOLARSHIP APPLICATION FORM:

Name _____ SS# _____

Address _____

(STREET, CITY, STATE, ZIP)

Telephone (Home)----- (School) _____

Date of Birth _____

High School Attended By Applicant: _____

School Address _____

Date of Graduation _____

Name/Telephone # of Counselor _____

Grade (Year) Classification (Fr/So/Jr/Sr) _____

Major Study Interest _____

Minor Study Interest _____

Current Grade Point Average _____

Extra Curricular Activities _____

Offices or Leadership Positions Held _____

Work Experience _____

Do you hold or have you applied for any other scholarship or assistance for the Spring 2005 semester? _____

Source of Scholarship/Assistance _____

Results _____

State briefly (in one (1) attached page) why you applied for this scholarship, why you should receive it, and what you want to achieve with it. List any other information which you feel will be important to the selection committee.

Applicant Signature:

X _____

****By signing this application form, the applicant gives the Houston Chapter of RIMS Scholarship Committee the right to verify any information submitted by applicant.****

NOTICE TO SCHOLARSHIP RECIPIENTS: Any RIMS Member Children's Scholarship recipient may be an applicant for a subsequent RIMS Member Children's Scholarship, however, there is no guarantee that a past RIMS Member Children's Scholarship recipient will receive a subsequent RIMS Member Children's Scholarship.