



Texas PRIMA Press

OFFICIAL NEWSLETTER OF TEXAS CHAPTER PRIMA

Fall/Winter 2004

Annual Conference is no Mystery...or is it?

It looks like the Texas PRIMA Annual Conference and Exposition in Galveston on November 10 – 12, 2004 will be bigger and more enlightening than ever.

With the rumors of significant changes and challenges in the worlds of workers' compensation and employee benefits, it is vital that risk managers and our teams be able to *Solve The Mysteries of Risk Management*. Take a minute and review the Conference-At-A-Glance for Texas PRIMA's 15th Annual Conference, which was sent out with the registration program.

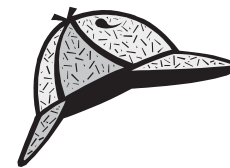


Al Hyman, Managing Director of MARSH USA, Inc. and leader of Marsh Public Entity Practice will be the keynote speaker. He is well known throughout Texas and served as Texas PRIMA President in 1983. He will be discussing the role and impact that public risk managers have on their entities. His motivational program is just what we need these days. Linda Comeaux, Chair of the Speakers & Sessions Committee, has put together a superb program. You will enjoy a balanced serving of Benefits, General Risk Management, Workers' Compensation, and Safety programs. The problem is, you will likely want to attend more than one concurrent session! In order to get the full benefit of the educational sessions, you may want to bring along extra staff members this year.

At the conference, we will encourage our Presenters, Sponsors, and

Exhibitors to be ready to help our Participants *Solve The Mysteries of Risk Management* during the educational sessions and in decoration of their Exhibits. Also, be prepared to find *Clues* while visiting the many exhibitor booths that we have this year. Watch for details on how to find *Clues* when you get to the best Risk Management Conference and Expo in Texas.

Submitted by Gary Urban, AKA. Colonel Mustard, President Elect



It's Not Too Late!

Register Now for Texas PRIMA 15th Annual Conference

November 10-12, 2004

Call 512-336-9029, Ext. 104 or online at

www.texasprima.org



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Tina A. Paquet

FROM THE PRESIDENT'S DESK

It is an honor to have the opportunity to serve as Texas Chapter PRIMA President again. It continues to be a pleasure to work as a team with our dedicated Board of Directors to resolve some challenges faced this year. Our long-time association manager and newsletter publisher recently retired. We were successful in finding a new association management group, the Texas Institute of Continuing Legal Education. We are committed to working together to continually improve services to the membership of our organization. Please make a note of our new chapter address printed on the back of this newsletter.

By the way, have you registered yet for Texas PRIMA's 15th Annual Conference, November 10 – 11 –12, 2004, in Galveston, Texas? Read Conference Coordinator, Gary Urban's article for more conference information. In case you haven't heard the Texas Chapter PRIMA Annual Conference was recognized by National PRIMA as the "Best Chapter Program", at their Annual Conference this summer. To find out why, join us in November. I know that this year's conference is going to be the best yet. I look forward to seeing you there!



**SUNSET COMMISSION RECOMMENDS
ABOLISHING TWCC**

The commission that reviews the operation of all state agencies recommended at its meeting on September 15th to abolish the Texas Workers' Compensation Commission (TWCC) and move the bulk of its duties to the Texas Department of Insurance.

Although the Staff Report from the Sunset Review Commission recommended continuing the operation of the TWCC for another 12 years, the full Commission voted 11 to 0 to adopt three motions from Chairman Burt Solomons that would abolish the agency and transfer the administration of workers' compensation to the Texas Department of Insurance (TDI), the Texas Workforce Commission (TWC) and a newly created Office of Employee Assistance (OEA).

The proposal would transfer the regulatory functions of the workers' compensation system to the Texas Department of Insurance and the education and safety functions to the Texas Workforce Commission. It would require workers' compensation to operate as closely as possible to current group health insurance regulations.

Under this proposal, the TDI would assume responsibility for all Income Dispute Resolutions and Medical Dispute Resolutions. The first level of dispute resolution at the TDI would be a pre-hearing conference to identify contested issues and then a Contested Case Hearing (CCH). Appeal of a CCH decision would go directly to district court.

For Medical Dispute Resolution, the initial informal dispute resolution would be at the carrier level with continued disputes settled by an Independent Review Organization (IRO). The carrier would have no appeal but the worker could appeal to district court. This provision has already resulted in an argument by the carriers that the worker and carrier must have the same access to the court system.

The workplace education and safety functions, including OSHCON, would move to the TWC.

A single director appointed by the Governor and approved by the Senate would lead the new Office of Employee Assistance. This office would provide legal representation and public advocacy regarding TDI rulemaking on workers' compensation. The Ombudsmen program would be transferred to provide constituent services for injured workers and work with the Department of Assistive and Regulatory Services and the TWC. The Medical Advisory Commission would be eliminated.

Medical networks would be authorized under TDI regulations and the requirements of group health would be applied to the networks. The employee would be required to use the network if the employer had contracted for one through the carrier. State and political subdivisions would be required to use networks where available.

To better contain costs, functional capacity assessments of non-injured employees would be allowed to set base capacity if an injury should later occur. The TDI would also be required to adopt return-to-work guidelines.

This proposal would increase the cap on income benefits from 100% to 130% of the State Average Weekly Wage. The current 28 day waiting period would be reduced to 14 days. Case management by the carrier would be required as early as practical.

When it meets in January, the Legislature will have to work out all the details, many of which will surface if the proposed switch to network provider plans is adopted.

Submitted by Randy McNeel, Harris & Harris Law Firm

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NOTES FROM THE BOARD OF DIRECTORS

The PRIMA Board met on August 26th and August 27th at the Renaissance Hotel in Austin, Texas. The Renaissance Hotel will be the host hotel for the 2005

Texas PRIMA Conference. While the majority of the meeting was devoted to finalizing details for the 2004 Conference in Galveston, Texas, other highlights of that meeting included:

- The By-Laws Chair presented proposed by-law changes. The changes were accepted by the Board and will be voted on at the Annual Business Meeting at the 2004 Conference.
- Approved complimentary conference registrations for retired, Director Emeritus members.
- Discussed revising the definition of "Risk Manager" for the Risk Manager of the Year award to encompass those members who perform the duties of a Risk Manager but do not have the title.
- Approved a program that would hold a drawing in each region for a scholarship to the annual conference. The drawing pool would be made up of all public entity members who attend a regional meeting during the year.
- Received a report from the Treasurer regarding member dues and Chapter sponsors.
- Reviewed a "site map" for the PRIMA website re-design.
- Discussed having a PRIMA "information" and CEU booth at the 2004 Conference. The booth will be staffed by

Regional Coordinators, Board members and other volunteers.

- Discussed enhancements in the Regional Coordinator and Regional Meeting programs. These enhancements include holding a full day meeting in each Region and re-evaluating the geographical makeup of some Regions.

The next Board meeting will be held on November 12, 2004, following the close of the 2004 Conference.

INSURANCE CERTIFICATES FOR SPECIAL EVENTS:

Make Sure What You Ask For Is What You Get

Just because you have an agent sending you a Certificate of Insurance, it may not mean anything in the scheme of things. Often, agents don't ask enough questions and their clients are reluctant to tell them the facts about their special event and why they need insurance. Make sure you call and verify coverages and exclusions. Bounce houses, climbing walls, and animal exhibits are normally excluded. Other excluded items may include food services, performers, and stages. The worst time to find out that there was no coverage is after the claim occurs.

In one city, a vendor disappeared without paying the off-duty officers their overtime. Perhaps, requiring a Payment Bond would have helped. What if a sponsor of a special event trashes your park property? You may need some type of Performance Bond or Permit Bond to recover your damages.

In the City of Plano, over the next 90 days, we will be revamping our Special Event Permit process. So if you are interested, we should have a copy on our web site.

*Submitted by Joey Page,
City of Plano*

INSURERS FINANCIAL STRENGTH

The financial condition of the insurance companies underwriting your account is very important. Should one of these insurance companies become insolvent, your entity could be left with unpaid claims. While admitted insurance companies are protected by a State Guaranty Trust Fund, the truth is that many insureds will recover only a small fraction of their claim payments.

Determining the most current financing strength of an insurer is fairly easy by going on-line. The following rating agencies do have websites to assist you in the research:

- A.M. Best & Company
www.ambest.com
- Moody's
www.moody.com
- Standard & Poor's
www.standardandpoors.com

- Fitch Ratings
www.fitchratings.com

We recommend that you check at least two of these sources for the ratings of any insurance carriers your entity may be considering.

*Submitted by
Merit Insurance Services*

USING TECHNOLOGY TO MANAGE RISK

Each new year brings challenges for all risk management professionals. However, the one constant that never seems to change is the need to "do more with less", whether that is less budget monies or personnel. Therefore, a major challenge we all face is how can we most effectively utilize and manage our resources.

In an effort to improve cost efficiency you may want to consider using technology and the internet in more creative ways. In the past we have used computer technology to implement Risk Management Information Systems (RMIS) to capture and manipulate data such as losses and claim reserves. Going forward your organization may want to consider using technology to pro-actively manage risk. New products are available to provide safety training and develop platforms to audit your existing insurance, claims and safety programs.

By properly utilizing these new technologies the risk management professional may actually be able to "do more with less".

Submitted by Robert Hayes

NEWS FROM NATIONAL PRIMA



Conference Planning Committee 2005

The 2005 annual conference concurrent sessions have been selected. Each member of the committee will contact the speaker for each session to obtain all the necessary speaker requirements.

Individuals who submitted proposals that were not selected will be asked to consider writing an article about their subject for *Public Risk* magazine, or to submit their topic as a potential virtual seminar topic.

Annual Conference 2005

PRIMA's Annual Conference will be held June 5 – 8, 2005, in Milwaukee, Wisconsin. Preliminary information will be available shortly including topics to be presented and travel information. Besides the education and networking at the Annual Conference, there's no better way to start the summer season than in the "city of festivals." Attendees will enjoy all the offerings and sites of Milwaukee, The Genuine American City.

REGIONAL NEWS

Texas Chapter PRIMA is organized into six regions, each with a regional coordinator appointed by the Board of Directors. Watch for regional program announcements in your area, and bring an associate or colleague to the next meeting.

NORTH TEXAS REGION



The North Texas Regional luncheon meeting was held on September 24, 2004 at the City of Carrollton's beautiful new library. A sincere "thank you" goes to Kimberly Webb, Risk Manager, City of Carrollton, along with the assistance of Cynthia Frankland, City of Carrollton for assisting with the meeting arrangements and providing such a wonderful facility. Thanks to Kim Serrenho, VRC Investigations for assisting with meeting sign-in. VRC Investigations sponsored the Bar-B-Que lunch. "Coordinating Insurance Claims Investigations" was the topic presented by Jeff Delaney, Regional Director with VRC Investigations. Jeff was very knowledgeable and informative and kept the group entertained with his humor and video footage.

Everyone enjoyed eating Marshall's Bar-B-Q and networking. Of the 47 in attendance we were also pleased to have James Huckaby, President Elect, National PRIMA, and Robby Neill, Past President TX PRIMA and winner of the Chapter Service Award.

"Thank You" to our door prize donors: CCS Holdings, Texas Political Subdivisions, Belfor and Roach Howard Smith & Hunter. Our door prize winners were: Elaine Botello, Waco ISD; Cynthia Frankland, City of Carrollton; Terri Barrett, Argus Services; Anne Street, Palmer & Cay of Texas, LLC; James Hunter, Arthur J. Gallagher & Co; Rita Cobbs, Texas Insurance Claims Services; Tammy Leverett, ReviewMed; and Karen Nickerson, SubroNet.

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CENTRAL TEXAS REGION



The Central Texas Regional Meeting took place on July 23, 2004 at the Texas Municipal League offices in Austin. The speaker was James Kallman, Ph.D, ARM. Dr. Kallman holds a doctoral degree in risk management and insurance from the University of Wisconsin and is the Director of the Certified Risk Manager Program. Dr. Kallman teaches professional education courses in enterprise risk management, risk management, risk control, and risk financing. His seminars are presented internationally to organizations including Marsh, Aon, GNP-Mexico, and the International School of Management-Paris, to name a few.

Dr. Kallman spoke about Enterprise Risk Management that covered the foundations of risk management, the new language of enterprise risk management and the enterprise risk management process. Dr. Kallman explained the principles of enterprise risk management and how all risk affect the ability of the organization to achieve its goals. He discussed how traditional risk managers once focused on pure risks, compared the enterprise risk manager who must broaden their skills to encompass all variations of the risk management process including the addition of system administration. Dr. Kallman also addressed how speculative risks affect the organization's goals. Dr. Kallman's presentation was outstanding and provided some practical applications to public entity risk management professionals.

Of course we had door prizes that are always a hit. Thanks to the Texas Municipal League for the generous use of their meeting facilities and to Bill Cody and Sandra Gallaway for their help at the meeting.

**GULF COAST
REGION**



On September 8, 2004 the Gulf Coast Region of Texas PRIMA met at the Pasadena Convention Center and Municipal Fairgrounds. The City of Pasadena not only hosted our meeting, but provided lunch for everyone as well!

Kim M. Thompson, CLU, EBS Practice Leader with Marsh USA Inc. introduced the crowd to the world of Health Care Savings Accounts (HSAs). HSAs were created by the Medicare bill signed by President Bush on December 8, 2003 and are designed to help individuals save for future qualified medical and retiree health expenses on a tax-free basis. Kim did a great job explaining exactly what an HSA is, why we should know about them, and the associated legal requirements.

Door prize winners included Risk Nelson, City of Pasadena; Kim Hutchison, Jefferson County, Noreen Wasserman, City of Pasadena; Melissa Sullinger, PRIMA Board of Directors; Esther Webb, Scott & White; Krista Britt, Harris County, Pat Blair, Mediator Team Mediation; Karen Forbes, City of Pasadena; and Tina Paquet, City of Houston.

**2004 Committees/Chair
Assignments**

<u>COMMITTEE NAME</u>	<u>CHAIR</u>
Executive	Tina Paquet
By-Laws & Governance	Robin Vincent
Nominations & Elections	David Kester
Legislation	David Kester
Finance	Linda Spacek
Performance Review	Tina Paquet
Member Services	Melissa Sullinger
Newsletter	Editor: Henry Kaplan Assistant Editor: Melissa Sullinger
Professional Development	Alan Smith
Regional Programs	Bill Cody
Future Conference Planning	Tina Paquet
Conference 2004	Gary Urban
Opening Reception Planning	Linda Spacek
Speakers & Sessions	Linda Comeaux
Sponsors & Exhibitors	Scott Payne
2004 Golf Tournament	Bill Cody
Awards & Recognition	Cindy Kirk

**RISK MANAGER
POSITIONS AVAILABLE**

Job vacancy announcements are posted on the Texas Chapter PRIMA website at www.texasprima.org/jobs.html. Please visit the Texas PRIMA website to obtain more details. This service is provided to you as a benefit of your membership in Texas Chapter PRIMA. Job vacancy announcements are posted FREE for 30 days for public entity members.



Texas Chapter PRIMA
 P.O. Box 4693
 Austin, TX 78765-4693

IMPORTANT DATES

Regional Meetings: Throughout the state in 2005, "All Day" regional meetings will be held similar to a mini conference. These meetings will feature multiple presenters on multiple topics with a roundtable discussion at the conclusion of the regional meeting. We hope the increased training opportunities will be beneficial to our members and sponsors.

Texas Chapter Conferences:
 November 10-12, 2004 ----- Moody Gardens, Galveston, Texas
 November 15-17, 2005 ----- Austin Renaissance, Austin, Texas
 National PRIMA Conferences:
 June 6-8, 2005 ----- Milwaukee, Wisconsin

About This Newsletter

This newsletter is the official newsletter of Texas Chapter PRIMA. It is produced quarterly. The opinions expressed in the newsletter are those of the writers and do not necessarily represent the views of Texas Chapter PRIMA. We want this newsletter to provide information to keep you -- our members -- abreast of chapter events and issues important to you. We encourage you to contribute so that this effort is successful. Please send your news, information, comments, etc. to your regional coordinator, to the editor, or to the chapter address.

The deadline for the next newsletter, the Conference Special Edition, is November 19, 2004.

Texas PRIMA Press is the official newsletter of Texas Chapter PRIMA and is published by the Texas Institute of CLE, Association Manager for the Chapter. All correspondence should be sent to:

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For information about the Chapter, visit the Texas Chapter PRIMA website at <http://www.texasprima.org>.

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