



**Risk and  
Insurance  
Management  
Society, Inc.<sup>®</sup>**

# RIMS NEWS

## February 2005

**THE AWARD WINNING HOUSTON CHAPTER**  
Advancing the Risk Management profession

**February 16th Meeting Topic**  
**“Caution: Drug Screens  
Ahead”**

**Guest Speaker: Dean Skelley, Ph.D. – Clinical  
Biochemist**

Does your Drug Screen policy cost your organization a lot of money?  
Is your Drug Screen policy catching all of your ‘bad actors’?  
Do you want to know what you can do to make your policy more effective?

Come to this month’s meeting where Clinical Biochemist, Dean Skelley, Ph.D. will help us discover important facts about drug testing in the workplace.

Effective Drug Screen policies can assist your claims professionals and attorneys in aggressively handling your organizations’ Workers Compensation claims.

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

**Notice: When Is Late *Too* Late?**  
**By: James L. Cornell\***

Most commercial general liability policies and property policies require the policyholder to provide the carrier with notice of a claim “as soon as practicable” or “immediately” or other similar phrases. If the policyholder waits more than, say, thirty days to provide notice of a claim or suit, chances are that the carrier may assert that the notice is too late and that the policy has been for-

feited or is void.

In 1973, the State Board of Insurance (now Texas Department of Insurance) promulgated Board Order 23080 which required that auto and CGL policies issued in Texas carry an endorsement which provided that the carrier could not void the coverage for “bodily injury” or “property damage” based on late notice unless the carrier could show that it was “prejudiced”. The classic example of prejudice is notifying the carrier of a claim after a default judgment has been taken. For several years, there has been a split of authority among the courts as to whether this “prejudice” requirement applied only to coverage A (“bodily injury” and “property damage”) or if it also applied to coverage B (“advertising” and “personal injury”) and property policies as well.

However, most courts now hold that in an “occurrence” based liability policy or a property policy, the carrier must prove that the late notice “prejudiced” the carrier in some manner. Note that the “prejudice” requirement does not apply to “claims made” policies. In a “claims made” policy, the carrier does not have to prove that the late notice caused prejudice.

\*James L. Cornell is a partner in the Houston law firm of Cornell & Pardue. Mr. Cornell’s practice includes assisting corporations in pursuing insurance claims on a contingency fee basis and recovering insurance assets. Mr. Cornell may be reached at 713.526.0500 or [jcornell@cornell-pardue.com](mailto:jcornell@cornell-pardue.com)

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# From the President's Desk

**Hello Everyone!**

**In January, we had a good turnout for the first meeting of 2005. If you were not there, you missed a very good presentation on controlling costs associated with managing a company fleet.**

**As Risk professionals for our companies, we handle many tasks that are also similar tasks that confront us in our personal lives. For instance, last month's presentation – all of us drive cars (and probably have at least two). Many of the tips we learned on controlling costs for our companies will also come in handy when we have to deal with a personal vehicle-related loss.**

**By the time you receive this month's newsletter, your Board will have spent a full day of their personal time working to put together an agenda for 2005. We hope that as the year progresses that you will feel free to provide us with your input on the topics presented at the monthly meetings, the Fall Conference outing, and any additional advice you are willing to offer. This is your Association and we want you to feel that you've made a good investment of your time.**

**Come and join us this month as we learn about the issues related to drug testing in the workplace. See you on February 16<sup>th</sup>!**

*Julia*

## New Members

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

- Charles Chambers—United Space Alliance
- Chris Wilbeck—Phillip Services Corporation
- Martha Embry—Retired
- Lam Phung Burns—ExpressJet Airlines
- Delores Carr-Bradshaw—ExpressJet Airlines
- Thomas Curran—Zurich North America-Associate Member
- Connie Reynolds—Key Energy Services
- Susan Richardson—US Oncology, Inc.
- Kurt Inza—Shell Oil Company
- Abraham Freeland—Veolia Water NA
- Steva Pickle—Veolia Water NA
- James Jguyen—Veolia Water NA
- Bernie Sweazie—El Paso Corporation
- Linda Jullett—Chicago Bridge & Iron
- Leslie Ranly—Mission Resources
- Tom Batchelor—Mission Resources
- Pamela Hokanson—Lyondell Chemical Company
- David Gresko—Lyondell Chemical Company
- John McGuire—Deloitte & Touche—Associate Member
- Rod Seiler—SEA Limited—Associate Member

## 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.

Please email Cynthia Vickers at [Cynthia.vickers@elpaso.com](mailto:Cynthia.vickers@elpaso.com)) for information on RIMS education programs

### Houston Area Job Links for February 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](mailto: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>

**February Luncheon Meeting**

Please send your response by email to [jlyon@contactpsc.com](mailto: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](http://www.rims.org)

Choose “chapters” then “chapter web sites” then “Houston” look for the “Monthly Meeting Notice” on the list to the left.

Meeting survey will be centered around the Fall Conference and Golf Outing—be thinking about which committee(s) you may want to be a part of for this event.

**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](http://www.rims.org). Associates & Non-Members should contact Ginny Penzell

**MEETING PLACE**

*The Hilton University of Houston*

University Drive—Entrance One, Suite 207  
Phone #713.741.2447

**Houston Chapter of RIMS**

**UPCOMING EVENTS**

Luncheon Meetings are at 11:30 am

**2005**

**February 16, 2005**

“Caution: Drug Screens Ahead”  
Past President Meeting

**March 15, 2005**

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

**April 17-21, 2005**

RIMS Annual Conference—Philadelphia  
(No Local Chapter Meeting)

- 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



**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.**