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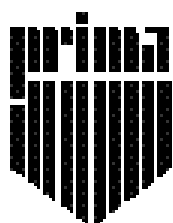


FROM THE KEYBOARD OF THE PRESIDENT

We embark on a new decade in Texas PRIMA. From our humble beginnings over 20 years ago with a handful of dedicated public entity risk managers to a 500 + member strong association, Texas PRIMA has endured the challenges that will sometimes claim the life of a professional association. We are one of the strongest, if not the strongest, chapter in PRIMA and I am proud to serve with a distinct group of peers on the Texas PRIMA Board of Directors. Texas PRIMA members should be proud of the strides its association has made over the years with developments in educational and networking opportunities, as well the development of a great website with job postings, on-line newsletter and a members only section, just to name a few.

tional opportunities for our diverse membership but smarter in the delivery of education to our members and supporters. This year I want Texas PRIMA to take a leap into the 21st Century and offer the Texas PRIMA Webinar Series. This will enable Texas PRIMA to offer an additional avenue of educational opportunities and strengthen the quality of Texas PRIMA education and training offerings to members and prospective members. This is still a work in progress with planning and logistics, so I hope we can add the Texas PRIMA Webinar Series to our repertoire of educational sessions in addition to our annual conference, meetings and Hot Topics for 2010.

*Regan J. Rychetsky
Texas PRIMA President*




**Texas PRIMA
Hot Topic
Seminar**

**June 4, 2010
Austin, TX
Omni Southpark**

I first want to thank our great sponsors, for without them Texas PRIMA would not be the great organization it is today. I also want to thank our members for providing feedback on the post conference surveys (yes, we do read them) on how Texas PRIMA can improve and what we are doing right; after all, it is your chapter.

If you review ‘The Purpose of Texas PRIMA’ you will find ‘To be an educational and research organization for the benefit of public entities (paraphrased)’. Since I have been the chair of the education committee the last two years, I have come to realize that Texas PRIMA needs to work not only harder to provide educa-

**SAVE THE DATES...
TEXAS PRIMA
WEBINAR SERIES**



April 16, 2010 ... [10 – 11 a.m.]
"Demystifying Section 111 of the MMSEA for NGHPs"
David Richard & Laura Taratine,
FARA Insurance Services
(1 hour TDI CEs = pending)

June 15, 2010 ... [10 – 11 a.m.]
"How To Minimize Property Claims Losses"
Francis J. Fey, JI Companies
(1 hour TDI CEs = approved)

Visit www.texasprima.org to register.

Digital risk exposures span all industry groups, including public entities. And, while an enterprise wide risk management strategy should be standard; it doesn't fully negate an organization's risk. It only takes one employee to cause a security breach, whether intentional or not.

To safeguard private citizen and employee information, digital risk management must be included as an integral component of an organization-wide risk management strategy and be closely aligned with the strategic business goals of the enterprise. Risk managers should work closely with information technology managers to fully understand what risks exist and communicate their potential financial impact to the executive management team. They need to jointly establish an integrated enterprise wide strategy that institutes sound employee training, policies, and procedures that cut across technological, business, and operational boundaries.

As part of their risk management strategy, organizations should consider comprehensive digital risk coverage to protect their viability and reputation in the event of breach. Many may think they are covered for digital risk exposures by their current traditional property, commercial general liability, errors and omissions, fidelity/crime, and employment practices liability coverage, but this is not the case.

For example, a standard traditional property policy requires direct physical loss or damage to tangible property to trigger coverage. The courts, however, have held that electronic data is not considered to be tangible, and damage or destruction of data is not construed to be physical in nature.

Also, most employment practices liability policies do not cover employer's liability for the careless disposal of business records that contain sensitive employee information, the failure to prevent access to hard-copy personnel information by unauthorized individuals, and errors in the handling of electronic information resulting in disclosure or unauthorized access to personal information of employees.

Organizations should consider comprehensive digital risk coverage to protect their company's viability and reputation. A comprehensive digital risk policy will cover breaches caused by both internal and external factors and, more importantly, employee errors in handling sensitive data.

Comprehensive digital risk insurance also includes the following coverages:

- Business income loss, including extra expense
- Data restoration expenses
- Public relations and consumer notification expenses
- Regulatory defense expenses
- Cyber extortion expenses
- Network security and privacy litigation costs

*Provided by: Robert S. Bookhammer III, ARM-P, CSRM
Senior Vice President Wells Fargo Insurance Services USA, Inc.*

SPONSOR HIGHLIGHT



AS&G Claims Administration, Inc. is the nation's premier provider of claims administration services to the public risk sector. For 27 years, we have been a single source provider of workers' compensation, general liability, automobile liability, professional liability and property claims expertise to local governments and municipal organizations.

We have 7 offices in Texas and 16 offices nationwide that service the Gulf Coast, South East and Mid-Atlantic states. Our goal is to reduce our clients' costs through proactive claims handling and experienced decision making. Our dedication is to deliver quality service that exceeds expectations.

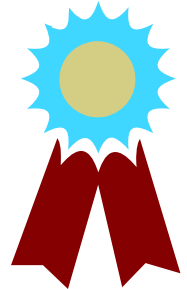


Thanks to all Texas PRIMA members that participated in the Regional Meeting Survey in November 2009. Results of the survey are helping to steer the Education Committee towards meeting membership's needs and wants in regards to training. We've had well-attended regional training/meetings in our larger served areas, for example, Gulf Coast, North Texas and Central Regions. However, in our less served areas, we've had less success. Survey results show that 76% of those who participated in the survey are likely or very likely to attend a meeting via webinar. In addition, almost half of the survey participants indicate that their travel budgets restrict their ability to attend regional training/meetings. So one of the big changes this year will be the incorporation of webinar training! We're hoping to offer webinar training to all members throughout the year, in addition to regional meetings in some of the regions mentioned above.

Donna James-Spruce
Texas PRIMA Secretary
Risk Manager, City of Corpus Christi

TEXAS PRIMA RISK MANAGER OF THE YEAR

Each year at the Texas PRIMA annual conference, one professional whose responsibilities are in a risk management discipline and whose performance is exceptional, is recognized as the Texas PRIMA Risk Manager of the year. This individual must be a full-time Risk Manager, employed by the same public entity for a minimum of two years, and a current Texas PRIMA public entity member.



Another professional whose responsibilities are in a risk management discipline and whose performance is exceptional is recognized as the Texas PRIMA Risk Management Associate of the Year. This individual must be a full-time professional employee performing risk management responsibilities, employed by the same public entity for a minimum of two years, and a current Texas PRIMA public entity member.

Finally, Texas PRIMA recognizes a project, program or product that contributes to successful risk management programs and provides an opportunity to share these accomplishments and promote the value to risk management for public entities. The Achievement Awards program is open only for current Texas PRIMA public entity members and must be submitted by an entity's member.

Although these awards are presented at the Texas PRIMA annual conference, we would like to be aware of outstanding performances on an ongoing basis. Individuals with innovative programs are always of interest to our membership. Be proud and share the accomplishments of individuals and programs with all of us. We will still pick the cream of the crop to be recognized at the annual conference but an ongoing program of recognition will be beneficial to all.

If you know any of these people or programs, send information to Bill Tarro, Executive Director of Risk Management, Lubbock ISD, 1628 19th Street, Lubbock, Texas, 79401. and he will pass the information along to be shared with all. His email is btarro@lubbockisd.org.

Bill A. Tarro, CSRM
Texas PRIMA Director
Executive Director of Risk Management
Lubbock Independent School District

CONGRATULATIONS TO THIS YEAR'S RISK MANAGER OF THE YEAR!

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*Norma Carabaja
Essary, CPCU,
ARM
Vice President of
Risk Management
Dallas/Fort Worth
(DFW) Interna-*

Norma Carabaja Essary leads the Risk Management Department at the Dallas/Fort Worth (DFW) International Airport (1,775 FT / budget: \$640 million). At 18,076 acres, DFW is the third busiest airport (based on number of operations) and the sixth busiest (in terms of passenger volume) worldwide — handling 700,000 flights and 60 million passengers annually.

Understanding the depth and horizon of Essary's risk management responsibilities provides a picture of the challenges confronted daily at DFW. Implementing programs with a results-driven focus has provided both strong visibility and credibility to her programs. DFW was featured in Fortune magazine (September 2009), the 2009 Platinum Award recipient for "Worksite Innovation" awarded by the American Heart Association as a listed fit-friendly company, and the 2008 Champion In Health recipient. DFW was also the recipient of the Texas PRIMA 2008 Achievement Award for "Risk Management as An Enterprise Strategy." An internal promotion made Essary vice president of Risk Management — which elevated the risk management function to a senior level role for the first time at DFW.

Essary directs the strategic planning and execution of enterprise-wide risk management programs that affect the airport's business and operations. She and her team coordinate the insurance coverage and manage claims involving property/casualty, disability, employment liability, fidelity and workers' compensation, as well as safety and loss prevention programs that include fleet safety, drug testing, blood-borne pathogen, ergonomics, indoor air quality, noise testing, and safety sensitive and public safety physicals/vaccinations. She also directs the airport's newly designed "integrated disability program," which includes management of all the airport's "leave" benefits such as short-term, long-term, family medical leave, and workers' compensation injuries/illnesses.

In 2008, DFW opened the doors for the airport's first wellness center for employees and retirees; Essary directs both the airport's Live Well program and its wellness center. The 14,000 sq. ft. facility includes an indoor half-basketball court, two racquetball courts, three indoor/four outdoor tennis courts, group exercise studio, three separate strength/cardio training rooms, separate shower/dressing facilities, and a future site for medical care opportunities. Initiatives that integrate areas of disability and incorporate opportunities for medical care management with tailored wellness programs have supported the mission to create a supportive work environment that educates, encourages and empowers employees to make lifestyle choices that optimize their health, well-being, safety and contribution to the airport and the community.

CONGRATULATIONS TO THIS YEAR'S RISK MANAGEMENT ASSOCIATE OF THE YEAR!



*Raul Vasquez
Safety Coordinator
City of Corpus
Christi*

Raul Vasquez has been employed by the City of Corpus Christi (population 285,507/3,200 employees) for 24 years. In his current capacity as Safety Coordinator, Vasquez is responsible for accident investigation and city-wide safety training. He is staff assistant to the city's Vehicle Accident Review Board, a member of the City's Safety Advisory Board, and establishes topics of discussion for the monthly meeting of the city's eight Safety Coordinators. Vasquez is also in charge of issuing City Driver's Authorization Cards, conducting Motor Vehicle Record checks, and overseeing the Remedial (Defensive) Driver Training Programs.

In 2005, Vasquez was named Safety Manager of the Year for the Public Employee Sector by Texas Safety Association. He has attained Master Peace Officer Certification, as well as many other honors and degrees.

During his 24-year tenure with the City of Corpus Christi, Vasquez has maintained a stellar personal safety record, experiencing no lost-time injuries, minor non-medical injuries, preventable vehicle accidents (on or off the job), or moving vehicle violations.

TRUE TEXANS EMBRACE RISK

This article was written on the day we celebrate the adoption of the Texas Declaration of Independence (Mar. 2, 1836).

The signers of the Texas Declaration of Independence were a diverse group of people, who recognized they had more similarities than differences. They were united by the exposures and hazards of their time, combined with a resolve to deal with the consequences of their actions. They knew what true risk management was all about. In order for our state to thrive in the future, we need to follow their example, in spite of known as well as unknown future perils and risks.

Today's Texas is comprised of approximately 269,000 square miles of land, 1,000 miles of linear coastline, a border with Mexico that is 1,200 miles long and borders with four other states. Within the state, there are 254 counties and 1,208 incorporated cities. The state's population is currently between 25 million to 30 million residents.

The 2010 Census will attempt to verify the State citizen headcount sometime this year. The growth in population will have a multiplier effect on exposure and severity of, not only accidental loss, but concurrent demands on infrastructure and public services. The demand on public roads, schools, safety and health will certainly be far and above current utilization.

Public Risk Managers, their governing bodies, and related service providers will be tested by the challenges that are brought by change. More than ever before, all three stakeholder groups must bring their skill sets together for the good of all concerned.

Texas PRIMA is here to help you cope with the demands brought by the changing risk profile of the public entity you serve. This will include legislative updates, educational and networking opportunities. Therefore, all members need to log on, search, access and plug into the many resources offered by Texas PRIMA throughout the year to come.

Finally, if you have the desire and time to volunteer within Texas PRIMA, please do. After all, we owe our very existence, as a state, to those who voluntarily risked all they had for the common good. As Texas-based risk professionals, let's build on the legacy of those who came together in 1836, to create what we are now stewards of in 2010.

*Charles "Buddy" Gillenwater
Texas PRIMA Director
Safety & Risk Manager, City of Mesquite*

SPONSOR HIGHLIGHT



McGriff, Seibels & Williams is proud to be a Platinum Sponsor of Texas Chapter PRIMA. It has been a privilege to be a part of the Texas PRIMA family for many years and we look forward to many more. MSW joined the BB&T family of companies in 2004 creating the 6th largest insurance brokerage company in the U.S. and the 7th largest in the world. The BB&T family has over 29,000 employees and over \$152 billion in assets. MSW/BB&T are one of the largest providers of insurance and risk management services to public entities in the U.S. with offices in 32 states and is the largest Public Entity broker in Texas.

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Irma Hernandez

Director, Employee Benefits & Risk Management, San Antonio ISD

Irma has served as the Director of Employee Benefits & Risk Management for the San Antonio Independent School District (ISD) since July 2005. She manages employee benefits and risk management for 7,500 full time and approximately 4,000 part time employees. The school district has a student population of 54,000 and has over 100 campuses. Irma manages a \$39,000,000 budget and has a staff of 9 employees.

Risk Management is an area that has evolved over the years and touches every aspect of every organization. A Risk Manager is an integral part of and plays a crucial role in the success or failure of the organization. My goal is to bring attention to the importance and significance of risk management and help promote a degree program in this field. Irma wants to be on the board to be able to provide resources through this organization to our colleagues in the industry and help grow the profession and the organization.

Irma has 25+ years of a proven track record and reputation in the industry. I have a passion for my profession and am committed to work hard as a board member to help promote and grow the organization. I have a vested interest in the public school risk management arena and will work towards developing education and training programs specific to this industry in addition to supporting and enhancing existing services and programs.



Gilbert Sanchez

Risk Manager, City of Laredo

Gilbert has approximately 21 years of municipal government experience with 17 years concentrated in public entity claims and litigation management, safety, property/casualty insurance procurement, contract review and underwriting responsibilities and is currently serving as the Risk Manager for the City of Laredo since April, 2006.

Prior to working with the City, Gilbert joined the Trident-Argonaut Group and worked with the second largest broker of public entity insurance, as Senior Underwriter for large Risk Pool accounts from June, 2003 until March, 2006. During this time he was an active member of Risk and Insurance Management Society (RIMS), From October, 2002 until June, 2003 Gilbert worked as an independent consultant for corporate clients involving complex liability claims.

From October, 1999 until October, 2002 Gilbert served as Risk Manager for the City of San Antonio Housing Authority overseeing its' safety, property, liability, workers' compensation, insurance procurement and employee benefits programs. During his tenure with the Housing Authority he was elected and served as a member of the national Housing Authority's Risk Retention Group's (HARRG) safety, claims and underwriting committees.

Previously, he served as the Risk Manager for the City of Laredo, overseeing the property, liability, workers' compensation, safety, Return to Work and Drug and Alcohol programs from November, 1995 until October, 1999. He started is risk management career working with the City of Dallas as Liability Claims Supervisor and Manager, handling and managing the liability and litigation programs for the city from February, 1992 to November, 1995.

(continued on page 7)

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WELCOME NEW BOARD MEMBERS (cont)...

Gilbert has been a member of PRIMA over the last 15 years and is a strong advocate of Texas' PRIMA's mission, goals and objectives. He sincerely believes that Texas PRIMA is a leader in the oftentimes complex field of risk management and one of who sees its primary mission is not only education, but continuing education of its membership. Education is paramount in ensuring risk professionals are provided the necessary foundation and skills that are cutting edge in order to manage the diversity of public entity risks.

Gilbert, graduated with B.A. from Texas State University 1985 and completed M.A. graduate work in Urban Studies at Trinity University, 1988.

Correspondence

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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, info@texasprima.org.