

SPOTLIGHT

A publication focusing on loss prevention information from the Risk Management Division of Washington State's Office of Financial Management

RISK MANAGEMENT DIVISION
OFFICE OF FINANCIAL
MANAGEMENT

Lucy Isaki, State Risk Manager,
Sr. Asst. Director & Legal Counsel

Jolene Bellows, *Spotlight* Editor

L&I Revitalizes with "Vehicle Incident Reduction Plan"

With a fleet of predominately State Motor Pool-issued permanently assigned vehicles, Department of Labor and Industries (L&I) employees log over 5.5 million miles per year driving a Prius, Escape, Taurus or Blazer vehicle. "Vehicle operation is a significant risk exposure for L&I," said agency risk manager Carole Mathews. It is a risk area that L&I continually monitors and addresses with risk reducing strategies.



In the early 2000's, L&I focused on preventing state driver vehicle collisions. That emphasis paid off with a gradual decline in collisions—unfortunately reversing to a 20 percent increase by 2005. "This called for "revitalizing" our safe driving emphasis," said Ms. Mathews. This was achieved with completion of the L&I *Vehicle Incident Reduction Plan*.

The plan reinforced existing L&I vehicle policies, added a safety resources reference for safety and field managers, and unveiled a new a collision review team process. "This is a fact-finding, not fault-finding

process", emphasized Ms. Mathews. "It is clearly aimed at identifying techniques that our employees can use to avoid vehicle collisions," she said.

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Training was also important to the revitalization plan since L&I employees driving 8 or more hours or 250 or more miles per month are required to take defensive driver training. The request for proposal process provided an opportunity to explore alternatives to traditional classroom defensive driver training—courses that offered more hands-on, skills-building, and collision-avoidance focused approach.

This is exactly the type of training that Redmond, Washington-based *Swerve Fleet Training* provides to organizations. Over 400 L&I employees received *Swerve's* customized, "coaching" style training, participating in their state vehicles (including delivery trucks) at training sites in Cheney Stadium in Tacoma and a Pasco location. "This training provided drivers with an opportunity to test and really know how their vehicle handles in real world situations," said Ms. Mathews. An exceptionally high percentage of positive scores on employee training evaluations served to support that the higher cost and increased coordination required for this skills-based method of training paid off for L&I, and was an effective way to re-invest in safety through use of retrospective rating refunds. So far, two drivers reported "close call" incidents where they credit the training for helping them avoid a collision.



By closely monitoring trends and implementing the *Vehicle Incident Prevention Plan*, L&I "revitalized" its focus on a key enterprise risk.

Commercial Insurance Update

Contracts: Transferring and Financing Risk



The Risk Management Division provides a manual to assist agency staff who draft and review contracts. The

Contracts: Transferring and Financing Risk manual explains how to transfer and finance risk when contracting for goods or services, personal services, public works contracts, and lease agreements.

Risk is generally transferred by contract terms using a hold harmless and indemnity agreement. Risk financing is usually accomplished through the purchase of commercial insurance by the contractor. This manual provides guidelines and tools that can be used to both transfer and finance risk.

For questions about risk and contracts, contact Claudia Schmitz at 360-902-7306 or claudia.schmitz@ofm.wa.gov.

Link for *Contracts: Transferring and Financing Risk* manual
<http://www.ofm.wa.gov/rmd/risk/contrman.asp>.



Risk Management... by the Manual



Those responsible for managing risk in state government includes full-time risk managers in the largest agencies, part-time risk managers in medium sized agencies, and the "one of many hats worn by a single person" scenario common in smaller agencies.

Some come to their risk management assignment with background, training or skills specific to risk management or a related component. Others typically acquire skills on-the-job. Risk managers in the latter group frequently seek a resource to help them quickly get up to speed on the basics.

To meet these needs, the Risk Management Division, working with representatives from many agencies, developed the *Risk Management Basics Manual*, which will be launched on-line this September. Using helpful feedback from two initial focus groups, our own Sydney Doré developed the topics into a resource that can be used *to fast track* the risk management basics skill-building process. The manual is a comprehensive, but concise treatment of topics that encompass the "agency world of risk management". It also includes a section on the newest risk emphasis –enterprise risk management.

A concise narrative of each topic category is followed by a section with helpful web links that provide more detailed information on the subject, tools, or organizations with resources for expanded learning. For those unfamiliar with common risk management "lingo", the manual also includes a handy glossary.

The manual is published online as a web-based document so risk managers have the most current information available at their finger tips. This format also makes it easy to expand information on existing topics or add new ones requested by agency risk managers.

A 'Manual Update Committee' made up of agency volunteers will meet quarterly to recommend future revisions and additions. Committee members include:

- **Steve Dotson**, Discovery Manager, Department of Social and Health Services
- **Mel McLaughlin**, Risk Manager, Department of Personnel
- **Susan Miles**, Risk Manager, Washington Military Department
- **John Nacht**, Risk Management Program Administrator, Employment Security Department
- **Barbara Parry**, Risk Mitigation Manager, Department of Corrections
- **Ramona Provost**, Tort Claim Administrator, Department of Licensing
- **Jolynn Rogers**, Director-Human Resources, Rights, and Risk, Eastern Washington University
- **Ann Sweeney**, Planning Coordinator, Department of General Administration

A special edition *RiskWatch* will announce the official manual launch. For questions or comments about the *Risk Management Basics Manual*, contact Sydney Doré at 360-902-0589 or sydney.dore@ofm.wa.gov.



Get a sneak peek of what the manual covers by checking out the table of contents....

Risk Management Basics Manual *Table of Contents*

Introduction to Risk Management

- ⊙ What is Risk?
- ⊙ Risk Management Today
- ⊙ Risk Manager Core Competencies
- ⊙ Risk Management Partners

Contract Risk Management

Driver Safety

Employment Liability

Enterprise Risk Management

Incidents and Incident Reporting

Local Government Self Insurance Program

Loss Prevention Review Team Program

Public Records

Retrospective Rating Program

Root Cause Analysis

Self Insurance Liability Program

Tort Claims

When Things Go Wrong

Workplace Safety and Health

Glossary

Risk Management Contact List

LEGAL LINKS



Employment Laws—Reviewing the Basics



It is unlawful for an employer to retaliate against a person for opposing an unlawful employment practice that the employee reasonably believed to be discrimination on the basis of a protected category: age, creed, disability, marital status, national origin, race, or sex.



It is also unlawful for an employer to retaliate against a person who provides information to or participates in a proceeding to determine whether retaliation or discrimination has occurred.



In proving retaliation, it is not necessary for the plaintiff to prove that the prior opposition was well-founded.

Disclaimer: This is not legal advice and should not be used as legal advice. It is merely a general educational item that may be of use to risk management efforts within state agencies.



LOSS PREVENTION SPOTLIGHT

SUMMER 2008

RISK MANAGEMENT DIVISION

CLAIMS
REFERR



The long awaited launch of OFM's new Risk Management Information System (iVOS) took place on August 11, 2008.

This means that agency risk managers are now able to access their agency's incidents and claims involving directly in this new web-based application. Risk managers will also receive notification of claim filings through an automated e-mail notification, replacing the current practice of uploading claims through secure file transfer to DIS.

This browser-based system allows the risk managers to simply go to the URL listed in the email to login as an authorized user of the system. The first time the risk managers log in, they will first need to contact the Risk Management Division to obtain their login ID before proceeding. The contact number for login is (360) 902-7314 or email at RMDRMISSupport@ofm.wa.gov.

Agencies with questions are encouraged to call anytime. Contact Joan Mackey, RMIS Program Coordinator, at (360) 902-0528 or joan.mackey@ofm.wa.gov.

BOARD POSITION PROVIDES NATIONAL INSIGHT FOR EMPLOYMENT SECURITY RISK MANAGER

John Nacht, Risk Manager for the Employment Security Department serves on the Public Risk Management Association (PRIMA) national board.



Attending his first meeting as a member of the Board of Directors of the Public Risk Management Association (PRIMA) provided ESD risk manager John Nacht with a look at risk management issues on a national scale. The Dallas, Texas meeting also provided first hand involvement in the complexities of planning a national conference with a budget of over \$1M.

Two topics of current interest to PRIMA are an international risk management standard (ISO 31000) being drafted by the International Organization for Standardization; and the Federal Emergency Management Agency's (FEMA) reissuance of Disaster Assistance Fact Sheet DAP9580.3 defining requirements for Stafford Act Public Assistance Program coverage in subsequent disasters.

The PRIMA Board received a report from one of its members who attends ISO meetings on the new standard. Member Katherine Peeling reported that ISO accepted some of the recommendations she has presented representing public entity interests in the United States. Although not yet final, the standard will provide an organizational framework for risk management programs.

Developing a PRIMA position statement in response to FEMA's recent interpretation of Public Assistance Program coverage limits for subsequent disasters was a hot topic at the meeting. The position statement has been sent to PRIMA members and will be referenced in an article appearing in the next issue of *Business Week*. The statement asks FEMA to rescind the Fact Sheet and work with public entities to clarify its position and ensure adequate coverage by the Public Assistance Program when the same property is damaged in a subsequent disaster. This issue was of particular interest to Board members from Florida and Louisiana, but has implications for all public entities.

Two days of the three day meeting were spent working with the association's Corporate Partners to select presentations for the May 2009 PRIMA Conference in Dallas. The group reviewed 183 proposed trainings and selected 65 for final review. The three day conference will feature training tracks in Enterprise Risk Management, managing risk in schools, crisis management, employment risk and others.

For additional information about the Public Risk Management Association please contact John Nacht, ESD Risk Management Program Administrator at 360-438-3140 or visit the PRIMA website: www.primacentral.org

Risk Facts from Governing—

Fast Facts



- **9%** – The decrease in traffic deaths across the country in the first five months of this year compared to the same period in 2007—a drop that some experts believe results from Americans cutting back on driving because of high gasoline prices and a slumping economy. *Source: Associated Press*
- **7.24 Million** – Annual acreage burned by wildfire across the country in this decade, twice the average of the 1990s— an increase blamed on a variety of factors ranging from rising temperatures associated with climate change to the spread of invasive grasses that burn more readily than native plants. *Source: LA Times*
- **At least 44 million** - Number of Americans' personal records containing Social Security or driver's-license information that were exposed by 230 federal-state- and local-government data breaches from 2005 to mid-June 2008, according to an analysis of data from the Privacy Rights Clearinghouse. *Source: Consumer Reports*
- **More than 3,000** - Number of American police officers whose lives have been saved by body armor since 1975. *Source: U.S. Department of Justice Office of Justice Programs*
- **7 Years** –The time it took New York City to improve the ability of its police and fire departments to communicate via a shared radio system after the harsh lessons of the 9/11 attacks. At recent FCC hearings, officials were advised of the continuing need to improve communications *nationwide* between all entities involved in emergency services communications.