

# RMP Launches New Strategic Plan

By Nils V. (Val) Ericson, P.E., Chair CASE/RMP

The Risk Management Program of CASE, after a very successful Convocation of Structural Engineers at the end of last year, is embarking on its new strategic plan to share best practices of risk management with the Structural Engineering community. The 150 attendees at the gathering in Reston, Virginia shared 'war stories' about claims and legal actions that have brought chaos to many engineering firms. They also heard from insurance representatives about the turbulence in the professional liability insurance market. Additional sessions included;

Risk Management for Residential and Condominium Projects  
Presentation and Discussion of CASE Coordination and Completeness Guide

Steel Connections—Design or Delegate and the RM Implications of Each

The Responsibility of the Structural Engineer of Record—Is there an end?

Site Visits, Inspections and Observation—Can you Manage Your Risk?

Are you Ready for A Major Project Disaster?

Some of the comments from those attending;

On future Convocation topics...

- Project management relative to risk management
- Guidelines for developing quality assurance programs
- More case studies. Get more younger members (the ones in the trenches) to RM events like this. More on lessons learned
- Engineer's responsibility as an expert witness—with regard to ethical practice
- Business practices

On our number one priority for the future...

- I think risk management is it, and this is a good start
- Bringing SE's together so that we can reduce our risks, learn from each other, develop common goals
- To get the information to other firms and engineers
- Appropriate risk management: Documents—Contracts – produce guidelines
- Proper risk allocation between owner, client and engineer

On the biggest challenge to the profession...

- Improving the practice of structural engineering
- Being considered as a commodity product with low cost being selection criteria This combined with outsourcing to low labor cost areas of the world
- Fair compensation for increasing scope of work required
- Devaluation of the profession. By this I mean loss of responsibility and control of the structure
- Maintaining quality with more demanding projects, schedules, and with what appears to be a shrinking talent pool

Also heard at the Convocation was the interest of some of the Convocation sponsors to help plan the future goals of RMP, and bring ideas for programs that could better serve their firms in their efforts to control liability exposure and improve their business practices. This idea developed into a facilitated strategic planning effort with telephone questionnaires and a two day retreat. So, over a cold and rainy weekend in Charleston, the RMP Steering Committee joined by representatives of some of the largest Convocation sponsoring Structural Engineering companies focused on the future direction of RMP.

It was a very fruitful retreat producing a strategic plan for RMP's activities as well as a revised vision to be;

*...the leading provider of risk management education and technology for use in the practice of structural engineering.*

And mission;

*... to improve the practice of structural engineering by reducing the frequency and severity of claims.*

We established six goals for the RMP program to achieve the vision and mission;

- Zero claims
- Improved quality of structural engineering services resulting in appropriate compensation for the risks involved
- Improved work environment for Structural Engineers
- Recognition of the value of the RMP by structural engineers and their insurance providers
- Reduced insurance premiums for participation in RMP
- Involvement of all structural engineers at all levels of their practice

Attaining these goals requires a plan and strategies for reaching them. We arrived at eleven strategies and eventually hope to apply each of them to the program. To keep things manageable for the present, we prioritized and selected five strategies to focus on immediately. This required a slight course correction to the first year program that we had charted and a clearer picture of where we are going in the second year, starting this summer.

Our February meetings in Scottsdale focused on implementing these strategies. This required a realignment of some resources and present committees to create the organization built to address our new strategies. New committees were formed, others were merged and we are now focused on the strategic plan.

The strategies and how we are implementing them...

1. *Conduct convocations that engage Structural Engineers in risk management.*

The annual Convocation remains the centerpiece of the RMP program. It will grow each year and attract more Structural Engineers and staff members interested in the best practices of risk management. The focus of the Convocation will be involvement of all structural engineers at all levels of their practice and improved quality of Structural Engineering services. This year's Convocation will be in Dallas on November 4 and 5.

2. *Develop tools for risk management.*

The Tool Kit Committee was organized to develop risk management tools for Structural Engineers to use. The goal is improved quality of structural engineering services resulting in appropriate compensation for the risks involved.

The suggested tools include: current CASE contracts, 10 commandments of risk management, Reaction papers (35 written now), newsletter, case studies, CASE Guidelines, learning modules, risk management checklist, links to expert witness database, RM guidelines for each employee category (i.e. principal, PM, engineer), contracts guide, technical peer review of firms and project peer review.

3. *Engage the insurance providers in RMP.*

The Insurance Engagement Committee was created to achieve recognition of the value of the RMP by Structural Engineers

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# THE STRUCTURAL ENGINEER'S INSURANCE GUIDE

The Structural Engineer's Resource... a listing of Insurance manufacturers/distributors and their product lines!

COMPANY	A.M. BEST RATING	MIN/MAX LIMITS OF LIABILITY	INDIVIDUAL PROJECT COVERAGE	COMPREHENSIVE DESIGN-BUILD COVERAGE	CONSTRUCTION MANAGEMENT COVERAGE	COVERAGE OUTSIDE THE US & CANADA	LOSS PREVENTION EDUCATION CREDITS	PEER REVIEW REIMBURSEMENT
<b>AI Risk Apecialists Companies, Inc.</b> Phone: 800-636-8220 Web: <a href="http://www.airisk.com">www.airisk.com</a>	A++	\$100,000/\$5,000,000	X	X	X	X	X	Premium Credit
<b>Avreco</b> Phone: 312-294-5475 Web: <a href="http://www.avreco.com">www.avreco.com</a>	A	\$100K/\$5M	X	X	X	X		
<b>RA &amp; MCO Insurance Services</b> Phone: 800-684-7475 Web: <a href="http://www.ramco-ins.com">www.ramco-ins.com</a>	A+	\$50K/\$15M	X	X	X	X	X	
<b>St. Paul Travelers</b> Phone: 443-353-2263 Web: <a href="http://www.stpaultravelers.com">www.stpaultravelers.com</a>	A XIV	\$500K/\$5M		X	X	X		
<b>Terra Insurance Co.</b> Phone: 800-872-0077 Web: <a href="http://www.terrarrg.com">www.terrarrg.com</a>	A 5	\$500K/\$1M, more available		X	X		X	X
<b>XL Insurance Design Professional</b> Phone: 800-621-0758 Web: <a href="http://www.xldp.com">www.xldp.com</a>	A+	\$100K/\$100M				X	X	

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and their insurance providers, and also reduced insurance premiums for participation in RMP. Of prime importance is the gathering of claims data that will assist RMP in developing programs that are directed to the primary and secondary causes of claims.

The action plan to engage insurance providers in RMP includes: obtaining claims data, developing a claim review product, communicating, endorsement/recognition of RMP program, continuing education tracking and seeking sponsorships.

#### 4. Proactive communication with the Structural Engineering profession.

The Communication Committee will involve all structural engineers at all levels of the practice and engage in proactive communication with the Structural Engineering industry. This will be accomplished through: email distribution list, email newsletter, dynamic website, posting Vision and Mission statements, posting the Strategic Plan,

print media, publish Mission, Vision and the Strategic Plan in "Structure" and Case in Point, direct mail and promoting programs at convocations.

#### 5. Integrate the management of CASE and RMP as a combined executive committee.

This strategy will enable CASE to realize its mission of offering the Structural Engineering profession a business practices program and a risk management program. The integration will provide best use of available resources and sharing of the capabilities for common program offerings. ■

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