



## NEWS IN BRIEF

[ AT PRESS TIME ]

### U.S. P/C insurers post higher profits

U.S. property/casualty insurers reported \$31.1 billion in net income in 2009, a 260.3% increase from the previous year, A.M. Best Co. Inc. said in a special report. Best said the insurers' results were driven by improved underwriting results, recovery of the financial markets and disciplined capital management. Boosting 2009 underwriting results were a quiet hurricane season, significant reserve releases, and a sizable reduction in underwriting losses in the mortgage and financial guarantee segments, the rating agency said. Net premiums written declined for the third consecutive year, the first time that has occurred since Best has conducted the survey. P/C insurers wrote \$419.3 billion in net premiums in 2009, a 5.9% decline from 2008, Best said. The industry's combined ratio improved to 101.2% in 2009 vs. 104% the prior year. Policyholder surplus increased to \$519.3 billion at year-end, an 8.8% increase from the previous year.

See **NEWS IN BRIEF** page 26



During Monday's General Session, RIMS President Terry Fleming urged attendees to 'sieve the opportunity to push ourselves forward.'

## Time of opportunity for risk managers

By **RODD ZOLKOS**

With 2010 marking the Risk & Insurance Management Society Inc.'s 60th anniversary, it's a time to at once look back at the organization's history and ahead at a future of opportunity for risk managers, said RIMS President Terry Fleming.

In his remarks Monday morning opening RIMS' annual conference, Mr. Fleming noted that as the organization worked to spread the risk management message a decade ago, in many organizations, risk management was still something of a back-office profession.

"Ten years later, it couldn't be more different," said Mr. Fleming, director of the division of risk management for Montgomery County, Md. With businesses, governments

and others looking for answers to how to cope with changing times and new exposures, "There's never been a better time to be in risk management," he said.

"It's up to us to seize the opportunity to push ourselves forward," Mr. Fleming said, with RIMS supporting risk managers in those efforts.

The RIMS president identified five key objectives he said he's committed to moving forward at the organization.

The first is furthering efforts to maintain RIMS' leadership in enterprise risk management. "It's one thing to say the world is looking to us for guidance, but then we'd better have the right advice," Mr. Fleming said.

See **PRESIDENT** page 18

## Awards honor contributions to profession

By **MATT SCROGGINS**

The Risk & Insurance Management Society Inc. on Monday presented its highest honor, the Harry and Dorothy Goodell Award, to Stephen M. Wilder, vp of risk management at Burbank, Calif.-based The Walt Disney Co.

The Goodell Award is named for RIMS' first president and is awarded annually to an individual who has advanced risk management as a discipline and has furthered the goals of RIMS. In accepting the award during Monday's General Session, Mr. Wilder said: "This is truly an incredible moment for me, as I'm joining a who's who of risk management and insurance, the giants before me who've won the Goodell Award....I've been surrounded by the best and the brightest in the industry my whole career, and for that I am truly grateful."

See **AWARDS** page 24



Stephen M. Wilder of Disney received the Goodell Award.

## INSIDE

**RIMS CELEBRATES 60TH ANNIVERSARY OF THE SOCIETY / PAGE 3**

**BROKER COMPENSATION FOCUS OF EXECUTIVE PANEL / PAGE 3**

**HARRAH'S LOVEMAN ON HARNESSING POWER OF DATA / PAGE 4**

## RIMS Thought Leaders



John Phelps, director of business risk solutions for Blue Cross

& Blue Shield of Florida, discusses trends in enterprise risk management and RIMS' various efforts to help members adopt ERM programs. **Page 10**

NOBODY WANTS TO TAKE THE FALL  
FOR A FICTITIOUS CLAIM.



When a patron claimed to take a bad fall outside the entrance of a major retail establishment, the manager first went to her aid, and then came to us. Risk management planning had ensured there were anti-slip mats at the entrance and a surveillance camera, which captured the staged accident. The fraudulent claim was then denied and referred to the local authorities, protecting the customer from unwarranted losses and potential litigation. Whether it's responding quickly, keeping you informed, or helping to mitigate potential losses, our general liability experts are committed to helping you protect your business. That's our policy. For more information, contact your broker or agent or visit [libertymutualgroup.com/gl](http://libertymutualgroup.com/gl).

LIABILITY | COMMERCIAL AUTO  
PROPERTY | WORKERS COMPENSATION

Responsibility. What's your policy?®





# Executives from brokers, insurers discuss contingent commissions

By SALLY ROBERTS  
and JOANNE WOJCIK

Contingent commissions took center stage at a broker and insurer executive panel Monday at the Risk & Insurance Management Society Inc.'s annual conference.

Industry leaders also discussed what might trigger a market turn.

Acknowledging the continued controversy surrounding contingent commissions, top executives from both the brokerage and insurer sides of the business weighed in on the issue.

"I don't think contingent commissions are the litmus test for whether the broker has a conflict of interest or not. All insurer carrier revenue streams...have the potential of creating a conflict of interest," said Dan Glaser, chairman and CEO of New York-based broker Marsh Inc. "Really, the way we address conflicts of interest is with full transparency and disclosure; systems and controls around the management of conflicts; and having an open dialogue with the client about the potential conflicts."

"There's only one thing that came out of the Spitzer-era that I truly believe was appropriate and is consistent with professional dealings and that is 100% trans-



Executives from several large brokers spoke during a panel discussion Monday at the RIMS conference.

parency," said J. Patrick Gallagher Jr., chairman, president and CEO of Arthur J. Gallagher & Co. in Itasca, Ill. "We disclose...contingents, we disclose supplementals, and if you as a buyer do not want us to participate in contingent or supplemental (arrangements), we make sure that your account is excluded from that. It's just that simple," he said.

"You can get up and rail about the evilness of contingent commissions, (but) the industry's been

doing this for over 100 years, and it's not inappropriate, especially if your client agrees" to it, Mr. Gallagher said.

John Lumelleau, president and CEO of Kansas City, Mo.-based Lockton Cos., agreed that transparency is key.

"It's never a bad idea for our clients to know what we earn," he said. "We don't look to hide it. We look to share it, and whenever

See **PANEL** page 24

By SALLY ROBERTS

## RIMS celebrates six decades of aiding members

The Risk & Insurance Management Society Inc. is commemorating a milestone at this year's annual conference in Boston—its 60th anniversary.

Since its inception in 1950, RIMS has provided networking, professional development and educational opportunities in risk management to its members.

Whether it's lobbying Congress for more effective policy, helping to develop the ARM-E designation for enterprise risk management in the Associate in Risk Management course, or offering risk management students an opportunity to pursue careers in the field, RIMS

See **60TH** page 20

## Ball State gets Spencer grant for loss prevention courses

By MATT SCROGGINS

The Spencer Educational Foundation Inc. has awarded Ball State University a \$50,000 grant, funded by FM Global, for the development of loss prevention coursework for students of risk management and insurance.

Ball State in Muncie, Ind., together with the university's Miller College of Business and the College of Architecture and Planning, will use the grant to develop three course modules focusing on the role of loss prevention in lowering the total cost of risk, Spencer said

in a statement.

FM Global, the operating name of Factory Mutual Insurance Co., in 2008 contributed \$525,000 to Spencer—the largest gift in the foundation's history—including \$300,000 to help universities develop loss prevention-related courses. The contribution also funds annual FM Global scholarships for students in risk management and insurance. This year, FM Global scholarships were awarded to Nicholas Bauman of the University of Wisconsin-Madison and Kali Diethrich of Indiana State University, Spencer said.

"FM Global's relationship with the Spencer Foundation is a good fit, with mutual benefits for both organizations," Brion Callori, senior vp of engineering and research at the Johnston, R.I.-based insurer, said during a press conference at the Risk & Insurance Management Society Inc. conference. "The \$50,000 award to Ball State University will help promote loss prevention and risk engineering," he said.

"We thank FM Global for its generous support of risk management education and look forward to the resulting enrichment of the discipline," Donna L. Galer, chair-

woman of Spencer, said in the statement. "These grants are an important aspect of loss prevention advocacy and will enable Ball State University to provide its students with great educational value."

Spencer in 2009 awarded more than \$188,000 in scholarships and more than \$150,000 in grants.

Meanwhile, the foundation appointed Roger L. Andrews, director of risk management at E.D. Bullard Co., as chairman of its board, which also added as a director Mark Butler of Liberty Mutual Middle Market, a unit of Liberty Mutual Group Inc.



Recovering from a major solar storm could take years, contends a space weather expert.

## Solar storms could create big disruptions

By MARK A. HOFMANN

Major explosions emanating 93 million miles away have the potential to cause more than \$1 trillion in economic and societal costs here on earth, according to a space weather expert.

And total recovery from a geomagnetic, or solar storm caused by a large solar flare, could take four to 10 years, John Kappenman, principal and owner of Duluth, Minn.-based Storm Analysis Consultants, said during a Monday session on solar storms at the Risk & Insurance Management Society Inc.'s annual conference.

Solar storms, which result when explosions in the sun's atmosphere release a burst of electrically

See **SUN** page 24

# Harrah's CEO calls on companies to improve use of customer data

By ROBERTO CENICEROS

Businesses collect vast amounts of information, yet it's astonishing how little of it they use to improve customer experiences and foster business, a keynote speaker told the Risk & Insurance Management Society Inc. Monday.

Information gathered from "countless places" about specific consumers could be better analyzed to determine the customers' value to a business and how that value can be brought out, said Gary Loveman, chairman, president and CEO of Harrah's Entertainment Inc.

"It's hard for me to imagine that there is a better industry than the insurance industry for the cultivation of that idea," Mr. Loveman told RIMS attendees.

Harrah's, for example, currently is piloting "smart display" kiosks in its casinos that are activated by a computer chip implanted in a hotel guest's room key. When the guest walks by, an activated kiosk greets them and inquires whether they care to see entertainment options customized for them.

Customers, he said, will not return if they are gourmet diners but are offered buffet options.

The customized options are drawn from data collected by Har-



Companies collect vast amounts of data but fail to use it effectively, says Gary Loveman of Harrah's Entertainment

rah's, which has long used a customer rewards program to gather information about how its guests spend their time on its properties.

Gaining a competitive edge by tailoring customer offerings is critical, because Harrah's competitors are locked in a casino-building "arms race," yet capital must be used efficiently.

"We believe in a world where capital will be much more severely constrained" and where the cost of capital will be much higher than it

used to be, Mr. Loveman said.

Mr. Loveman said insurers could do more to apply the customer data they collect. He knows that, he said, because as a former business instructor he often worked with insurers and urged them to make better use of their consumer data.

He drew a laugh from risk managers when he said, "although I am no longer as close to (insurance) as I used to be, there is still some opportunity here."

## Risk managers urged to demonstrate their value to CFOs

By ZACK PHILLIPS

Risk managers are more than merely insurance buyers but chief financial officers and other executives often do not realize that, a panel of experts said.

Speaking in a session called "Exceeding the Needs of Your CFO," three experts said risk managers must learn to communicate more effectively with executives about what they do and why.

"For the most part, we have been viewed as buyers of insurance, (or), worst case, we're viewed as a cost center," said Bruce S. Zaccanti,

Chicago-based principal-financial services at Ernst & Young L.L.P. "I think we're a profit center."

Mr. Zaccanti said that risk managers often focus only on protecting the company's financial position, not on how to improve it.

Mr. Zaccanti, a former risk manager, said that he would submit a white paper to management setting out, among other things, the impact of risk management decisions on earnings per share, return on investment and stakeholder equity.

"These are the things that we need to start learning how to com-

municate and add to our vocabulary when we talk to C-level executives, so there's a direct connection between what we do and the marketplace," he said.

Chris Souther, Chicago-based chief financial officer and executive vp at Bovis Lend Lease Inc., said he liked the white paper idea. He said that what he most wants to understand from risk managers is the rationale behind their decisions.

"If I've got this as a given and you're proposing this as an alternative—why?" said Mr. Souther. "I'd love to see options A, B, and C, but

I want to know why A is the one you want to go with."

David S. Hershey, risk manager at Sprague Energy Corp. and Lexa International Corp. in Portsmouth, N.H., said that when discussing insurance with executives, he fits all discussion into three easily understood topics: reserves, the cost of risk transfer and overhead.

Mr. Zaccanti polled the audience on how many felt they knew what C-level executives wanted from them and how many felt that executives understood what the risk management department does. No hands were raised.



Stable.  
Strong.  
Experienced.

Allianz Global Corporate & Specialty  
[www.agcs.allianz.com](http://www.agcs.allianz.com)

**Allianz** 

# Climate change gives rise to regulatory risks: Survey

By REGIS COCCIA

More than three-quarters of risk managers polled are concerned about regulatory risk arising from climate change, according to a survey released Monday at the Risk & Insurance Management Society Inc. conference.

In a survey of more than 200 risk managers across a variety of industries, nearly 79% of respondents indicated that they believe their organizations will have to address regulatory risks imminently or in the near term, within two to 10 years. Nearly 9% believe they will face regulatory risk in more than 10 years, while almost 13% believe they won't face the risk in any time frame.

The survey was conducted by Boston-based Ceres, a coalition of investors, environmental groups and other organizations that works

with businesses to address sustainability challenges, including climate change. It was sponsored by Zurich Financial Services and the Professional Risk Managers' International Assn. Policyholders of Zurich and PRMIA members comprised the survey audience.

"Zurich set up its climate office in 2008 after discussions with our customers, our employees and our regulators," said Francis Bouchard, Switzerland-based head of the Zurich climate office. "A part of helping our customers with climate change is getting a handle on our own climate footprint. We've established a target to reduce our carbon emissions by 10% by 2013, and we're making progress toward that goal."

"Climate change and public policies responding to climate change are creating new risks," said Lindene Patton, Zurich's Washing-

## CONCERN ABOUT CLIMATE CHANGE LITIGATION

**62.1%** Climate change litigation is not a likely concern for our company.

**24.2%** We retain and manage this liability risk

**13.6%** We attempt to spread this risk among our insurance providers

Source: "Climate Change Risk Perspective and Management: A Survey of Risk Managers"

ton-based chief climate product officer. "Risk profiles are changing for policyholders, and we need to better define those risks to help address them."

Asked what effect climate regulation—such as cap-and-trade rules, taxes or subsidies to reduce greenhouse gas emissions—would have on risk management, respondents offered mixed answers. Nearly 31% said their companies would have to pay closer attention to climate risks, while 26% said they would

have to change some products in response to increased liability or to take advantage of subsidies. Twenty-five percent said they would change pricing to compensate for increased risk, and 22% were not sure of the effect on risk management. About 16% said they would assess their current insurance coverage, and almost 15% said regulation wouldn't affect them.

The Ceres survey divided climate change risks into five areas:

**Competitive:** increased energy prices for operations, change in demand for products or services, and physical impacts on customers.

**Legal:** risk of tort or civil liability, fines or litigation.

**Physical:** reduced water supplies, more variability in seasonal weather, droughts, permafrost melt, pandemic or other physical threats to operations and/or supply chains.

**Regulatory:** domestic or international regulation of greenhouse gas emissions.

**Reputational:** risk of negative publicity regarding business practices.

"While everyone was moving out, they were moving in..."

Graeme Davis  
Hurricane Katrina  
Starwood Hotels and Resorts

BMS CAT® specializes in the restoration of global disasters—from fire and water damage restoration to media recovery and much more. Learn how we can get your facility back in business efficiently and cost-effectively.



Disaster Restoration and More

800-433-2940 | www.bmscat.com

60 YEARS.  
10,000 MEMBERS.  
1 ASSOCIATION.

RIMS membership offers the learning, resources and connections you need to build and enhance your risk strategy.

Not a member? Join now for \$75—  
stop by RIMS booth #1431 to learn how!



Risk and Insurance Management Society, Inc.®



Made to order

Your risk financing program should meet your needs. Perfectly.

To make sure it does, Towers Watson goes beyond what most other risk consultants and brokers can offer. We combine expert brokerage with industry-leading actuarial, financial and risk management capabilities. We can help you understand and manage risk in the overall context of your business — so you get a custom-made program. Every time.

**Towers Watson.** A new global company with a singular focus on our clients.

Benefits  
Risk and Financial Services  
Talent and Rewards

[towerswatson.com](http://towerswatson.com)

TOWERS WATSON 

# HEARD **on** the STREET

**Q: What is your department's biggest concern for 2010?**



## Marley Drainville

MANAGER-RISK MANAGEMENT AND INSURANCE  
THE DOME TOWER  
CALGARY, ALBERTA

We want to make sure that our insurers can respond to our needs. Ratings are still very important—we want to make sure our partners are in good financial shape. While we have a responsibility to mitigate risk, they have a responsibility to make sure they are liquid.



## Normand Bourbonnais

VP-RISK AND PROPERTY MANAGEMENT  
COMMONWEALTH PLYWOOD CO. LTD.  
QUEBEC

Workers compensation. We have seen an uptick in both volume and severity in workers comp claims, and we are currently working to address the problem. It is difficult, because we have plants in both Canada and the U.S., where it's particularly difficult due to the various state regulations. We are looking into hiring a consultant and an investigator to help us manage it better.



## Dana E. Wasto

RISK MANAGER-RISK MANAGEMENT & INSURANCE  
TRAVELPORT  
ATLANTA

Costs. We are always concerned with getting the best coverage for the best premium. Although the economy has improved, our budget is still under some pressure, so we will continue to evaluate the coverage we have in place and look for creative solutions.



## Kimberly Guest

RISK MANAGER  
METALDYNE  
PLYMOUTH, MICH.

One of our main objectives this year is implementing an ERM program. Our company has just emerged from bankruptcy and we have a new owner, so there are a lot of changes taking place. We have identified ERM as a critical step in moving forward. We have begun rolling it out and are currently working to get all the departments on board.

# toDO

[ CONFERENCE HIGHLIGHTS ]

## Tuesday

### Sessions

9 a.m.-10:30 a.m.

### Workshops

9 a.m.-11:30 a.m.

### Sessions

10:45 a.m.-12:15 p.m.

### Exhibit Hall Lunch & Learn

12:30 p.m.-2:00 p.m.

### Sessions

2:15 p.m.-3:45 p.m.

### RIMS 60th Anniversary

#### Celebration

3:45 p.m.-5:00 p.m.



## Exhibit Hall Hours

### Tuesday

10 a.m.-5 p.m.



## Questions & Answers

*Mike Brewer is the president of Lockton Benefit Group, a unit of Lockton Cos. L.L.C. in Kansas City, Mo. In a recent interview with Business Insurance, Mr. Brewer discussed the potential implications of the new federal health care reform law for risk management issues.*

# Health reform may hit med mal

**Q: What are the key risk management issues stemming from the health care reform law?**

In my judgment, the obvious ones would be workers comp and malpractice insurance. As it relates to those two lines of coverage, which are going to be some of the primary things that would be affected by health reform, it's real early in the game to say anything definitive about what that's going to look like. I don't think it's going to make any difference in the next five years. It's three years before the exchanges go up and some of the more significant impacts of that legislation are actually effective, and it will take several years after that to start seeing some momentum and direction.

**Q: What implications are seen for workers compensation?**

If you look at long-term effects on workers comp, that is yet to be determined. If populations start shifting into the exchanges, does that diminish workplace health? We don't know the answer to that. But the people that are most likely to be placing their employees into the exchanges are probably not doing aggressive wellness initiatives today anyway....One of the things (the law) allows for is increased activity around employee wellness, improving the overall health of employees. If what we think is going to happen happens there, a healthier population is going to create less workers comp exposure.

**Q: What about medical malpractice?**

If you look at the text of the law, there is a light brush at tort reform. I don't think anybody believes that's going to be a serious initiative. Further down the road, the probability if you start dumping a bunch of uninsured people into the system, its going to create a lot of stress around the delivery system, which suggests that there might be higher incidents of mistakes just because the provider community is going to be so busy addressing the needs of an increased population with stressed resources. On the other side of that, if you had more insured people, you'd have less people getting their primary care at the emergency room, and that could reduce related claims.

## aboutTOWN

[ BOSTON FACTS ]

**B**oston is not without hurricane exposure. The first recorded hurricane to strike the Boston area tore between Boston and Plymouth in August 1635, killing nearly 50. The city was largely spared damage from the Great New England Hurricane of 1938, a Category 5 storm that caused more than \$400 million in damage throughout New England. But Hurricane Carol in 1954 did cause damage in Boston, toppling the spire of Old North Church.



Parts of Boston were hit by the Great New England Hurricane of 1938.

AP PHOTO



Sportello Boston offers Italian cuisine-inspired dishes.

**localFLAVOR**  
[ BI RECOMMENDS ]

### Sportello Boston

348 Congress St.

[www.sportelloboston.com](http://www.sportelloboston.com)

Hours: Lunch and dinner available Monday-Thursday, 11:30 a.m. to 10 p.m., and Friday-Saturday, 11:30 a.m. to 11 p.m.; brunch available weekends, 10:30 a.m. to 4:30 p.m.; bakery and retail available 7 a.m. daily.

\$\$\$-\$\$\$\$

**S**portello is the newest establishment created by Boston's celebrity chef Barbara Lynch, and can best be described as Ms. Lynch's modern interpretation of the classic diner. The menu offers a variety of interesting Italian-inspired items, including fresh pasta, creamy polenta and soups. The setting is lively, but the counter space keeps the overall feel casual. The restaurant has several tables, which can be reserved ahead of time. For starters, try the roasted beets or spicy tomato soup. Excellent entrée items include potato gnocchi, day boat sea scallops and sea urchin risotto. Sportello also boasts an extensive wine menu and serves up fabulous desserts. Try the flourless chocolate torte for a sweet ending on the meal. Reservations are not needed for lunch, but they are required for dinner. Note that Sportello will be closed for dinner on April 27 for a private function.



**L**abeling your risks and managing them are two different things.

In today's economy, risks are everywhere you look—from the factory floor, to the boardroom to balance sheets. At Travelers, we evaluate your exposures and claim trends. Then, we design a dynamic program tailored to your company's unique needs, which can mean lower loss costs. For flexible product and service solutions in-synch with your business, contact your agent or broker. Together, we can break your warning sign addiction.

**Financial Strength Ratings: A+ by A.M. Best/AA- by Standard & Poor's.**

Visit us at Booth #1109 or online at [travelers.com](http://travelers.com)



## theSIGHTS [ BOSTON ATTRACTIONS ]



### Freedom Trail

**LOCATION:** Boston Common Visitor Center, 148 Tremont St.

**INFORMATION:** [www.thefreedomtrail.org](http://www.thefreedomtrail.org)

**HOURS:** Guided tours depart from Boston Common Visitor Center daily at 11 a.m., 12 p.m. and 1 p.m. Specialty tours are available.

**PRICE:** \$13

**B**oston has always been proud of its past; after all, this is where the American Revolution began. History lovers can walk along the city's famous Freedom Trail. The 2.5 mile red brick path tells parts of the story of American independence and features 16 historic landmarks, including the site of the Boston Massacre and the Old North Church or Trinity Church, where the signal was given to launch Paul Revere's ride in 1775 warning of the British invasion. Guided tours feature costumed colonial actors and begin at the Freedom Trail Foundation's booth at the Boston Common Visitor Center. Visitors may also get a map and explore solo.



### Institute of Contemporary Art

**LOCATION:** 100 Northern Ave.

**INFORMATION:** [www.icaboston.org](http://www.icaboston.org)

**HOURS:** Thursday-Friday, 10 a.m. to 9 p.m.; Tuesday-Wednesday and Saturday-Sunday, 10 a.m. to 5 p.m. Closed Monday

**PRICE:** \$15

**V**isitors can enjoy the Institute of Contemporary Art at its stunning new location in South Boston's Seaport District, just steps away from the RIMS event venue at the Boston Convention & Exhibition Center. Critics have celebrated the building's design for its openness that embraces the surrounding harbor. The institute offers a variety of diverse and ambitious installations. Currently on display are the featured works of American artist Roni Horn that include photographs, paintings and sculptures. On the site, the Water Café by Wolfgang Puck Catering serves light bites, sandwiches and wine.

**MORE ONLINE:** For RIMS conference coverage and videos as well as links to Boston tourism and dining Web sites, visit [www.businessinsurance.com/RIMS2010](http://www.businessinsurance.com/RIMS2010).

# Business Insurance RESEARCH CENTER

**NEW!**

## Get the Information You Need for Less!

All the data and information you need from the source you trust — including *Business Insurance's* most popular rankings and directories — in one place, for one low price.

Subscribe to *BI's* new online Research Center and get one year of unlimited access to premium online content:

- All exclusive *BI* rankings and directories
- Downloadable spreadsheets or PDFs
- Contact info for buyers and suppliers
- Discounts on *BI* Research Reports

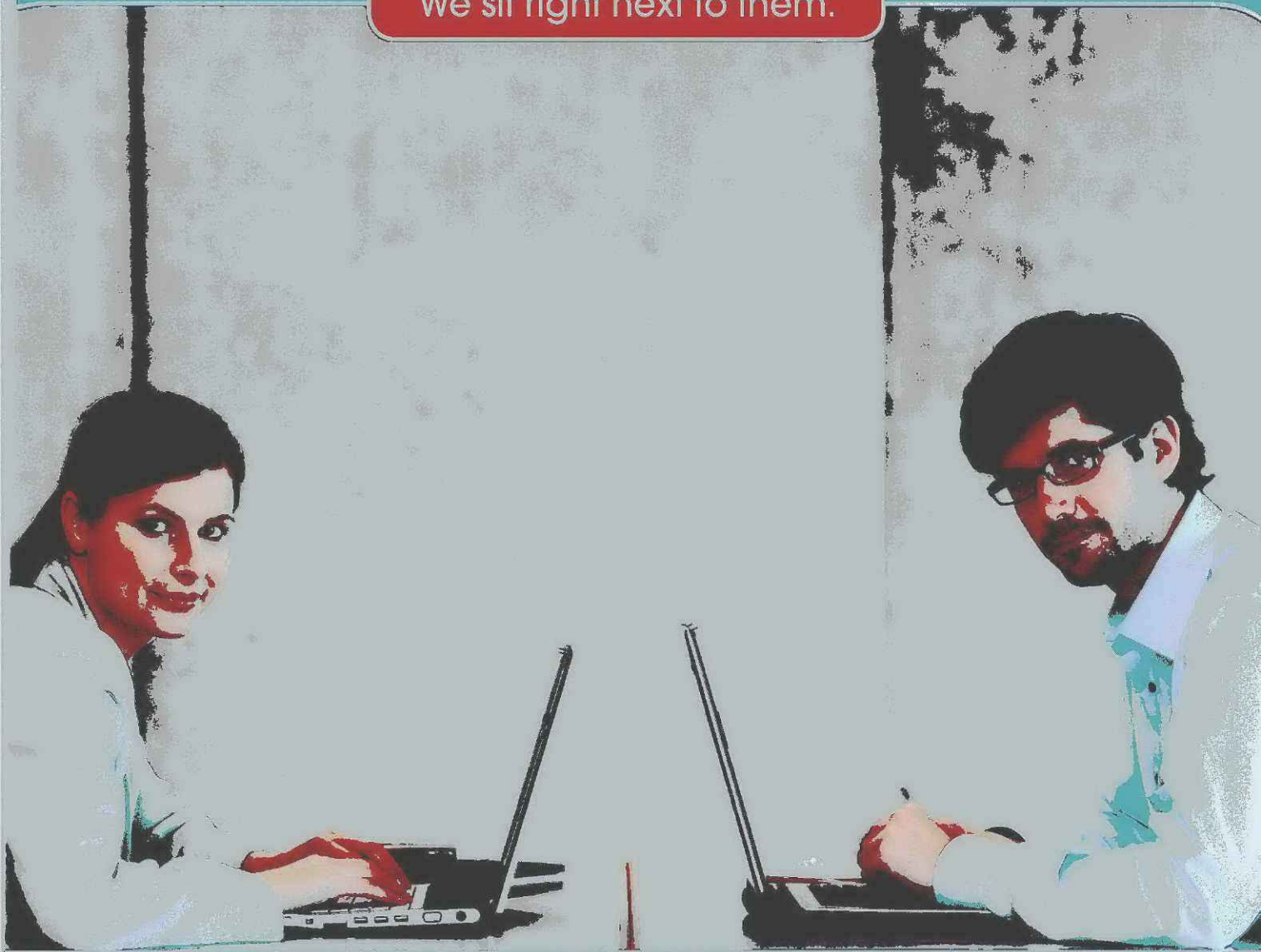
All of this ... and more ... for less than the cost of many of our individual directory spreadsheets — **just \$299 for more than \$2,000 worth of data if purchased individually.**

Print, digital and online subscription packages also available.

**To learn more, and subscribe today, visit [BusinessInsurance.com/research](http://BusinessInsurance.com/research)**

# How do we know our claims department is the fastest in the industry?

We sit right next to them.



Please visit us at RIMS - Booth #2221

The main reason businesses buy insurance is because they need support in the event they have a claim. That's why our claims and underwriting departments work as one unit under the same leadership team *in the same office*. We've streamlined the process so there's one point of contact for our clients. While it seems fairly obvious, it's unique in the industry. This approach enables us to understand and respond to our clients' needs better than anyone. Because at Ironshore, the people who make the promises always keep the promises. **For more information please call 1-877-IRON411 or go to [www.ironshore.com](http://www.ironshore.com).**

Depth in Leadership. Trusted Partnership.<sup>SM</sup>



**IRONSHORE**  
your safe harbour<sup>SM</sup>

The information contained herein is for informational purposes only and does not constitute an offer to sell or solicitation to purchase. Coverage is subject to underwriting and actual policy language. Not all coverages are available in all states. Risks placed with a surplus lines insurer must be placed in accordance with individual state surplus lines and other applicable laws and may only be obtained through duly licensed surplus lines brokers. Surplus lines insurers do not generally participate in state guaranty funds and insureds are not protected by such funds.

## BY THE NUMBERS: TPAS

### LARGEST WORKERS COMPENSATION TPAS

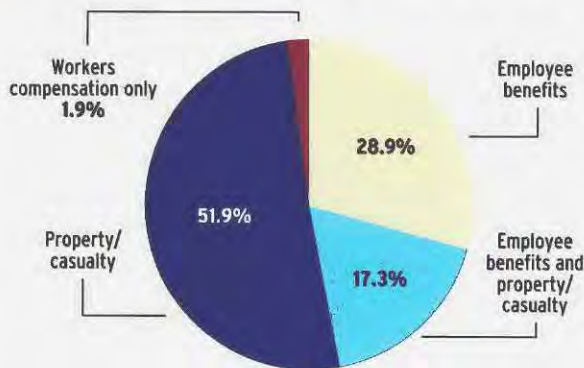
Ranked by workers compensation claims paid in 2009

Company	Claims paid
Sedgwick Claims Management Services Inc.	\$3,882,247,281
Gallagher Bassett Services Inc.	\$3,540,000,000
Specialty Risk Services L.L.C.	\$1,914,000,000
Broadspire Services Inc., a Crawford Co.	\$1,600,000,000
TRISTAR Risk Management	\$687,000,000
Cannon Cochran Management Services Inc. dba CCMSI	\$675,000,000
Helmman Management Services L.L.C.	\$537,865,000
Avizent	\$453,358,346
Pinnacle Risk Management Services	\$450,000,000
Underwriters Safety & Claims Inc.	\$386,000,000

Source: BI survey

### TYPE OF CLAIMS ADMINISTERED

Type of claims handled by all companies listed in the directory



Source: BI survey

**THESE CHARTS** were derived from information submitted to *Business Insurance* for our various directories. All *Business Insurance* directories and rankings are available from our online Resource Center, which also features white papers on a variety of topics. For more information, visit [www.businessinsurance.com/research](http://www.businessinsurance.com/research).

Do you know your loss costs resulting from Limited English Speaking Employees or Claimants?

Visit 3i at RIMS to find out!

#### COMPREHENSIVE SERVICES

- Telephonic Interpretation
- On-site Interpretation
- Document Translation
- Transportation

Come talk with  
**Michael A. Cirillo**  
 President & CEO of 3i  
 RIMS - Booth 1466  
 or visit [www.3icorp.com](http://www.3icorp.com)



Book your hotel for RIMS 2011 Vancouver

Visit Travel Planners in Level 1 Northeast Lobby of the BCEC

TRAVEL PLANNERS



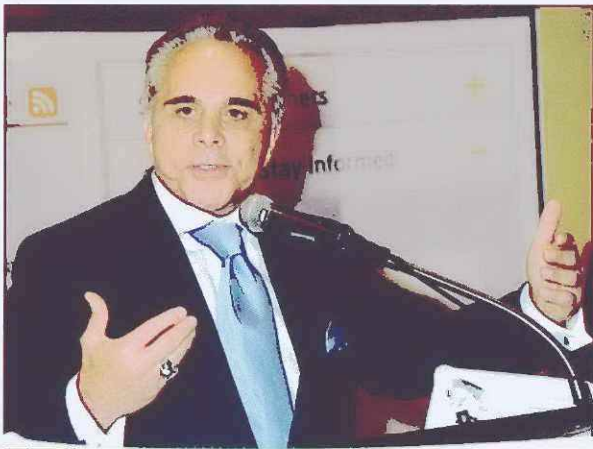


The child is fine.

**It was the hospital's future that was iffy.**

Insurance costs rose tenfold—for the hospital. See how this medical drama resolves: [Milliman.com/hospital](http://Milliman.com/hospital).





## President: Time of opportunity

CONTINUED FROM PAGE 1

Next is continuing to advocate for risk management-related legislation and regulation. "RIMS is becoming well known to Congress as the voice of the commercial insurance consumer," Mr. Fleming said.

Mr. Fleming said his third objective is continuing to develop RIMS' international strategy. He noted that RIMS' international committee is developing a strategy to help U.S. companies with international business, and to assist those areas of the world in need of risk management education.

His fourth objective is supporting RIMS' efforts to continue to encourage students to enter risk management careers. "For students engaged in risk management study, we are providing free RIMS membership, including access to our job bank," Mr. Fleming said.

Finally, he said he wants to encourage more peer-to-peer benchmarking and information sharing across the RIMS membership. "As RIMS members, we're really well positioned to put best practices into, well, practice," the RIMS president said.

Mr. Fleming said information he

gained by networking with fellow RIMS members helped him save his employer \$1 million last year on insurance for a courthouse construction project. "There's always someone there who can help you," he said. "You just have to make that connection."

In her remarks Monday morning, Mary Roth, RIMS executive director, said the society's success "begins at the chapter level."

Ms. Roth noted that the organization had 23 local chapters in 1960, 64 when she joined RIMS in 1985 and today has 80 worldwide. "We're growing and we're strong," she said.

The RIMS executive director also stressed RIMS' efforts to bring new risk managers into the profession. As part of those efforts, more than 750 students have benefited from RIMS student involvement program, she said. Meanwhile, since the Spencer Educational Foundation Inc. was started in 1979, it has awarded \$4 million in scholarships and \$2 million in grants.

Even as the world has changed, four words—information, education, networking and advocacy—"have always reflected what RIMS stands for," Ms. Roth said.

### Willis unveils anti-contingents campaign

Willis Group Holdings P.L.C. Chairman and CEO Joe Plumeri rolled out a new public awareness campaign called "Clients Before Contingents" Monday at Willis' booth in the exhibit hall. The campaign, anchored by a new Web site, [ClientsBeforeContingents.com](http://ClientsBeforeContingents.com), is aimed at educating risk managers about the conflicts of interest Willis says are inherent in the insurer-paid incentive compensation. Willis voluntarily gave up collecting contingents in October 2004 before the world's four largest brokers agreed to give them up in 2005 settlement agreements with state authorities. Those settlements were recently amended, effectively lifting the contingents ban.

## SAVE THE DATE

### RISK MANAGEMENT SUMMIT

NEW YORK CITY • MARCH 8-9, 2011

presented by

## Business Insurance

For more information, contact Becky Briggs  
at [rbriggs@BusinessInsurance.com](mailto:rbriggs@BusinessInsurance.com).

## Meet us at the RIMS 2010 Conference & Exhibition

**Stop by Booth #1123 and enter to WIN!**

**iPad**

- 32 GB memory
- Wi-Fi
- 9.7 inch Hi-Res Screen
- iWorks
- Photos / Videos

**Take advantage of our RIMS special subscription offer:**  
**FREE 6 WEEK TRIAL SUBSCRIPTION to BI**  
**plus a FREE Flash drive.**  
(while supplies last)

**To enter, drop off your business card at Booth #1123**  
No purchase necessary. The drawing will be held on 04/28/10 at 12 PM.  
The winners will be announced at this time.

## Business Insurance

[www.BusinessInsurance.com](http://www.BusinessInsurance.com)



# FRESH DIRECTIONS

# PROVEN SOLUTIONS

## Arch is well positioned to navigate – and succeed in these market conditions.

Guided by a powerful business compass, Arch has grown strategically to emerge as a leading provider of risk management solutions. Our disciplined underwriting and investing principles have driven the solid results we've achieved and that puts us in a strong position to respond to your market needs.

### Disciplined Underwriting

- ✧ Broad product offerings—in both Primary and Specialty business, with strong capacity
- ✧ Careful risk assessment approach
- ✧ Robust regional platform throughout the U.S.
- ✧ Industry-leading underwriting talent

### Disciplined Investing

- ✧ Sound, responsible investment practices
- ✧ Active capital management
- ✧ Strong balance sheet

Call us for innovative approaches to your National Accounts Casualty, Executive Assurance, Excess Workers' Comp, and Global Property needs.

A.M. Best: "A" Standard & Poor's: "A"

### PROPERTY, CASUALTY & SPECIALTY PRODUCT SOLUTIONS

Strong and reliable coverage in a difficult insurance marketplace.

Contact your local broker or one of our regional offices today.

FRESH. THINKING.



ALTERNATIVE MARKETS | AVIATION | CASUALTY | CONSTRUCTION | ENERGY | ENVIRONMENTAL | EXCESS WORKERS' COMP | EXECUTIVE ASSURANCE  
HEALTHCARE | LENDER PRODUCTS | NATIONAL ACCOUNTS CASUALTY | PROFESSIONAL LIABILITY | PROGRAMS | PROPERTY | SURETY | TRAVEL & ACCIDENT  
[www.archinsurance.com](http://www.archinsurance.com)

Insurance coverage is underwritten by one or more member companies of Arch Insurance Group in North America. Executive offices are located at One Liberty Plaza in New York City 10006. Not all insurance coverages or products are available in all jurisdictions. Coverage is subject to actual policy language. This information is intended for use by licensed insurance producers. Arch Insurance Company (a Missouri corporation, NAIC # 11150) had admitted assets of \$1.8 billion, total liabilities of \$1.2 billion and surplus to policyholders of \$637.9 million, as shown in the Annual Statement ended December 31, 2009. Arch Specialty Insurance Company (a Nebraska corporation, NAIC #21199) had admitted assets of \$418.1 million, total liabilities of \$103.1 million and surplus to policyholders of \$315.0 million, as shown in the Annual Statement ended December 31, 2009. Arch Excess & Surplus Insurance Company (a Nebraska corporation, NAIC # 10946) had admitted assets of \$28.6 million, total liabilities of \$1.6 million and surplus to policyholders of \$27.0 million, as shown in the Annual Statement ended December 31, 2009. Copyright 2010 Arch Insurance Group Inc.



## 60th: Celebrating the past, RIMS poised for the future

Continued from page 1

has evolved during the past six decades to become the pre-eminent organization for risk managers.

RIMS represents more than 3,500 industrial, service, nonprofit, charitable and governmental entities and more than 10,000 risk management professionals—85% of whom work for Fortune 500 companies, said Terry Fleming, RIMS president.

Aside from the United States; RIMS also has chapters in Canada, Japan and Mexico, he said.

It's a far cry from the association's beginning 60 years ago. But to really understand the origins of the society, one must look back to the New York-based Risk Research Institute, which a group of insur-

ance buyers formed in the 1930s, explained Mr. Fleming, who is director of the Montgomery County division of risk management in Rockville, Md.

The Risk Research Institute "managed to achieve quite a bit of legislative success" in the 1930s and 1940s, Mr. Fleming said, noting that by 1947 there were 185 members addressing such issues as workers compensation, multiple lines, auto, fidelity, inland marine, property damage and employee benefits.

But by 1950, it became clear that the scope of the organization needed to expand, so the National Insurance Buyers Assn. was incorporated as a nonprofit organization on Nov. 21, 1950. Harry Goodell was elected its first president.

Among the NIBA's initial goals was fostering a close relationship among insurance buyers; making known the insurance needs of business and industry; working to secure simpler, more adequate policy forms; and supplying members with information dealing with insurance and loss prevention.

From 1952 to 1955 NIBA grew from 400 members and nine chapters to 700 members and 12 chapters, Mr. Fleming said. It was in 1955 that NIBA changed its name to the American Society of Insurance Management Inc.

The 1960s ushered in a focus on educational initiatives and governmental affairs at ASIM which held its first national conference in New Orleans in 1963 and had roughly 400 attendees, Mr. Fleming said.

ASIM, which changed its name in 1975 to the Risk & Insurance Management Society Inc., worked

"The 1980s saw RIMS break new ground again, this time asserting itself as the voice of the commercial risk manager and expanding its international influence by co-sponsoring the first International Risk Management Conference in Monte Carlo," Mr. Fleming said.

In the 1990s, RIMS launched [www.rims.org](http://www.rims.org), established the Canadian Risk Management Council and founded two awards that "today are still widely respected benchmarks of the industry—the Arthur Quern Quality Award and the Ron Judd Heart of RIMS," Mr. Fleming said.

It's the past 10 years, though, that have been the most important in RIMS' development, Mr. Fleming said.

During that time, "risk management as a discipline has been thrust into center stage in the wake of catastrophe after catastrophe, including the global financial meltdown," he said. "The need for risk management has been highlighted more than ever before and RIMS has stepped up to the proverbial plate by testifying before Congress, identifying new areas of interest in the discipline, creating inroads abroad and crafting the very definition of enterprise risk management."

And the society is poised to continue its efforts in aiding risk managers well into the future, Mr. Fleming said.

To celebrate RIMS' first 60 years, it will host a dessert reception at its booth in the exhibit hall this afternoon.

Attendees also can get a more in-depth look at the association's history, including additional photos, at the various kiosks located throughout the convention hall.



on developing and defining risk management as a concept and discipline in the 1970s, Mr. Fleming said.

### NOTABLE EVENTS IN RIMS HISTORY

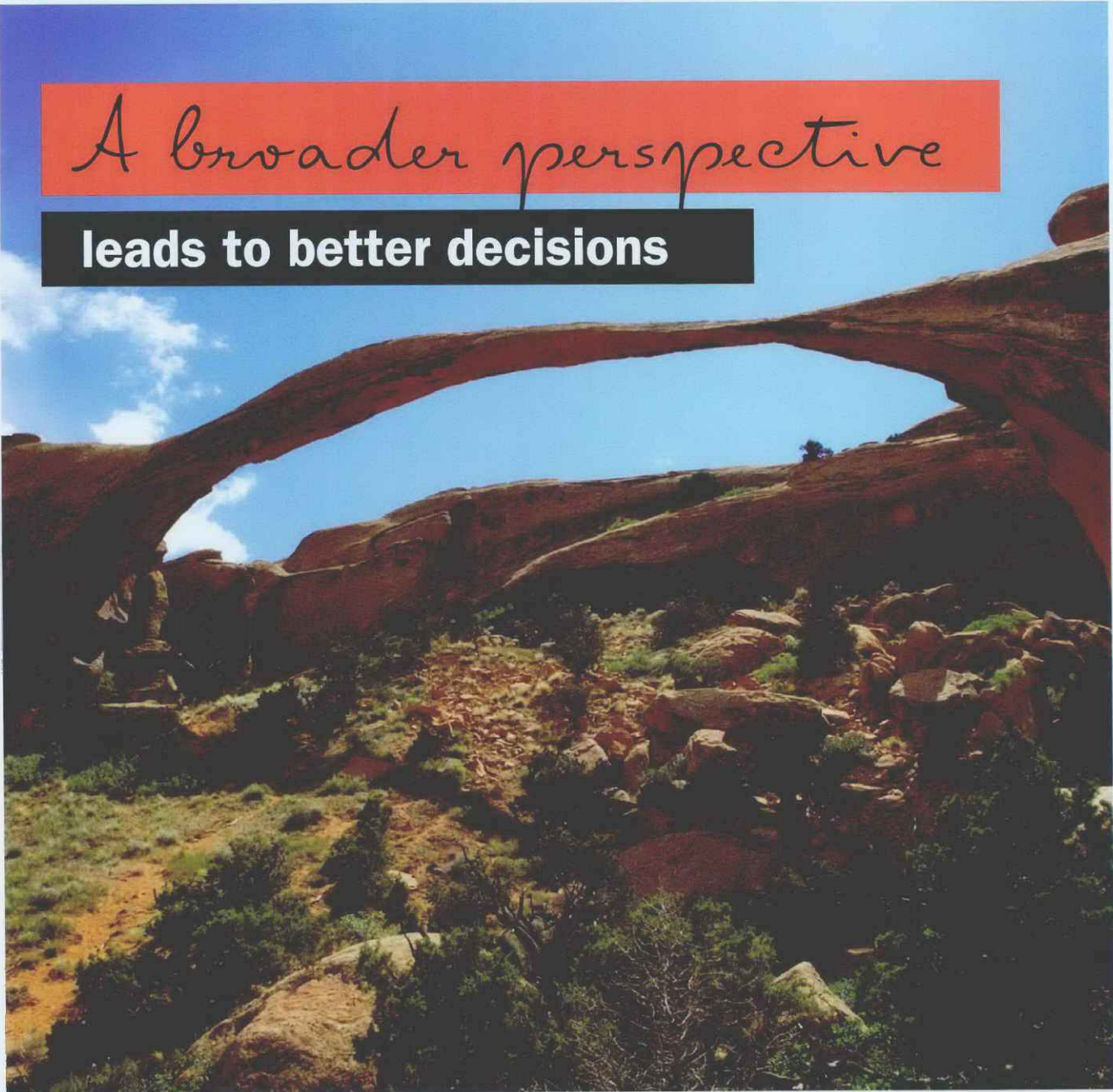
A full, year-by-year timeline is available at [www.rims.org/60years/Timelines/Pages/RIMSTimeline.aspx](http://www.rims.org/60years/Timelines/Pages/RIMSTimeline.aspx)

- 1950 National Insurance Buyers Assn. founded, Harry Goodell president
- 1951 First annual meeting of the association
- 1952 Association grows to 400 members and nine chapters
- 1955 Association changes name to American Society of Insurance Management
- 1962 Douglas Barlow outlines the concept of cost of risk in the National Insurance Buyer
- 1963 The society holds its first Annual Conference & Exhibition in New Orleans
- 1965 The society officially launches a diploma program for risk management
- 1967 After 17 years, Peter Burke retires as the society's managing director and is succeeded by Ron Judd.

- 1970 The society makes the case for insurance management to become risk management
- 1973 The society helps create the Associate in Risk Management designation
- 1975 ASIM officially becomes the Risk & Insurance Management Society
- 1976 RIMS and TIME magazine publish joint study on the emergence of the corporate risk manager
- 1981 RIMS co-sponsors the first International Risk Management Conference with the Assn. Europeene des Assures de L'industrie in Monte Carlo
- 1984 RIMS joins the International Federation of Risk Management Assns.
- 1987 RIMSNET, the society's first electronic information exchange, is launched

- 1995 The Canadian Risk Management Council is formed to serve Canadian RIMS members
- 1996 RIMS launches RIMS.org
- 1997 The Arthur Quern Quality Award is created
- 1998 The Ron Judd Heart of RIMS Award is created
- 1999 RIMS holds its first RIMS on the Hill legislative conference and advocacy event
- 2001 RIMS charters the Japan chapter, its first chapter outside of North America
- 2002 RIMS creates the RIMS Fellow Professional designation
- 2007 RIMS total membership tops 10,000 risk professionals worldwide
- 2010 RIMS turns 60

Source: Risk & Insurance Management Society Inc.



*A broader perspective*

**leads to better decisions**

**Consulting, Risk Transfer and Software Solutions.**

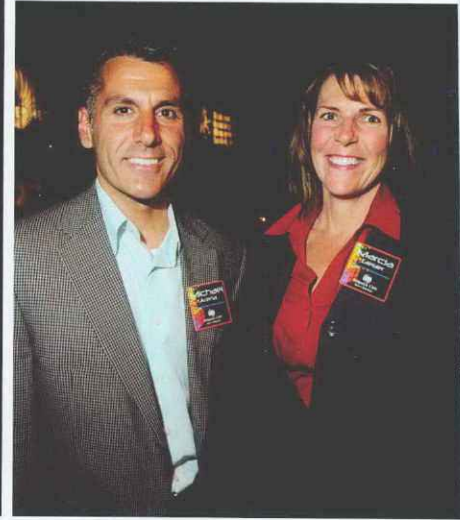
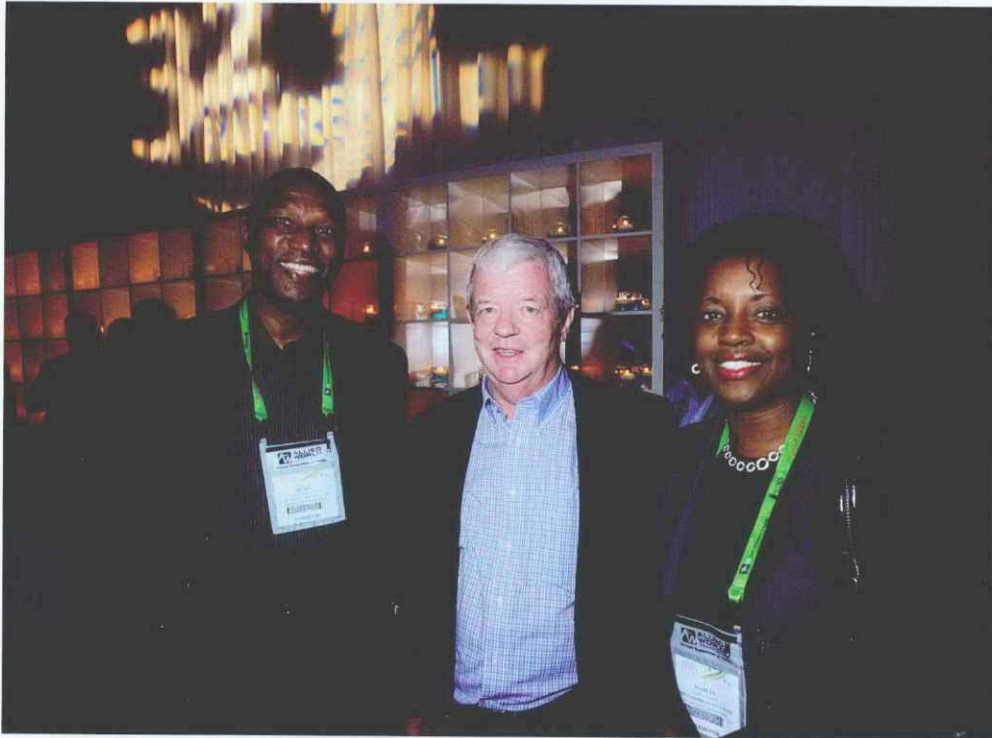
You know that better information leads to better decisions about capital — and to better financial results. You need a partner who understands your perspective. At Towers Watson, we take a broad, consultative approach to addressing risk and capital management challenges. Our clients value expertise: We provide full-service insurance consulting to more than three-quarters of the world's leading insurers, are the world's fourth-largest reinsurance broker and have over 400 software clients. Let us share our point of view with you.

**Towers Watson.** A new global company with a singular focus on our clients.

Benefits  
Risk and Financial Services  
Talent and Rewards

[towerswatson.com](http://towerswatson.com)

**TOWERS WATSON** 



## RIMSthrough the LENS



**Business Insurance®**

**BEST**

places  
to **work** **2010**

**REGISTER TODAY!**  
**your company**

- Get the recognition your company and employees deserve
- Support recruitment & retention efforts
- Boost employee morale
- Raise brand awareness
- Improve your industry reputation
- Set yourself apart from your competitors

*Go to [www.bestplacestoworkins.com](http://www.bestplacestoworkins.com)  
to Register by May 7.*

## Awards: Honorees recognized

CONTINUED FROM PAGE 1

RIMS also presented awards during Monday's awards luncheon, including the Richard W. Bland Memorial Award, given to Lance Kayfish, risk manager at the City of Kelowna, British Columbia. The award recognizes efforts in the areas of legislation and regulation.

In addition, the Ron Judd Heart of RIMS Award was presented to Mark Ryan, director of casualty insurance at Occidental Petroleum Corp. and member of the Dallas-Fort Worth Chapter of RIMS. The award, which was established in tribute to the legacy of former RIMS Executive Director Ron Judd, recognizes achievements in furthering risk management at the chapter level.

The Arthur Quern Quality Award, which honors innovations in risk management, was given to Paychex Inc. for its predictive model within its enterprise

risk management program, RIMS said.

The Cristy Award, recognizing the highest scores on the three exams required to earn the Associate of Risk Management designation, went to Stanley Jurewicz, director of risk management at Florida State University in Jacksonville.

Also at the luncheon, RIMS and *Business Insurance* presented the 2010 Risk Manager of the Year Award to Debra L. Rodgers, vp of global risk management at Philadelphia-based ARAMARK Corp.

RIMS and *BI* also announced the members of the 2010 Risk Management Honor Roll: Scott Borup, director of corporate risk management at Johnson & Johnson in New Brunswick, N.J.; and Christine Eick, executive director of risk management and safety at Auburn University in Auburn, Ala.

RIMS also recognized the achievements of several individual chapters during the luncheon.

## Sun: Major disruptions feared

CONTINUED FROM PAGE 4

charged particles, have the potential to be a global event, said Mr. Kappenman.

A severe storm could shut down large parts of the electrical grid as large high-voltage generators suffered extensive damage, he said. Recovery would be lengthy because such specialized equipment can't be replaced quickly, according to Mr. Kappenman.

Such a storm could be a one-in-30 year to one in 100-year event, yet current design practices of electric grids "have unknowingly and greatly escalated the risks and potential impacts," according to Mr. Kappenman. That's led to what he called "unrecognized system risk," with no design code to mitigate the threat.

In addition, the space weather community has failed to communicate the real risk of a severe solar storm to the power industry, he said. The result has been "a false sense of security and complacency" by power grid operators.

"We have not had a yearlong outage" in the United States that would affect large areas, he said.

He said the United States is used to dealing with the impact of bad terrestrial storms, but no terrestrial storm has the ability to become continent-wide events within minutes the way a solar storm can. He noted that a "super storm" in March 1989 blacked out much of Quebec less than two minutes after it struck.

"The risks we have right now are sim-

ply intolerable," he said.

Mr. Kappenman said that the major emphasis of risk mitigation efforts should be focused on preventing geomagnetic storm-related catastrophic failure. For example, some design measures for electric grids are already available, he said. The federal government could require the power industry to follow a mandatory design code, he said.

He also said that there is little awareness among the power industry's customers about the vulnerability of the grid to a major solar storm.

"Space weather is complicated," said Sten Odenwald, an astronomer at Catholic University in Washington, who also spoke at the session. While the scientific community has made progress in understanding how space weather works, much remains unknown.

Mr. Odenwald said that a major solar storm could cause massive rerouting of air traffic. And a repeat of the solar storm of 1859—one of the largest on record—could result in major disruption.

Satellites would also be affected, said Mr. Odenwald. The "good news" is that satellites are very robust, with plenty of reserve transponders and large solar panel power margins, said Mr. Odenwald.

"But the bad news is that the sun is also very robust," he said.

Armand Fernandez, chief risk engineering officer at Zurich Services Corp. in Schaumburg, Ill., moderated the discussion.

## Panel: Disclosure seen as key to contingents

CONTINUED FROM PAGE 3

that there is anything even remotely related to a disservice to our client base," by accepting contingent commissions. "If there were, we quite frankly believe we would have seen that in our results."

While not addressing whether Aon Corp. specifically plans to resume collecting contingents, Greg Case, the Chicago broker's president and CEO, said the issue really revolves around the value Aon provides clients and the price paid for that value.

"We live and die on that," he said, but "that equation only works with great transparency. Clients have to understand it every way, shape and form exactly what we charge and the way we charge. And while we certainly applaud some of the efforts around a movement toward greater transparency...we can go much, much further making sure that across the industry, clients understand exactly what they paid for and the value it's providing."

The issue of contingent commissions also was addressed during a second panel featuring the leaders of some of the nation's largest property/casualty insurers.

Evan Greenberg, chairman of Zurich-based ACE Ltd., said that if he had his way "there would be no conflict of interest the client would simply pay the broker. But that's not the world we live in and disclosure is what is considered the way to cure this."

"Clearly we've taken a very public stand that profit sharing for agents is appropriate and we're willing to litigate it," said Edmund Kelly, chairman, president and CEO of Boston-based Liberty Mutual Group Inc. "We think the agent works for us, with us and represents us, and to the extent that they can help us produce a better book of business benefits everyone."

As for insurers paying contingent commissions to brokers, Mr. Kelly said he believes brokers should be paid exclusively by the insurance buyer.

Rather than focusing on how agents and brokers are compensated, the industry should be focused more on improving efficiency, said Kristian Moor, president and CEO of New York-based Chartist Inc.

Brokers and risk managers "should demand a lot more on the service side, on policy service, on policy issuance, on quoting, on all of the services that the industry provides...and take the cost out of the industry instead of increasing prices."

Shivan S. Subramaniam, chairman and CEO of Johnston, R.I.-based Factory Mutual Insurance Co., which does business as FM Global, noted that he supports RIMS' position that contingent commissions should be abolished from the brokerage industry.

The insurer executives also addressed the lingering soft pricing environment and what could trigger a market turn.

"I have to tell you, if cats are going to move this industry in a broad way, it's going to have to be one hell of a cat season," said ACE's Mr. Greenberg, estimating it would take "well over \$50 billion worth of cats" to turn the insurance market.

However, a return of high inflation would significantly harden the property/casualty market, Mr. Kelly warned. "The fundamental thing that has driven insurance pricing for 12 years is low inflation. Nothing, nothing is more damaging to the insurance market than inflation. We've had no inflation. It's good for you, and it's good for us."

However, if inflation returns, which Mr. Kelly said is very likely to happen if the government raises taxes to reduce the deficit, "it will be a different world," he said.

**MARKETPLACE**

To place your ad contact Monique Murray at 212.210.0129 or email mmurray@businessinsurance.com

**CLAIMS SERVICES**



Isn't it time you partner with a company that understands your claims needs?

**Engle Martin & Associates, Inc.**  
People You Know. Service You Trust.®

**EMA** • Loss Adjusting • **EMCAS** • TPA/Claims Management • **EMC** • Claims Consulting

800.818.5619 [www.englemartin.com](http://www.englemartin.com)

**EDUCATION & TRAINING**

**CPCU®** AIC, ARM, IIA  
CLU/ChFC, and  
CIC candidates

You'll pass. You'll learn more faster.  
And, you'll love The Burnham System  
or your money back. Guaranteed!

**Call 1-888-BURNHAM Now!**

[www.BurnhamSystem.com](http://www.BurnhamSystem.com)  
131 Everett St., Southbridge, MA 01550

**YOUR TARGET AUDIENCE IS HERE...**



**Where is your ad?**

Call (212) 210-0129 to reserve your space.

**Business Insurance** [www.BusinessInsurance.com](http://www.BusinessInsurance.com)

**EDUCATION & TRAINING**

**MBA IN INSURANCE**

The first live, online, professional MBA program in insurance  
where you can see and talk with your instructor

Designed for professionals with or without an undergraduate  
degree in risk management or insurance

Taught by industry professionals with over  
193 years of combined insurance experience



<http://www.olivetcollege.edu>

Meet with our Director of Risk Management, Mike Hubbel at booth #2217

**CONSULTANTS**

**ALTERNATIVE FUNDING • RRGs • CAPTIVES • EMPLOYEE  
BENEFITS • P&C RISKS • CONSULTING • PROGRAM  
MGMT • FEASIBILITY STUDIES • SPRING • SMART PEOPLE**

T: 617-589-0930  
84 State St., Ste 500  
Boston, MA 02109  
[www.springgroup.com](http://www.springgroup.com)



**EDUCATION & TRAINING**

**Where Knowledge Bears Fruit**

**Taking Aim at  
Captive Excellence**

860-276-9775



© Copyright 2002, Captive.com LLC

**EDUCATION & TRAINING**



**FLORIDA STATE UNIVERSITY**

**Totally ONLINE master's degree in  
Risk Management and Insurance**

Complete your degree from anywhere in the world  
Classes taught by full-time faculty  
Affordable and Flexible

Visit <http://riskmanagement.fsu.edu>

**SOFTWARE/TECHNOLOGY**



Raise Your Expectations.

Accelerate Your  
Risk Management Program.

Riskconnect | The Only Enterprise-Class  
Risk Management Software Available.

Riskconnect is an independent innovator  
in risk management software providing  
a suite of solutions on a single cloud-  
computing platform including:

Enterprise Risk Management, Risk  
Management Information Systems,  
Incident Management, Certificates,  
Business Intelligence, and Portal  
capabilities.

Race to RIMS Booth #509 to Experience  
The Riskconnect Difference.

- ➔ Speed
- ➔ Precision
- ➔ Performance
- ➔ Reliability
- ➔ Technology

770-790-4700 | [www.riskonne.com](http://www.riskonne.com)

## NEWS IN BRIEF

[ AT PRESS TIME ]

CONTINUED FROM PAGE 1

### Organization awards Ewing scholarship

The National Alliance for Insurance Education & Research awarded Valerie Clark—senior director of risk management at QIP Holder L.L.C., the parent company of Quiznos—the Lance J. Ewing Educational Scholarship. She was selected for the scholarship by the Rocky Mountain chapter of the Risk & Insurance Management Society Inc. The Lance J. Ewing Educational Scholarship is applied to attendance at any course from the Certified Risk Managers Program offered by the alliance. The scholarship was created in honor of Mr. Ewing's work as a risk manager and efforts to help professionals understand the importance and values of risk management.

### Reinsurers see claims from loss of oil rig

German reinsurer Hannover Reinsurance Co. expects a large claim from the explosion and sinking of the Deepwater Horizon oil drilling rig that left 11 workers missing in the Gulf of Mexico. "We know there will be a major loss," said a spokeswoman for the German reinsurer said, noting that a major loss is one of more than \$6.7 million but declining to provide further details. Separately, Munich Reinsurance Co. said it expects a claim from the rig loss.



# around the HALL

**EXHIBITORS AT RIMS** rolled out a variety of sights and sounds Monday at their booths. Included in the displays were attendees who dressed up in patriot attire for photo opportunities at the CorVel Corp. booth; played a game with large foam dice for a chance to win a \$200 gift certificate at the Wells Fargo Insurance Services booth; enjoyed a free chair massage at the LeasePlan USA booth; and learned about a new risk analysis Web tool at Marsh Inc.'s booth.



## 2010 RIMS video



For more on the conference, check out Business Insurance's daily RIMS 2010 videos at [www.businessinsurance.com/video](http://www.businessinsurance.com/video)

## Business Insurance

- Vice President/Publisher**  
Martin J. Ross III (New York)
- Associate Publisher/Editorial Director**  
Paul D. Winston (Chicago)
- Editor**  
Regis J. Coccia (Chicago)
- Editor-at-Large**  
Jerry Geisel (Washington)
- Managing Editor**  
Gavin Souter (Chicago)
- Assistant Managing Editor - Multimedia**  
Kathy L. Barnes (Chicago)
- Assistant Managing Editor - News**  
Matt Scroggins (Chicago)
- Art Editor**  
William Murphy
- Special Projects Editor**  
Rodd Zolkos
- Senior Editors**  
Michael Bradford (Zurich);  
Roberto Ceniceros (Boise);  
Judy Greenwald (San Jose);  
Mark A. Hofmann (Washington);  
Sally Roberts (Denver);  
Joanne Wojcik (Denver)
- London Bureau Chief**  
Sarah Veyssey (London)
- Associate Editors**  
Colleen McCarthy (New York); Zack Phillips (New York)
- Staff Reporter - Interactive**  
Jeffrey Casale (Chicago)
- Copy Editors**  
Charlain Benton (Chicago); Ann Reus (Chicago)
- Research Director**  
Kevin P. Edison (Chicago)
- Research Editor**  
Karen Brown Tucker (Chicago)
- Online Editor**  
Katherine Downing (Chicago)
- Online Producer**  
Amy R. Curtis (Iahtse)
- Editorial Assistant**  
Mike Tsikoudakis (Chicago)
- Editorial Cartoonist**  
Roger Schillerstrom (Chicago)

- Regional Sales Managers**  
William J. McGuire (Chicago);  
Ron Kolgaral (Boston);  
Robert B. Murray (New York);  
Robert A. Raldi, Jr. (New York)
- Assistant to the Publisher**  
Pat Ghazvini (New York)
- Advertising Traffic**  
Monique Murray (New York)
- Events Manager**  
Rebecca Briggs (New York)
- Production Manager**  
J. Thomas Janka (Chicago)
- Circulation Manager**  
William O'Driscoll (New York)
- Assistant Circulation Manager**  
Craig Bowman (Detroit)
- Promotion Director**  
Michael Ambrosio (New York)

**EDITORIAL:** Boise 208-286-1425; Chicago 312-649-5200; Denver 303-282-4260; London 44-207-457-1400; Los Angeles 323-370-2455; New York 212-210-0100; San Jose 408-774-1500; Tucson 520-579-4937; Washington 202-662-7200

**ADVERTISING:** Boston 617-292-4856; Chicago 312-649-5276; Los Angeles 323-370-2405; New York 212-210-0133

**SUBSCRIPTIONS:** Detroit 888-446-1422

Business Insurance is published by Crain Communications Inc.

- Chairman:** Keith E. Crain
- President:** Rance Crain
- Secretary:** Merrilee Crain
- Treasurer:** Mary Kay Crain

**Executive Vice President/Operations:** William A. Morrow  
**Senior Vice President/Group Publisher:** Gloria Scoby  
**Vice President/Group Publisher:** Christopher Crain  
**Group Vice President/Technology, Circulation, Manufacturing:** Robert C. Adams

**Vice President/Production & Manufacturing:** Dave Kamis  
**Corporate Circulation/Audience Development Director:** Kathy Henry

- Chief Information Officer:** Paul Dalpiaz
- G.D. Crain Jr., Founder (1885-1973)**
- Mrs. G.D. Crain Jr., Chairman (1911-1996)**
- S.R. Bernstein**  
Chairman-executive committee (1907-1993)



PHOTOS BY MICHAEL MARCOTTE

# MARSH

Leadership, Knowledge,  
Solutions...Worldwide.

In-depth financial information  
about your insurers doesn't just  
land at your doorstep.

It falls at your fingertips.



MARSH

MARKET INFORMATION

## Introducing the future of intelligent information.

With lessons learned from the global financial crisis, businesses around the world are realizing the importance of strengthening all aspects of their risk governance – particularly with regard to the financial condition of insurers. To help you do just that, Marsh Market Information provides easy access to up-to-date information and analyses covering more than 1,500 insurance companies worldwide.

- **Track the security of your insurers** – Create a portfolio of your insurance companies to view their ratings and breaking news on them and their parent companies.
- **Insurer financial analyses and email alerts** – Read reports prepared by the Marsh Market Information Group and receive email alerts whenever a rating changes or when there is a relevant news article, earnings release or new financial analysis created for one of your insurers.
- **Evaluate and compare** – Use our interactive tools to evaluate the overall security of your insurance program and compare the financial condition of your insurers to other potential providers.

To learn more about Marsh Market Information, visit us at Booth 811.

MARSH

 MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN

CELEBRATING  
**10** YEARS  
OF EXPANDING  
POSSIBILITIES

# 521 Monday mornings

Monday mornings can test your mettle. Especially those that follow catastrophes such as Katrina or 9/11. The upheavals that punctuated our first ten years in business have strengthened our discipline. Sharpened our underwriting skills. And driven our strategic growth. The result? A financially-strong, global enterprise with 350 talented professionals, working from seventeen offices in seven countries – all dedicated to providing diversified specialty insurance and reinsurance products, solving risk challenges one at a time. Roll on next Monday!



**Max**

SPECIALTY INSURANCE & REINSURANCE BERMUDA • IRELAND • UNITED STATES • LATIN AMERICA • LLOYD'S  
A.M. Best: A- (Excellent) / S&P: A- (Strong) / Fitch: A (Strong) / Moody's: A3 [www.maxcapgroup.com](http://www.maxcapgroup.com)