

**MINUTES OF THE HOUSE OF DELEGATES MEETING
OF THE
RISK AND INSURANCE MANAGEMENT SOCIETY, INC.
APRIL 23, 2006
HONOLULU, HI**

H-06-001

CALL TO ORDER

Ellen Vinck, RIMS President, called the meeting to order at 8:30 a.m. on Sunday, April 23, 2006. She welcomed the group to the annual meeting of the House of Delegates.

H-06-002

DISCLAIMER

President Vinck read a statement to the Delegates reminding them that the purpose of the meeting was to conduct the business of the Society and that there would be no discussion of any issue that could constitute restraint of trade or violate anti-trust laws.

H-06-003

**RECOGNITION
OF QUORUM**

Joe Restoule, RIMS Secretary, reported a quorum of at least 45 Delegates present in person or by proxy.

H-06-004

**CONFIRMATION OF
VOICE AND VOTE**

President Vinck explained to the meeting participants that only delegates and individuals holding valid proxies would be recognized to speak during the meeting.

H-06-005

FORMER PRESIDENTS

President Vinck recognized those RIMS Former Presidents who were in attendance and thanked them for their continued support.

H-06-006

STAFF

President Vinck recognized RIMS staff that were in attendance and thanked them for their hard work and dedication.

H-06-007

PARLIAMENTARIAN

President Vinck appointed Ellen R. Dunkin, RIMS General Counsel, as parliamentarian for the meeting.

H-06-008

**APPROVAL OF
MINUTES**

Upon motion duly made and seconded, the minutes of the House of Delegates meeting on Sunday, April 17, 2005 were approved as submitted.

H-06-009

**RATIFICATION OF
AMENDMENTS TO
RIMS CONSTITUTION
& BYLAWS**

Ms. Vinck reported that this item was to ratify a number of amendments to the Constitution & Bylaws that had been approved by the Board of Directors since last year's House of Delegates' meeting and through the date the books were mailed. There are five major areas of changes:

1. Article V, Section 4B was amended to extend from thirty (30) days to sixty (60) days the turnaround time for RIMS to remit chapter dues, collected by RIMS, back to the chapters.
2. Article IV, Section 1G was amended to allow retired Educational members to become Retired Members.
3. Article IV, Section 1D was amended to clarify that Student memberships shall terminate once a Student member graduates or gets a job.
4. The transition rules in Article XVIII were amended to eliminate the 8 month term in 2007 by adding 4 months to the term beginning on May 1, 2006, and 4 months to the beginning of the term that would have begun on January 1, 2008.
5. A number of technical changes were also made.

Ms. Vinck also noted that on its March 28th conference call, the Board approved an amendment to Article IV, Section IC to clarify the eligibility requirements for Educational Members. This amendment will be placed on the 2007 House of Delegates agenda for ratification.

There was a motion, which was duly seconded, to ratify the amendments to RIMS Constitution & Bylaws. The motion was approved.

H-06-010
TOWN HALL

President Vinck stated that the Town Hall is the time for the chapters to bring up whatever issues they want. She noted that this Conference in Hawaii will be a great conference, with high quality sessions. She reminded the Delegates that the Society Director's at their October 1998 meeting voted to approve the conference location in Hawaii. Those were the people representing the chapters. Now the Delegates represent the chapters, and their input is very important. She encouraged each delegate to go back and report to their chapters.

Ms. Vinck also noted that next year we will again have a challenge with our conference in New Orleans. We are ready for that challenge.

She then opened up the floor to questions:

Roger Andrews, Utah Chapter, asked about the status of the conference facilities and the hotels in New Orleans. Ms. Vinck responded that we have been doing our due diligence. The Morial Convention Center is up and running and most hotels are reopened or will be reopened in the next few months. The first citywide, the American Library Association with up to 25,000 attendees, will be held in June 2006, and we will be watching it closely. We have made several visits to New Orleans already, and will be going there again. We are confident and believe it will be a good conference.

Mike Klawitter, Alaska Chapter, asked what the contingency plans are. Ms. Vinck responded that RIMS has two back up sites it can go to in case New Orleans cannot host us.

Hal Larson, Greater Quad Cities, asked what would be the time frame to make a change. Ms. Vinck responded that if the city is declared a disaster site, and we can invoke our force majeure clauses in our contracts, we will make a decision with plenty of time to plan for an alternate site.

Debbie Samuel, Pittsburgh Chapter, said that a vendor told her that we have already moved the New Orleans conference. Ms. Vinck responded that they are wrong.

Greg Watson, Mid-Illinois chapter, asked if the HOD will get to vote on the back up site. Ms. Vinck reported that the Board of Directors has already voted on the 1st back up site. We have a second because we are good risk managers. The alternate site is not on the West or East coast and not in Hawaii.

Roger Andrews, Utah chapter, clarified that the Society directors voted on Hawaii not because their vote was required, but because RIMS leaders wanted clarification and support for such a challenging location.

Marly Drainville, So. Alberta chapter, asked what the attendance is expected to be in Hawaii, and how it compares to Philadelphia. Ms. Vinck reported that Philadelphia set record attendance. The Board budgeted Hawaii at 30% less than a normal conference. We expect New Orleans to return to typical numbers. We tend to be a bit conservative on budget.

Larry Glasser, Broward County chapter, wanted to publicly recognize the RIMS Information Technology Department and thank them for all their support of the chapters.

Gordon Wainwright, British Columbia chapter, reported that in past years he had asked for more professional development courses in his area, and that he wanted to thank Vincent Seglior and his staff for bringing more courses to British Columbia. Ellen Vinck asked for chapter support in finding venues to hold professional development courses.

Larry Glasser, Broward County chapter, expressed concern that the cost of the courses made it prohibitive to members from small companies to attend. Ms. Vinck responded that in the current format RIMS is selling out courses and that in comparison to other organizations our courses are cheaper. She suggested chapters support members' attendance.

Roger Andrews, Utah chapter, wanted to emphasize the value of the PD courses and attendance at the RIMS conference.

Scott Moss, Oregon Chapter, reported that last year the House of Delegates asked the Member & Chapter Services Committee to review the issue of individual membership and they did it. After reading the Committee report, he wanted to thank the committee for its sound reasoning. Ms. Vinck added that in the past year, RIMS testified before Congress and it really helped that we could say they we represent thousands of policy holders. It really confirmed that the corporate membership is the right way to go.

Phil Williams, Memphis chapter, reported that his chapter put on a golf tournament to support local universities. In the past 16 years they have raised over \$800,000 to support RIMS members and students. Ms. Vinck added that chapters should support professional development for their members and that every chapter should pay for one member to attend RIMS on the Hill. Every chapter should also organize legislative committees with an organized voice on local matters.

Jim Spivey, Carolinas chapter, wanted to thank Ellen Vinck on behalf of all the former presidents, for inviting them to take part in many of the events at the conference.

Peggy Accordino, New York chapter, spoke in support of the Anita Benedetti Student Involvement Program students. She just hired a former student who had started his career with an insurer. The brokers have training programs and then they come over to the risk management side.

Hal Larson, Greater Quad Cities chapter, asked what are RIMS and Spencer doing to find new risk management fields and educational opportunities. Can we do a better job finding out who is doing what, and where? Ms. Vinck responded that a few years ago she was concerned about the lack of programs on the west coast. The insurance industry has a lot more money to sponsor new programs. It is an issue that Spencer is aware of and has looked into. There was additional discussion about this issue.

Mary Isbell, Houston chapter, reported that she has spoken with students at the University of Houston and discovered they are offering a minor in risk management and an insurance track. She asked the professors what it would take to have a major in risk management. They need two more courses but they would need to find the money to fund a chair. It will take about \$1 million to fund a chair. She will be soliciting insurers, brokers and the CPCU to help fund that chair.

Gordon Wainwright, British Columbia chapter, reported that they did this in Alberta. It cost them about Canadian \$2 million. He added that some of the major banks wanted to create a financial risk management program. They were willing to fund it and they have had a very good success rate.

Mary Daniels, Long Island chapter, reported that many of the Spencer supported universities are at the conference. She was part of the Risk Manager in Residence program, and the Long Island chapter is now supporting two students each year to come to the Conference.

Larry Glasser, Broward County chapter asked about the support that RIMS supplies to the New York chapter. Peggy Accordino responded that the New York chapter pays RIMS to provide administrative assistance. Ellen Vinck added that Spencer also pays RIMS for administrative support.

Roger Andrews, Utah chapter, reported that he is co-chairing the 2006 Western Regional conference in October in Park City, UT. There will be a public risk manager track and he encouraged chapters to send members to that conference.

John Hughes, Director, asked Ellen Vinck to report on the comments from the Hawaii Visitors & Convention Bureau regarding our conference. She said they told her that RIMS staff is the most organized, professional group they have encountered.

H-065-011
2005 AUDIT REPORT

President Vinck introduced Scott Clark, Member of the Audit Committee, who gave an overview of the 2005 audit. Scott reported that the audit committee reports to the Board of Directors.

The audited consolidated financial statements include RIMS, the Global Risk Management Institute and the RIMS Canada Council. RIMS received an unqualified clean opinion, with no reportable conditions or material weaknesses, from its auditors. At year-end 2005 net assets stood at approximately \$6.8 million. The value of RIMS investments has increased. We have not had to draw down on them so they have continued to grow. We have been looking at ways to diversify revenue sources. Staff has also done a

great job controlling expenses. Historically, we have relied on the conference as our largest revenue source. Greater revenue streams have come from membership, professional development and new products, reducing the percentage of revenues from the annual conference. Mr. Clark then summarized the remainder of the financial statements, and Ms. Vinck answered questions from the audience.

H-06-012
**REPORT ON QUALITY
FORUM AND RESULTS
OF QUALITY SURVEY**

Ellen Vinck reported that RIMS recently held a Quality Forum in New York with risk managers, brokers, insurers, other associations and regulators. RIMS has spent much time putting together the Quality Improvement Process (the QIP). We held this forum to show that we have the tools in place to promote quality and to discuss the issues surrounding quality. The focus was on transparency, integrity and client centricity. We distributed the results of the survey and learned that we need to work on the insurance placement process. This will be discussed further at the Annual Membership Meeting.

H-06-013
**REPORT ON
NOMINATING
COMMITTEE
PROCESS**

Ellen Vinck then introduced Tom Masiello, Chair of the Nominating Committee, to give a report on the nominating committee process. The Board of Directors left the room, while Mr. Masiello gave an overview of the roughly six step process to identify candidates: completion of the leadership candidate profile, vetting of them, conducting of due diligence, conducting interviews, making of nominations and voting by the House of Delegates. There are many ways the Committee finds candidates, but one of the best ways is for individuals to self nominate. He then encouraged delegates to complete a Leadership Candidate Profile to begin the due diligence process. Please go to

www.rims.org/leadershipcandidateprofile. He then answered questions.

H-06-014
**SUMMARY OF
BOARD OF
DIRECTORS
ACTIVITIES**

Ellen Vinck reported that a summary of the Board of Directors activities can be found in the Meeting Books, and asked if there were any questions. There were none.

H-06-015
**REPORT OF
MEMBERSHIP &
CHAPTER SERVICES
COMMITTEE**

Ms. Vinck reported that the issue of individual membership that was raised at the 2005 House of Delegates issue was addressed by the Membership & Chapter Services Committee last year. The Committee's report is included in the Meeting Books.

H-06-016
**RESULTS OF VOTE
FOR BOARD OF
DIRECTORS**

Joe Restoule, RIMS Secretary, reported that each nominee received at least 47 votes in favor of their election, and will serve from May 1, 2006 to August 31, 2007. Ms. Vinck then introduced the new members of the Board of Directors:

- Michaeli Liebowitz (President)
- Janice Ochenkowski (Vice President & CRO)
- Deborah Luthi (Treasurer)
- Joe Restoule (Secretary)
- Janet Barnes
- Scott Clark
- Terry Fleming
- Jackie Hair
- John Hughes
- Kim Hunton
- Dan Kugler

- Ellen Vinck (Ex Officio)

They join continuing directors: Karen Beier, Michael Gaona, Janice McGraw, and John Phelps. In accordance with our by-laws, Mr. Gaona may continue to serve out his term as long as he maintains his affiliate membership, or if he becomes eligible to rejoin as a deputy member.

Ms. Vinck then thanked Michael Fenlon, Leslie Seabrook and Nancy Chambers, for their service on the Board.

H-06-017
**RESULTS OF VOTE
FOR NOMINATING
COMMITTEE**

Each candidate for the Nominating Committee received at least 56 votes in favor of the election. The new members are Tom Masiello, Chair, Massachusetts chapter, Mark DeLillo, Tampa Bay chapter, and Bill Montanez, Chicago chapter.

H-06-018
NEW BUSINESS

There was no new business.

H-06-019
NEXT MEETING

The next in person meeting of the House of Delegates will be held Sunday, April 29, 2007, in New Orleans, LA. The slate for the 2007-2008 Board will be distributed by February 5, 2007. Then ballots will be mailed out by March 15, 2007.

H-06-020
ADJOURNMENT

The meeting was adjourned at 10:50 a.m.

Respectfully submitted,

Ellen R. Dunkin

Ellen R. Dunkin
RIMS Assistant Secretary