

# RIMS AIL

E-Newsletter – San Diego Chapter Risk & Insurance Management Society

Vol. 14 No. 5

May 2010

## INSIDE THIS ISSUE

President's Message..... 1

Summary of Assessments ..... 2

Coverage Quiz..... 2, 6

2010 Board of Directors..... 2

New Member Welcome..... 2

June Half Day Seminar ..... 3

Calendar of Events ..... 4

April Chapter Meeting Recap..... 4

Board Meeting Recap ..... 5

Community Project Volunteer Opportunity ..... 5

Health Care Changes for Children Under Age 27..... 5

Mission Statement..... 6

Membership Drive..... 6

Calling All Speakers..... 6

Contact Info Update ..... 6

Golf Tournament Save the Date ..... 6

Photo Gallery ..... 7

Western Regional Conference..... 8

**Have you checked out the new Chapter website?**

[www.sandiegorims.org](http://www.sandiegorims.org)

*A Monthly Publication*

**SUBMIT ARTICLES BY E-MAIL TO:**

Teri Sowul  
[tsowul@cox.net](mailto:tsowul@cox.net)

or mail it to:

San Diego RIMS  
P.O. Box 85307  
San Diego, CA 92186

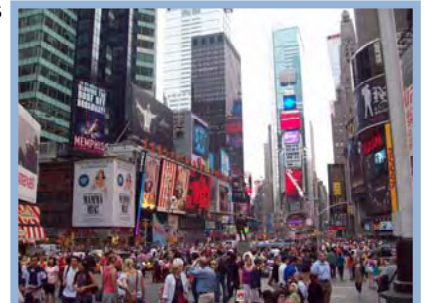
# PRESIDENT'S MESSAGE

It will never happen to me. How often do we think that, consciously or otherwise? Despite the constant media coverage of natural and manmade disasters that have seemingly become a weekly occurrence, it never occurs to most of us that we could someday find ourselves in the midst of such turmoil. Until it happens.

I attended the RIMS Annual Conference and Exhibition in Boston last month. My wife, Brie, flew out to join me mid-week and together we enjoyed some of the evening social activities for which the Conference has become known. After the Conference concluded I took care of some company business in Newport, Rhode Island, and then Brie and I made our way to New York City for a whirlwind tour of Manhattan. Perhaps you know now where I'm going with this.

On Saturday, May 1, Brie and I started our sightseeing with a very moving and reflective visit to the World Trade Center site. From there we worked our way north throughout the key points in Manhattan that we had decided to visit. By 6:00 p.m. we were taking in the sensory overload experience that is Times Square. We contemplated taking in one of the evening shows for which tickets are sold in the middle of the Square, but instead decided to call it a day and head back to our upper west side hotel. Our last stop before leaving Times Square was the Hershey store, and the receipt for my purchase of a Fifth Avenue candy bar shows that we headed toward the subway sometime just after 6:18 p.m.

What we later found out was that about the time we were boarding our train, a frightening sequence of events was unfolding above us. Little did we know that we had been only blocks from what could have been another mass casualty event in New York, were it not for the fumbling ways of a haphazard would-be terrorist (Seriously, who trained this guy, Inspector Clouseau?!). Based on where in Times Square we had been and the location of the car bomb, it's not likely Brie or I would have been injured even if the device had worked as intended. That doesn't change the fact that we were mere steps away from what could have been our nation's most recent domestic terrorism tragedy. For all I know Faisal Shahzad walked right by us as he made his escape. Needless to say I was scouring the several photos Brie and I took wondering if I might find a chance encounter in the background. No dice, but the endless sea of people shown in those pictures further punctuated how deadly the intended attack could have been.



As risk managers we spend our careers strategizing the avoidance, prevention and mitigation of catastrophic events that could impact our employers. But how many of us actually employ the discipline of vigilance in our daily lives with the understanding that the threat to each and every one of us is very real and ever present? How many of us apply this strategy to our personal lives, in our decisions on where to go, what to do and how to act? To be even more morose, do we have our affairs in order? Have we made arrangements for what will happen to our children if something happens to us?

It physically pains me to contemplate the notion that my kids could grow up without my wife and me. But then again, nobody ever said that hoping for the best and planning for the worst was a joyous endeavor. This is serious business, this stupid silly world we live in. Sadly, the days of happy-go-lucky sightseeing in America seem to be gone, at least for a while. And while we all must go on living our lives, and living them well, recent events should remind us that the risks we contemplate aren't left behind on our desks.

Respectfully,

*Rich Johanson*

San Diego RIMS President

# 2010 BOARD OF DIRECTORS

## OFFICERS

### PRESIDENT

Rich Johanson..... (858)826-7489  
Science Applications International Corp.

### VICE PRESIDENT

Joseph Mazza ..... (760)795-6866  
MiraCosta Community College

### TREASURER

George Ward..... (858)754-4146  
Amylin Pharmaceuticals

### SECRETARY

\*Jeff Gibson..... (619)710-9100  
Expeditors International

## DIRECTORS

### PAST PRESIDENT/DIRECTOR AT LARGE:

Kim Pinkerton ..... (858)617-4587  
CareFusion

### RIMS CHAPTER DELEGATE:

Cheryl Berman..... (619)224-4120  
Probuild West

### DIRECTORS AT LARGE:

Varie Chapnick ..... (619)239-8061 x1330  
Yellow Cab of San Diego

Lyn Hall..... (858)658-3121  
Qualcomm, Inc.

\*Robert Meader ..... (619)544-8888 x2203  
GD Nassco

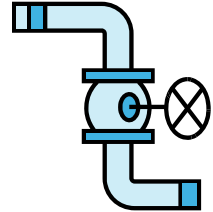
Elizabeth Zepeda..... (858)481-8500

\*New Board Member for 2010

# COVERAGE QUIZ

From Your Insurance Committee  
Submitted By Al Haverkamp, Esq., with Lucas & Haverkamp

A water pipe broke during a three-day weekend flooding the law offices of Buxbaum & Chakmak ("B&C"). Some of the attorneys devoted significant time away from their practice (thus reducing their billable hours) to handle flood-related tasks. B&C had a property/ liability policy with Aetna which included business interruption coverage; specifically, Aetna agreed to cover loss of business income sustained "due to the necessary suspension of its operations during the period of restoration." B&C made a claim with Aetna for the attorneys' lost billable hours related to the flood. Aetna denied the claim. Is there coverage?



See page 6 for the answer.

# NEW MEMBER WELCOME

Welcome to our New Associate Members

**CECILIA MILLER** and **BROOK ROBERTS**  
with  
Latham & Watkins, LLP

We look forward to your future participation in the chapter!



# SUMMARY OF ASSESSMENT FORMS

April 2010 Chapter Meeting  
Topic: Supply Chain Risk Management

QUESTION/AREA	NUMBER OF RESPONSES					AVERAGE SCORE
	1	2	3	4	5	
1. Overall Assessment of the Meeting				3	20	4.870
2. Relevance or Usefulness of the Topic				5	18	4.783
3. Overall Quality of the Presentation				3	20	4.870
4. Speaker Presentation Skills and Quality of Handouts				5	18	4.783
5. Quality of the Food			1	11	11	4.453

### COMMENTS

Very interesting and applicable
Great Session
Excellent Presentation, very informative
Excellent Presentation and learned a lot
Great presentation. Would like copies of speakers slides for future reference
Good clear concise presentation



## Half Day Seminar

Thursday, June 3, 2010

Emphasizing the importance of understanding your Insurance needs, employment practices, new California law and ADA/FEHA changes that impact employer return to work programs as well as navigating the changes in employer benefits due to new health care reforms.

The seminar will be followed by a **Happy Hour** with Hors D'oeuvres and raffle prizes to give away at the **Hilton Garden Inn** bar.

This year's half day seminar will provide in-depth information on key hot topic issues including health care reform, ADA / FEHA amendments which affect employer return to work programs, the state of the insurance marketplace, an update on California case law, and tips on coverage advocacy.

We will also provide a panel forum for you to address your specific questions in these areas.

The program starts with a comprehensive update on California Law presented by **Bob Tyson and Pat Mendes, of Tyson & Mendes**. You will learn the latest developments in California law, including Insurance, Business Torts, Coverage/Bad Faith, Damages and Contracts. Appellate Decisions, Legislative Enactments, and Jury Verdicts will also be addressed. There will also be a Special Guest Speaker on the Collateral Source Rule, the Supreme Court Attorney for the Howell Case.

The second session is headlined by **Judy Lemm, RN**, certified occupational health nurse specialist and independent disability management consultant who will discuss the 2008 ADA Amendment Act and FEHA changes which impact employer return to work programs. Ms. Lemm will detail the expanding definition of an individual with a disability and other ADA AA Definitional changes, how to's of the interactive process and incorporating changes in your company return to work program.

The final panel session opens with **Pam Legge, Sr. VP with BB&T John Burnham Insurance Services** (2009 San Diego Insurance Professional of the year) reporting on Tip of the Iceberg - key elements of health care reform. **Lindy Hardman of Crum & Forster** will present the 2010 status of the insurance marketplace from an insurer's perspective. This will be followed by tips on coverage advocacy by coverage counsel, **Al Haverkamp, Esq., of Lucas & Haverkamp**.

This year each session will be eligible for 60 minutes of MCLE and CE continuing education credits (pending approval).

### Menu

**Assortment of Cheeses & Fruit** – Seasonal Grapes, Pears and Apples, Assorted Nuts and Blocks of Domestic and Imported Cheeses Served with Crackers and Assorted Breads, Coffee, Tea & Assorted Beverages

Happy Hour with Hors D'oeuvres and raffle prizes to give away will be immediately following the Half Day Seminar.

### Schedule of Events

1:15 PM – 2:00 PM

Registration / Check-in


2:00 PM – 2:50 PM


Bob Tyson and Pat Mendes – "Update on California Law"

3:00 PM – 3:50 PM

Judy Lemm, R.N. – "How the 2008 ADA Amendment Act and FEHA Affect your Return to Work Program"

4:00 PM – 4:50 PM

Panel Discussion – "Insurance A-Z" 

5:00 PM – 7:00 PM 

Happy Hour with Hors D'oeuvres and raffle prizes to give away

# INSURANCE UPDATE FOR 2010

### WHERE:

Hilton Garden Inn  
3939 Ocean Bluff Avenue  
San Diego, CA 92130  
Hotel (858)720-9500

### COST:

\$35 for Members and Guests of Members  
\$50 for Non-Members

Walk-ins and late RSVPs are welcome. An additional charge of \$10 will be assessed.

### RSVP:

San Diego Chapter of RIMS  
Online RSVP Only

### RIMS Website:

[www.RIMS.org](http://www.RIMS.org)

### Questions About How to RSVP:

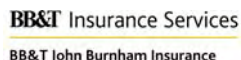
Contact Joe Mazza at (760)795-6866 or via email at [jmazza@miracosta.edu](mailto:jmazza@miracosta.edu).

### WHO SHOULD ATTEND:

Risk and insurance managers, finance, human resources managers, benefit managers, Claims Managers, Brokers, Account Managers, Attorneys, CFO, etc.

## PLEASE RSVP BY MAY 31, 2010

## THANK YOU TO OUR SPONSORS



Lucas & Haverkamp | LAW FIRM, APC

CORVEL

Crum & Forster  
EARNING YOUR TRUST

# CALENDAR OF EVENTS

DATE	LOCATION	TOPIC & SPEAKER	NOTES
June 3, 2010	Hilton Garden Inn San Diego/Del Mar	Half Day Seminar <b>INSURANCE UPDATE 2010</b>	<a href="#">RSVP Online Now</a>
June 11, 2010	Western Metal Building @ Petco Park	<b>ASSOCIATE APPRECIATION DAY</b> (San Diego Padres vs. Seattle Mariners, starts @ 7:05 pm)	Watch for details!
July 29, 2010	SAIC Facility Vista, CA	<b>SITE TOUR</b>	
August 27, 2010	Coronado Municipal Golf Course	<b>ANNUAL SAN DIEGO RIMS GOLF TOURNAMENT</b> <i>Save the Date!</i>	
Sept. 14-17, 2010	South Mountain Resort Bend, OR	<b>WESTERN REGIONAL CONFERENCE</b>	
Sept 23, 2010	Hilton Garden Inn San Diego/Del Mar	<b>WORKERS' COMPENSATION COMMITTEE</b> Topic and Speaker TBD	
Oct 28, 2010	Hilton Garden Inn San Diego/Del Mar	<b>ROUNDTABLE MEETING</b> Deputy Members Only	2011 Board of Director Elections
Nov 18, 2010	Hilton Garden Inn San Diego/Del Mar	TBD	
Dec 9, 2010	Kona Kai Hotel	<b>HOLIDAY LUNCHEON</b>	

## APRIL MEETING RECAP

*Submitted By Joe Mazza, Vice President, RIMS San Diego Chapter*

The April 22<sup>nd</sup> RIMS Chapter Meeting presentation topic was Supply Chain Risk Management, with Ms. Connie Law, Manager, Risk Management, from Expeditors International of Washington, Inc., Los Angeles, CA. She conducted the very helpful and informative session. Highlights of her presentation included:

- A complete overview of understanding risks in the global supply chain
- Discussion of Incoterms (international guidelines of the International Chamber of Commerce) and their impact on the risks, responsibilities, and costs associated to the buyer and seller
- Overview of freight carriers liability and the international treaties that govern their limited liability
- Review of All-Risk cargo insurance coverage, limitations, and benefits, and
- Discussion of common loss control techniques in the logistics process (for example: concentration of value concept, carrier selection process, etc.)



*Jeff Gibson, the Chapter's Secretary, with April Meeting speaker, Connie Law.*

Her presentation included some very interesting photos of cargo ship incidents resulting in significant claims.



*Joe Mazza presenting speaker Connie Law with the San Diego RIMS shirt.*



# BOARD MEETING RECAP

This Board of Directors monthly meeting for the RIMS San Diego Chapter met at the SAIC office of President Rich Johanson on Wednesday, May 5<sup>th</sup>. The meeting was called to order at 4:43pm by Rich. Other Board Members participating were Past President Kim Pinkerton, George Ward, Rob Meader, Cheryl Berman, Varie Chapnick, Lyn Hall, Liz Zepeda, and Joe Mazza. The Treasurer Report by George gave a snapshot of the Chapter's finances as of 4/30/2010. It included total cash available of \$45,671.12. Savings and CD's totaled \$35,764.92 and old/new checking of \$9,906.20.

Several monthly meetings were reviewed and discussed by the Board. The May Closed Session meeting notice will be sent out again by Rob to advise Deputy Members of this meeting again. The June Half-Day Seminar, set for Thursday, June 3<sup>rd</sup> starting at 1:30pm looks to be a very important event to attend with many well qualified speakers and a variety of sponsors there to assist participants with relevant information. Chairperson Felicia Amenta, Varie Chapnick and their committee have organized the event. Please RSVP by 5/31. Plans for a Deputy Member Site Tour were finalized by Rich at the SAIC facility about the VACIS® cargo and vehicle inspection systems program in Vista on Thursday, 7/29. Further information will be communicated via the regular meeting notice. Finally, Lyn Hall with the Insurance Committee reported that the September 23<sup>rd</sup> Half-Day Education Seminar at Qualcomm is completing plans and agenda including workers' compensation.

Membership update on the status of the next directory printing by Varie noted that a final draft will be prepared for the printer. New associate members approved by the Board are Cecilia Miller and Brook Roberts with Latham & Watkins, LLP.

There is a local ARM 54 class beginning Monday, May 10<sup>th</sup> in Downtown San Diego conducted by Instructor Don Dodson. Another notice to members will be sent out again by Rob. The Special Events committee chaired by Kim has sent out invitations for the Associate Appreciation Day at the Padres Game - Western Metal Suites on Friday, June 11<sup>th</sup> at 7:05PM. Also, Kim will be arranging our annual efforts to assemble food items at the San Diego Food Bank in September. Your volunteer efforts to assist in the very important program are appreciated and watch for more details. The Golf Committee will be distributing the sponsor flyer very soon.

Our website program by developer Yezen Haddad is almost completed with Board review to validate contents and review for errors.

The meeting adjourned at 6:35 pm.

## UPCOMING COMMUNITY PROJECT OPPORTUNITY

Volunteer opportunity with the  
**SAN DIEGO FOOD BANK**

**Thursday, September 30, 2010 from 6-8 pm**  
San Diego Food Bank Warehouse



2009 Volunteers from left to right: Liz Zepeda, Varie Chapnick, Kim Pinkerton, and Beth & Joe Mazza

Last year's hard-working volunteers boxed 224 boxes, 6,720 pounds of food and 3¼ quarter tons of food in less than two hours. This helped 224 senior families receive the much needed food.

**Sign up today by emailing Kim Pinkerton at [Kim.Pinkerton@gmail.com](mailto:Kim.Pinkerton@gmail.com).** Help the community in which you live with fellow chapter members, co-workers, friends, family and colleagues.

## TAX-FREE EMPLOYER-PROVIDED HEALTH COVERAGE NOW AVAILABLE FOR CHILDREN UNDER AGE 27

On April 27, 2010, the Internal Revenue Service announced that effective March 30, 2010, tax-free employer-provided health coverage is now available for an employee's children under 27 years of age as a result of recent changes to the Patient Protection and Affordable Care Act (PPACA). Employers with cafeteria plans (flexible spending accounts) may allow employees to immediately make pre-tax salary reduction contributions to provide health coverage for children under the age of 27, even if the cafeteria plan has not yet been amended to cover them. Plan sponsors then have until the end of 2010 to modify the language to include this new change. The IRS clarifies that a "child" includes a son, daughter, stepchild, adopted child or eligible foster child, regardless of whether they are a dependent under the tax code.

This should not be confused with changes to the Public Health Service Act that extends coverage to children up to age 26 effective for plan years beginning on or after September 23, 2010. It does not matter if the child is a dependent, if the child is attending college or even if the child is married. The only exception for group plans is if the child is eligible to enroll in another employer's coverage (but only for plan years beginning before January, 2014).

Read more about these changes at the following websites:  
<http://www.irs.gov/newsroom/article/0.id=222193.00.html> and  
<http://www.shrm.org/hrdisciplines/benefits/Articles/Pages/NontaxableDependents.aspx>

# MEMBERSHIP DRIVE

Here's how it works:

1. Bring a potential deputy member (risk manager, safety manager, etc.) to a monthly meeting;
2. The chapter will pay the cost of that lunch for the potential member (one time only);
3. Your name will be entered for a special drawing at the January 2011 meeting for a fabulous prize (not yet determined);
4. You can get a drawing entry for every potential member you bring until December 2010.

This may sound familiar since this will be the fifth year we have been running the program. It is a great opportunity so see you at the next meeting with a guest!

## ANSWER TO

# CoVeRaGe QU:Z

From Your Insurance Committee  
Submitted By Al Haverkamp, Esq., with Lucas & Haverkamp

No. The court held B&C did not have a complete "cessation" of all business activity due to the leak – the attorneys were still able to bill some hours – and thus there was not a "suspension of operations" required by the policy. The court noted coverage would exist if the leak had caused B&C to briefly (even for a few hours) completely halt its operations.

**NOTE:** Companies should keep this case in mind when facing a potential business interruption loss, as it may be advantageous to completely halt operations for a few hours to trigger coverage. Some policies do define "suspension of operations" as a slowdown.

See *Buxbaum v. Aetna* (2002) 103 Cal.App.4th 434.

## MISSION STATEMENT

*The mission of the San Diego Chapter of the Risk and Insurance Management Society, Inc. is to promote and improve Risk Management through education, networking, peer review and community service, in a dynamic environment, which furthers the growth and development of our members.*



# CALLING ALL SPEAKERS!

Have you recently participated in a seminar, conference, or industry meeting as a speaker? Will you be in the near future? If so, please let us know! We would like to acknowledge your efforts to Advance the Risk Management profession! Mail a copy of the event announcement to the Chapter's P.O. Box or e-mail it to any of the Board Members!

## UPDATING YOUR MAILING ADDRESS AND CONTACT INFORMATION

Submit changes at [www.sandiegorims.org](http://www.sandiegorims.org), the Chapter's website (click on "Update Your Info" on the Home Page), or mail changes to the attention of:

Membership Director  
San Diego RIMS  
P. O. Box 81244  
San Diego, CA 92138-1244



If you have not received meeting notices or your copy of RIMSail via e-mail, please update your e-mail address.

# SAVE THE DATE

## San Diego RIMS Annual Golf Tournament

### Friday, August 27, 2010 Coronado Municipal Golf Course

Mark your calendars!  
Dust off those golf clubs!  
Get to the golfing range!

# Photo Gallery



*RIMS 60<sup>th</sup> Anniversary Celebration with the RIMS Executive Board pictured on the left.*



*Rich Johanson, Cheryl Berman and David Dolnick at the RIMS Breakfast Meeting.*



*The San Diego Chapter representing at the RIMS 2010 Annual Conference. Sharp looking shirts!*





RIMS 2010 WESTERN REGIONAL CONFERENCE

# CASCADING TOWARD THE FUTURE

## Taking Risk Management Around the Bend

September 14-17, 2010 • Seventh Mountain Resort, Bend Oregon

### THE OREGON CHAPTER INVITES YOU TO THE 54<sup>TH</sup> WESTERN REGIONAL CONFERENCE



JOIN US IN BEAUTIFUL CENTRAL OREGON FOR THREE DAYS OF EDUCATION AND PROFESSIONAL NETWORKING  
Registration and more information at <http://oregon.rims.org/RIMS>



REGISTRATION OPENS MAY 1<sup>ST</sup> - EARLY BIRD REGISTRATION ENDS AUGUST 6<sup>TH</sup>

Direct flights from several western cities to the Redmond/Bend (RDM) airport - shuttle available

Seventh Mountain Room Rates:  
\$99 - \$139 plus tax  
<http://www.seventhmountain.com>



Keynote Speaker comedian/author  
Ross Shafer  
[www.rossshafer.com](http://www.rossshafer.com)

Sponsored in Part By:



Oregon Chapter



#### Scheduled Events Include:

- Golf Tournament (\$50)
- Opening Reception and Dinner
- Tour and Dinner at Deschutes Mountain Brewery
- Thursday shuttle to Bend
- RIMS President Terry Fleming

#### Registration: (Early Bird/Regular)

RIMS Member	\$395 / \$445
Non Member Risk Mgr	\$495 / \$545
Associate Member	\$295 / \$345
(Tues – Wed)	

#### CONFERENCE TOPICS INCLUDE:

- Earthquake Early Detection
- Owner Controlled Insurance Programs
- Supply Chain Risk Analysis
- Managing Operational IT Risk
- Insuring Property to Value
- Managing Executive Risk
- Implementing an ERM Program
- Cutting Costs by Litigation Management
- Business Continuity in an Emergency
- Managing Pollution Liability Risk
- Breaking the Disability Cycle

**AND MUCH MORE!**

