President’s Message

by Diana Rich


It’s too easy to forget to look around us. Sure, these days we can blame smartphones and tablets for restricting our vision to 30” in front of our faces, but the sad truth is that so many of us let a lack of vision keep us from maximizing our potential. OCRIMS can help cure your restricted outlook.

Want to see how you can be a mentor to a CSUF student or rising risk professional? OCRIMS partners with the Center for Insurance Studies at Cal State Fullerton and offers numerous opportunities to meet the risk managers of tomorrow.

Interested in seeing how you can be involved in the legislative and regulatory processes? Sign up for RIMS on the Mall (March 10-11 in Sacramento) and observe close-up how you can make a difference.

Ever envision yourself as a public speaker, sharing your wit and wisdom with your peers? OCRIMS offers opportunities for risk managers to speak at chapter meetings and the golf day workshop.

Contact our vice presidents, Jennifer Mauritzen and Steve Tomeo, for information.

Or do you just want to see and be seen with the best and brightest of Orange County’s risk management and insurance professionals? Show up at OCRIMS chapter meetings and events, and be part of the funnest chapter in the land.

But wait! There’s more. Be one of the first ten people at the Chapter meeting on February 18th to tell me you’ve read the President’s Message, and I’ll give you a nifty pen with a flashlight and laser pointer to help you improve your outlook.

Make 2020 a year of vision. Hope to see you soon!

Live long and prosper! Diana Rich

TUESDAY, FEBRUARY 18TH:
OCRIMS MONTHLY LUNCH MEETING
INSURANCE COLLATERAL: FINANCIAL DRAIN OR SAFETY NET?

Speaker: Jessica Christensen, Director, Actuarial and Analytics at Aon Global Risk Consultants
(an Executive Sponsor of OCRIMS)

Link to register: http://events.constantcontact.com/register/event?llr=kbpblmeab&oeidk=a07eguvhm933ccdf3a

See details on the following page
Tuesday, February 18, 2020  
OCRIMS Monthly Lunch Meeting

**INSURANCE COLLATERAL: FINANCIAL DRAIN OR SAFETY NET?**

| Speaker: | Jessica Christensen, Director, Actuarial and Analytics at Aon Global Risk Consultants  
(an Executive Sponsor of OCRIMS) |
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<tr>
<td>Time:</td>
<td>11:30 a.m. – Social Gathering/Reception   Noon – Lunch   12:40 p.m. – Program   1:30 p.m. – Adjourn</td>
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<td>Where:</td>
<td>Center Club, 650 Town Center Drive, Costa Mesa</td>
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| Cost:    | $25 for members, $50 for nonmembers with reservation by 4:00 p.m. on Thurs., Feb. 13th  
$50 for late reservations/walk-ins. (Walk-ins are not guaranteed a meal.)  
$10 for CSUF Students with a valid ID |

**Online registration is now available for Chapter events!**

Click the following link to go to the registration page, where you can enter your contact information and select the payment method.

Want to go to the head of the line? Pay online, and bring your receipt.

[http://events.constantcontact.com/register/event?llr=kbpblmeab&oeidk=a07eguvhmr933ccdf3a](http://events.constantcontact.com/register/event?llr=kbpblmeab&oeidk=a07eguvhmr933ccdf3a)

Note: OCRIMS will send a follow-up email regarding registration to addresses pulled from the RIMS Message Center database, and your contact preferences must be set to “Yes” in the database to receive the announcement via email. If you’ve received this newsletter by direct email, you probably have your contact preferences set to “Yes” in the database, but if you want to make sure, follow the simple steps outlined under “OCRIMS Database Management System,” as indicated on the next to last page of the newsletter. Contact Zareen Morrison at (714)376-3756 with any questions regarding the registration process.

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Large, sophisticated insureds often seek to reduce and control their total cost of risk by utilizing loss sensitive programs. High deductible programs, probably the most popular solution, have one common element: the need for collateral. Providing collateral to the carrier can result in various aggravations, including stacking letters of credit, constraints on credit lines, and added complexity when changing carriers.

The knowledgeable insured initiates strategies to influence a positive carrier view on collateral. Along with trusted risk advisors, like brokers and actuaries, successful strategies can be effected. A strategic approach can include changes to form of collateral, adjustments to structure of insured plan, and enhanced quantitative tools to support collateral negotiation. This session will address:

- What is collateral?  
- Why is it needed?  
- How to get the best deal

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Jessica Christensen has been with Aon for 27 years. She is a member of the ARS Practice Leadership Committee-Los Angeles and the Risk Consulting Americas Leadership Ops Committee. Jessica evaluates risk-financing strategies from an actuarial and financial perspective. She provides expertise in alternative risk mechanisms, including self-insurance and captive insurance companies. Jessica serves as lead consultant for high-profile and large accounts, provides management to the Los Angeles team, and ensures adherence to standards of practice.
OCRIMS kicked off 2020 in high gear with our first monthly luncheon—A DAY IN THE LIFE OF A JUDGE – TIPS AND ADVICE FROM THE BENCH. More than 70 risk professionals were present to hear the honorable Jennifer Kaloper-Bersin, from the Santa Ana District office of the Workers’ Compensation Appeals Board, share her personal viewpoint on what risk professionals can do to make the best impression at the board. The presentation opened with Judge Kaloper-Bersin clarifying an important distinction about workers’ compensation: Workers’ compensation is a benefit delivery system for the injured worker. She reminded us that it is a no-fault system, and claims are reviewed in the most favorable light for the injured worker.

One thing about a judge’s life is that it certainly isn’t dull. Judge Kaloper-Bersin’s calendar is packed with priority conferences, status conferences, mandatory settlement conferences, and lien conferences. In fact, those conferences are only held on Mondays. Tuesday through Thursday, her schedule is filled with expedited-hearing trials and trials. Friday is the only day of the week with no hearings. With a schedule like that, she gives a whole new meaning to a “Case of the Mondays!” The most important takeaway is that judges do not have a lot of time, which means you need to come prepared. She even commented, “If you want to win points with the judge, be ready for the mandatory settlement conference (MSC). The MSC is not the place to do what should have been done at an earlier conference. “

Judge Kaloper-Bersin presented a short list to educate the audience on how not to bother a judge. Considering the importance of having a judge on your side, these tips can be considered priceless. On the top of the list was knowing your case, understanding your burden to prove, being available (whether that be by phone, email or text) to have settlement authority ready, and to listen to the expertise of your representative or lawyer. Additional comments contributed by her colleagues of what not to do included: refusing to pay TD because of the MPN, auto denying treatment, using a phone during depositions, or telling them they are the only judge that makes you do something. The session concluded with a list of the Top Ten attorney types and some Q&A from the audience.

We appreciate Judge Kaloper-Bersin’s candor and willingness to let us “peek behind the curtain.” An important point stressed in her closing is that you need a paper trail. She reinforced the importance of having documentation to support your case. Another point that she emphasized is that judges are judging you and they will talk about you. Always good to put your best foot forward and be prepared. A copy of her presentation is available via this link: http://www.ocrims.org/Events-Calendar.html

A big thanks to Judge Jennifer Kaloper-Bersin for fitting us into her busy schedule and providing us such valuable insight. We promise to make you proud the next time we see you in court!
LAURA LANGONE NAMED 2020 PRESIDENT OF RIMS

Officers & Board of Directors for RIMS

RIMS has announced that Laura Langone, JD, MBA will serve as the Society’s president for 2020. Laura is Head of Insurance Operations at Airbnb, Inc. based in San Francisco. She has been a member of RIMS for 22 years and joined its Board of Directors in 2016. Ms. Langone held many Board positions with the RIMS Silicon Valley Chapter, including serving as president for four years. She also volunteered on several RIMS committees including serving as the chair of the Society’s Enterprise Risk Management Committee in 2015.

Prior to Airbnb, she was the Head of Insurance and Risk Management at PayPal, Inc. and Juniper Networks. Throughout her more than 20-year career in risk management, other prominent positions have included: Director of Risk Management and Assistant Treasurer, Genentech, Inc.; West Coast Life Science Leader, Marsh; Director of Risk Management, Oracle Corporation; and insurance defense practice member, Gordon & Rees, LLP.

“Today’s risk professional can’t afford to be complacent,” said Laura. “While the world around us evolves, especially with the introduction of new technologies, we must be ready to embrace different perspectives, different strategies and dare ourselves to be different.

“Stepping outside of our comfort zone can be intimidating, but those who are ready for the challenge will find greater opportunities to strengthen their risk programs and elevate their careers. I am beyond excited to serve as RIMS 2020 President and to help ensure this global risk management community has the tools, resources and support that allows us all to dream bigger, aim higher and be different.”

Officers on RIMS 2020 Board of Directors:

- President: Laura Langone, JD, MBA; Head of Insurance Operations, Airbnb, Inc.
- Vice President: Ellen R. Dunkin, Esq.; Senior Vice President, General Counsel & Chief Risk Officer, Amalgamated Life Insurance Company.
- Treasurer: Patrick Sterling, SPHR, SHRM-SCP; Senior Director, Legendary People and Risk, Texas Roadhouse.
- Secretary: Jennifer Santiago, MBA, RIMS-CRMP, ARM; Assistant Vice President & University Risk Officer, Pennsylvania State University.

New Board Members:

- Twane Duckworth; Chief of Risk Management, City of Jacksonville.
- Tina Gardiner; Manager, Risk Management Services, The Regional Municipality of York (Ontario).
Incumbent Board Members:

- David E. Arick, ARM; Assistant Treasurer, Global Risk Management, International Paper Company.
- Barry Dillard; Director, Risk Strategies, Insurance and Compliance, Walt Disney World Resorts.
- Gary A. Nesbit, CPCU, CSP, ARM, AIC, ALCM, SPHR; Senior Director of Risk Management, Young Life.
- Soubhagya Parija; Senior Vice President and Chief Risk Officer, New York Power Authority.
- Kristen Peed, CPCU, RPLU, CRM, ARM-E, CIC, AAI; Director of Corporate Risk Management, CBIZ, Inc.
- Robert Zhang; Business Risk & Compliance Manager, INGKA China.
- Ex Officio: Gloria Brosius, RIMS-CRMP; Director, Risk Management and Insurance, Pinnacle Agriculture Distributions, Inc.

RIMS: TRIA REAUTHORIZATION A MAJOR WIN FOR RISK MANAGEMENT PROFESSIONALS

Seven-Year TRIA Extension Helps Stabilize Global Insurance Markets

RIMS has commended Congress for its efforts in authorizing a seven-year extension of the Terrorism Risk Insurance Act (TRIA). The Society has advocated for the latest bill since the last iteration expired in 2017.

RIMS leadership offered the following comments in reaction to TRIA’s reauthorization:

RIMS 2019 President Gloria Brosius:

“TRIA’s reauthorization allows risk professionals to continue to be proactive, to take measures to mitigate risks before they manifest and allocate resources more effectively. And, while the unpredictability and catastrophic nature of terrorism will, unfortunately, remain a grave concern for global business leaders, RIMS welcomes this critical financial backstop and looks forward to working with United States Congressional leaders on regulatory matters that impact our work.”

RIMS External Affairs Committee Chair John Burkholder:

“Positive news about terrorism is hard to come by, however, TRIA’s reauthorization is a major win for businesses with operations in the United States and the overall economy. TRIA will allow our businesses to recover from an act of terrorism faster, to get people back to work and demonstrate the true resiliency of our economy. I would like congratulate the RIMS members who contributed to this effort and the men and women in Congress who had the foresight to move this important bill forward.”
This RIMS Fellow Workshop is designed for the risk manager who wants to understand the value a successful enterprise risk management (ERM) program can bring to an organization. Case studies, hands on exercises and an ERM Action Plan are used throughout the workshop to bridge the gap between ERM theory and practice.

Learn from the experience of your peers as you discuss strategies and challenges for implementing a successful ERM program.

**Benefits of the Workshop**

By attending this workshop, insurance professionals will learn to:

- Improve organizational decision-making and the bottom line with the necessary support and resources essential for an ERM program.
- Accurately assess your organization’s risk management needs and customize a program suitable for its unique challenges.
- Prepare your organization to meet regulatory and rating agency requirements, incorporating flexibility for future changes.
- Develop a written ERM Action Planner that outlines the specific questions you need to answer in order to sell, design and implement ERM.
- Apply knowledge gained in this workshop towards preparing for the ARM-E and CRM-E designation.

**Who Should Attend**

Executives, directors, and managers in risk management, strategic planning, finance, audit, legal, security, compliance and consultants contracted to implement ERM. Individuals seeking the ARM-E or CRM-E designations (note this is NOT an ARM-E exam preparatory course).

**What the Course Covers**

- Overview and advantages of ERM.
- Foundations of ERM including ERM context, organizational culture, and approaches to ERM implementation.
- ERM functions including corporate governance, strategic planning, performance management, internal audit, and compliance.
- Detailed review of the ERM process including risk assessment and treatment with an emphasis on the basics of quantitative modeling and risk-based capital allocation.

Earn Your RIMS-CRMP Certification

The RIMS-Certified Risk Management Professional (RIMS-CRMP) is the premier certification for risk management professionals. Here are five reasons why you should earn your RIMS-CRMP:

1. **Globally Accredited**: The RIMS-CRMP certification holds official accreditation from the American National Standards Institute (ANSI) under ISO/IEC 17024:2012. ANSI accreditation is recognized around the world.

2. **One of a Kind**: RIMS-CRMP is the only risk management certification in the world to hold accredited status.

3. **Real-World Content**: The RIMS-CRMP program is designed to cover the key duties that all risk managers are expected to perform on the job every day. Earning your RIMS-CRMP will show your risk management knowledge and competency.

4. **Recertification**: RIMS-CRMPs must recertify every two years by earning 50 recertification points, 35 of which must be in continuing education. Recertifying shows your commitment to the profession and your continued competence.

5. **Professional Responsibility**: Employers will know that you are an ethical professional because all RIMS-CRMP holders are required to uphold and abide by a strict Code of Ethics.

SEE THE FOLLOWING PAGE FOR INFORMATION ABOUT A SPECIAL CRMP STUDY COURSE AT USC SCHEDULED FOR LATE FEBRUARY


www.RIMS.org/certification
RIMS-CRMP PREP WORKSHOP
FEBRUARY 27–28 | 9:00 AM–5:00 PM
USC Marshall Executive Education, Los Angeles
Fee: $2,250 (includes breakfast, lunch, course materials and parking)

RIMS joins forces with USC Marshall Executive Education for a CRMP-prep workshop.

Demonstrate your knowledge of risk management competencies and commitment to quality when you earn the RIMS-Certified Risk Management Professional (RIMS-CRMP) credential. Earning the RIMS-CRMP makes you a recognized expert and leader in the risk management discipline—and a valuable asset to your organization, keeping you and your organization more competitive in today’s economy.

This prep workshop will help you to:
- Learn about the background and benefits of the certification.
- Review the five core competencies of a risk professional.
- Prepare with case studies, hands-on exercises and an action planner.
- Gain strategies for studying and test taking.
- Learn how to utilize testing centers.

Who Should Attend: This workshop is perfect for professionals with a minimum of 3 years of professional risk experience. The information is aimed at managers, directors, and executives across all industries who are required to identify and analyze risks and uncertainties. Registration closes two weeks prior to the workshop. Tuition includes breakfast, lunch, course materials and parking.

Register: https://www.marshall.usc.edu/programs/executive-education-programs/upcoming-programs/rims-crmr-prep-workshop

More Information: http://www.marshall.usc.edu/RIMS  execed@marshall.usc.edu

RIMS-CRMP holds official accreditation from the American National Standards Institute (ANSI) under ISO/IEC 17024:2012, which makes it the only risk management certification in the world to hold accredited status. Visit http://www.RIMS.org/Certification to learn more.
March 10-11, 2020
Sutter Club
1220 9th Street  Sacramento, CA 95814

The California Legislative Delegation invites you to participate in the
12th Annual California RIMS on the Mall
putting you front and center for current California legislative issues

As a participant in California’s RIMS on the Mall, you will be an important part of this intensive experience.
You will learn and experience:

- The keys to effective lobbying
- Talking points relating to challenges critical to the risk management community
- Communicating and sharing insights with fellow risk managers

Meetings with State legislators and key staff will give you the chance to represent your Chapter and voice positions on issues important to the risk management community and promote the subject matter expertise of our members.

Invited speakers and planned topics include:
- George Parisotto, Administrative Director, Division of Workers’ Compensation
- Mark Rakich and Gideon Baum, Legislative Consultants, Senate & Assembly Insurance Committees
- Julie Su, Secretary of the California Labor and Workforce Development Agency
- Tort reform
- Healthcare
- 5G and cyber

Tuesday, March 10:  Registration begins at 9:00; presentations begin at 10:00 (lunch provided)
Sacramento Valley RIMS Networking Reception begins at 5:30 (heavy appetizers provided)
Wednesday, March 11: Morning presentations followed by legislative visits (full breakfast provided)

There is no charge to attend for RIMS members. Non-RIMS members will be asked to contribute $75 to cover expenses.
All participants are responsible for their own transportation and lodging.

Register today!  https://events.r20.constantcontact.com/register/eventReg?oeidk=a07eguvdc1d51274270&oseq=&c=&ch=
Stay tuned for more details!
EMPLOYMENT OPPORTUNITIES

OCRIMS is happy to list employment opportunities that are of interest to professionals involved in the field of risk management. To save space in the newsletter, we provide a summary description and a link to the full job description.

DIRECTOR, ENTERPRISE RISK MANAGEMENT—Ventura Foods in Brea is looking to hire a Director of Enterprise Risk Management to be responsible for the leadership, governance and innovation of the company’s Enterprise Risk Management (ERM) program, including the ongoing identification, evaluation, mitigation and management of financial, operational and strategic risk. The position partners with cross-functional leaders to ensure that risk mitigation action plans are developed, implemented and maintained, as well as provides ongoing risk assessment and mitigation updates to senior leadership. To apply for this position, use the following link: https://jobs.venturafoods.com/job/Brea-Director%2C-Enterprise-Risk-Management-CA-92821/592529600/?feedId=275100&utm_source=Indeed&utm_campaign=Ventura_Indeed

RISK MANAGEMENT ADMINISTRATOR—The Sares Regis Group of Newport Beach, a real estate development/investment/management firm, is looking to hire a Risk Management Administrator to obtain new property insurance quotes and review information for accuracy; organize/maintain a Schedule of Property Insurance Values; update a master certificate-holder’s list; order new certificates required by lenders, partners, owners, investors, cities and municipalities; arrange insurance company loss-control inspections and review loss-control recommendations with managers; and review Incident Reports on property and third-party liability claims for irregularities, accuracy and completeness. To apply for this position, use the following link: https://careers-sares-regis.icims.com/jobs/1931/job?utm_source=indeed_integration&iis=Job+Board&iisn=Indeed&indeed-apply-token=73a2d262a8d6565062696875eaebe6eb193653e2cd105547&mobile=false&width=940&height=500&bg=true&needsRedirect=false&jan1offset=-480&jun1offset=-420

DIRECTOR, RISK MANAGEMENT—The Newport-Mesa Unified School District is looking to hire a Risk Management Director to plan, coordinate, organize, direct and manage a risk management program in the areas of health and welfare, workers’ compensation, property and liability, loss prevention and safety/emergency planning; serve as a liaison with legal counsel, physicians, claimants, claims administrators, insurance firms and various governmental agencies; assure district compliance with applicable federal, state, and local laws; and supervise, train and evaluate the performance of assigned personnel. To apply for this position, use the following link: https://www.governmentjobs.com/careers/nmusd/jobs/2661630/director-risk-management-45-20

VENDOR RISK MANAGEMENT ANALYST—Pacific Life is looking to hire a Vendor Risk Management Analyst to identify, document, analyze, and minimize risks to support third-party risk management activities; partner with business stakeholders, procurement, and legal to mitigate risk through contractual terms; and perform root-cause analyses to understand recurring supplier risk issues and execute monitoring activities to remediate. To apply for this position, use the following link: https://sjobs.brassring.com/TGnewUI/Search/home/HomeWithPreLoad?PageType=JobDetails&partnerid=26207&siteid=5227&jobid=751154&utm_medium=%22mcloud%2Djobads%22&utm_campaign=&utm_content=Vendor%20Risk%20Management%20Analyst&utm_term=4761BR#jobDetails=751154_5227

RISK MANAGEMENT CONSULTANT—Deloitte is looking to hire a Risk Management Consultant to identify and evaluate complex supply-chain and technology risks, internal controls which mitigate risks, and related opportunities for internal-control improvement. The job entails performing sophisticated data analyses to understand a client’s supply chain and identify risk, which will require knowledge of the client’s business environment and basic risk management approaches. To apply for this position, use the following link: https://jobs2.deloitte.com/us/en/job/DELOA003XS24527/Risk-Intelligence-Third-Party-Risk-Management-Senior-Consultant
Risk professionals at all levels and responsibilities in the United States experienced an average 1.7% base salary decrease in 2019 compared to 2017, while Canadian practitioners experienced an average 4.0% decrease in the same time, according to the RIMS 2019 Compensation Survey. The bi-annual survey is now available in the RIMStore at rims.org/resources/bookstore.

The 93-page survey provides detailed compensation analysis by industry, location and position for virtually all risk professional positions. The survey also explores the impact of education, experience and demographical data on compensation, as well as benefits and additional cash compensation programs available to practitioners.

Compared to the RIMS 2017 Compensation Survey, key findings include:

- CRO salaries in the United States increased 4% to $198,900.
- The pay gap between male and female risk professionals was 14% in 2019, whereas the gap was 17% in 2017.
- 66% of risk management professionals in the US are over the age of 45; and 64% are in that age bracket in Canada.

“While overall compensation remained relatively stable, increases in pay for chief risk officers and directors responsible for Strategic Risk Management and Enterprise Risk Management highlight the profession’s evolution,” said RIMS CEO Mary Roth. “Organizations are realizing the importance and value of compensating high-level risk professionals who are prepared to contribute to the organizations’ strategy and growth. This benchmarking tool gives senior business leaders the insight to make informed decisions to develop sustainable risk management departments and capabilities.”

The survey was conducted by email and disseminated to qualified RIMS professional members and non-members. It comprises data from 1,467 completed surveys submitted by full-time risk professionals and offers findings for seven different risk management job titles. The RIMS 2019 Compensation Survey incorporates data from 999 risk professionals in the United States and 196 in Canada.

The RIMS 2019 Compensation Survey is available to both members and nonmembers. To order a copy, visit rims.org/resources/bookstore. Survey contributors are entitled to a complimentary copy of the survey’s Executive Summary. The full survey is $30 for contributors; $250 for non-contributing members; and $500 for non-contributing non-members.
RIMS ONLINE COURSES

RISK ANALYSIS FORECASTING TOOLS

Course Description
As claim and exposure data becomes more available, the challenge is knowing how to correctly use and interpret those resources. Risk professionals who take this course will improve their risk analysis skills using MS Office and other statistical software products, utilize the fingerprint technique to apply existing data, perform linear regression forecast, and apply statistical evaluations, including tests of association.

Course Takeaways
Upon completion of this course, you will be able to:
• Identify methods essential for cutting claims costs and improving risk financing.
• Make informed, data-driven risk management decisions.
• Use data to confirm your knowledge.
• Discuss the extended capabilities of any RMIS or MS Excel regarding statistical, modeling, and visualization features.

https://www.pathlms.com/rims/courses/3614

DESIGNING AN ENTERPRISE RISK MANAGEMENT FRAMEWORK

Course Description
Need to get an ERM program started or re-started? This course will approach enterprise risk management as a strategic business plan and process to be used within an organization’s existing governance and culture, while supporting its strategic and operational objectives. It will also focus on how to implement a robust and value added ERM framework.

This interactive course will enable you to design a successful framework that will help you answer the following typical questions: Before conducting that first risk assessment, what options should be considered? How can you determine what type of risk attitude your organization exhibits? What do you need to do to gain credibility and commitment for the program? What specific design elements need to be in place?

Course Takeaways
Upon completion of this course, you will be able to:
• Discuss how to modify traditional approaches to develop a more proactive risk management strategy.
• Analyze your organization’s core values and identify how they affect risk-taking attitudes, appetites, and tolerances.
• Calculate the value added to your organization through implementation of an ERM program.

https://www.pathlms.com/rims/courses/3613

Estimated length to complete each course is four weeks, based on an effort of 3-4 hours per week. Price: RIMS Members $395/Non-Members: $525. Level of difficulty for each course is intermediate.
By Russ Banham

RIMS: You are the first electrical engineer we’ve come across to lead a large global company’s ERM initiative.

Zuraw: I joined the company in 2005 as director of product management and then moved into supply chain planning before the board made the decision to formalize the ERM program. By that point, I had already shifted away from engineering into more business-oriented management roles.

RIMS: What led you to become involved in enterprise risk management?

Zuraw: In 2014, the board decided to create a structure and a charter around ERM and appointed a Chief Risk Officer (George “Sonny” Cave, who also serves as the company’s General Counsel and Corporate Secretary). We had engaged an ERM consultant to define the framework and create the program. I didn’t know Sonny well at the time, but our Chief Operating Officer (William “Bill” Schromm) recommended me to Sonny as someone to lead the project. Bill was aware of my interest in long-term strategy and Sonny was looking for someone to develop a strategic ERM approach. In our first meeting I mentioned to Sonny that if the assignment involved strategy, I was open to the idea; but if it was pure project management, I’d be the wrong fit.

RIMS: So the ‘strategy-first’ approach made the difference.

Zuraw: Sonny and I were in alignment philosophically that enterprise risk management is all about making better decisions, and strategic decisions are a company’s most important ones.

RIMS: What were some of the first steps taken once you took charge?

Zuraw: I did some basic things like implementing the structure and the reporting framework. I also determined who would be the risk owners or what we call ‘risk champions,’ to conduct the risk assessments across the 25 functional categories. We then rolled up the assessments into a report documenting the top risks for the board. We also put together heat maps indicating risk likelihood and impact and related mitigations. All of this is pretty much standard. But we decided to go a bit further, digging into where we could take more risk from a strategic standpoint, as opposed to eliminating all the downsides.

RIMS: Other ERM leaders have mentioned they struggle with discerning how much risk to take. Did you also find it difficult?

Zuraw: An organization needs to establish its risk appetite at a very detailed functional level before it can decide how much risk to take. Anyone can do an assessment of current risks, but if you don’t have a sense of how much risk you are willing to take as an organization in order to achieve your goals, it’s of little value.

RIMS: What did you do to assess future risks?

Zuraw: We created a detailed breakdown of risk appetite, creating more than 50 risk appetite statements. In each functional category, the risk appetite was scored as: “cautious,” “moderate,” “flexible,” “averse” or “tolerant.” We subsequently plotted the acceptable target on the heat map for visualization purposes, but primarily to drive a conversation. If the map indicates that more risk should be taken in a specific area, but the risk owner’s appetite is averse, we can discuss why this is the case. Risk management is a team sport. We’re not the ERM police.

RIMS: Great analogy. What other ERM innovations have you introduced?

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Zuraw: An organization needs to establish its risk appetite at a very detailed functional level before it can decide how much risk to take. Anyone can do an assessment of current risks, but if you don’t have a sense of how much risk you are willing to take as an organization in order to achieve your goals, it’s of little value.

RIMS: What did you do to assess future risks?

Zuraw: We created a detailed breakdown of risk appetite, creating more than 50 risk appetite statements. In each functional category, the risk appetite was scored as: “cautious,” “moderate,” “flexible,” “averse” or “tolerant.” We subsequently plotted the acceptable target on the heat map for visualization purposes, but primarily to drive a conversation. If the map indicates that more risk should be taken in a specific area, but the risk owner’s appetite is averse, we can discuss why this is the case. Risk management is a team sport. We’re not the ERM police.

RIMS: Great analogy. What other ERM innovations have you introduced?
Zuraw: Another tack we’re taking that is atypical derives from the fact that we’re a company of engineers fixated on solving problems. Whereas many companies do risk assessments with a six-month or 18-month outlook, we decided on a far longer timeframe. We’re looking at things like fully autonomous vehicles that are still emerging but are inevitable and positing what the world will be like 25 years from now, when they are ubiquitous.

RIMS: What is the process for these imaginings?

Zuraw: We call it an ‘Emerging Risk Session.’ We gather about 20 people on an annual basis off-site, so they’re not distracted by their phones, desks or computers. It’s a full-day event and we sometimes have an external speaker who’s an expert in the theme we’re diving into, such as climate change or autonomous/connected vehicles. We then conduct a series of scenario exercises around the theme.

RIMS: Do senior executives attend the sessions?

Zuraw: We don’t focus senior executives on these exercises, rather, we concentrate more on soliciting input from forward thinkers in operations and other functions just below the executive level. We want to ensure diverse points of view and open dialogue. It’s completely unscripted and sort of scary.

RIMS: ‘Scary’ in what sense?

Zuraw: In the sense we’re talking about what the world might look like in 25 years; it may be starkly different from the present. Of course, that’s exciting, too. We don’t pick themes that are completely ridiculous—like Martians landing on Earth and eating us all. It has to be a plausible inevitability where the timing is uncertain. We know, for example, that smart cities and fully autonomous cars are coming, but we don’t know exactly when or even what the ramp will look like in detail. In the ‘what if?’ scenarios, we discuss the possibility that something will occur at some point in time and then roll things back from there.

RIMS: So, you might look at climate change today, posit what will happen in 25 years—like widescale deforestation and rapid coastline erosion—and then try to determine the events that must occur in a certain order to reach that point?

Zuraw: Yes, we say if this does happen in 25 years, what are the intermediate points that must happen first for it to occur. These points are the leading indicators of the event happening. They’re proxies for us to know we’re getting closer to the inflection point of the scenario occurring. By tracking these indicators, we can create plans today of what we will do when and if the event happens. Once a leading indicator is evident, then we have in writing the initial three or four things we would do to kick off the development of our full response.

RIMS: You’re now ready to act when the event surfaces.

Zuraw: Correct. If the event occurs, we can look at ‘Session Number 7’ from 2023, for instance, see the three or six things we’d decided back then we’d do and then put them in motion. Meanwhile, our competitors are in a room wondering what they should do.

RIMS: You have a six-month head start.

Zuraw: There is always the possibility we got the scenario wrong or the leading indicators don’t happen as we imagined. But, in terms of strategic thinking, risk assessment and decision-making, the sessions generate unique interactions among smart people that otherwise would not happen inside the usual silos.

RIMS: What are some of the wilder imaginings coming out of a recent session?

Zuraw: Since an important global market for us is automotive, we did a session on fully autonomous and connected cars. We got into scenarios like who would actually own these cars—the driver, the manufacturer, or some other party? How would the cars be maintained? What if there’s a fleet of autonomous vehicles that automatically transports a mechanic and parts to a vehicle that’s not running right? What if the vehicle knows when it needs to go to get something upgraded and automatically drives to the mechanic, then picks up coffee for you on the way home? Since most vehicles are likely to be electric 25 years from now, how will they be charged? Would they drive themselves to the car wash to get cleaned and charged at the same time? Every single one of these scenarios produces outcomes that create risk and opportunity for us.

RIMS: But the challenge is not having a definite timeframe.

Zuraw: That is the challenge. We know that autonomous and connected cars are inevitable. By imagining the things that must occur in a certain order for it to happen—specific technological, regulatory, legal, market and other developments—you have a clearer picture of the inflection point. Better still, you’re ready for it.

Russ Banham is a Pulitzer-nominated financial journalist and best-selling author.

Read interviews at: www.RIMS.org/ERMIExecutiveInsight
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According to the Hasbro website description of SCRABBLE (https://scrabble.hasbro.com/en-us/history), the game’s roots date back to 1933 and an out-of-work architect named Alfred Mosher Butts. Butts had taken to analyzing popular games and felt that the one thing that kept word games from being as popular as card games was that there was no way to score. Attempting to combine the thrill of chance and skill, Butts entwined the elements of anagrams and the classic crossword puzzle into a scoring word game first called LEXIKO, later to become known as SCRABBLE. Here are some facts about SCRABBLE.

- Over 150 million games have been sold in 121 countries around the world.
- SCRABBLE is currently produced in 29 different languages.
- Fifty-three percent of all homes in Great Britain have a SCRABBLE set.
- Each hour, at least 30,000 SCRABBLE games are started.
- There are approximately 4,000 SCRABBLE clubs around the world.
- The original game did not have a board, but was played with tiles only.
- Alfred Butts, the inventor, decided on the frequency and distribution of letters by analyzing the front page of the New York Times.
- There are 124 permissible two-letter words containing every letter in the alphabet except V.
- The US SCRABBLE dictionary has banned all offensive words.
- It’s not possible to play SCRABBLE in Japanese or Chinese, but they play in English with a rule book in their own language.
- SCRABBLE is used all over the world as a method of teaching English.
- The world’s largest game of SCRABBLE took place in Britain’s Wembley Stadium to mark the game’s 50th anniversary in 1998. Each tile measured an enormous 6 feet square and took two men to lift. The game is recorded in the Guinness Book of Records.
- The World Record for the most number of games being played simultaneously by one player is held by Malaysian player Ganesh Asirvatham, who played 25 games at once. These took place over two and a half hours, and he won 21 of the games.
- Musician Duke Ellington once said: “Playing bop is like SCRABBLE with all the vowels missing.”
- If all the SCRABBLE tiles ever produced were placed end to end, they would reach the equivalent of eight times around the earth.
- English SCRABBLE has 100 tiles. The most tiles are in Italian and Portuguese, which both have 120 tiles.

Read more: http://www.factbuddies.com/2013/08/fun-facts-scrabble.html#ixzz6AjyJuvPM
Contact Person for Employment Opportunities

Arpi Rubenyan is the contact person for employment opportunities. If you have information or questions regarding employment opportunities, contact Arpi at (714)438-3277. With sufficient notice, OCRIMS will print relevant job openings in the monthly newsletters.

Articles for the Newsletter

Share your creative solutions, ideas, etc. with the risk management community by contributing an article to the OCRIMS newsletter. Articles need to be submitted to Vaughn Shelton by the 10th of each month to be considered for publication. To submit an article, please email Vaughn at vaughnzx6r@gmail.com. Don’t be shy; we’d love to hear from you!

Get Involved with OCRIMS in 2020!

OCRIMS Database Management System

OCRIMS maintains its contact database through the RIMS Message Center. To stay abreast of the happenings in the OC, make sure that you are registered through the RIMS Message Center, that your RIMS profile is up to date, and that you have selected your desired preferences. You do not even need to be a member of RIMS to take advantage of this great tool.

Here’s the link: http://www1.rims.org/eweb/DynamicPage.aspx?webcode=verify. The Chapter affiliation is at the very bottom, so be sure to choose OCRIMS.

How to Change Your RIMS Profile—Log onto www.rims.org and scroll down at the Membership tab. In the category that says “My RIMS,” click on “My Contact Information.” On the information page, click “Edit.” At this point if you have not already logged into your RIMS account, it will ask you to login. Then update your information and click “Save.” It’s that easy!

Remember that OCRIMS provides ideal opportunities for you to stay at the forefront of risk management, and networking is a key component, as is remaining informed on what’s happening in our industry—the Message Center allows you to do that. If you have any difficulty with the RIMS Message Center, please contact dianarich@earthlink.net.

Upcoming Meetings & Events

OCRIMS Calendar

February 18, 2020
OCRIMS MONTHLY LUNCH MEETING
Insurance Collateral
Speaker: Jessica Christensen, Director, Actuarial and Analytics at Aon Global Risk Consultants
Location: The Center Club in Costa Mesa
See details in this newsletter

March 10-11, 2020
RIMS ON THE MALL
The Focus Will Be California Legislative Issues
Meet with State legislators and key staff members
Location: Sacramento

May 3-6, 2020
RIMS ANNUAL CONFERENCE
More than 160 educational sessions,
Location: Denver, Colorado

Happy New Year

Upcoming Meetings & Events
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Stewart Smith
Pacific Life Insurance Co.
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Jim Thyden
California Joint Powers Ins. Authority
(714)856-4122

Charles Vu
State Compensation Insurance Fund
(714)565-5882

Committees

Bylaws and Parliamentarian
Stewart Smith (see “Directors” above)

Professional Community Outreach
Jennifer Mauritzen, Steve Tomeo
(see “Vice President” at left)

Committees (cont.)

Chapter Recognition, Education
Charles Vu (see “Directors” at left)

Employment
Arpi Rubenyan
C.J. Segerstrom & Sons
(714)438-3277

Education
Jim Thyden, Charles Vu
(see “Directors” at left)

Finance
Karen Elsbury (see “Treasurer”)

Golf

Legislative, Nominating
Diana Rich (see “President”)

Membership
Victor Lopez (see “Directors” at left)

Newsletter, Webmaster
Vaughn Shelton
Happy-2-Oblige Writing/Editing
(949)293-3032

Programming
Jennifer Mauritzen, Steve Tomeo
(see “Vice President” in column 1)

DON’T FORGET!

FEBRUARY 18TH – OCRIMS MONTHLY LUNCH MEETING