RisKeyNotes

Vol. 16, No. 2 January 2004

A publication of Risk Management Division. Helping state managers avoid unnecessary costs of loss while achieving their missions.

HIGHLIGHTS OF THE PROPERTY POLICY UPDATE

As times change, policies and procedures must be updated. As a result, Risk Management Division (RMD) is in the process of updating the state's Property Self-Insurance Policy Manual.

In some cases, we have expanded coverage to address changes in agency operational practice. In others, coverage has been restricted to reflect industry standards, recognize sub-limits, and set requirements for agency loss control plans and risk assessment. Agencies are expected to accurately report property values to RMD and assess the risk of loss to covered property. Agencies are obligated to protect state resources. One technique is to institute loss control measures to minimize the likelihood of frequent and/or serious loss of property. To encourage risk control, agencies have increased responsibility to protect property from loss.

The following are some examples of the changes. This is not a complete list of changes. It is important that you read the entire policy to understand coverage and agency responsibilities to perfect coverage.

- More agencies are relying on employees and volunteers to use privately owned property, specialized equipment, tools, or other unique items that the state is unable to provide. The agency no longer needs to have possession or control of the property at the time of loss for coverage to apply. However, the agreement to cover another's property must still be in writing with the property owner and signed prior to the loss. See the Policy Manual for details.

- In the past, totaled vehicles were replaced with "new for old". Coverage of this kind is not available in the commercial market. This led to difficulty in contracting and leasing state owned vehicles. Vehicle loss payments for passenger vehicles, i.e., cars and trucks, now qualify for the lower of: a) Actual Cash Value; b) if surplus the declared value at the time sent; c) or the cost to repair the vehicle. "New for old" coverage has ended. This change should resolve those issues.

In addition, since the increase of the agency deductible, many agencies wanted to buy the Limited Damage Waiver (rental company's equivalent of "collision" coverage). When renting a vehicle that is not part of a Master Price Agreement that includes insurance, state agencies should now purchase

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RISK-O-METER IS BACK!

After a three-year absence from ***RisKeyNotes*** (Spring 2001 issue), Risk-O-Meter is back! In a new format, returning are the same four categories: WC – Time Loss, Property, General Liability, and Auto Liability. By fiscal year, each category's rate gives the number of claim occurrences per 100 FTE. We can still compare the stats of the most current year to the prior one. In graph form, we also are now able to discern more. Six years of data allows trending. Observe the trend lines in each graph. Though we note frequency trends, the rates do not indicate cost trends. Some occurrences are far more costly than others.

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PROPERTY POLICY UPDATE

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the Limited Damage Waiver. If the Limited Damage Waiver is available and not purchased by the agency at the time of rental, in the event of a loss the agency's current deductible amount will be doubled. This change will transfer the risk of physical damage loss to the rental company and protect the agency from the deductible costs.

- State property coverage is intended to restore needed state property. Property declared surplus was excluded from coverage. However, some high-value items are "sold" via State Surplus with the intent to use the proceeds to replace the item with an updated model. The equipment is still necessary for state business. State-owned property designated as surplus but held for re-sale by or on behalf of the owning agency, will now be covered subject to the terms and conditions of the policy manual.

- See the policy manual for a complete description of clarifications and terms and limitations of coverage. The following are just a few examples of new exclusions.
    - Landslide damage, unless caused by a peril insured against.
    - Crops and orchard trees. Coverage may be available from the USDA, maybe not. If needed, call us for assistance in procuring this insurance.
    - Contracted construction for new buildings not done by agency staff. It is very important that state agencies be diligent in transferring the risk of loss and insurance coverage to the contractor.

- Changes to this section of the policy clarify the amount that will be paid from the State's Property Self-Insurance Fund for a covered loss. Limits help maintain the fund's financial soundness by limiting the size of a large loss. The most important clarification is the maximum payment that an agency can expect to receive from the fund, which is $1.5 million for standard perils and $4 million for the perils of flood and earthquake. Not all, but most large losses have an additional $400 million of excess commercial insurance coverage at this time. Other loss payments not covered include: a) any deductible; b) any gap between the Self-Insured Retention or Special Plan Limits and the loss amount where Excess Property Insurance coverage begins; c) amounts covered by any other applicable insurance; and d) amounts above the Self-Insured Retention or Special Plan Limits that are excluded from commercial Excess Property Insurance coverage.

- It is increasingly important that agencies take an active role in assessing their risks and implementing effective risk controls. We have added some additional requirements to establish coverage. The Risk Report values will now be used for claim adjustment. Real or personal property valued under $1 million will be capped at 150% of the value reported on the Risk Report. Real or personal property valued at or over $1 million will be capped at the value reported on the Risk Report.

- We have added language to clarify what methods we use to determine what we pay on a loss. We will be asking for information about how you managed the risk and efforts you made to prevent a loss. Where the policy requires a loss control plan, this plan must be available on request. Your agency must have supporting documentation of its implementation. At the time a claim is made, this information may be used by the adjuster to determine coverage.

- The policy was clarified to help you understand where your property may be covered. We are more aggressively pursuing risk finance transfer options where they are available and cost effective. When RMD buys or delegates the purchasing authority to an agency to buy "primary" commercial property coverage, it is the only coverage available for that property. Some agencies are able to replace lost or damaged equipment as a part of a program or grant. When this is possible, the Property Self-Insurance Fund will only pay for the amount of covered loss or damage in excess of the amount already paid by another funding source.

- Language in this section has been added to clarify our usual practice. RMD uses only one claim form for all state owned or controlled property losses. It is

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JUST ONE GOOD WITNESS!

One day a state van was stopped and waiting to pull out onto a street from a private lot. A driver comes up behind the state van, fails to stop in time, and rear ends the van. Both drivers get out and exchange information. The driver of the car admits negligence and indicates she just came from an eye doctor appointment. She says the sun was bothering her eyes to the point she could not stop in time. The wise state driver calls the police **and** his supervisor to the scene. All parties confirm there are no injuries.

A week later the driver of the car submits a liability claim against the state van driver alleging the state van backed up into her and that she sustained injuries as a result of the state driver's negligent backing.
What appeared to be a clear cut adverse negligence claim changed directions when the other driver's account of the accident changed after the fact.

Even if a situation appears to be clear cut:

- Take the time to scan the accident scene for **independent witnesses**.
- If there are other cars at the intersection that do not stop, but clearly saw the collision, get the **license numbers** for possible follow up.
- If the other driver is making statements that admit negligence, have those **statements heard** by an investigator, police officer, co-worker, supervisor or independent witness.

Even on a case where the facts may seem crystal clear, by the time the dust settles we sometimes end up wishing we had "just one good witness". ■

PROPERTY POLICY UPDATE

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posted on the web at http://risk.das.state.or.us/agencylos.htm. All losses to commercially rented vehicles shall be reported to RMD. Losses to commercially rented vehicles under the deductible will be handled by your agency. Remember, whenever available, agencies now buy the Limited Damage Waiver. Property losses (other than commercially rented vehicles) under the self-insurance deductible for your agency (either $1,000 or $2,500) are not reported to RMD. However, agencies should keep records of these losses for audit purposes. See our **Road to Recoveries *RisKey*** on the web at: http://risk.das.state.or.us/road.htm.

Remember, this is not a complete listing of the changes. You will need to read the entire policy. Check out our website at http://risk.das.state.or.us after March 1 to see the entire Draft - Property Self-Insurance Policy Manual. After you have reviewed the policy, if your agency needs additional information or has questions about coverage or the changes, contact us. ■

RISK MANAGEMENT DIRECTORY OF SERVICES

Information	373-RISK
FAX	373-7337
Internet	risk.management@state.or.us
SAIF Emergency Report	1-800-285-8525
SAIF 801 FAX	1-800-475-7785

Administration:

Administrator - David Hartwig	378-5526
Executive Assistant - Barbara Hamilton	378-4706
Finance Analyst - Bob Nies	378-5521

Safety & Risk:

Manager - Kate Wood	373-7233
Safety & Risk Specialist - Cindy Pankey	373-0706
Risk Consultants - Loree Fogleman	373-7003
Ronda Hollis	373-1037
Safety Management Consultant - Bonnie Robbins	378-5525

Insurance & Operations:

Manager - Andrea Peters	378-5515
Operations Assistant - Jody Haury	378-5514
Receptionist - Adina Canales	373-7475

Claims:

Manager - Mike Baird	378-5522
Overtime Claims Unit - Cort Dokken	378-5468
Claims Adjusting - Mike Baker	373-1520
Betsy Enos	378-5517
Dwayne Green	378-5940
Carol Hilzer	378-4878
Rocky Jeffries	378-4595
Dawn Nicholas	378-6840
Linda Roberson	378-5508
Brenda Schnee	378-5467
Employment Claims - Kent Rice	373-7814

SERVICES TO STATE AGENCIES

Insurance for: Property, liability, workers' compensation, employee dishonesty, vehicle, aircraft, and others.
Claims Adjusting for: Property, liability, and employee dishonesty.
Risk Control Consulting for: All of the above. ■

RISK-O-METER IS BACK

(continued from page 1)

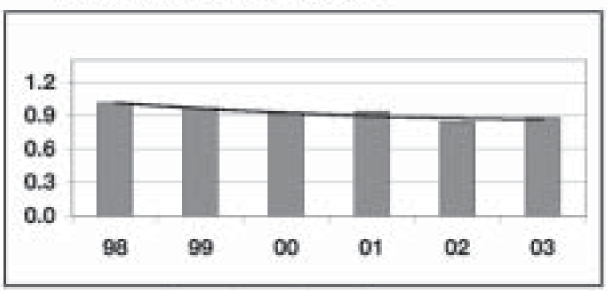
The Property category includes both auto property and non-auto property occurrences. There was a 70 percent rate reduction in comparing fiscal years 2003 and 2002. The reduction is primarily from the deductible increase of July 1, 2002. In fiscal year 2003, state agencies became responsible for the first $2500 of each loss, instead of the first $500. Remember VIPP, VAPP, and the V8? Reviewing the Auto Liability rates, the campaign seems to have paid dividends in reducing annual auto liability occurrences.

Risk-O-Meter was first developed in 1994. For what purpose? Based strictly on frequency, it filters out inflation costs of medical fees, lost salary, legal fees, and other expenses. The rates bring a level playing field to all fiscal years, costly or not. With costs screened out, they are useful in comparing ourselves to our history, based solely on the claim occurrence rate per year. Also, in some categories it can take a long time to capture the final cost. The rates indicate the areas in which statewide effort is paying off. On the other hand, a rising rate can give a “heads up” to focus more attention in a certain area. Risk-O-Meter is one of the performance measures of DAS. We use them to help tell the state’s cost of risk story to the legislature biennially. Finally, they help us develop our two-year and six-year strategy plans to minimize cost. In the final analysis, rising frequency is a driving force behind rising costs.

Statewide stats may be interesting to view, but how can you use them? Calculate your agency’s rate for each category. Base it on a “per 100 FTE” basis. Compare your stats to the statewide ones. Compare them to your agency’s past ones. Improving? Doing worse? In which area do you plan to focus? What will you do? ■

RISK-O-METER RATES (annual number of occurrences/100 FTE as of 6/30 of each fiscal year)

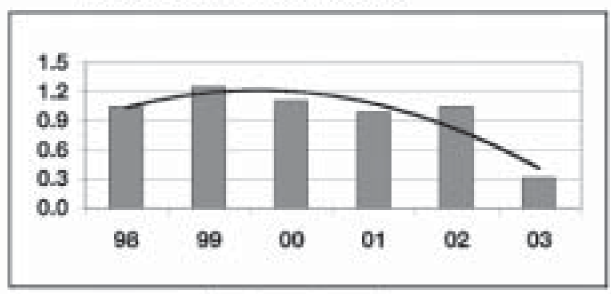
WC TIME LOSS > $0 Paid



01	02	03
0.93	0.84	0.88

4% increase

PROPERTY > $10 Incurred

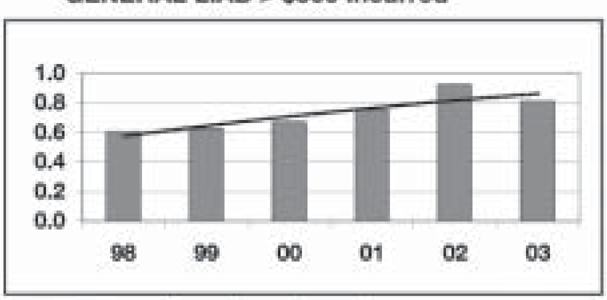


01	02	03
0.99	1.04	0.31

70% decrease

Note: Effective 7-1-02 the deductible increased from $500 to $2500

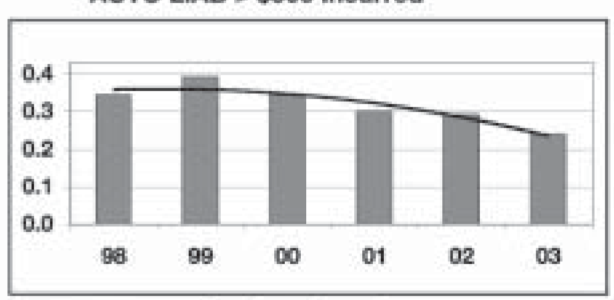
GENERAL LIAB > $500 Incurred



01	02	03
0.75	0.92	0.81

12% decrease

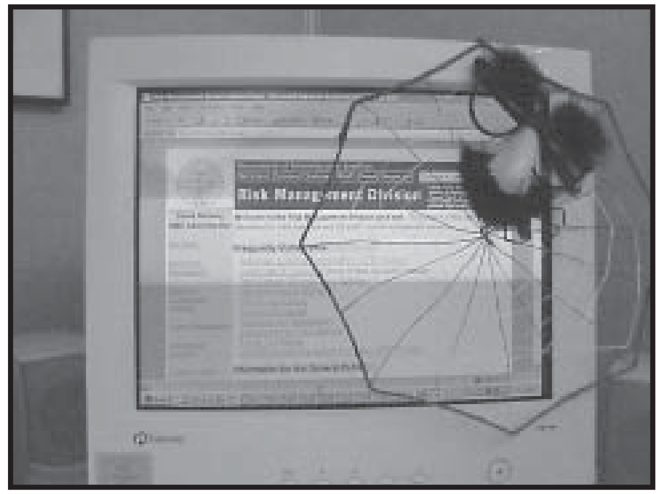
AUTO LIAB > $500 Incurred



01	02	03
0.30	0.29	0.24

18% decrease

NEW ON THE WEB



Here are some additions, changes, or improvements to our web site since the last issue of ***RisKeyNotes***.

New

Many of our state employees and volunteers work in or around animals or livestock. We published a new ***RisKey*** due to the e-coli outbreaks across the country at fairs, petting zoos, and farms. The use of good personal hygiene and safe work practices help prevent the spread of e-coli and other types of disease. Check out **Preventing the Infection and Spread of E-Coli and Other Disease *RisKey*** at http://risk.das.state.or.us/ecoli.htm.

Revised/Updated

Insurance Clauses by Type, in Alphabetic Order in the **Smart Contracting Toolkit** was restructured. This section has been divided into three smaller segments, designed to open faster. Due to the large amount of information and links in the original web page, timing proved to be troublesome for the user. Check it out at http://risk.das.state.or.us/contractins.htm.

Two resources on the **Agency Loss Information Access System (ALIAS)** web page have been updated. They include the **RMD Claims Code Manual** and the **ALIAS Data Dictionary**. Go to http://risk.das.state.or.us/alias.htm.

Once again, we continue to update the **Vehicle Incident Prevention Project (VIPP) Toolkit**. See http://risk.das.state.or.us/vipptool.htm. Changes include:

- Agencies must now use a password to access the SAIF web site. The **VIPP Toolkit** links to the **SAIF Video Library** at http://risk.das.state.or.us/vipptool.htm#video, and the **SAIF Accident Analysis Form** at http://risk.das.state.or.us/vipptool.htm#analysis (look for the Incident Analysis section). Contact your agency Safety Advisor to obtain your agency's password, i.e., agency policy number.

- The National Transportation Safety Board (NTSB) issued new recommendations for the operation of 15 passenger vans. This was done as a result of their investigation into two fatal van crashes. We have updated our web page on the **Rollover Hazard of 15 Passenger Vans**. See http://risk.das.state.or.us/vippvans.htm.

- The **Acceptable License Summary** was revised. The 30-day temporary driving permit issued by law enforcement was removed. It is no longer on the list of licenses unacceptable for the operation of state vehicles. We will discuss issues about the handling of this permit in a future revision of the **Hardship Permits *RisKey***. Go to http://risk.das.state.or.us/vippauth.htm#acceplic.

Repatriation Coverage *RisKey.* This ***RisKey*** was updated due to changes in policy terms and conditions. Go to http://risk.das.state.or.us/repatria.htm.

Moving – Is Your Agency on the Move *RisKey*. Does your agency need to move? Will the move be across the street, across town, to a new town? A recent update to this ***RisKey*** will help your agency plan for and address the risks involved in moving. Check it out at http://risk.das.state.or.us/moving.htm.

See…View…Click Go To…Check out our web site at http://risk.das.state.or.us/. ■

SUPERVISOR IMPACT ON SAFETY CULTURE

As a Supervisor, whether or not you have ever had an employee injured while on the job, you can impact the safety culture of your organization. How can you impact the safety culture in your workplace?

Positive reinforcement for good safety practices by your employees is a good first step.

What Does That Mean?

- Identifying employees who are working safely and verbally recognizing them for their safe work practice. The recognition needs to be immediate, within a few minutes of the good act being performed.
- Encourage an open dialogue on a one-to-one basis regarding safety issues in the work place. Make sure this dialogue is positive.
- Remember that an unsafe act needs to be addressed immediately. To change behavior, you will need to counter an unsafe act with at least seven positive reinforcements for a good safe act.
- Train yourself by setting a goal to identify a specified number of safe working acts on a weekly basis. Keep a tally of how you have done. Soon this will become a normal part of what you do everyday and will also be reinforced in the work environment. Everyone will be looking out for the safety of others.
- Encourage all of your employees to reinforce good safety acts in the same way. In a strong safety culture it is not only the boss who reinforces good safety practices but the peers as well.

A good phrase to keep in mind is: "Asking me to overlook a simple unsafe act would be like asking me to compromise my entire attitude toward the value of your life." With this idea in mind and an emphasis on rewarding good behavior when it comes to safety practices, you will find a positive safety culture develops on its own. ■

SAFETY MANAGEMENT: EXECUTIVE LEADERSHIP

"I am the director.

I believe fervently in the mission of this organization.

Our work is valuable and important to many people.

Our work is done by the employees of this organization. Without them, I can accomplish little.

Today, someone may be hurt on the job. Will it be one of my employees?

How will the work get done without that person?

What will happen to them? What will happen to their family?

What should I do to help them?

What should I do to stop it from happening again?"

According to Dan Petersen, noted professor and researcher of occupational safety, one of the six criteria of a world-class safety culture is:

"Visible, Demonstrated, Executive Leadership"

What can you do?

- Know how many of your employees have been injured? Ask who. Meet with them.
- Know if they are injured due to the same cause? Ask why. Get it corrected.
- Know that the highest quality of accomplishment your organization will achieve is the lowest level of performance you will accept. Ask for the best. You'll get it. ■

POWER GRID FAILURE: ANOTHER REASON TO PLAN BUSINESS CONTINUATION

On August 14, 2003, a power failure darkened large portions of the mid and eastern United States and parts of Canada. The **North American Energy Reliability Council (NERC)** analysis and report is now available. Go to http://www.nerc.com/. Click on Blackout Investigation.

How Did This Blackout Happen?

Individual events are not usually a problem in the current, interconnected power transmission systems. However, this interconnectedness does make the system vulnerable to a sequence or combination of low probability events. And low probability events are hard to predict.

The US power transmission system is aging. Low rate on investment limits capitol available to upgrade. Separate jurisdictions, lack of operating standards and limited training and communication between jurisdictions also contribute.

August 14, 2003

There were some areas with higher than normal temperatures. But there was not a "heat wave" straining the system. Three generating stations went off line for unrelated reasons. And, a brush fire caused separation of a transmission line in another part of the region. This was followed by seven more transmission lines unexpectedly separating from the system and another generating station going down. Then came a rapid cascade of events. Records show 21 plants and 13 major transmission connections were lost in one 45-second span over a four state region. Human operators could not react fast enough. Blackout.

Impact? Food spoilage; business interruption; loss of revenue; drain on emergency response services; and communications down. These impacts were felt over a multi-state area and Canada. The result? Millions of dollars of loss, of which only a portion was covered by insurance.

What does this mean for Oregon state agencies?

Long term solutions are not readily apparent. There is no insurance coverage for power outages. Losses come out of operating budgets. It is just one more reason to have an effective Business Continuation Plan. Winter makes us even more vulnerable: cold temperatures; bad weather; and, long hours of darkness.

Assess your risks. Plan to get through the first 72 hours. What functions must operate? Who will operate them? How will this be done without power? Is your emergency call list up-to-date? Can the key people you count on get to work? Is everyone at work and unable to get home?

Encourage employees to have a Personnel and Family Disaster Plan. They can't take care of business until they have taken care of family. Direct employees to the Red Cross web page for excellent information on preparing for emergencies. Go to http://www.redcross.org/home/. There are many other excellent sites for information as well.

Check out the state's Business Continuation Toolkit at http://risk.das.state.or.us/bc.htm. ■

PROPERTY PROTECTION BY STATE SELF-INSURANCE

The state's property self-insurance fund used to be called the "Restoration Fund". That is why state property claims are coded beginning with an "R".

The fund's purpose is to restore property that agencies need to conduct business. It uses some insurance principles. But it is not "insurance" in the way most people understand the term.

What is Covered?

Not all "property" is covered. There are exclusions. Usual perils like fire, theft, flood, and earthquake are covered. Some causes of loss are not. Work with your agency Risk Coordinator to understand your particular issues.

The fund primarily covers state buildings, building contents, and vehicles.

Buildings are those built by the state. The building may also be owned by the state, but it must be used to conduct state business. (Buildings that an agency may own, but not used to house state operations are not covered. The Risk Management Division may be able to purchase commercial insurance on your behalf.) This is called "**real property**." It's an insurance term. Generally it means stuff that is not moveable.

The contents of the building are covered if owned by the state. That means purchased with state funds and used by state employees for state business. (Under special conditions, the property of others may be covered. See the policy for details.) This includes furnishings, equipment and supplies. This is called "**personal property**". Again, it's an insurance term. It generally means stuff that is readily moveable.

Vehicles are, of course, "personal property. They move – a lot. We also cover state owned planes, boats, barges, trains, trucks, trailers, plows, heavy equipment, and the like.

Being "moveable", we expect it may not always stay inside "real property." So we cover this type of property no matter where it ends up. Except if it ends up as "surplus" to be disposed.

Why not "Surplus?"

Remember, the fund's purpose is to restore property. If an agency has decided it does not need a building, equipment or vehicle, then we would not restore it only to have it disposed of. Please refer to "Highlights of the Property Policy Update" in this issue.

That's Not How Homeowner's Insurance Works!

Right. Remember, we use "insurance" principles. But we are not insurance the way most people understand it.

When you "insure" your home (or car, or moveable stuff, or whatever) you pay a premium to get something back if the "insured" property is lost to you. This agreement does not require you to use the insurance money to restore or replace what was lost. You can do anything you want.

But the state's program is specifically to "restore" property necessary to conduct state business. There is some insurance, but it takes a big loss to get there.

But We Pay a Premium?

Actually, you pay a "**Risk Charge**." In that charge there is some cost of an "insurance premium." But most of the charge for most agencies is the cost of actual state property losses. This is what "self-insurance" means. It is really a method of self-financing a loss.

So How Is State Property Loss Paid?

There are three levels of payment.

First is the agency **deductible**. That is the cost of each loss the agency pays out of its operating budget at the time of the loss. For smaller agencies it is $1000 per loss occurrence. For larger and most agencies it is $2500.

Next there is the Self-Insurance Retention (**SIR**). This is the amount that RMD will pay for a covered loss. It starts at the agency deductible and goes up to $1.5 million (or $4 million for flood and earthquake loss) per occurrence. There are some types of

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PROPERTY PROTECTION BY STATE SELF-INSURANCE

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losses that have sub-limits. That means the Self-Insurance Fund will pay less than the $1.5 million.

If the loss is more than the SIR, then you get to "insurance". This is the **State's Commercial Excess Property Insurance** policy. It starts to pay at the state's SIR and goes to $400 million. The state pays a "premium" for this insurance. The cost of that premium is spread primarily among larger agencies in the exposure-based part of their "Risk Charge". The agencies that own buildings valued over $1,000,000 pay most of this premium.

If there is a "gap" between what the state self-insurance policy pays (remember the sub-limits) and where the commercial insurance starts, the agency must absorb the difference.

What If I Don't Have Any Losses?

This is one of the "insurance principles" we use. Everybody pays something. Agencies that own little property and have no losses pay a minimum amount of $500 per year.

What If I Don't Own Property?

Remember, property includes the value of equipment and supplies. The agencies that own buildings pay the highest property risk charge. But other agencies pay for losses to other types of property. Do you provide your employee's computers, chairs, cubicles, files, pencils, etc.? Do they drive state cars? Then you have a piece of the property self-insurance fund action.

How Do I Get Charged?

Ownership of property is the exposure-based part of the charge. The other part is based upon loss experience. RMD looks at each agency's property losses that occur in a "base period". Everyone gets one average-sized statewide non-vehicle claim per base period **waived**. And agency losses over $300K per occurrence of non-vehicle loss are also waived. (There are no waived amounts for vehicle losses.) The net loss of each agency is the basis of the loss-based part of the charge. For example, if your agency had 5% of the state's losses, your agency's charge would be 5% of the amount needed to keep the property self-insurance fund actuarially sound. **Note:** This cost of all waived losses is spread across all agencies. "Spreading the risk" statewide utilizes an insurance concept that insulates a single agency from having to absorb full cost of a catastrophic loss.

Can You Explain That in Plain English?

No. Actually, this is where it really gets tricky. Remember this is primarily a self-financing tool. But it is self-financing statewide – not agency by agency. That means it is not a dollar (agency risk charge) for dollar (agency loss payment) exchange.

As to the self-insurance fund, every agency pays something whether they have a loss or not. There is an exception. The few agencies that have no losses and less than $15,000 of property have no charge.

Out of the Property Self-Insurance Fund in a given year, RMD will pay commercial excess insurance premium. RMD will also pay agencies for covered losses minus their deductible. Agencies will have different loss frequency. The cost of each loss may vary from small to catastrophic. If statewide losses increase, the amount that must be collected from everyone will likely go up.

Each agency is dependent on the others. Each agency should have an active risk assessment process and loss control program in place.

Be sure to review the "Highlights of the Property Policy Update" in this issue. Most of the recent adjustments to the property policy were intended to encourage more loss control. That should help limit risk charge increases. Other changes were necessary to assure that there would be sufficient funds to pay expected losses. And, to be sure the losses that are paid are in keeping with the purpose of the Self-Insurance Fund. ■

WHAT THE OFFICE ERGO PROJECT TAUGHT US ABOUT WORKSTATION SET-UPS

Chairs

- Chairs are the single most important piece of equipment for an employee who does seated work. Of course, if they are not seated in a chair they are probably standing – but that is another discussion.
- When a chair fits, use it. Let the chair follow the employee to jobs within the state.
- Adjustable chairs can fit a lot of different people, but one size does not fit all. It's easier to buy chairs in various sizes than try to hire employees who are all the same size.
- Your mother was right – sit up straight. And adjust your chair so it helps you stay up straight.

Work Surfaces

- Watch the depth. Most people cannot easily reach beyond 26 inches when they are working at a table or desk. If they reach too far too frequently, it can cause shoulder and neck discomfort. Besides, all horizontal surfaces collect piles of paper, especially way in the back where you can't reach.
- Repetitive, prolonged work should not be done above elbow height. So the top of the work surface should, generally, be at or below the workers' elbow.
- Everybody's elbows are different. So work surfaces need to be easily adjusted.
- Adjustable height work surfaces should be changed when different employees use them. Think about how often you move employees around.
- Free-standing, adjustable height work surfaces are most cost-effective in the long run. Heights can be easily changed (it's those elbows, you know). Free standing pieces can be rearranged to meet changing needs and doesn't require moving panels.

Panels

- It's moving the panels that costs the most when changing workstation set-ups. Work surfaces must be cleared off and taken down. Then power and cables must be rewired.
- Panels do help maximize the use of vertical space. They also allow for efficient delivery of task lighting to the work at hand.
- Plain arithmetic does not work with panels. Five forty-eight inch panels will not fit into a twenty foot space. Don't believe us? Go measure. Its quantum physics. Maybe string theory. Whatever it is, it takes a space planner to make it work.

Contact your agency Safety Advisor and ask about your agency Office Ergo program. Likely there are trained Work Station Assessors to help you with measurements and fitting. Think about long term needs before replacing any surfaces or panels, especially if you have the chance to buy new. If possible, fix your chairs rather than replace them. Work with DAS Facilities' Space Planners to defy the laws of physics and fit it all together. ■

THE WINTER STORM OF 2003-04: BUSINESS INTERRUPTION LESSONS TO BE LEARNED

The Willamette Valley and coast is thawing from unusually harsh ice and snow. The January storm is being called the worst weather in a generation. Business for many state agencies was significantly interrupted for up to three days.

The event can be instructive for future business interruption planning. We suggest each agency take some time to conduct an "Incident Analysis" of this storm, its impact, and your business decisions during the event. Talk with your Safety Advisor to learn the basics of "Incident Analysis."

Incident Analysis is often part of the Risk Assessment process. To learn more about it go to http://risk.das.state.or.us/risktoolkt.htm. Let us know the lessons your group learns from this analysis. We'll share them in future issues.

THE ERGONOMIC CHAIR
WHO OWNS IT? WHO NEEDS IT?
Recommendations to a Manager

First of all, it is recommended you find a way to acquire an appropriate ergonomic chair for your special needs employee(s). Having said that, let's move on to chair portability!

Your special needs employee, Ms. Risk, has accepted a position with another state agency. An ergonomic chair was purchased for her while working in your unit. Now she's leaving! You think that ergonomic chair should remain here! You purchased it, it came out of your budget (you think), and, by gum, if she is moving over to a new agency, let them buy one for her!

Whoa! Slow down! Let's look at this! The chair was likely purchased one of three ways:

- Ms. Risk had a work-caused injury, and an ergo chair was purchased for her through the Employer at Injury Program (EAIP) or the Preferred Worker Program (PWP) as a worksite modification. It was purchased specifically for Ms. Risk and her unique physical requirements. If the chair was purchased under PWP, depending on what the Workers' Compensation Division (WCD) contract said at the time of purchase, the chair belongs either to the employee or could be the property of the employer. If you can't find a copy of the contract, call the PWP Hotline at 1-800-445-3948 for assistance. If it was purchased under EAIP, the chair belongs to the employer.

  If Ms. Risk owns the chair, she has the right to take it with her to her next employer or to her home if she withdraws from the workforce. If the employer owns the chair, the recommended best practice would be to allow her to take the chair with her to her new job if it will meet her need in the new work location, and complete a property transfer.

- Ms. Risk requested reasonable accommodation for a documented disability under the Americans with Disabilities Act. You purchased the special ergonomic chair to accommodate her physical requirements as prescribed by her doctor. The employer owns the chair. However, Ms. Risk will have to be accommodated in the same way at her next employing agency. Do you have another employee who needs that same chair modification? If not, would it make sense to allow Ms. Risk to take the chair to her next state agency employer?

  Again, the recommended best practice is to let Ms. Risk take the chair and complete a property transfer. Chances are her replacement will need something different.

- You are a good manager. Concerned about the ergonomic well being of your employees, you had an ergonomic assessment done on each. As a result of those assessments, you purchased several unique ergonomic chairs suited for your unique employees. Now one of those employees, Ms. Risk, has decided to transfer to another state agency. What is the best practice?

  You guessed it! (You **are** a good manager!) Let Ms. Risk take the special ordered ergo chair to her new agency if it will meet her needs there, and process an agency property transfer. The incoming employee will likely have different ergo needs.

Recommended Best Practice on ergo chairs purchased for an employee's specific need:

Allow the chair to go with the employee to a new employing agency, regardless of how it was funded or purchased, and make the appropriate property transfer. ■

COMMERCIAL INSURANCE CHANGE

Excess Property Insurance

In October, Risk Management Division (RMD) renewed the Excess Property insurance policy. The property insurance market is slightly improved over last year. There are more carriers willing to write coverage. This enabled us to renew with a limit of $400,000,000. There are eleven insurance companies providing coverage at varying levels. Deductibles remain at $4,000,000 for earthquake and flood or $1,500,000 for all other perils.

Remember that property insurance does not cover everything. The excess policy follows very closely to our self-insurance coverage. Read that policy.

A few of the exclusions on the excess policy includes damage caused by EIFS (failure of exterior, insulation or finished system due to water penetration, failure of sealants, leaching, discoloration, etc.) or cost to repair the EIFS, faulty workmanship, and property located in flood zones A, B and V. These are properties located in the 100 year, 500 year flood plains and coastal property. If your agency owns property in these flood zones and are concerned about coverage, please contact us.■

RisKeyNotes - A publication of the State of Oregon, **Department of Administrative Services**, Risk Management Division,
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Published 3 times yearly

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Distribution to: State Executive Service, Management Service, and other interested employees or persons. Call (503) 378-4706 with distribution questions.

Vol. 16, No. 2, January 2004

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