



# State of Nevada

Department of Administration

## Risk-y Business Risk Management Division

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### In this issue:

|                      |   |
|----------------------|---|
| Annual Report        | 1 |
| Natl. Safety Month   | 1 |
| Spec. Equip. Fund    | 1 |
| Litigated Workers    | 1 |
| Comp Claims          |   |
| Property and         |   |
| Contents Insurance   | 2 |
| APD Rates Increase   | 2 |
| Hepatitis C          | 2 |
| Aid For Your Back    | 2 |
| Tort Claims          | 3 |
| AED's                | 3 |
| Quest of the Quarter | 4 |

### 2001 Annual Risk Management Report

The 2001 Annual Risk Management Report has been completed and forwarded to the governor for review. The report will also be distributed to agency heads and will be posted on our website ([www.risk.state.nv.us](http://www.risk.state.nv.us)). Some highlights of the report are:

- |   |   |
|---|---|
| 1. Injury decreases                       | 6. Indoor Air Quality overview  |
| 2. Lost time/indemnity claims decreases   | 7. Motor Vehicle claims   |
| 3. Cost per claim decreases               | 8. Subsequent Injury Fund Update  |
| 4. Department Comparisons                 | 9. Workplace violence incidents down                                    |
| 5. Training educates over 1,400 employees | 10. Cash flow Savings for Workers' Comp premiums over 3 million dollars |

### LITIGATED WORKERS COMP CLAIMS



While we do not have exact statistics on the number of litigated workers' compensation claims for years prior to 2001, we have noted fewer notices of hearing and appeals.

During 2001 policy year, only 19 determinations were challenged. Considering that there were nearly 1,300 new claims that year, a 1.5% litigated is a significant improvement over previous years. Of the litigated claims only 3 were reversed, 3 remanded, and the rest were affirmed or dismissed.

### SPECIAL EQUIPMENT FUND

Risk Management Division has a fund where State Agencies who have not budgeted for special equipment can request financial assistance with purchases of non-medical or ergonomic equipment. This fund is not intended to replace an agency's responsibility to provide appropriate standard equipment for employees as required in the SAM, Section 0500.

In the past year we have noticed that swift responses to employee needs were not always forthcoming, which causes a multitude of problems for the agency and the State in general. If you request assistance from the fund, please complete the required paperwork immediately and return it to Risk Management. Call Ann Schlatter at 684-7061 for more information.



### MAY IS NATIONAL ELECTRICAL SAFETY MONTH

- The National Electrical Safety Foundation Consumer Product Safety Commission encourages consumers to be aware of Ground Fault Circuit Interrupters (GFCIs)-the "TEST" and "RESET" buttons in bathrooms, kitchens and circuit panel outlets. They should be tested monthly and replaced after an electrical storm.
- GFCIs have likely saved hundreds of lives and thousands of serious injuries in the last decade.
- For more information view the National Electrical Safety Foundation website at [www.nesf.org](http://www.nesf.org).

# Insurance for FY 2004/2005

The Budget office recently distributed a copy of Risk Management's current copy of the schedule of property and contents (GL #7051) to all agencies, commissions and boards with State owned assets. This document has been revised to reflect updates since the last biennium's budget schedule. There will still be some changes made prior to final budget deadlines, however this version has been sent out to help assure accurate budgeting for this general ledger account. A careful and thorough review of the previous schedule identified a number of properties that were not included or reported values that were not accurate. **Please note that if one of your sites experiences a total loss, the replacement costs from the insurer will be held to the reported values.** We are starting to integrate replacement

costs identified in the SPWB Facility Audit Reports for each site and will replace your current stated values with the SPWB replacement value as we receive these reports. In addition we are assigning a standard contents value of \$20.00 per square foot. If you have unique special equipment or a large concentration of computer equipment at any of your sites, please contact us for discussion of revisions to the contents value.

Please make sure to review this data and report to Risk Management in writing all discrepancies. Be sure to include complete address information and Budget Account Number so that the changes to the insurance schedule can be appropriately executed.

Please note that we expect a need for rate increases to all agencies in FY 2004/2005 due to significant increases to property insurance premiums that are occurring within the market



## HEADS UP-Increases in Automobile Physical Damage rates!!!



Risk Management is reviewing the vehicles for which we are providing comprehensive and collision coverage. Due to the high cost of replacement of many of these vehicles, such as fire trucks, busses, etc., we are working to develop a revised rate structure that will access rates based on the replacement values of the autos and not just one standard rate. We envision a 3 tier structure- one rate for vehicles with values under \$25,000, a second rate for vehicles with values between \$25,000 and \$50,000 and a third rate for vehicles valued over \$50,000. This program would be in effect in FY04.

In the meantime, we are evaluating deductible increases effective July 1, 2002 for certain high value units. This will be announced at a later date.

Hepatitis C is a bloodborne blood or body fluids that contain million Americans are infected with responsible for an estimated 8,000-disease. It is the most common



Hepatitis C is five times more infectious than HIV but less infectious than Hepatitis B. Hepatitis C can live outside the body for two weeks. There are now over 80 subtypes of Hepatitis C which is why there is not a vaccine for it. Incubation is 14-180 days (56 average). Hepatitis is the leading cause for liver transplant and the 10<sup>th</sup> leading cause of death in the U.S. The majority of people infected with hepatitis C virus don't even know because of the silent nature (absence of symptoms) of the disease. Some people may even harbor this virus for 20+ years before they discover that they have it. The hepatitis C virus can and does damage the liver. 70 - 80% of individuals who contract hepatitis C will become carriers of the disease. There is no vaccine available.

infection, and may result from exposure to the hepatitis C virus. Approximately 3.9 hepatitis C. Currently, hepatitis C is 10,000 deaths annually from chronic liver bloodborne pathogen in the United States.

## Back Aide for Your Back

Next to the common cold, a sore back is one of the most common problems that we will experience in our lifetime.

The key to having a healthy back is knowing what to do before it hurts.

Your back is more vulnerable when you are working in the bent forward or sitting position. You can't always avoid these positions, but the more often you can interrupt them, the healthier your back will be. Research has shown that individuals who limit their time in awkward positions have fewer backaches.

Don't wait for the signs of strain or pulling when you are working bent forwards or sitting. Do the counter movement, the "standing back bend" to interrupt these positions.

When sitting, do the counter stretch about every 20 minutes, when working bent forwards, about every 10 minutes. To do the counter stretch, place your hands on the upper buttocks. As you gently push your hands into the buttocks, slowly lean back. Hold the stretch for one breath and then return to upright position. Do not stretch into pain. This principle can also work for your neck. If working with the head and



neck extended, take frequent breaks and slowly bend the head forwards to the counter the

extended position.

Why wait until you have an injury when you can put the prevention principles into practice right now.

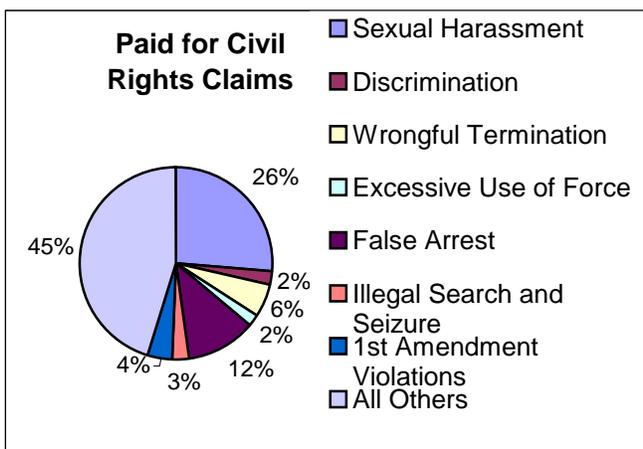
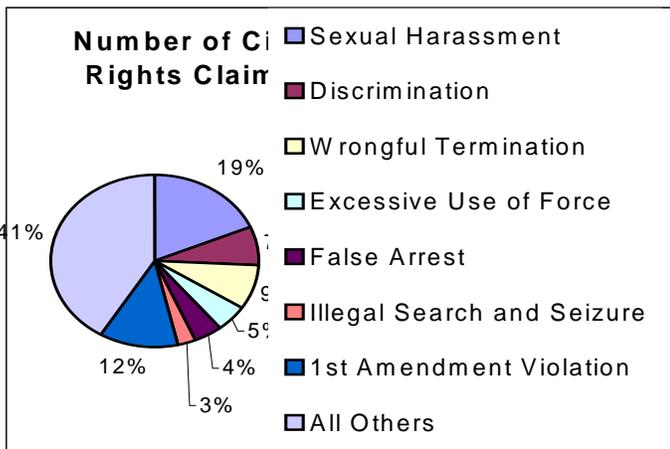
Taken from "Backs Unlimited Inc. news letter. For more information on back care, visit their web page at [www.BacksUnlimited.com](http://www.BacksUnlimited.com).

As the agency responsible for settling and paying liability lawsuits and claims against the State of Nevada, the Office of the Attorney General is very concerned with the overall financial impact of these cases. One of the major areas of concern is the cost of civil rights claims.

From the beginning of FY 96 to the present the State has settled 140 civil rights claims at a total cost of \$5,959,152 for an average cost per year of \$1,026,922. The average cost per claim is \$42,242. Of the 140 claims, 26 were for sexual harassment at an average cost per year of \$269,923 and an average cost per claim of \$60,213. Twelve claims were for wrongful termination at an average cost per year of \$57,950 and an average cost per claim of \$28,009. Ten claims during this period were for various types of discrimination (gender, race, etc.) at an average cost per year of \$23,172 and an average cost per claim of \$13,440. Included in these payments are plaintiff's attorney fees and costs which can greatly exceed any judgment for the plaintiff. The remainder of the claims were for such civil rights violations as: excessive use of force, false arrest, violation of due process, illegal search, deliberate indifference, violation of free speech or religion, and other constitutional violations.

The accompanying charts identify that the number of civil rights claims only account for 10% of the claims paid, but they account for 46% of the total amount of money paid for all claims. The pie chart does not attempt to show the ratio of the various civil rights cases because of the overlap of these claims. Most wrongful termination cases also include claims of retaliation or discrimination. A lot of sexual harassment cases include claims of hostile work environment, retaliation or discrimination. A false arrest case could include claims of illegal search and seizure or excessive use of force.

In addition to the past efforts of the Office of the Attorney General, we intend to conduct a survey of the various agencies to determine their efforts in the area of tort and civil rights claims prevention. We will make information from our claims database available to assist them in identifying problem areas. This office and the Risk Manager will assist the agencies with any training they require to reduce the claims costs incurred by the State of Nevada.



### .AUTOMATIC EXTERNAL DEFIBRILATORS (AED) IN STATE BUILDINGS!

Automatic External Defibrillators, also known as "AED's", are now in the Capitol Complex in Carson City and in the Grant Sawyer Building in Las Vegas.

This issue was initially spearheaded through a formal request from the Safety Committee at the Grant Sawyer Building. Risk Management, through the Special Equipment Fund, received authorization to purchase two AED units. The Safety Consultation and Training section dedicated one of their consultants, Bill Calvert, to develop, coordinate and oversee procedures and training of volunteers. Sign-ups for volunteers were above expectations. Total employees trained in the use of an AED were 61 in the north and 28 in the south. The Capital Police have primary jurisdiction and control of the units and will utilize the services of volunteers when needed. This

project has been made possible through the cooperation of many State agencies and its success will be dependent on the volunteers who have willingly stepped forward to be involved.

Emergency plans for affected buildings are being updated to include situations that require a response with the AED. Phones have been programmed for "group calls" that will be used to notify responders. The response teams in the north will respond to the Library, Supreme Court building, Attorney General's Office, Controllers Office as well as the Capitol Building. Drills are planned and will be executed as soon as emergency plans are finalized.



### GENERAL INFORMATION ABOUT AEDS

Developed in the early 1990s, automated external defibrillators (AEDs), unlike larger versions found in ambulances, clinics and hospitals, are designed to allow people with modest training to safely deliver effective cardiac defibrillation. An initiative to place AEDs in strategic locations was spurred by

the American Heart Association in 1994. The goal of the organization's Public Access Defibrillation initiative is to place AEDs in locations such as international airports, county jails, large shopping malls, public sports arenas and large industrial sites so that persons with minimal training could promptly defibrillate victims of cardiac arrest.

It's estimated that **only three percent to five percent** of the 250,000 Americans who experience out-of-hospital cardiac arrest actually survive. Once sudden cardiac arrest occurs, **the chances of survival are reduced about 10 percent every minute after the arrest.** An operator of an AED is guided by an automated system that, after the power is turned on,

instructs the operator to attach electropads. After the pads are attached the device analyzes the heart rhythm and, if the rhythm is ventricular fibrillation, a voice-activated prompt

advises the operator to administer the shock. In a study, AEDs were placed in selected casinos in **Nevada** and Mississippi. Results from the study showed that, of the 105 individuals who experienced ventricular fibrillation, **74 percent of those defibrillated in three minutes or less survived!!**

The effectiveness of the AED recently prompted governmental agencies and Congress to pass laws regarding the availability and usage of the devices. In April, the Federal Aviation Administration ruled that all U. S. airlines be required to carry defibrillators and upgrade emergency medical kits within three years. In 2000, Congress passed the Cardiac Arrest Survival Act, which extends Good Samaritan protection to AED users in states that do not currently have protective legislation. Guidelines are currently being developed for placement of AEDs in all federal buildings.

**The State of Nevada, subsequent to legislation passed in 2001, establishes Good Samaritan protection to AED users**



## Workers' Comp Question of the Quarter:



Are volunteers, board members, vocational rehabilitation trainees, and persons ordered to perform community service by the courts covered under workers' compensation?

Yes, according to NRS § 616A.130, § 616A.190, § 616A.200, and § 616A.195 respectively. Plus, there are other classifications listed from NRS § 616A.115 through § 616A.225.

*If one of the above gets injured and is due indemnity (disability), how are they paid, since they do not receive a wage?* The above classifications of employees have what is termed as a "deemed wage". This "deemed wage" is set by statute for each classification from anywhere from \$50/month to \$2,000/month. The deemed wage is also in NRS § 616A.115 through § 616A.225.

*How are they reported for premiums and to whom? Who pays the premium?* For the above classifications of personnel that are under the State's purview, agencies are to report the time worked for each classification/per person to State Risk Management. Supervising agencies pay the premiums on these persons. Call Ann Schlatter @ 684-7062 for additional information.

*If the courts order someone to perform community service, why should we pay for their coverage?* NRS § 176.087 and NRS § 616A.195 apply. The first statute addresses the court having the ability to impose community service as a punishment. It also speaks of the court requiring the convicted person to deposit a reasonable sum of money to pay for premiums of insurance (*I've never seen that happen!!*). The statute also talks about who is a supervising authority (county, city, town, agencies of the State and charitable organizations). NRS 616A.195 refers to the person being an employee of the supervising authority while completing their community service.



Be sure and check out our award winning website at: [www.risk.state.nv.us](http://www.risk.state.nv.us)