

RisKeyNotes

Fall 2010

Volume 20, Issue 1

Mission Statement: Serve Oregon through statewide leadership and technical expertise to identify, communicate and manage risk.

WHAT'S INSIDE.... **Why Risk It ?**

Why Risk It? <ul style="list-style-type: none">• Risk Control and Its Services	1	RISK CONTROL AND ITS SERVICES
<ul style="list-style-type: none">• How's My Driving?• Certificates of Coverage• Think Safety	2	As part of Risk Management, the Risk Control Unit works with agency personnel to help establish effective risk management systems. Risk Consultants are available to help agencies identify, analyze and mitigate their losses. This includes: <ul style="list-style-type: none">• Analysis of past experiences. Claim histories can provide focus points.• Analysis of the incident. Break down the incident to determine root causes.• Analysis of what can be done to prevent or minimize loss.
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<ul style="list-style-type: none">• Move Over:It's the Law• Pedestrian Safety	5	Another service of Risk Control is providing risk assessments. Not only a breakdown of what could go wrong and who could be harmed, a risk assessment is an analysis of the risk itself. Should the risk be transferred, accepted, or rejected? What are the options? Risk Consultants will help with this process.
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Future Articles <ul style="list-style-type: none">• OTCA Reform Update• ERM• RMAC		If your agency is interested in a customized risk consultation or any other service, call Risk Management or visit the team's website .



WELCOME JEN!

Meet the Interim Risk Manager, Jen Coney. Jen joined DAS-Risk Management in June, from the DAS-Human Resource Services Division where she worked as the Deputy Administrator. Prior to that, Jen spent ten years working in a variety of roles within the Secretary of State's Office, the last four years as the Director of Human Resources.

How's MY DRIVING?

To facilitate easier reporting, bumper stickers providing Risk Management's telephone number are placed on all DAS-owned vehicles. Citizens also have the ability to file complaints online at the DAS-Risk website. The process is designed to ensure each complaint is handled with all due seriousness and in a spirit of appreciation for the complaint.



Recent enhancements to the process make DAS-Risk Management responsible for drafting and sending the response to the citizen who filed the complaint. Agencies are no longer responsible for this portion of the process. The complaints logged into our claim database expand our ability to respond to questions and generate reports.

While the process may have changed, our hope remains that state vehicle drivers are aware of their vulnerability to public perceptions and complaints and they are aware of the expectation to drive and use vehicles legally, courteously and within policy defined uses.

NEW PROCESS—CERTIFICATE OF COVERAGE



Our process has changed. Now, current certificates of coverage for state vehicles are available electronically on Risk Management's website. Risk Management will update the certificate of coverage annually on July 1st. Click [here](#) for the most updated version of a vehicle certificate of insurance.

THINK SAFETY

As managers, safety needs to be something integrated into the daily work life of every employee. Every task that occurs should be viewed with what is the safest way to perform the job task. This is a core function of your daily activities.

Employees need to be involved in evaluating how to perform the task in the safest manner. Employee participation will provide positive reinforcement, encouraging safety awareness while working on the job.

How do you start? Evaluate which positions may have the greatest exposure for injury or where your agency has experienced the highest number of workers' compensation claims or incidents. Look at the essential functions of the job. Break down the essential functions into job tasks and evaluate the safety elements of each task. This may seem daunting. However, in today's environment of state government, managers cannot afford to lose the valuable work force that exists. Therefore, reinforce the need for safety in all elements of the jobs that are being performed under your guidance.



2010 ANNUAL REPORT OF STATE LOSSES

The 2010 Annual Report of State Losses establishes Risk Management’s mitigation priorities for the coming year. The report is based on the previous five years of the state’s loss history. The following reflects those claims found to have the highest frequency (number of claims) and severity (cost of claims). It also includes the major areas of concern and some of the mitigation efforts Risk Management plans to implement.

Workers’ Compensation

- Highest category of claims in frequency and severity.
- Concerns include aging workforce issues and back and joint sprains/strains from slips/falls and lifting/carrying.
- Mitigation efforts include leveraging SAIF Corporation’s new industrial ergonomic program called SIM 4.

General Liability

- Highest category of claims covered by our self-insurance program in frequency and severity.
- These claims are closely tied to the agency’s mission and operations.
- Mitigation efforts include the promotion of risk assessments and other publications to determine vulnerabilities and best practices for claim avoidance.

Vehicle Accidents

- Ranks as an area of concern based on a combination of claim categories including auto liability, state vehicle damage and related workers’ compensation costs.
- Focal areas include safe backing and awareness at intersections and in parking lots.
- Mitigation efforts include the use of the citizen complaint process as a monitoring tool for prevention and the development of an online defensive driving training.

Employment Claims

- These claims have the highest average cost per claim.
- Focal areas include retaliation, allegations of discrimination and civil rights violations.
- Mitigation efforts include the development of supervisor orientation training and manager performance standards.

If your agency is interested in a consultation, please contact Risk Management at (503) 373-7475.

State Losses Retrospective Review 7/1/04 to 6/30/09

	Total – All Claims (F)	Total - All Claims with Costs	Total - All Costs Incurred	Average Cost per Claim (S)	Percentage of All Claims with Costs	Risk Comparison Factor FxS/mil
Workers’ Compensation	13,962	12,536	\$71,255,155	\$5,684	90%	79.4
General Liability	11,943	4,516	\$37, 567,513	\$7,861	40%	33.8
Direct Damage	648	463	\$19,656,754	\$41,146	71%	26.6
Medical Liability	803	116	\$1,856,122	\$16,001	14%	12.8
Vehicle Property	870	608	\$4,510,322	\$7,418	70%	6.4
Auto Liability	1,308	974	\$4,366,385	\$4,483	75%	5.8
Employment	530	276	\$17,480,914	\$63,337	52%	3.5
Volunteer Injury	54	24	\$32,949	\$1,373	44%	.007

(F) - Frequency (S) - Severity (F x S/mil) - Frequency x Severity / Million

Claims Connection

BACK TO BASICS TRAINING

Claims 101 is designed as a broad overview of the claims process. The session outline includes interactive discussion about the different types of claims filed and issues considered when determining whether or not to pay a claim. At these workshops, attendees will have an opportunity to meet members of the Risk Management Claims Team and network with other agency risk coordinators.

What to expect:

- A panel of experts. Our claims team along with panel guests provide up to date claims information on process and issues.
- Diverse perspectives from people working in different agencies.
- Breakout sessions that include opportunities to talk with representatives from other agencies.
- Easy to follow format, basic information to help in your various Risk Management roles.



The pilot session of **Claims 101** was held on August 19th. By attending a session, you will have an opportunity to provide feedback and tell Risk Management what you need.

Additional 2010 sessions are scheduled:

September 24:	9:00 am - Noon, GSB Salem
October 8:	10:00 am - 2:00 pm, Bend
November 5:	9:00 am - Noon, GSB Salem

Sign up soon for **Claims 101** as spaces are filling quickly! Contact Barb Hamilton at barbara.e.hamilton@state.or.us or 503-378-4706 to reserve your seat.

Legislative Lookout



DRIVING DISTRACTIONS

New laws aim to reduce distraction for drivers. They specifically prohibit drivers from using mobile communication devices (MCD's) while driving. As with many new laws, there are key elements of the change.

Key elements in ORS 811.507:

- Drivers using a MCD while operating a motor vehicle commit a traffic offense.
- Drivers age 18 and over can only use a MCD while driving if they are using a hands free accessory.
- Drivers under age 18 prohibited whether hands free or not.
- Drivers can be stopped solely for using a mobile communications device without using a hands free accessory.

Exceptions may apply. Each agency should be familiar with the statute. We encourage agencies to carefully assess their increase in risk when deciding to authorize employees to drive distracted. Agencies are free to make their own determination of how and to what degree they wish to exercise the law exemption. Cell phones and other mobile communications have been around for some time. They are a convenience some find hard to do without. However, national studies show using a cell phone while driving creates a distraction.

MOVE OVER...IT'S THE LAW

The Move Over Law is in place to help protect law enforcement officers and emergency workers from the deadly threat of speeding and inattentive drivers. In 2010, the revised law includes roadside assistance vehicles as well.



According to the Oregon Department of Transportation, traffic accidents are the number one killer of law enforcement officers. In the last 10 years, more than 700 officers have been killed in traffic incidents around the country. In many of the cases, the officers were pulled over to the side of the road.

ORS 811.147 requires:

- Drivers to move to the next lane if approaching an emergency vehicle, roadside assistance vehicle, or tow truck from the rear.
- Drivers to slow down to 5 miles per hour below the speed limit when there is no lane to move to or it is unsafe to make a lane change.

In all cases, provide as much room as possible for the emergency vehicle. Make room for safety. The flashing lights are your cue to move over and slow down. Failure to obey this law could cost drivers up to \$400.



PEDESTRAIN SAFETY REMINDER

Oregon crosswalk laws were written to provide a safety buffer for pedestrians. In 2004, the law required that drivers wait until the pedestrian crossed both the driver's lane and the adjacent lane. Feedback from motorists brought the 2006 revision creating an exception to the one lane buffer law.

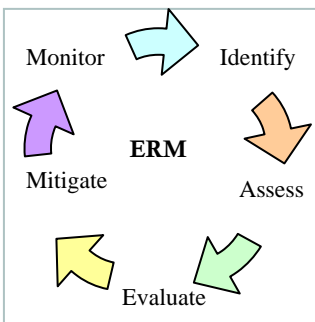
At a traffic signal, drivers must:

- Stop and remain stopped for pedestrians until they have cleared the lane in which the driver is traveling and the adjacent lane.
- Stop and remain stopped for pedestrians until they have cleared the lane into which the driver's vehicle is turning and at least 6 feet of the adjacent lane.

At any other crosswalk – those without a signal, drivers must:

- Stop and remain stopped for pedestrians until they have cleared the lane in which the driver is traveling and the adjacent lane.
- Stop and remain stopped for pedestrians until they have cleared the lane into which the driver's vehicle is turning and the adjacent lane.
- Stop and remain stopped for students crossing (or about to cross) a street under the direction of a crossing guard.
- Stop and remain stopped for a blind or blind and deaf pedestrian using a cane or a guide dog, until the pedestrian is completely across the roadway.

According to the Oregon Department of Transportation, half of the pedestrians struck by vehicles are hit while in a crosswalk and account for 10-15% of the traffic fatalities each year. Pedestrians and motorists share in the responsibility of pedestrian safety. As a driver, the safety of the pedestrian is primarily in your hands.



ENTERPRISE RISK MANAGEMENT (ERM)

Pamela Stroebel Valencia and Theresa Masse

All state agencies exist to create value for the citizens of the State of Oregon. Effective Enterprise Risk Management (ERM) strategies can help agencies move from strictly risk-averse policy setting tactics to making risk-conscious business decisions. ERM is a process designed to identify barriers to achieving an organization's objectives and to select a strategy to deal with those 'risks'.

Organizations deal with risk in all aspects of their environment – budget, human resources, legal, information technology, information security and operations. For that matter, all of us make decisions that involve risk every day and we have varying levels of what we consider 'acceptable risk'. Risk is a fact of life. Like death and taxes, there is no escaping it! Some folks are willing to embrace higher risk. Others have a much lower risk tolerance.

Although state government historically has been risk averse, it is important to understand that risk is part of doing business. The key is to achieve balance and to manage it effectively. Therefore, how risk is dealt with depends on the organization and circumstances. Being risk averse is not necessarily in the best interest of an agency or its customers. What is essential is that management has sufficient information to make informed decisions about managing risk. An ill-informed decision usually presents the greater risk.

As important as it is for an organization to consciously select desired outcomes, it is equally important to know what risks are being undertaken along the way. Optimizing the natural risk-taking an organization undergoes can lead to great rewards.

Future editions of this publication will include articles related to Enterprise Risk Management, such as:

- Benefits of implementing Enterprise Risk Management within your organization;
- A how-to guide for assessing risk;
- Tools and templates to guide an Enterprise Risk Management initiative;
- Introduction to Enterprise Risk Management frameworks and standards;
- Guidance on where to go for help with Enterprise Risk Management efforts; and
- Roles and Responsibilities for ERM at different levels of the organization.

If you have specific question or topics you would like to see addressed or you have experience with ERM and would like to share an article, please contact us!

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RISK MANAGEMENT ADVISORY COUNCIL

Kyle Knoll, RMAC Vice-Chair

The Risk Management Advisory Council (RMAC) is your statewide forum for risk related concerns and how to improve risk management at your agency and statewide level. RMAC formed in the fall of 2008. The Council is comprised of representatives from 13 state agencies and currently convenes every six weeks.



RMAC's goals include:

- Identify and support agencies risk management priorities.
- Strengthen risk management stakeholders' communication and working relationships.
- Provide a forum for sharing risk management information and best practices.
- Influence the development of DAS Risk Management's service models.
- Reduce statewide cost of risk.

RMAC information, including Council membership, charter, operating guidelines, meeting agendas and minutes are available by clicking [here](#). For an overview of RMAC's open and most recent action items, take a look at our July 28, 2010 meeting minutes.

Please also consider attending an upcoming meeting. Details regarding meeting time and location are posted on the website. RMAC values your attendance and participation in our statewide risk management forums!



IT'S ALL IN THE RISK

The State fiscal crisis continues. The people and landscape have changed. Priorities and procedures are different. The working environment for state agencies will continue to change for some time. State agencies are being asked to operate differently. Working relationships will change. Activities are being re-examined. New questions are being asked. Who is responsible? Who assumes the risk? Who pays when something goes wrong? What can state government do?

It is every state agency's responsibility to adequately address the risks of the activities they undertake. We retain 100% of this risk for harm we may do to others. Decisions that state agencies make in the assumption of risk potentially impact all state agencies. Each state agency evaluates the risks of the activities they undertake in the accomplishment of their mission.

It is a sound practice for all state agencies to use a risk assessment process to identify risk, including the likelihood and severity of any potential loss. This helps state agencies select proper tools to manage or mitigate these risks.

Risk Management provides assistance to agencies in the process of determining the amount of risk that they face and decide what to do about it.

We're on the Web!

www.oregon.gov/DAS/SSD/Risk

BACK TO SCHOOL— BE AWARE



LOOK OUT! School is in session. Children are walking and riding bikes back to school. Take extra care around crosswalks and school zones. Obey all traffic rules.

STUDED TIRES?

The use of studded tires began in 1967 with approval by the Oregon Legislature. It is lawful to use studded tires from November 1st of any year to April 1st of the following year. If they are used, the official recommendation is they must be placed on all four wheels.

Studded tires are convenient. They are already on the vehicle. No dealing with chains or wallowing in wet, dirty slush. Studs indent the surface to decrease the stopping distance on ice or packed snow. If used on all four wheels they provide some benefits in steering in these conditions as well. They are acceptable traction devices for crossing the Cascade passes.

The Oregon Department of Transportation discourages the use of studded tires. Studs do serious damage to the road surface. They cause pavement wear and rutting in the wheel path. Ruts catch rainwater, which can cause hydroplaning. Snow and ice accumulate in the rutted area. Snow plows cannot remove it. Do studs really increase your safety or are you at a higher risk? Is the damage done to Oregon roads worth it?

Most Oregon winter driving is in the rain. In these conditions, studded tires are not as safe as all season tires. Wet conditions increase stopping distance; studs increase it further. Ice and snow do not last for more than a few days in most areas of Oregon.

What other options do you have to get your job done? Can you teleconference, use the internet or wait? Perhaps postponing the trip is the best option. As you answer the question to stud or not to stud your tires, remember be safe, be prudent, and drive when weather permits.

RISK MANAGEMENT DIRECTORY OF SERVICES

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DAS SERVICE PLEDGE

To improve our service, we commit to you a "Service Pledge" to be **KNOWLEDGEABLE, RESPECTFUL AND RESPONSIVE** in our business and interactions.

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