RISK MANAGEMENT DIVISION

LOSS PREVENTION

Spring 2004

SPOTLIGHT

A PUBLICATION FOCUSING ON LOSS PREVENTION INFORMATION FROM THE RISK MANAGEMENT DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

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Driving Down Vehicle Accident Rates

The Department of Labor and Industries (L&I), the premier agency when it comes to the subject of safety for others, proved in their own operations that high level emphasis on accident prevention gets results. An agency that leases 315 state vehicles from the State Motor Pool and travels over four million miles a year, L&I achieved a 47.5% reduction in vehicle accidents in 2003. By February 2004, L&I achieved zero vehicle claims against the agency in a six-month period.

While the intensity of the emphasis has been recent, current agency risk manager Carole Mathews, credits former director Gary Moore and now retired risk manager Barbara Betsch for initiating the emphasis in 2000. Current director Paul Trause continued to make vehicle accident reduction a priority at the executive team level and Carole provided them with vehicle cost data. "Executive management was not aware how much L&I paid for damaged vehicles—with vehicles being one of the most expensive pieces of equipment we provide to employees," said Carol. Continuous review of vehicle accident data helped L&I pinpoint progress and identify emerging trends. "We use the new OFM-provided vehicle accident reports to compare data with our agency accident records," said Carole.

Other successful strategies that contributed to their success included updates to internal safety and health policies and making managers aware of statewide vehicle policies in "SAAM" (State Administrative and Accounting Manual). "Many managers were not aware that "SAAM" included provisions for disciplinary action for unsafe or inappropriate use of state vehicles," said Carole. In addition, L&I's regional safety coodinators strongly supported the initiative by teaching defensive driver training and developing a variety of custom regional approaches that centered on both the safety and health of the employee and citizen, and reducing vehicle damage losses. In fact, a spin-off benefit of their efforts resulted in reduced vandalism of state vehicles in most regions.

"Zero accidents" continues to be the goal, whether employees are driving the department's passenger sedans, pick-ups, SUVS, or the L&I-unique safety research motor home.

FAST FACT

RCW 4.92.110 provides that "*No action shall be commenced against the state for damages arising out of tortious conduct until sixty days have elapsed after the claim is presented to and filed with the risk management division. The applicable period of limitations within which an action must be commenced shall be tolled during the sixty-day period.*"

This statute means that claimants must first file their claim with the Risk Management Division and wait 60 days before they can file a suit on the claim.

This requirement provided a basis by which the Risk Management Division could measure the effectiveness of its internal claims management services. Consistently for each of the past fourteen years RMD has ***exceeded its goal*** of resolving assigned claims within 60 days of receipt at the RMD office.

Commercial Insurance Update

Issuing Certificates of Insurance to Other Agencies *Is it Necessary?*

From time to time the Risk Management Division (RMD) receives a request from a Washington state agency to issue a Certificate of Insurance naming another Washington state agency as the "Certificate Holder".

Question: Is it necessary for a Washington state agency to require a Certificate of Insurance from another Washington state agency?

Answer: NO. The state's Self Insurance Liability Program (SILP) covers all Washington state agencies. Therefore an agency naming another state agency as the certificate holder is *not necessary.*

For questions contact Nancy Heyen at (360) 902-7301.

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Claims Administrator Retires

J. Michael Kirkpatrick, claims administrator for the Risk Management Division, retired April 30, 2004. He served as the program's claims administrator since 1989.

Mike joined the Risk Management Division in September 1988 when the program was called the Office of Risk Management and was affiliated with the Department of General Administration. At that time, Risk Management's role in respect to the administration of the state's tort claims was relatively insignificant.

Throughout his career, Mike and his staff of eight, focused on meeting the needs of state agencies and providing a high level of coustomer service. He was committed to building a team approach to claims with his staff of investigators, claims representatives and data base experts.

In addition to processing claims, Mike and his staff manage a complex data base- the backbone of RMD's claims operation. This database is a custom designed system that replaced the original commercial software program that supported RMD's operations. Enhancements continue with development of a new database application that is underway. Fortunately, RMD was able to tap into many years of Mike's "institutional knowledge" before he left on retirement.

Many changes ocurred in the Risk Management program during Mike's tenure. His fondest memory of the position centers around the agency representatives and the time he spent providing services to meet their needs.

He plans to enjoy the northwest summer before exercising retirement options.

JUST THE FACTS M'AM

An incident or situation occurs in an agency. The outcome of the incident may range from no impact, to minimal impact, to property damage or personal injuries— in rare cases catastrophic damage or death. As the impact of the incident unfolds, agency employees may have many reactions to it—particularly if directly involved or present when the incident occurs. It's at this point that agency employees need to understand their responsibilities in responding to incidents.

At the outset of an incident (unless charged with speaking on behalf of the agency), the main responsibility of employees is to respond to those responsible for handling incidents. Responses to them and others involved in the incident must be limited to factual observations. More critically, employees need to understand the importance of refraining from making any comments to other parties involved in the incident about cause, fault, or speculated compensation for loss, etc. While the motive is noble — to help or console— the impact is often undesirable for those it was intended to help. Not only is inaccurate or incomplete information supplied at the scene about outcomes a disservice to those directly involved, unnecessary complexities are created for many others involved in incident follow-up and resolution.

Risk Management Division claims investigators, adjudicators and legal staff (working with key agency representatives) review all the facts and make legally based decisions on those findings. This is the point for disseminating information and answers.

NETS Profiles Traffic Crash Costs

Not every incident is fatal, but even small mishaps cost money. According to NETS, the average crash costs an employer $16,500.

The more miles driven by employees, the higher the typical costs of crashes through lost productivity, workers compensation costs, medical expenses, repair bills, replacement transportation, substitute labor and higher insurance premiums. And these costs reflect only a portion of potential costs.

TRAFFIC SAFETY IN THE WORKPLACE

The Network of Employers for Traffic Safety (NETS) is the only organization dedicated exclusively to traffic safety in the workplace. Government and industry leaders created the organization in 1989 to address both the human and economic impact of traffic crashes on the nation's workforce. The NETS mission is to reduce traffic-related deaths and injuries within the nation's workforce by developing safety policies, workplace informational and training programs, safety campaigns, and corporate community activities. NETS' programs, resources, and services are designed to reach all employees and their families, whether an employee drives for work or to and from work.

NETS is a public/private partnership that engages employers of all sizes and industry-types in seeking, developing, and expanding best practices in traffic safety. The "network" is the backbone of this successful endeavor and members represent a variety of professions all engaged in reducing traffic-related deaths and injuries within the nation's workforce. The disciplines include: fleet management, corporate safety and health, consumer education, loss control and risk management, human resources, employee assistance programs, marketing, and public relations.

To find out more about NETS, visit their website at www.trafficsafety.org.