

Who's Got Your Back?

Risk Management Division's Role in Property Protection

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Property Loss:

- Most of us have a personal property loss experience to draw on..... It's that sense of impending disaster during a wind storm, thunderstorm, hail storm or car accident when all you can say is OMG!
- At RMD we try to minimize the extent of the loss from almost every source whether we can control the risk or not.

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At this point, it's not if it's going to happen!

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It may be a little late to discuss your insurance coverage.



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You can bet today is not going to be a good day.



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RMD's three pronged approach to property protection:

- Insurance Reviews and Appraisals
- Construction, Occupancy, Protection, Exposure (COPE) Audits
- Infrared Testing

Following an event, RMD claims handling can help minimize the loss.

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Insurance Review and Appraisals

- We verify that insurance coverage matches your reported values.
- We look for gaps in coverage.
- We analyze variability in cost per square foot for your building at your location.
- We adjust for inflation.
- When there is a question on the value, we may hire an appraiser.
- We look at the building contents (high value equipment).



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Actions you must take to ensure proper values:

- Accurate building values must be known so appropriate premiums can be assigned
- Changes in building use must be reported
- Renovations and improvements must be reported
- High value equipment added or removed must be reported
- Don't rely on your financial reports for building values. Report the "Cost to Replace" not cash value
- Facilities must be maintained

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Construction, Occupancy, Protection, Exposure (COPE)

RMD uses outside experts trained to do these audits.

The auditor looks at the building structure and how it is used.

They also review your sprinkler system coverage, building security systems, electrical distribution systems and fire protection systems.

They identify any potential problems that could lead to significant loss.



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What criteria determines where and when RMD will schedule a COPE Audit?

- High value property (10M+)
- High value content
- Domicile
- High Public Use
- Age of the building(s)
- Time since last inspection
- Loss experience

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What's involved in the audit?

One Visit.....Two Reports

COPE ↔ Safety

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RMD's Expectations for Audits

- Both Audits suggest possible remedies for the issues identified.
- Consultation services are available if there are questions.
- Responses to the Safety Audit are due at 30 and 60 days.
- Responses to COPE Audit are due within 90 days.
- Responses to the COPE Audit are sent to our reinsurer to help reduce premiums
- COPE Audit recommendations can apply pressure for

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Common COPE Issues

- Closed valves that should be open.
- Annual inspections that have not been completed.
- Valves that are not locked when they should be.
- No valve monitoring systems in place.
- Weekly and quarterly flow or churn testing not completed.



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Fire Extinguisher issues

- Blocked
- Incorrect type
- Not inspected monthly
- No annual vendor inspection done
- Free standing, not hung
- Location not well identified



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Life Safety issues

- Blocked exits
- Exit lights not lit
- Clear exit signage not in place
- Dead bolt locks in place while the building is occupied
- Exit door blocked by snow or ice
- No clear egress from the building



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Electrical Issues

- Blocked access to the panels
- Combustible storage near panels
- No legend identifying the breakers
- Open breaker slots missing inserts
- Material and equipment stored within 36" of the panel front
- Access doors left open
- Knock outs removed from panel sides



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Flammable Storage issues

Illegal gas containers (not safety cans) in use

Flammable cabinets left open

Flammable cabinets used for dispensing to smaller containers not grounded

Tools or other equipment stored inside flammable cabinets



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Compressed Gas Storage

Unsecured tanks

Tanks stored without caps

Oxygen and Acetylene stored within 25' of each other without a fire wall separation

Securement wrapped around the regulator, not the tank

LP Gas tanks stored outside flammable cabinets



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Kitchen fire suppression equipment

Ansul system nozzle caps not in place

Ansul system not inspected as required

Nozzle placement wrong

Equipment placement is a hazard

No Type K extinguisher



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Safety Issues Commonly Found:

Eyewash stations

Electrical hazards

Machine guarding

Hoist/Crane inspections

Lack of/dirty/unused PPE

Lack of fall protection equipment

Fluorescent bulb storage (environmental)



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Infrared Testing

This testing is done with an Infrared Camera that can read differences in temperature of as little as 1/10th of a degree.

A Certified Thermographer is contracted for this service.

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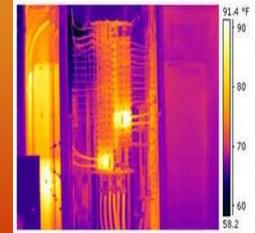


Infrared Testing

Variations in temperature can indicate an overload and predict an imminent failure.

Service recommendations and approximate costs of repair vs. failure and shutdown are provided in the report.

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Other Infrared Uses

Thermal Cameras can be used to find moisture leaks or water infiltration to help pinpoint problems.

This can also help find potential mold growth.

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RMD's Schedule of Loss Control Activity

- Insurance Reviews are done on an ongoing basis
- Appraisals are scheduled only as needed
- COPE Audits – RMD Goal is every 4-5 years
- Infrared Testing – RMD Goal is every 4-5 years

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Recommended Insured's Schedule for Loss Control Activity

Facility Auditing

- Monthly Fire Extinguisher inspections
- Semi-Annual Ansul System inspections by outside vendor
- At least annual Roof inspections by an outside contractor
- Monthly roof inspections by facilities maintenance staff
- Regular/Ongoing visual inspections of exits/egress
- Regular/Ongoing visual inspections of electrical panels
- Regular/Ongoing visual inspection of storage areas/sprinkler heads

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Required Automatic Sprinkler System Inspections and tests (NFPA 25)

- Fire pump churn tests conducted weekly
- Valve heads (Locked Open or Closed) inspected monthly
- Water Flow Alarms tested quarterly
- Valve Tamper Alarms tested semi-annually
- Full flow testing conducted annually

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