



December 2012

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**The KINGS and QUEENS of Texas PRIMA  
Mardi Gras 2012**

*President's Message*

Can you say *Conference*? What a successful conference it was, I can't stop thinking about all the high points of the conference...from beginning to end!

It's a great note to end the year on too! Like our Texas PRIMA conference, this year has gone by much too quickly, and we've been able to accomplish so much.

Texas Chapter PRIMA hosted the conference to over 500 attendees. There were 200 exhibitor booth personnel who, together, created a plethora of options for attendees to choose and to learn from. This year the scholarship program was significantly enhanced. In fact, 15 public entity risk associates/professionals were awarded scholarships, the most ever! Recipients were also able to personally meet with and thank the Sponsors who contributed to the program.

As Chair of the Conference Planning Committee, I learned first-hand, the amount of planning and teamwork it takes to make it happen. The committee did a fantastic job of planning and implementing all the moving parts that make up the conference. From the golfing to the gorgeous opening night reception, to the closing keynote address, all this was done by the committee, composed primarily of Texas Chapter PRIMA Board members!

The *crème de la crème* were the educational sessions that were offered this year. Sessions were evaluated and hand-picked by the Education Committee, thanks to the entire committee for their diligence and tenacity in putting together such an amazing agenda of sessions. I look forward to seeing the results of the educational session surveys that you all completed.

*(continued on page 2)*



**2012 BOARD OF DIRECTORS**

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In addition, Texas Chapter PRIMA members also attended three regional risk management seminars that were coordinated by the Education Committee. Each regional seminar provided a great way to network with other risk management professionals and to learn in your own backyard. This year we also realized an enhanced use of the MyTexasPRIMA social media site and continued to publish informative and interesting newsletters throughout the year. We also enhanced involvement of our wonderful sponsors by including more sponsors in our annual meeting, sponsor surveys and scholarship program. Special thanks to all our sponsors!

As some of you already know, we have a new member on the Texas PRIMA Board of Directors, John Palm will be joining us next year. I'm confident John will bring some fresh ideas of his own and will be ready to work hard for our members in 2013. I look forward to watching Texas Chapter PRIMA continue to grow and evolve under the leadership of our 2013 President, Bill Tarro. I also encourage each of you to give back to the organization by getting more involved.

Have a Merry Christmas and a blessed New Year!

*Donna James-Spruce*  
2012 Texas PRIMA President

**CONGRATULATIONS 2013 Texas PRIMA Board of Directors!!!**

The Nominations Chair is pleased to announce the 2013 slate of officers for the Texas PRIMA chapter. Elections were conducted in October; the new Board was installed at our annual membership meeting at conference in Frisco this November, and the new Board terms begin January 1, 2013.

Our elected Board is comprised of two Past Presidents (Immediate Past and Past President), four Officers (President, President Elect, Secretary, and Treasurer), and four Directors-at-Large. Each Director-at-Large is elected for a two-year term, not to exceed two consecutive terms. In accordance with Chapter bylaws, the outgoing President becomes a Director, the President Elect becomes President, and the Secretary becomes a nominee for President Elect. The Officers of the board shall nominate an active Director to serve as the Secretary prior to each annual election.

Nomination applications were made available via the Texas PRIMA [website](#) and were due by September 17<sup>th</sup>. On October 16<sup>th</sup> the electronic ballot was sent to the membership and included requests to approve changes to the by-laws. Ballot votes were due back by October 22<sup>nd</sup>.

**For 2013, the membership was asked to vote on filling two Director-at-Large positions. One was becoming vacant as the Director moved into the Secretary position while the other was due to the**



## Texas PRIMA 2013 Board

### PRESIDENT:

**Bill Tarro – Lubbock ISD**

### PRESIDENT-ELECT:

**Irma Hernandez – San Antonio ISD**

### SECRETARY:

**Gilbert Sanchez – City of Laredo**

### TREASURER:

**Scott Payne – City of Denton**

### IMMEDIATE PAST PRESIDENT:

**Donna James-Spruce – City of Corpus Christi**

### PAST PRESIDENT:

**Tracy L. Seiler – The Univ. of Texas System**

### DIRECTORS-AT-LARGE

**Donna Parker-Stirman – Travis County**

**Norma Jean Rivera – San Patricio County**

### Elected for 2013 are:

**\*Sharada Phillips – Houston ISD**

**\*John Palm – Mesquite ISD**

### DIRECTOR EMERITUS

**Cindy Kirk – City of Bryan**

expiration of a two-year term limit. Two nominations were submitted and voted into office. Following is your 2013 Texas PRIMA Board of Directors:



Congratulations to **Sharada Phillips** who has been elected by the membership to serve a second 2-year term as a director-at-large. During her past 2-year tenure with the Board Sharada has made invaluable contributions as an active member of the education committee always advocating for out-of-the-box educational sessions. In 2012 she served as the Chair for the Social Media Committee. Thanks to her efforts we are but a key stroke away from each other and the rest of the multi-media universe.



Please join us in congratulating and welcoming **John Palm** as the newest elected director-at-large. Who is John Palm you ask? Well thought you'd never ask...

**John Palm** has been employed by Mesquite ISD for six (6) years and is currently the Risk Management / Operations Manager. Prior to joining Mesquite ISD, he was in the private sector for 5 years where he held positions such as regional risk control manager, safety specialist and industrial hygienist. John received an Associate in Risk

Management (ARM) designation in 2007 and holds a Master of Public Health Degree from the University of Southern Mississippi, which he received in 2001. He began employment with Mesquite ISD as the safety officer and is now responsible for all areas of risk management within the school district including insurance, workers' compensation and safety.

John has been a member of Texas PRIMA since 2007 and has served on membership committees for both Texas and National PRIMA. He was the recipient of the Texas PRIMA's Risk Management Associate of the Year Award in 2010 and has accepted two Risk Management Achievement Awards for programs that he championed while with Mesquite ISD. He has a history of creating and developing innovative strategies to improve processes and effect positive change when needed. John believes that his qualities and experience will be an asset to the organization and he looks forward to helping Texas PRIMA grow and improve so that it will continue to be an invaluable resource for public sector risk management professionals in Texas.

Sharada and John the Texas PRIMA Board welcomes you both with open arms and we are very excited about the coming year and the opportunity to work with you both.

*Tracy L. Seiler, Chair, Nomination and Elections Committee*

## 2012 Conference Recognizes & Awards Excellence in the Field of Risk Management

The Awards Luncheon at the 2012 Annual Conference gave the Texas PRIMA the opportunity to recognize outstanding individuals and programs in the Risk Management field.

### Kermit Falgout – Risk Professional of the Year:



Among several candidates who exemplified excellence in leadership and innovation and commitment to the Risk and Insurance field one individual stood out in this field. The 2012 Risk Professional of the Year award was presented to Kermit Falgout, Senior Manager of Risk Management for Houston ISD. Kermit Falgout has 38 years of experience in insurance and risk management. Several special projects accomplished by Kermit included the development of several Board Policies, assignment and review of automobile liability litigation, review of contract language specifically relating to insurance, preparation of district wide budgets for property and casualty insurance, and development of service agreements with insurance service providers. Additionally Kermit served on the District safety and security committee (post 911), directed the claims process for several large and complex property claims resulting from Hurricane Ike and Tropical Storm Allison and managed lawsuits involving disputes over coverage conditions.

### Carlos Garcia - Risk Associate of the Year:



The 2012 Risk Associate of the Year award was presented to Carlos Garcia, a professional whose responsibilities are in the Risk Management discipline and whose performance is exceptional. Carlos Garcia has been the safety coordinator for the City of Corpus Christi since 2008 and has more than 21 years of experience in occupational health and safety. Carlos was instrumental in designing the Risk Management's internet web-page as the tool and venue to provide updated safety resources and safety training for city employees.

### Risk Management Program Achievement Awards:

In the Risk Management arena we are always looking for the program that will save money or reduce injuries or simply make us a better manager of risks. Texas PRIMA recognizes programs that help accomplish these goals. This award, sponsored by 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 public entities. This year five (5) Risk Management Program Achievement Awards were presented at annual conference.

### DFW Airport:



For more than 30 years, DFW Airport has served as the major transportation hub of North Texas, making immeasurable contributions to community and economic development. As we continue to grow, to uphold our longstanding tradition of service, we have to ensure that our own employees remain vibrant and healthy in the most literal sense of the word. Through the development and sustainment of the **LiveWell** program, led by the efforts of the DFW Risk Management team, a comprehensive implementation of health and wellness programs now benefits our employees. DFW LiveWell strives to impact strategic key measures including Employee Engagement, Customer Satisfaction, and Cost Competitiveness. It is a program that benefits everyone involved. The airport gains from a more productive workforce, the ability to add to our talented team and reduced health care costs.

### Mesquite ISD:

Mesquite ISD maintenance, food service, and custodial personnel hold monthly safety meetings, however it has always been a challenge to get safety information into the hands of campus employees such as teachers, paraprofessionals and administrators. Because they are focused on instruction it is difficult to break them away from the day-to-day functions of the campus. In 2009, Mesquite ISD began using an e-Learning system that is primarily designed for teachers to make their curriculum more accessible to students. Mesquite ISD Risk Management took advantage of the e-Learning system to create their own on-line safety training sessions for campus personnel. All training seminars are created and administered by Mesquite ISD Risk Management staff and the **On-line**

**Safety Briefs** program has had zero impact on the Risk Management budget. Campus employees can now conveniently sit at their own computers to attend safety training sessions at their leisure instead of interrupting their instructional duties to attend traditional group training. The system automatically logs all employees who view the training materials and administers a quiz to ensure comprehension. Because of this program, Mesquite ISD has been able to reach an average of 1,170 campus employees per quarter who would otherwise not be exposed to safety training materials.

### The City of Austin:

More than 68% of City of Austin employees are male. Research on claims and health assessment data indicates that men are less likely to complete recommended preventive exams than women. They also are less likely to have a relationship with a Primary Care Physician. With this as a background, the City's wellness team developed and launched **Men's Health Month** in June 2012. This awareness campaign included a Healthy Breakfast event, Healthy Cooking demo, Extreme Conditioning workout, Nutrition and Fitness seminar and Male and Yoga series. More than 250 employees participated in the events. The City received very positive feedback from employees, especially from men who were the focus of the campaign. The City's wellness team made a special effort to engage men that work in field locations such as Water Utility and Aviation Maintenance workers. A comprehensive communication campaign was launched in conjunction with the events to educate employees about health and wellness. These communications targeted improving nutrition, encouraging regular exercise and establishing the practice of annual preventive care.

### The City of Irving:

In its efforts to promote volunteerism on a citywide basis, the City of Irving needed to provide a uniform method of recruiting volunteers and training City Departments in use of volunteers. A cross-functional team of representatives from various City Departments (i.e. Library, Parks, Teen Court, Police, Environmental Stewardship, Information Technology, etc.) was formed to develop recruitment tools. The team then addressed the need for a volunteer handbook, application and release forms, risk assessment matrix, department training, a database for tracking volunteer activity, and recognition. The end result is a **Volunteer Toolkit** that supports the Mayor and City Council goal of increased volunteers, which departments are now able to use on a consistent basis.

### Northside ISD:



Northside Independent School District (NISD) has implemented a **Personal Protective Program for their Special Education Department** employees. Northside ISD is an International Destination District for families with special needs children. The District recognized a need to provide employees with Kevlar long arm sleeves. The Kevlar material is cut resistant which protect the employee's arms against scratches and bites. The feedback thus far has been extremely positive. The Special Education Department funds the program. Having the sleeves has been a positive in the mere fact that less injuries have occurred. Most students have realized that staff is protected and don't reach out as often. Again the sleeves have been a positive influence just because we as Brandeis Autistic Unit staff have

continued to use them on a daily bases to instill structure and routine, which helps our students realize the importance of keeping hands to themselves. Out of the 972 scratches/bites/grabs on 24 days of data from a student, he has only broken the skin once and that was when the sleeve was not on the hands-arms. The other 970 were on the sleeves and he was unable to break the skin. This alone led to a reduction in sick day/infection with the staff.

The Texas Chapter Prima congratulates all the award winners. We look forward to another outstanding year with many more opportunities to recognize outstanding programs and individuals in the Risk Management field.

*Bill Tarro,  
Chair, Awards Program Committee*

### Texas PRIMA Board Welcomes & Celebrates 15 Scholarship Recipients

#### "Gangnam Style"

How to describe this year's conference from the eyes of a first year director on the Texas PRIMA board??? All that comes to mind is WOW! I heard so many attendees mention this was THE best conference ever! I've been attending the conferences for years myself and I have to agree. We outdid ourselves.

As a new board member, I was given the assignment as Chair of Member Services. I had no idea what that encompassed. I was told my job was membership recruit-

ment, newsletter articles and Conference Scholarships. I struggled through the first couple board meetings trying to get my footing and not feel like a fish out of water. By the third meeting I started realizing, I can do this. Then it was time to start working on the Scholarship program. During earlier board meetings, we discussed adding the scholarship program as an option for our conference sponsors to make additional, separate, contributions. The executive board presented the idea at their yearly meeting and the sponsors were not only open to the idea, they were downright excited.

As the scholarship applications started coming in, so did additional funding. We had 19 applications, of which 15 were eligible to be considered. I sent them out to the committee to start their evaluations and I started making phone calls. Each applicant was excited at the prospect of attending the annual conference and they were



all willing to make sacrifices to help make it happen. When it was all said and done, we awarded all 15 eligible scholarship applicants a conference scholarship; the largest number of scholarships awarded since the inception of Texas PRIMA.

It was an honor to meet and work with every scholarship recipient. They were appreciative, humbled, excited and so willing to participate. They formed a bond and it was apparent they made new friendships. They networked with vendors and other attendees in the exhibit hall. And most importantly, from the sessions they attended, they gleaned information they could take away and use in their organizations and share with their co-workers. It was an awesome experience for all involved and we could not have done it without the generosity of our scholarship sponsors: JI Companies, McGriff and TriStar.

I proudly introduce to you our 2012 Texas PRIMA Conference Scholarship Recipients:

James Grant, New Caney ISD  
 Yvonne Fernandez, Texas Center for Infectious Disease  
 Manuel Trejo, City of Sugar Land  
 Valerie Martinez, Clint ISD  
 Mayra LeBlanc, El Paso State Supported Learning Center  
 Melanie Glaze, City of Pearland  
 Michelle Due, City of Austin  
 Sheila Byrom, City of Haltom City  
 Sylvia Collins, North Texas Tollway Authority  
 Roy Laughlin, City of Corpus Christi,  
 Margarte Hampton, City of Cleburne  
 Gabriel Herrera, Richmond State Supported Learning Center  
 Stephanie "Christy" Cruz, Victoria ISD  
 Stacy Buckley, City of Murphy  
 Katherine Anderson, City of LaPorte

In closing I want to thank the Member Services committee members that helped get me through the first year (Norma Jean Rivera, Kimberly Isaacs and Kristiana Spenser) and to my PRIMA 'family' for supporting and having faith in me this past year. I look forward to what 2013 brings.

*Donna Parker Stirman  
 Chair, Member Services Committee*



## **It's A Wrap!**

### **The Big (not so) Easy Texas PRIMA Conference a Success!**

Got beads? If you were at this year's Texas PRIMA conference in Frisco November 11<sup>th</sup> through the 14<sup>th</sup>, you do now! A krew of over 500 members, speakers, sponsors, and exhibitors gathered at the Embassy Suites Hotel and Convention center for a spectacular conference complete with Mardi Gras parades, masked balls, and educational sessions galore!

This year was another terrific conference at a great venue. The Embassy Suites proved to have it all from great facilities to close eating and entertainment. As always, the goal of the PRIMA board for the Texas PRIMA Conference is to provide a wide array of educational sessions that not only address current issues in the areas of insurance, risk management, employee benefits, and safety and workers' compensation, but also cover the basics for colleagues new to the field. The 31 educational sessions were well attended and positively evaluated. Each year we request potential speakers to submit their proposals for the scheduled sessions, and each year it is hard to narrow the proposals to those who will present at conference. So a big PRIMA THANK YOU to all who submitted terrific proposals. It was very difficult to nar-

row the field this year, but it's always good to have such an awesome selection to choose from!

We kicked Monday off strong with the great father/daughter keynote speaking team of Larry and Meaghan Johnson who had us "ROTFL-ing" ("rolling on the floor laughing" to you gen-X folks) while our closing speaker, Mike Conduff, sent us home with some great motivational tools. We hope you enjoyed all of our networking events and opportunities, from the golf tournament and Welcome Reception on Sunday, to the Opening Night Reception Monday evening.

As always, we are grateful for our sponsors, exhibitors, and corporate members who continue to provide a wealth of information and support to make our conference affordable and beneficial for all. We hope you spent time with as many exhibitors as possible during the breaks and exhibit hall networking events. There is no way Texas PRIMA could continue to put on such exceptional conferences without the patronage of our fine group of 36 sponsors, and almost 40 exhibitors. We thank you and appreciate your participation.

*Tracy L. Seiler, Chair, Nomination and Elections Committee*

**Don't miss our 2013 conference where we'll be back on the beautiful island of Galveston at the Moody Gardens Hotel and Convention Center November 10<sup>th</sup>-13<sup>th</sup>...we'll see you there!**



### **Texas PRIMA Board Member Spotlight**

The *Spotlight* is shining bright on Scott Payne (aka Dr. Doom, Dr. Death, etc.). Scott has done a fantastic job as Treasurer for the past 4 years! We are so blessed to have him on the Texas PRIMA Board. He began his career in risk management in 1987 as an adjuster with Texas Employers Insurance Association (TEIA) in Abilene, Texas. In 1991 he entered the field of public entity risk management as the Safety/Claims Administrator for the City of Abilene and later became the Risk Manager there in 1994. Scott left Abilene in 2003 to take the job as Risk Manager for the City of Denton.

He became a member of Texas Chapter PRIMA in 1991 and has served on the Board since 2003. He has served in various capacities including Conference Chairman in 2005, President in 2006, and Treasurer since 2009.

Additionally, he has served on the Board of Trustees for the Texas Political Subdivisions Joint Insurance Funds (TPS) since 1994, including the last five years as Chairman.

Scott has a B.B.A. in Finance from Texas Tech University and is a licensed claims adjuster. Thank you Scott for your many years of dedication, hard work and your great abilities as Treasurer...especially keeping us in the **black!**

### **Long Term Member Spotlight—Robby Neill**

It's quite humbling to be asked to provide information for the "Old Timer" Spotlight, and what an opportune time to do so as we return home from another great conference. As we assembled for Texas PRIMA meetings many years ago, I'm not sure anyone envisioned the caliber of event we just experienced in Frisco. It's been amazing to see the growth in terms of quality, participation, and member services, and an honor to have had, perhaps, a small part in that along the way. I am also fortunate to have started in this business under the guidance of some of the public entity risk management pioneers in Texas.



For me, the journey started with the City of Abilene where they let a young West Texas boy work at the land-fill while going to college. I was pretty sharp back in those days and quickly promoted from picking up paper and greasing equipment, to supervising the paper pickers. Nothing like making it to management at an early age! But there was no holding me back and before long I was running heavy equipment, welding, and surveying. After college they let me stay on as a management analyst in public works since I was now an educated garbage guy. Little did I know at the time, that all of this valuable experience was preparing me for a career in risk management.

Abilene had recently hired its first risk manager, Ron Pollard, who was also the first Texas PRIMA President in 1981. Ron recognized my experience in handling large volumes of paper, keeping things greased, supervising skilled workers, working with dirt, and burying unwanted things, and knew I had the “right stuff” to be a public entity Risk Manager. Ron brought me into the business and began to finely hone those skills over the following years which included attending the early Texas PRIMA meetings. Back in those days we had meetings, not conferences. For a conference you needed sponsors, exhibitors, and a networking session, which we did not have. However, the meetings provided an opportunity to learn from the public risk management legends in Texas, exchange ideas, and develop great friendships.

Since they couldn’t run me off, Abilene eventually made me the Human Resources and Risk Manager and we immediately “lured” our workers’ compensation adjuster, Scott Payne into the business. Scott and I made a pretty good team – he was smart, ambitious, and could reach things that I could not (literally).

I was fortunate to be elected to serve on the Texas PRIMA Board and have served in several officer positions over the years. During these early years we had many ideas and tried different things – some good, some not so good and some were just pure genius. We learned that vendors would sponsor receptions, breaks, and other activities (good idea) and having the business meeting and elections during the conference (bad idea). We learned there were conference planning professionals out there and the Board did not have to print handouts, put conference packets together and do all of the planning. We learned to not let “me” select the meals. Although the stuffed quail was great, little bird legs sticking up on plates didn’t appeal to the masses. Other things we learned, we vowed to never mention again.

In 1994, I served as President of Texas PRIMA and moved to the City of Garland as Director of Risk Management. To keep me mindful of my cowboy roots, the award plaque reads “1994, the year he Boot Scooted from Abilene to Garland”. I was also honored to receive the National PRIMA Chapter Service Award that year and receive the Texas PRIMA Risk Manager of the Year award in 2005.

Garland continues to present many rewards and challenges as I am also the Director of Civil Service, oversee the Fleet Services Department, assist in Human Resources, and manage an in-house family practice clinic with two full-time physicians. Although working in the big city, I remain a “West Texas boy” living in the country with horses and cattle.

What many people may not know is that Garland has a connection with many familiar Texas PRIMA names who have worked here in years past, such as Johnny Fontenot, Allan Smith, James Huckaby, Henry Kaplan, Robert Waggoner, and Tom Keel. As I am sure these members and others would attest, being a part of Texas PRIMA is extremely rewarding and I encourage you to take advantage of every opportunity to get more involved in our chapter. You will find the professional and personal experience invaluable and the friends and colleagues to be life-long.

*Written by: Robby Neill, Director – Risk Management and Civil Service, City of Garland*



## SPONSOR HIGHLIGHTS

### McGriff, Seibels & Williams of Texas, Inc. (MSW)

Since 1998, McGriff, Seibels & Williams of Texas, Inc. (MSW) has been a proud sponsor, supporter, and partner of Texas PRIMA.

MSW Texas is the premier provider of Brokerage and Consulting Services for Texas public entities, specializing in providing Commercial Property & Casualty, Employee Benefits, and Risk Management consulting services. The staff dedicated to Public Entity accounts has a broad range of experience including former Public Entity risk managers and Texas PRIMA board members who have “walked in the shoes” of Texas public entity risk professionals.

MSW is a division of BB&T Insurance Services Inc., the 7th largest insurance brokerage firm in the world. The MSW/BB&T family has over 30,000 employees and over \$157 billion in assets. BB&T is currently ranked #220 on the Fortune 500 list. MSW/BB&T are one of the largest providers of insurance and risk management service to Public Entities in the U.S. with offices in 32 states.

MSW has a reputation that precedes them – a high level of professionalism, outstanding technical skills, inventive problem-solving abilities, and above all, the highest level of integrity. The experienced professionals at MSW work with some of the world’s largest companies to design state-of-the-art solutions for a full range of risk management and benefits needs. The goal of McGriff, Seibels & Williams is to establish long-term partnerships with their clients by providing top-notch service, inspiring customer confidence and trust.



## MEMBERS ON THE MOVE

Congratulations **Lana Raimbault, City of McKinney**, on her promotion to HR Manager. Lana also received her CMS (Compensation Management Specialist) Certification.



#### **Jacque Crouch: Workers' Compensation Specialist**

Houston ISD is proud to welcome Jacque Crouch to our Workers Compensation Department as a Workers' Compensation Specialist. Prior to joining the HISD team, she was previously employed with Mesquite ISD for over 16 years. She worked under the direction of James Huckaby in the Risk Management Department and has over 11 years of claims handling experience. HISD is excited to have her as part of our organization.



#### **Lashondra Vaughn: Workers Compensation Specialist**

Houston ISD is proud to welcome Lashondra Vaughn to our Workers Compensation Department as a Workers' Compensation Specialist. Prior to joining the HISD team, she was previously employed with the City of Waco in Risk Management for over 4 years. She has over 10 years of claims handling experience and will be a valuable asset for our district and employees.

**Tell us about your new position, promotion or designation.**

Send submission to [info@texasprima.org](mailto:info@texasprima.org)

## A Warm Welcome To New Texas PRIMA Members & First Time Conference Attendees

The Texas PRIMA Board of Directors would like to extend a warm welcome to the new members of our organization.

Cindy Bezaury, Dir. of Workforce Services, City of Arlington	David Gracia, San Antonio ISD
Shelley Cleveland, Asst. Director of HR, City of Mansfield	Laronda Graf, Liberty-Eylau ISD
Jack Coleman	James Grant, New Caney ISD
Lance Esswein, Risk Mgr, Nueces County Risk Management	Ron Hayes, Arthur J Gallagher Risk Management Services
Norma Gonzalez, Certified Rehabilitation Consultant, Southern Disability Management	Fernando Hernandez, Administrative Assistant, City of McAllen
Jeff Jenkins, CEO, The Jenkins Agency Inc.	Gabriel Herrera, DADS/Richmond State Supported Living Ctr
Everanit Lopez, Claims Specialist, City of Waco	Patricia Hornsby, Mesquite ISD
Thomas Noonan, Reg. Manager, American Technologies, Inc.	Stefanie Hoyle, UnitedHealthcare
Dale Sharpe Jenkins, Agency Owner, The Jenkins Agency, Inc.	Sabrina Jeter, Garland ISD
JoBeth Wells, Executive VP, Willis of Texas, Inc.	Jacque Jones, Midwest Employers Casualty Co
Jim Wines, Risk Management Analyst, City of Fort Worth	Brice Komatsu, TRWD
Katherine Anderson, City of La Porte	Roy Laughlin, City of Corpus Christi
Tom Argo, City of Pealand	Mayra LeBlanc, El Paso SSLC
Javier Arroyo, (VRC)	Frances Lout, Attorney, Downs & Stanford, P.C.
Steven Baugus, City of McAllen	Leonard Martin, City of Carrollton, Texas
Toni Beckett, City of Haltom City	Adam Mathews, Aetna
Bobby Brous, Mooring Recovery Services, Inc.	Jay Mathiason, CPCU, States Self Ins. Risk Retention Group
C.W. Bruner, Travis County Purchasing Office	Linda Meik, Marsh USA, Inc.
Holly Bryan, Wink-Loving ISD	Joe Milburn, MTI
Sheila Byrom, City of Haltom City	Seth Moore, Veracity Research Co. Investigations (VRC)
Christopher Chism, Gallagher Bassett	David Neubert, Metadata
Shelley Cleveland, City of Mansfield	Tommy Normand, Arthur J. Gallagher
Sylvia Collins, North Texas Tollway Authority	Belinda Ochoa-Castillo, City of Harlingen
Esther Cortes, Richardson ISD	Michael Payton, Tarrant County College
Stephanie Cruz, Victoria ISD	Robin Phillips, Public Entity/ ACE USA
Paul Cunney, ACE USA	Ruben Portillo, Jr., North East Independent School District
Joe D'Anniable, Sedgwick Claims Management Services	Neil Punt, Veracity Research Co. Investigations (VRC)
Holly Darby, PHR, Midland County	Christy Reinoehl, City of Lewisville
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Ernest De Leon, Brownsville ISD	Jose Sanchez, City of Galveston
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Christina Ford, CSR, Red Oak ISD	Sharon Smalley, Tarrant County College
Sandra Garza, Risk & Safety Manager, City of McAllen	Justin Sylvester, Gallagher Benefit Services
Melanie Glaze, City of Pearland	Samantha Taylor, City of Frisco
Jacinto Gonzales, North East ISD	Carrie Taylor, Forte
	Kevin Thompson, City of El Campo
	Monica Treviso, DFW International Airport Board



## A Look Back at Texas PRIMA Regional Risk Management Seminars for 2012

As this year draws to an end, I would like to take this opportunity to thank all of the Education Committee members: Susan Shoemake, McGriff, Seibels and Williams, Luis Valdez, Texas Municipal League Intergovernmental Risk Pool, Sally Ann Rigdon, Via Metropolitan, Leslie Milvo, City of Austin, Donna Parker Stirman, Travis County and last but not least Sharada Phillips, Houston Independent School District. All of these individuals contributed their time and effort to bring you the successful slate of regional seminars for this past year.

Most importantly, I would like to thank all our presenters and sponsors who donated their time and expense which enabled Texas PRIMA to bring quality educational sessions to its members and non-members at our quarterly Regional Risk Management Seminars at little or no cost. Without their participation, Texas PRIMA would not have been able to accomplish this initiative.

As we look forward to next year, Texas PRIMA is always in need of presentations for our regional quarterly seminars and the Education Committee encourages both public and private entities and organizations to submit presentations.

Whether you want Texas PRIMA to present on a specific topic of interest or you are interested in presenting a topic, please send your submission(s) to [info@texasprima.org](mailto:info@texasprima.org).

We look forward to next year! After our meeting in January, 2013, our Education Committee will be releasing the dates and location of our next seminars. Hope to see you there!!

*Gilbert M. Sanchez  
Chair, Education Committee*

## Letter From The Editor



As the curtain lowers after the final act, the 23<sup>rd</sup> Texas PRIMA Annual Conference of 2012, and as we reminisce the past twelve tumultuous, unsettling yet rewarding months, I remain amazed, yet one more time, at how much we long, strategize, plan, and anxiously almost on the edge of our sit the rising of the curtain again.

The 83<sup>rd</sup> Texas Legislature will convene on January 8, 2013. It is anticipated, almost predicted, that the next biennium will have a far more financial adverse impact to the public sector in Texas than experienced in years past. Several bills under consideration will affect how we do business moving forward. It is now more than ever that we need to turn to our colleagues in the industry, new relationships made and sustained through organizations such as Texas PRIMA to help each other navigate the fiscal cliff and its aftermath relevant to our organizations and the constituents we represent.

During the next few months remain steadfast and on course. Do not compromise your integrity or that of your programs and your communities. Our primary function is to ensure the safety of our employees, support and maintain healthy fund balances through innovative, creative, and yes a touch of "luck" to keep our organizations afloat and moving in a forward direction.

And yes the curtain will rise again and we will emerge in style for the first act of 2013.

Sincerely,

Irma Hernandez, PHR, CSR

Editor

Texas PRIMA Newsletter





## *For your BENEFIT!*

### **Obama Wins Re-election: Health Care Reform Law Here to Stay**

After hard-fought campaigns by both candidates, President Barack Obama has been re-elected for a second term in office. Obama's victory in the election, along with last summer's Supreme Court decision upholding the health care reform law, cements the Democratic Party's dedication to the legislation.

While opponents of the law have called for its repeal, health care reform's supporters consider the legislation to be the major achievement of Obama's first term. Obama's re-election, along with continued Democratic control of the Senate, means that implementation of the law will now continue without additional roadblocks.

#### **WHAT DO EMPLOYERS HAVE TO DO NEXT?**

With the landscape of employer-provided health care potentially changing over the next few years, employers should consider their future plans related to their role in employee health care. They may have to make some big decisions about whether to continue providing coverage to their employees. The "pay or play" penalties provide some incentive for employers to continue coverage, since they will be at risk for significant penalties if they do not. However, employers may decide that paying the penalty is more cost-effective than continuing to pay the ever-increasing costs of health care for employees and their families.

On the other hand, uncertainty among employees about the quality and cost of individual health coverage continues to make employer-provided health coverage an attractive recruiting and retention tool. Because of these advantages, most employers plan to continue offering coverage for now. The additional uncertainty for employers, with compliance obligations hinging on court decisions and the political process, has made many companies hesitant to make any large-scale changes.

Whatever their future decisions may be, employers that will continue to sponsor group health plans for the near future must prepare for upcoming deadlines. Significant health care reform provisions with looming effective dates include:

**Summary of Benefits and Coverage.** Health plans and issuers must provide an SBC to participants and beneficiaries that includes information about health plan benefits and coverage in plain language. The deadline for providing the SBC to participants and beneficiaries who enroll or re-enroll during an open enrollment period is the **first open enrollment period that begins on or after Sept. 23, 2012**. The SBC also must be provided to participants and beneficiaries who enroll other than through an open enrollment period (including individuals who are newly eligible for coverage and special enrollees) effective for **plan years beginning on or after Sept. 23, 2012**.

**60-Days' Notice of Plan Changes.** A health plan or issuer must provide **60 days' advance notice** of any **material modifications** to the plan that are not related to renewals of coverage. Notice can be provided in an updated SBC or a separate summary of material modifications. This 60-day notice requirement becomes effective when the SBC requirement goes into effect for a health plan.

**\$2,500 Limit on Health FSA Contributions.** The health care law will limit the amount of salary reduction contributions to health flexible spending accounts to \$2,500 per year for plan years beginning on or after **Jan. 1, 2013**.

**W-2 Reporting.** Beginning with the **2012 tax year**, employers that are required to issue 250 or more W-2 Forms must report the aggregate cost of **employer-sponsored group health coverage** on employees' W-2 Forms. The cost must be reported beginning with the 2012 W-2 Forms, which are issued in **January 2013**.

**Preventive Care for Women.** Effective for plan years beginning on or after **Aug. 1, 2012**, non-grandfathered health plans must cover specific preventive care services for women without cost-

sharing requirements. Calendar year plans must comply effective **Jan. 1, 2013**.

**Employee Notice of Exchanges.** Effective **March 1, 2013**, employers must provide a notice to employees regarding the availability of the health care reform insurance exchanges. HHS has indicated that it plans on issuing model exchange notices in the future for employers to use.

**Additional Medicare Tax for High-wage Workers.** In **2013**, health care reform increases the hospital insurance tax rate by 0.9 percentage points on wages over \$200,000 for an individual (\$250,000 for married couples filing jointly). Employers will have to withhold additional amounts once employees earn over \$200,000 in a year.

## WHAT GUIDANCE WILL WE SEE?

Regulations on a number of issues remain outstanding. The regulatory agencies responsible for implementation and enforcement of the health care reform law—the Departments of Labor, Treasury and Health and Human Services—began issuing additional guidance once the Supreme Court upheld the law. Additional guidance is expected now that the election is over.

Issues that will likely be addressed in future guidance include:

**Employer Pay or Play Mandate.** The agencies are expected to, and have indicated that they will, issue more guidance for employers to help them determine how to comply with the shared responsibility provisions of the law.

**Automatic Enrollment.** The Department of Labor is required to issue regulations implementing the rule requiring large employers that offer health coverage to automatically enroll new employees in the health plan (and re-enroll current participants).

**Nondiscrimination Rules for Fully-insured Plans.** Under health care reform, non-grandfathered fully insured plans will not be able to discriminate in favor of highly-compensated employees with respect to their health benefits. The IRS delayed the effective date of this rule for additional regulations, which have yet to be issued.

State governments may also take further steps to establish the health insurance exchanges required by the health care reform law. The federal government will step in and set up exchanges for states that fail to establish their own exchanges. Many states have delayed implementation and will need to accelerate their efforts if they want to run their own exchanges.

## CHALLENGES FOR IMPLEMENTATION

As we get closer to full implementation of the health care reform law, questions linger about whether the framework is in place for all pieces to be operational by their deadlines. Insufficient staffing of the responsible agencies is one potential issue, along with employer and state government hesitation or inability to implement certain parts of the law. Compliance efforts are likely to pick up now that the election is over.

*Source: Health Care Reform Legislative Brief, article submission by: Wortham Insurance, Risk Management & Benefits. All rights reserved.*



## *Risk Management Tips & Tools*

### **When Domestic Violence Comes to Work**

Domestic violence is a pattern of coercive behavior that is used by one person to gain power and control over their current or former partner, which may include physical violence, sexual, emotional and psychological intimidation, verbal abuse, stalking, and economic control. Domestic violence is about control, NOT love, anger, addiction problems or financial matters. Although these are factors that may intensify the effects of domestic violence, they are not the reason a batterer attacks his victim. Domestic violence is a crime. Each year,

thousands of Texans become victims of domestic violence. It effects relationships with family and friends, and definitely impacts the workplace.

In 2009 there were 196,713 reported incidents of domestic violence in Texas; 111 women were killed by their current or former partner; 12,213 adults received shelter from an abusive relationship; and 17,619 children received shelter. Chances are very good that you will know someone who is or has been a victim of domestic violence.

### **Who are the most likely victims?**

Domestic violence occurs between people of all racial, economic, educational and religious backgrounds; in heterosexual and same sex relationships, living together or separately, married or unmarried, in short term or long term relationships. Domestic violence has no socio-economic boundaries. A batterer or victim may be a doctor, lawyer, judge, police officer, firefighter, refuse truck driver, custodian, or risk manager.

Domestic Violence is NOT an isolated event, but a PATTERN of behaviors used against their current or former partner that entail a variety of abuses occurring throughout the relationship. One form of abuse builds on past behaviors and sets the stage for future episodes.

### **Forms of domestic violence**

Physical abuse - includes assault, rape, broken bones, bruises and all forms of external and internal physical injury.

Psychological abuse - include threats of violence and harm (workplace), attacks against pets or property, stalking, discrediting victim's reputation and damaging her relationship with others. Includes the following:

Emotional Abuse - wide variety of verbal attacks and humiliations, often emphasizing the victim's vulnerabilities. (family, friends or strangers). Used to maintain POWER and CONTROL.

Isolation - cuts off victim from support networks (family, friends, etc.) with claims of interfering. Prevents discovery of abuse.

Economic Control - controls victim's access to family resources: transportation, food, clothing, shelter, insurance and money. Does not matter that the primary provider is the victim, the perpetrator controls the finances.

### **Why is domestic violence important for employers to recognize as a workplace issue?**

Since we work better with statistics, here are some additional domestic violence statistics.

Leading cause of injury to a woman; more than motor vehicle accidents, muggings and rapes...combined.

Annually in the U.S., over 500,000 women are stalked by an intimate partner.

1 out of 4 workplace homicides are a result of domestic violence coming to the workplace.

\$5.8 Billion in health care costs per year

\$4.1 billion direct medical and mental health

\$1.8 billion indirect (lost productivity or wages)

Approximately 75% of female homicide victims were stalked prior to their death

On average, 3 women are killed every day

Intimate partner homicides account for 33.5% of the murders of women and 5% of the murders of men

Domestic violence is about POWER and CONTROL. Employers must be cognizant of domestic violence because the batterer does not have power or control of his victim in the workplace. He will make attempts to contact her at work, and most likely come to the office to intimidate and threaten her. The reality of the em-

employers' situation is that he knows where she is located from 8-5 every day, regardless of whether the employee has been living in a location unknown to the perpetrator. A batterer will call your employee constantly on either her work phone or cell phone asking questions like "I called the line was busy. Who are you talking to?"; "You were not at your desk when I called, where were you?"; "Who are you going to lunch with?"; and the list goes on. This will eventually make it impossible for the employee to be productive. You will notice increase absenteeism, lower production and/or a work product that is not consistent with what she has produced in the past. Some employees will physically be unable to come in to work.

If an employee notifies you that their current or former partner has threatened to come to the workplace to hurt her, the employer must take action to mitigate the risk of a serious incident from occurring while maintaining confidentiality. You expose your employees to a serious safety risk and your entity to greater liability if you do not take action. It is important that employers have protocols that address domestic violence in the workplace. Through awareness programs and policy, entities can create a workplace culture that tells your employees that you will take these matters seriously; not treat them as a personal issue. The policy should include the compliance with Temporary Restraining Orders, Protective Orders, Criminal Trespass Orders, and any legally binding document granted by the Court and is enforceable under State and Federal statutes to protect the victim of domestic violence and the employees of the entity. If you have a plan and something happens, it is far easier to defend than if your entity lacks a plan.

**The National Domestic Violence Hotline is 1-800-799-SAFE (7233); TTY: 1-800-787-3224**

*Written by Regan J. Rychetsky  
Director, HHS Enterprise Risk Management and Safety*

### ***Occupational Property & Casualty Hazard Awareness...***

***this could happen to YOU!!!***

### **MARKETPLACE REALITIES 2013 Post-Superstorm Sandy Update**



#### **PROPERTY**

Until Superstorm Sandy hit the Northeast, 2012 was best described as a year of recovery for the Property market. According to estimates from modeling companies (EQE, AIR), the market place will now face an additional \$15B-\$20B in insured losses.

Sandy will most likely end up as the second most expensive storm behind Katrina.

We expect non-CAT rates to be down slightly or flat, while CAT rates are likely to start edging upward. Increases of 5% may be common, though that number could be much higher depending on Sandy's impact on the reinsurance protection for primary Property carriers.

A large number Business Interruption, Contingent Business Interruption, Service Interruption, Civil/Military Authority and Ingress/Egress losses will result from Sandy. Such events usually take longer to quantify and adjust than typical Property claims.

Many insurers are reviewing their position on hurricane/named storm/storm surge deductibles in the Northeast. Global Property losses totaled \$30B for the first six months of 2012 and, even after Sandy, loss costs will likely fall far short of 2011's \$116B total.

Policyholder surplus, which this year reached a record \$570B, up from \$550B in 2011, should allow the industry to readily absorb the storm losses.

However, many insurers are indicating that Sandy may wipe out any chance of an underwriting profit in 2012. Many have been surprised by the extent of storm-surge damage from what was barely a Category 1 hurricane on landfall.

## PRICE PREDICTIONS

Type of Account	Pre-Sandy	Post-Sandy
Non-CAT	-5% to -10%	-5% to flat
CAT	Flat	Flat to +5%

## CASUALTY LINES

In the wake of Superstorm Sandy, Casualty and Workers' Compensation issues may arise with potentially large financial ramifications.

With high demand for repair and reconstructions, business owners must be vigilant about the insurance their contractors and sub-contractors carry, so their own Workers' Comp or General Liability coverage does not take a hit. This risk will be greatest with subcontractors who hire extra hands, which can result in potentially uninsured subcontractor exposure.

Companies bringing in crews from out of the area should be aware that **the rates, assessments and benefit structures in New York and New Jersey may be very different from what they are used to.**

If you have employees working in New York even for a single day, New York exposures should be affirmatively listed in Section 3A of your Workers' Comp policy declarations. New York State has onerous weekly fines for non-compliance!

When jobs with high-hazard payroll exposures are interrupted companies should notify their carriers. They may be able to achieve premium relief if they temporarily reclassify the work of their employees to lower classes while they are idle.

In the case of a significant business interruption event, companies should contact their brokers to evaluate the minimum premium provisions in their policies.

**Owners should be aware that New York labor law applies strict liability to the building owner or contractor for injuries to workers who fall from any elevation – referred to as “gravity-related” injuries – which enables injured workers to seek damages beyond Workers' Comp.**

New York labor law does not apply to single or two-family buildings, but it does potentially apply to other multi-family structures.

**The ultimate impact of Sandy on rates for Casualty lines will depend on the potential increase in claims that could result from the massive, fast-paced cleanup and recovery that in many places will continue for an extended period of time.**

## PRICE PREDICTIONS

Type of Account	Pre-Sandy	Post-Sandy
Casualty	+2% to +5%	Large-scale cleanup and repair could increase losses, impinge capacity, and put upward pressure on rates.
Workers' Comp	Flat to +15%	
Umbrella	Flat to +7.5%	
Excess	Flat to +7.5%	
Auto	+2% to +5%	

*Source: Willis, Marketplace Realities 2013 Post-Superstorm Sandy Update, November 2012*

## *Workers' Compensation...things that make you go HA???*



### **WORKERS' COMP: THE 800-POUND GORILLA SITTING ON THE INSURANCE BUYER'S DESK**

#### **COST TRENDS**

Workers' Comp. rates vary by state, industry and individual risk profile, but they are rising consistently in the 2.5%-7.5% range. Larger companies that can take larger retentions are looking at the lower end of that range. Middle market companies, particularly those who in recent years have leveraged regional carriers to undersell the leading national insurers, are finding the marketplace less flexible and are facing the higher end of the cost increase range.

#### **COST DRIVERS**

In addition to loss costs, the three key components of Workers' compensation cost, rate, payroll and experience modifier, are all potentially facing upward pressure.

Rates are climbing because carrier loss ratios are up and interest rates and investment returns remain low, meaning that insurers could easily lose money in their underwriting and find themselves unable to make up the loss by investing the premium they are paid, as they traditionally do.

Payrolls are climbing for companies continuing to emerge from recession and hiring – a favorable change, despite its impact on overall Comp costs!

Experience modifiers are changing because the organization that sets the standard for calculating these multipliers is changing the formula. The National Council on Compensation Insurance (NCCI) is revising its system for the first time in decades. As states adopt the new methods, the new experience modifiers - mods for short - will no longer be focused solely on loss frequency as they have in the past, but also severity. The ultimate impact will vary with loss experience. Those with higher mods will find the effect of rising rates and payroll compounded. Those with lower mods will enjoy reductions in their final premium calculation. Buyer need to be aware of the potential significance of this change.

Other factors beyond the three key components also impact the total cost of Workers' compensation.

Workers' Comp medical costs outpacing general medical inflation. One of the reasons Workers' Comp is viewed as a world unto itself is that medical treatment in the context of workers' Comp differs in notable ways from general medical treatment. Injured workers see different physicians than they typically would. Rules about treatment and medication can differ as well. In one key example, use of generic drugs is enforced in many employee benefit programs, but such rules are prohibited by some states in the case of Workers' Comp treatment. The discrepancy alone can be a significant cost driver.

Medical Costs Containment Charges. If there is a dirty little secret in Workers' Comp. this is it. The service providers who handle claims, whether they are third-party administrators (TPAs), medical review specialists or the carriers themselves, charge for their value-added service, predictably enough. What is unpredictable is how much they will charge. Review service charges vary drastically. A medical procedure billed by a medical provider at \$1,000 may end up costing an employer handling a Workers' Comp claim anywhere from a few dollars beyond the \$1,000 procedure cost to several thousands of dollars. Insureds should be sure they know what they're paying and what they're getting for those payments.

Workers' Comp excess marketplace. The pressures faced by primary Comp writers are also affecting the excess market, and excess rates are climbing – sometimes in the low double digits.

Aging workforce. An aging workforce generally means higher salaries, increased susceptibility to injuries and slower recovery times all, of which affect Workers' Comp.

Doing more with less in a tough business environment. One way companies cope with a slow recovery

from recession is by pushing workers to be more productive. Increased pressure on the job can also lead to increased problems that lead to injury.

## COST MITIGATION

Reduce losses by improved safety. Understand the behaviors that lead to losses and address the root causes as much as possible. This is the key to addressing Workers' Comp. costs.

Know the marketplace. Because Workers' Comp relationships can last for decades, relationships can get cozy and service can grow lax. Smart shopping is always rewarded.

Review your TPA/medical service/carrier relationship. Start by determining what they charge for medical reviews,. Review the entire relationship to determine if they are good cultural fit for your organization.

Get the metrics. Make sure you have detailed metrics – and they are the right metrics – so you can understand your costs and communicate trends for carriers. Measure what you treasure!

Differentiate your risk in the marketplace. If you don't tell the carriers what you've done to reduce your exposures, they won't know. And if they don't know, they can't give you the treatment you deserve in the marketplace.

*Source: Willis, "Worker's Comp: The 800-Pound Gorilla Sitting on the Insurance Buyer's Desk," INSIGHTS, Insurance, Benefits and Risk Review, September 2012*



Texas PRIMA Conference 2012

*A link to the conference photos will be emailed in the end of December.*



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CONEXIS

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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](mailto:info@texasprima.org).