



State of Nevada

Department of Administration

Risk-y Business Risk Management Division

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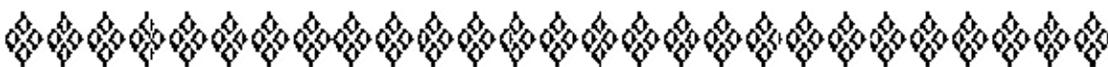
An Important Message From The Risk Manager

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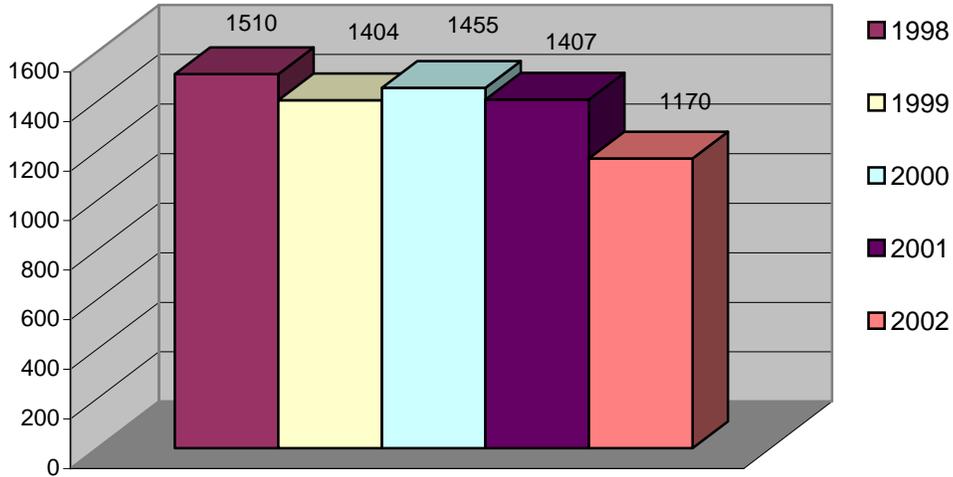
Included in this issue are several articles that outline statistical information on claims and costs in calendar year 2002. Overall, the frequency of claims, particularly workers compensation, continues to improve from previous years. However, unexpected increases in claims costs due to several catastrophic claims, increased insurance premium costs and an epidemic of mold and IAQ investigations have resulted in the fact that **funding and revenues in FY 2003 are not adequate and a supplemental premium assessment for property insurance and possibly one for workers' comp assessments needs to be initiated to allow us to meet our fiscal obligations through the end of FY 2003.** The insurance market has been in turmoil since the catastrophic

events of 9-11-01. The insurance and reinsurance industry, upon whom we rely on for catastrophic coverage, reacted by imposing sharp premium increases, more restrictive coverage, demanding insurance conditions and imposing high-risk retention levels through higher deductibles. The State of Nevada's deductibles for property insurance increased from \$100,000 to \$500,000 in July and the deductible for worker's comp insurance increased from \$1,000,000 per occurrence to \$2,000,000 on January 1, 2003. Several catastrophic workers' comp claims occurred and several large property claims were incurred, including a number of claims related to mold contamination. In addition to reduced coverages we also experienced increases in premium costs above previously projected costs. The hiring freeze impacted our projected revenues and this combined with the factors noted above has resulted in this need to assess these additional premiums to all agencies to fund remaining obligations through the end of FY 2003. **Property insurance costs (equivalent to approximately a 32% increase over previously billed costs) will be initiated by the budget office in the very near future. We may need to assess additional workers' comp payroll assessments, but we are working hard to figure out a way to avoid this.** We realize that these additional assessments may be difficult for many agencies to fund and regret the need to initiate them. I encourage you to work closely with your budget analysts to determine your options. Unfortunately this is a difficult message that many public entity risk managers have had to communicate to their agencies across the country and we can only hope that the insurance markets and severity of claims will soon stabilize. Loss Prevention and Control are more important than ever and I encourage every agency to focus on these programs and to provide essential management emphasis and support to make them successful.



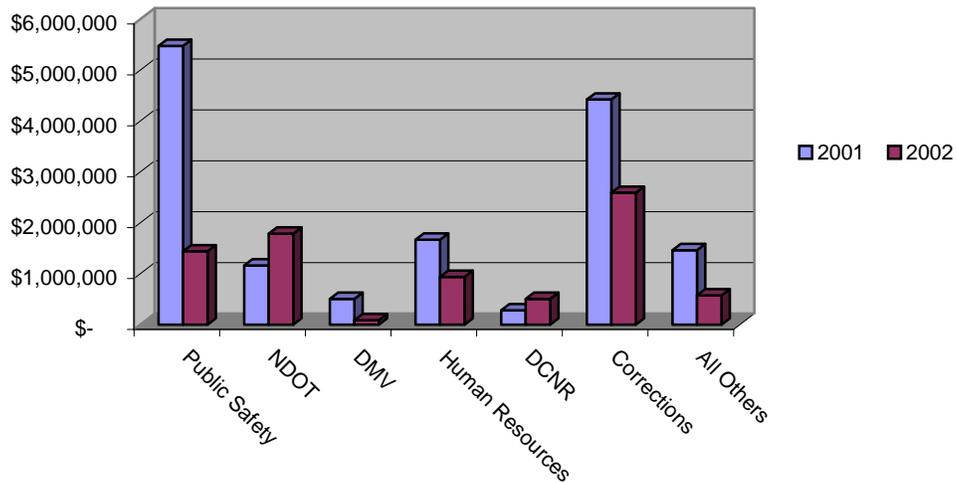
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TOTAL STATE INJURIES

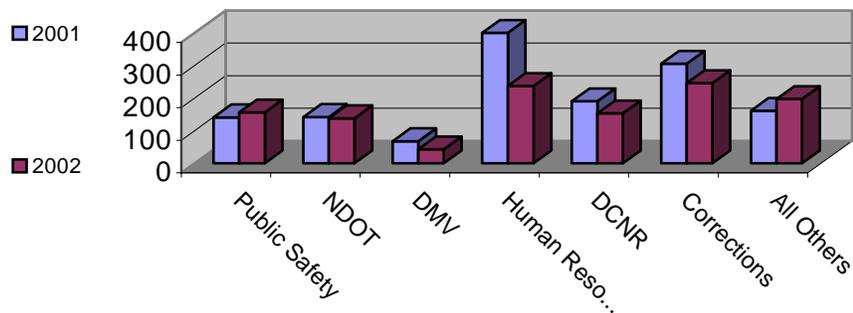


Department	2001		2002	
	Injuries	Total	Injuries	Total
Public Safety	141	\$ 5,473,238	156	\$ 1,441,151
NDOT	142	\$ 1,164,553	138	\$ 1,786,660
DMV	68	\$ 504,874	43	\$ 89,812
Human Resources	400	\$ 1,671,240	237	\$ 936,690
DCNR	190	\$ 284,497	153	\$ 504,425
Corrections	305	\$ 4,421,400	246	\$ 2,591,085
All Others	161	\$ 1,461,900	197	\$ 573,076
Total:	1,407	\$ 14,981,701	1,170	\$ 7,922,898

Claim Costs



Number of Claims



What can a Building Manager do to prepare for a possible Chemical, Biological or Radiological Terrorist Attack?

- **Know your Building's HVAC System and its vulnerabilities**
- **Develop an Emergency Plan to be able to quickly prevent outside air from entering the building**

The Office of Homeland Security (OHS) through an interagency workgroup on Building Air Protection, including the CDC and NIOSH, have developed a Guidance Document titled "***Protecting Building Environments from Airborne Chemical, Biological, or Radiological Attacks***". This easy to read document is full of effective information designed to ***make your building a less attractive target for a CBR attack and to maximize occupant protection in the event that such an attack occurs***. Implementing the recommendations in the document will not preclude injuries or fatalities in the event of a CBR release but CDC/NIOSH points out "*as with most hazards, there are preventive steps that can reduce the likelihood and mitigate the impact of terrorist threats*". Many resource documents are also provided at www.cdc.gov/niosh.

This document contains the following main sections:

Things not to do; (1) Do not permanently seal outdoor air intakes. (2) Do not modify the HVAC system without first understanding the effects on the building systems or the occupants. (3) Do not interfere with fire protection and life safety systems.

Physical Security; (1) Prevent access to outdoor air intakes. (2) Prevent public access to mechanical areas. (3) Prevent public access to Building roofs. (4) Implement security measures, such as guards, alarms, and cameras to protect vulnerable areas. (5) Isolate lobbies, mailrooms, loading docks and storage areas. (6) Secure return air grilles. (7) Restrict access to building operation systems by outside personnel. (8) Restrict access to building information. (9) General building physical security upgrades.

Ventilation and Filtration; (1) Evaluate HVAC control options. (2) Assess filtration. (3) Ducted and non-ducted return air systems. (4) Low-leakage, fast-acting dampers. (5) Building air tightness.

Maintenance, Administration and Training; (1) Emergency plans, policies, and procedures. (2) HVAC maintenance staff training. (3) Preventive maintenance and procedures.

The entire document is available for review from the Risk Management website at www.risk.state.nv.us under What's New. Also Willis Pooling will coordinate an upcoming training session for Building Managers, Safety Coordinators and maintenance/facility staff to provide education on the recommendations made in this document.

Don't panic! Remember, the necessary information and experienced personnel are available to assist you. Working together we can reduce stress.

Decrease in Worker's Comp Hearings and Appeals

The litigation rate on State claims has dropped significantly over the past few years. This is due primarily to choosing which fights to fight and in being fair in the interpretation and administration of the workers' comp laws. The claims determinations made by Nevada Administrators have been upheld in a vast majority of the cases.

During this past year (Calendar Year 2002) there were 91 requests for hearings:

- 40 Were either dismissed, withdrawn or resolved prior to the hearing
- 36 Were affirmed (the decision of the insurer upheld)
- 9 Were remanded-usually for more information or investigation
- 6 Were reversed (the decision of the insurer overturned)

2 hearings decisions went to Appeals level and Nevada Administrators was affirmed on both.

Hearings and appeals are costly and time-consuming for all parties concerned and results like these reduce overall costs to the State and minimize aggravation to the injured employees.



Be Prepared

All Americans should begin a process of learning about potential risks so we are better prepared to react during an attack. While there is no way to predict what will happen, or what your personal circumstances will be, with a little planning and common sense, you can be better prepared for the unexpected. For more information please visit www.ready.gov.

Early Return to Work Program

Agency representatives have a significant role to play in the successful outcome of a workers' comp claim. If you believe that your responsibilities end after an injured employee is referred for medical attention you need to rethink this position. There is a great deal that the employer can do and should do:

- Communicate with the injured worker on a regular basis. If appropriate, an agency representative should visit the injured worker at home, or send a card from the office wishing them a speedy recovery. (This makes for good team building).
- Encourage the injured employee to maintain contact with fellow employees. This could include things such as meetings and training classes if they are not too long in duration. This way the employee can stay up with current workplace issues.
- Remember that an employee tends to recover more quickly when participating in agency-based activities that keeps him/her focused on returning to work. It also prevents them from getting hooked on soaps. It is a fact that if an employee is out of work for a period of six (6) weeks, its difficult to get them back in the workforce, resulting in a rehabilitation program and significant expensive to the State.
- Keep personnel issues and workers' comp issues separate-don't use an industrial injury as a way to avoid or initiate disciplinary matters. The two should not be intertwined.

Keep in mind the goal of the ERTW Program-Enhance recovery and minimize costs.

Housekeeping is everyone's responsibility

There are several benefits of having organized storage and a clean workplace:

- Materials, tools, etc. are easier to find and harder to lose.
- Obsolete items are more noticeable, so it's easier to dispose of materials that are not needed.
- Less clutter means a lower risk for fire.
- Clean, clear aisles and floors reduce the risk for slips, trips and falls.
- Orderly surroundings make you feel better – you can be proud of where you work.

Keep up with cleanliness. Don't wait for a formal safety inspection to find examples of poor housekeeping in your agency. Take a little time each day to put things away and clean up your workstation.

Catch yourself before you add to housekeeping problems. Put tools or other items back where they belong. Sweep up a messy job. Wipe up spills. Reports that leak you've noticed in the lavatory. Throw away your trash.

Housekeeping checklist

Use the following checklist to help you keep housekeeping hazards under controls:

- Is exit access kept clear at all times?
- Are stored items kept out of aisles?
- Is there clear access to all fire extinguishers?
- Are fire extinguishers hanging where they belong?
- Is there at least 18 inches of clearance under all sprinklers?
- Are hazardous chemicals kept in closed containers?
- Are hazardous chemicals put back into proper storage?
- Are wet floors mopped up?
- Is trash removed?
- Are the floors swept?
- Is storage on shelves stable so items don't hang over the edge?
- Are stacked cartons, boxes or other materials stable?
- Is food kept away from areas where toxic materials are used?

AGENCY AUTO CLAIM TOTALS

Agency	Fiscal Year		Total Claims Cost	
	2001	2002	FY 2001	FY 2002
NHP	88	61	\$ 135,312.63	\$ 104,657.74
Transportation	6	15	\$ 31,592.28	\$ 103,509.48
Wildlife	19	7	\$ 6,472.13	\$ 29,153.64
Investigations	3	6	\$ 7,652.16	\$ 12,151.40
UNLV	4	6	\$ 780.57	\$ 7,281.50
Forestry	9	4	\$ 23,586.65	\$ 3,754.93
Attorney General	2	2	\$ 768.00	\$ 1,915.43
Agriculture	1	2	\$ 1,444.50	\$ 2,013.21
Child & Family Scves	6	2	\$ 23,850.23	\$ 1,234.02
Corrections	10	2	\$ 11,271.44	\$ 20,545.23
Fire Marshall	1	2	\$ 4,284.31	\$ 1,121.30
GCB	3	2	\$ 1,389.99	\$ 1,383.44
Parole & Probation	7	2	\$ 9,873.90	\$ 6,537.50
UNR	5	2	\$ 17,580.00	\$ 4,689.82
DETR	1	1	\$ 392.00	\$ 3,140.36
Industrial Relations	0	1	\$ -	\$ 1,564.50
ConservatNat Resources	0	1	\$ -	\$ 100.00
Health	1	1	\$ 553.53	\$ 2,250.17
Manufactured Housing	1	1	\$ 607.57	\$ 683.96
Mental Health	0	1	\$ -	\$ 638.80
State Parks	6	1	\$ 6,844.45	\$ 615.65
Rural Clinics	0	1	\$ -	\$ 350.95
SNAMH	2	1	\$ 1,025.97	\$ 3,950.00
Spec Child's Clinic	0	1	\$ -	\$ 512.03
Welfare	0	1	\$ -	\$ 4,786.53
Motor Vehicles	2	0	\$ 3,992.16	\$ -
Desert Regional Institute	2	0	\$ 2,009.39	\$ -
Human Resources	2	0	\$ 3,039.01	\$ -
Motor Pool	2	0	\$ 1,072.79	\$ -
Environmental Protection	1	0	\$ 268.86	\$ -
Medicaid/DHC&P	1	0	\$ 770.12	\$ -
Minerals	1	0	\$ 497.75	\$ -
Taxicab Authority	1	0	\$ 6,375.40	\$ -
Tourism	1	0	\$ 1,192.58	\$ -

TOBACCO SMOKE CONTRIBUTES TO INDOOR AIR QUALITY PROBLEMS

Environmental tobacco smoke is recognized as a major contributor to indoor air quality problems. ETS consists of both side stream smoke released directly into the air from the burning core of tobacco and mainstream smoke that is exhaled by the smoker.

The detrimental health effects of smoking are well documented. Studies show smokers have a much greater risk of dying of lung cancer, coronary heart disease, and stroke. Smoking appears to endanger the health of non-smokers too. Numerous reports have linked ETS with an increased risk of lung cancer among non-smokers. ETS contains twice as much tar and nicotine as inhaled smoke, three to four times as much benzopyrene (a suspected Cancer-causing agent), five times as much carbon monoxide, 45 to 50 times as much ammonia, and more cadmium (a toxic element that causes emphysema). ETS exposure can cause irritation of the eyes, nose, throat, and respiratory tract. In chemically sensitive individuals, these effects can be pronounced, particularly people with health problems such as emphysema, bronchitis, and pneumonia, or even just a common cold.

Many states and localities have enacted laws that prohibit or limit smoking in certain public and/or private places of employment, including hospitals and other health care facilities. Provisions vary, but may require employers to establish a written workplace smoking policy; ban smoking in certain areas such as cafeterias, elevators, and hallways; and comply with sign-posting requirements

The Joint Commission on Accreditation of Healthcare Organizations also has set standards to encourage health care facilities to maintain a smoke-free environment.

The best way to prepare for unpredictable events is to drive defensively.

1. Always maintain a good vision ahead and around your vehicle.
2. Stay alert and be prepared to react to the unexpected.
3. Drive at right speed and know when to slow down and stop.
4. Always wear the safety belt.
5. Anticipate the mistakes or unsafe maneuvers of the other drivers.
6. Watch for the reverse lights of any vehicle ahead of you.
7. Be cautious of bicyclists or children playing anywhere near the driveway.
8. Do not drive if you have been drinking, on medication, or are very tired.
9. Keep the vehicle in good working order.
10. Obey the rules of the road and give right of way whenever necessary.
11. Use headlights in rain, snow, fog, in evening, or early morning.



12. If a tailgater is following you, change lanes if possible or pull to the side.
13. Do not drive in another driver's blind spot.

CONTRACTS RISK TIP

General contractors and many others are highly reliant on additional insured endorsements to effectively flow risk down to, subcontractors, and other parties who have care, custody, and control of work. As Certificates of Insurance convey no rights and are not recognized by many courts as part of the insurance policy contract, relying solely on Certificates, as many Contractors do, is not entirely effective. Binding Subcontractors to provide not only a Certificate of Insurance but also a copy of the additional insured endorsement mitigates the real possibility that, for any number of reasons, your company may not have been endorsed to a policy.

Additionally, with the plethora of additional insured endorsements available, the coverage afforded to the additional insured can vary measurably. Binding subcontractors to not only provide a copy of the additional insured endorsement but to utilize a specific ISO additional insured endorsement form allows for customizing the endorsement to the contract format and reduces the likelihood the additional insured is not receiving the breadth of coverage expected

2003 Public Entities Safety Conference

Wednesday, April 16, 2003
8:30am to 5:00pm
Community College of Southern NV
Henderson Campus

Over 15 vendors and exhibitors will be participating and numerous guest speakers will be on hand to discuss such topics as "Protecting public buildings from bioterrorism" and "Building safety 101"

For further information please contact:
Craig Buchholz or Mel Ida
Of Willis Pooling
(775) 323-1656



Workers' Comp Question of the Quarter:



What About Forms, Time Frames and Penalties?

Form	NRS	Days	Explanation	Penalty
C-1 Notice of Injury or Occupational Disease	§ 616C.015	7	Employee should complete within 7 days after the accident; must be maintained by the employer for 3 years; employer required to keep adequate supply of blank forms for employee use	N/A
C-3 Employer's Report of Industrial Injury or Occupational Disease	§ 616C.045	6	Employer must complete and file with the insurer (TPA) within 6 working days after receiving a copy of the C-4 form.	Maximum Fine: \$1,000 per occurrence
C-4 Employee's Claim for Compensation/Report of Initial Treatment.	§ 616C.040	3	Physician or chiropractor must complete and file with the employer and employer's insurer (TPA) within 3 working days of treatment	Maximum Fine: \$1,000 per occurrence
D-8 Employer's Wage Verification Form.	§ 616C.045 § 616A.480	6	Employer must complete and file with the insurer (TPA) within 6 working days of receipt of the C-4 (if the C-4 indicates the injured employee will be off work for 5 days or more in a 20 day period) or when requested by insurer (TPA)	Maximum Fine: \$1,000 per occurrence
Blank Forms	§ 616A.480	6	Employer must fully complete any blank form received by the insurer (TPA) or the administrator (IIRS) and return to the appropriate party within 6 working days.	Maximum Fine: \$1,000 per occurrence



Be sure and check out our award winning website at: www.risk.state.nv.us

