



DFW Airport LiveWell Center Opens

The grand opening was recently held for the wellness facility for DFW Airport Employees and Retirees. This facility is designed to create a supportive work environment that educates, encourages and empowers employees and their families to make lifestyle choices that optimize their health, well-being, safety and contribution to the Airport and the community.

According to Norma Essary, Risk Manager of DFW Airport, this new, state-of-the-art facility serves as the cornerstone of DFW Airport’s LiveWell program, which is designed to educate and encourage employees to make lifestyle choices that optimize their health and well-being.



To support the Airport’s sustainability practices, the center features energy efficient lighting, heating, and air conditioning. A solar thermal hot water system and water-efficient plumbing fixtures help reduce operating costs and impact to the environment. Natural lighting in the fitness area also promotes a healthier, and more inviting space for exercise.

Use of the facility and equipment is provided to all DFW Board Employees, Retirees and Board Temps at no cost.

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March 2008

Texas PRIMA Annual Conference

Mark your calendars now for this year’s annual conference to be held at the Waterway Marriott November 19–21 in The Woodlands, Texas. Be on the lookout for registration information, which will be coming soon.

Speakers and the conference agenda are being put together by the education and conference planning committees and you won’t want to miss this highlight of the year’s activities.

I will be working with the conference planning committee to finalize the theme of the conference as well as details for the opening event and related activities. Coupled with the timing of the election year and our roller coaster jobs as risk management professionals, we are considering “a season of change” as our overall conference theme but we welcome your thoughts and suggestions as well.

With all the great conferences we have had in the past, it is certainly a tough act to follow in making this event a success. If I have not already contacted you about being part of the conference planning committee, feel free to give me a call or send e-mail to express your interest.

Let’s make this conference the best ever!

*Submitted by David Kester
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Letter from the President



Melissa Sullinger

Wow, it is amazing that we are already in 2008. I am extremely excited about this year and what accomplishments we have planned, speaking on behalf of your Texas PRIMA Board. As many of you who know me understand, I love change and I love progress. As your President this year, I want to do many things for Texas PRIMA that will increase our already wonderful reputation and make an even stronger organization for our members to take pride in. This vision can only occur with diligence and hard work; but I feel that as an organization, we can make these visions a reality.

Many of our members have spoken about where they feel this organization needs to be and what they would like to see happen--we have listened. You may not see all of the changes that have and will occur, but I can tell you it has already been a very busy year. As of January 1st we have a new organization manager, Ashley Waggoner. She will coordinate the behind the scenes day-to-day activities. She will be the individual that you will communicate with via e-mail or phone when you contact Texas PRIMA. She has done an excellent job already and we are very happy to have her on board. The next change, which many of you will notice when signing up for the hot topic in March, is the new system on the web, which allows you to register for an event and pay online with a credit card securely. The new system also allows you to request a bill, which will automatically produce an invoice for those entities that require an invoice to cut a check. Again, this is the first of many items that you as the member have requested that we as your Board want to see happen.

Many of you have probably noticed you have not received a renewal statement for your 2008 dues. No, you did not throw it away. Yes, we do still want you as a member. We wanted to simplify the renewal process and wanted to get both of these two new changes on line before we sent the statements. You will be receiving your renewal notice within the next couple of weeks.

I can become really long winded when I get excited and could continue this message for quite a while, but I am sure you do not want me to ramble. A couple of things: please remember with all change there are some that love it and adapt, and some that do not. As we continue to work towards greatness, please feel free to contact me or any of our Board members and let us know what you are thinking--if you have ideas, comments, or issues with the way a program or process is done. I am going to leave you with this final thought: "Perfection is achieved in few people because there are very few of us that are perfect. But as long as you do the best you can possibly do in an ethical manner with your integrity in tact, then you have come as close to perfection and greatness as a human can." I hope that as your 2008 Board and specifically as your 2008 President, we can look back on this year and see all of the greatness and perfection that we have accomplished together.

*From Melissa Sullinger, President-Texas PRIMA
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PRIMA MEMBERSHIP NOW HALF OFF

PRIMA has created a new membership initiative specifically for its chapter members. As a member of a local PRIMA chapter, you know the benefits that come from being part of a group. Now you can join PRIMA National for half price and reap the benefits of a national network of public sector risk managers. If you are not currently a PRIMA National member, now is the time to join. For more information on this initiative, please visit the Chapter section of www.primacentral.org.

From now until December 31, 2008, join PRIMA for 50% off! That's right, YOU can join PRIMA for half price! Don't delay-put the power of PRIMA membership to work for you today!

For more information, contact Allyson Little, membership-marketing manager, at 703-253-1270 or alittle@primacentral.org. This offer is available to new PRIMA members only and only for GOVERNMENT members.



Texas PRIMA thanks Diamond Sponsor McGriff, Seibels & Williams, Inc. for their long-term partnership with Texas PRIMA. In addition to their Diamond level sponsorship, McGriff provides countless hours of support to Texas PRIMA's regional programs and our annual conference.

McGriff, Seibels & Williams of Texas, Inc. is a leading international risk consultant and insurance brokerage firm, the sixth largest broker in the nation, and the largest public entity broker in Texas. Staff includes former Texas public entity risk managers who firmly understand your needs. Services provided include property, casualty, benefits brokerage, and consulting with top quality in-house claims and loss control resources.

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Thank you to Diamond Sponsor AS&G Claims Administration, Inc. for their continued partnership with Texas PRIMA. AS&G illustrates their support to the public sector through their sponsorship of Texas PRIMA and their participation in our annual conference and programs throughout the year.

Founded in 1983 in Houston, Texas, AS&G Claims Administration, Inc. provides quality and cost-effective claims administration with an emphasis on customer service for public and private entities. The AS&G staff has vast experience, highly skilled adjusters, and consider their reputation as their most valued asset.

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PERI/ICMA Announce Management Performance Award

PERI and the International City/County Management Association (ICMA) have selected the City of Corpus Christi, Texas, as the winner of the 2007 Risk Management Performance Measurement Award. PERI teamed with ICMA's Center for Performance Management to recognize communities which are proactive in implementing risk management performance measurements in local programs.

PERI provided a \$5,000 grant to the City of Corpus Christi to support their efforts to examine the use of the Balanced Scorecard (BSC) Performance Management framework to measure performance. The City of Corpus Christi will detail its successes and challenges as part of the Balanced Scorecard Process within its government operations. The City will also compare its efforts with similar initiatives undertaken by other local governments around the country.

*From Donna James-Spruce, Manager
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Employer Sponsored Healthcare Costs Projected to Increase

U.S. Employers will face an average increase in healthcare cost of 7% for 2008 according to Towers Perrin, a human resources company. That brings the increase to 45% since 2003.

Large employers, once again, will absorb the bulk of the increase. However a continued shift toward the worker's financial responsibility will be stressed. Five years ago workers were responsible for 20% of the cost of their plan. Next year employees will be responsible for closer to 30% according to the Employment Policies Institute in Washington, DC.

This increase in employee premium may cause some workers and family members to drop coverage. In response some employers may increase programs with high deductible health plans. Other innovative strategies used by employers include:

- In-house health clinic
- Pharmacy pass through and transparency
- Customized pharmacy formulary
- Limited benefit plans
- Preventive care plan design
- Specialty medical & pharmacy services
- Electronic medical records
- Onsite disease management nurses
- Population stratification

Experience has shown that increased healthcare costs can be controlled if employers are willing to "think outside the box" and consider improved methods of healthcare delivery.

From the Bulletin of Region 4 ESC

Frank's Casing and the Insurer's Right of Reimbursement

The Texas Supreme Court has determined the circumstances wherein an insurer may seek reimbursement from an insured of amounts paid in settlement of a lawsuit when it is later determined that there was, in fact, no coverage under the policy. In *Excess Underwriters and Lloyd's, London v. Frank's Casing Crew & Rental Tools, Inc.*, No. 02-0730 (Tex. Feb. 1, 2008), an excess insurer with no defense obligation, after reserving its rights that coverage may be limited or negated under the terms of the policy, agreed to pay \$7.5 million to settle a case against its insured. However, the insurer, prior to funding the settlement, informed Frank's Casing that it would seek reimbursement of the settlement amount. The insurance policy did not include any language expressly giving the insurer a right to reimbursement.

The Court held that a unilateral reservation-of-rights letter from the insurer could not create a reimbursement obligation that was not contained in the insurance contract. Instead, for an insurer to obtain the right to reimbursement from its insured, it must "obtain the insured's clear and unequivocal consent to the settlement and the insurer's right to seek reimbursement".

The Texas Supreme Court chose to place the risk of coverage uncertainties on the insurer, leaving the insurer with the following options: (1) deny coverage if its position is strong; (2) seek a prompt resolution of the coverage dispute; (3) leverage the coverage dispute during settlement negotiations to reduce the claimant's demand; or (4) include a right to reimbursement in the policy itself.

From Fletcher & Springer, L.L.P

Telemedicine

Telemedicine is a rapidly developing application of clinical medicine. Information can be transmitted via telephone or the Internet for the purpose of linking participants and/or providers of clinical care.

In today's environment the delivery of primary care makes telemedicine an attractive alternative to going to the doctor's office for routine care. Employers are motivated to consider this type of service for their health plan participants since it saves substantial unit cost at the primary care level, while reducing absenteeism and time away from work. As a benefits and risk manager, additional considerations for telemedicine include:

Shortage of primary care doctors may create difficulties setting appointments.

Very few local doctors may be willing to consult via telephone.

More than one half of all emergency room visits are for non-emergency health problems.

More than one third of physicians do not have enough time to deliver the proper amount of information during an office visit.

Patients later say they forgot to ask questions during the visit.

From ESC Region 4 Risk Management Services

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About This Newsletter

This newsletter is published quarterly for the benefit of Texas PRIMA members. However, the opinions expressed in the newsletter are those of the writers and do not necessarily represent the views of Texas PRIMA. The aim of this newsletter is to provide information to our members about Chapter events and risk management issues. Please send news, information, comments, etc. to the editor via email, hdkaplan@garlandisd.net. The deadline for the next issue of this newsletter is three weeks following the next meeting of the Board of Directors.

Texas PRIMA Annual Conference: November 19-21, 2008, Waterway Marriott, The Woodlands, TX
PRIMA Annual Conferences: June 1-4, 2008, Anaheim, CA