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A Quarterly Publication of the Risk Management Division

Director's Column

Under One Roof



The workers' compensation and property and casualty staff recently moved to their new space on the third floor of the Centennial Office Building. We are now all under one roof!

The newly merged Risk Management Division (RMD) has achieved several important steps while continuing to provide great service to its customers. In the last **ALERT**, we shared our new mission statement. Since then we have:

- Updated the organizational structure to place renewed emphasis on safety and loss control, as evidenced by a successful second annual Statewide Safety Conference;
- Completed a five-day Kaizen event to improve the timeliness and quality of first report of injury data;
- Published a request for proposals for an integrated risk management information system to replace four separate systems currently operating in the division; and,
- Completed a customer satisfaction survey that indicated high levels of customer satisfaction and a number of opportunities for further enhancing customer service.

These are just some of RMD's accomplishments since the merger. These efforts, along with those of our newly created management and business support unit, are making marked improvements in the overall efficiency and productivity of the division.

Plans are underway for an Open House for our clients and other interested parties; an announcement will be forthcoming soon!



Another reason to celebrate! Workers' Compensation employees co-locate with the Property and Casualty unit.



Thank You!

Rarely do we take the time to thank those who it is our honor to serve: policyholders who rely on us to meet their property and casualty insurance needs, employees who depend on us for workers' compensation claims management, and those who allow us to provide consulting and other insurance and risk management services such as safety and loss control. Although we have proven year after year that we offer first-rate claims management, consulting services and broad property and casualty insurance products at incredibly low rates, we know we must continue to earn the trust and confidence of our clients.

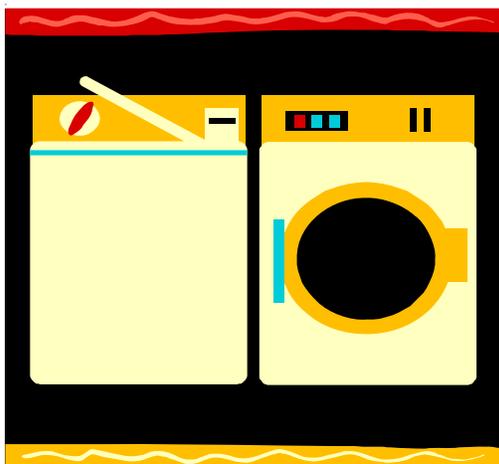
A recent survey conducted by the Minnesota Department of Administration revealed that most of our customers are pleased with the manner in which we meet their insurance, claims and risk management needs. By the way, we appreciate the kind words! Several clients, however, thought we had work to do in specific areas and offered some great suggestions on how we can best accomplish it. Be assured, we will take all comments to heart and will diligently work to make process improvements.

To those to whom we provide insurance coverage, claims management services, vendor/contractor insurance requirement recommendations, safety and loss control services, and advocacy in settling claims in the absence of insurance, **thank you** for the privilege to serve you!

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The Dirt on Clothes Dryers



Whenever equipment or machinery generates heat, inherent danger exists. Clothes dryers are no exception. They are frequently the culprit in household fires, and oftentimes the source of fire in commercial buildings as well as state-owned facilities. Clothes dryer fires have caused considerable damage to state facilities in three separate instances in recent years.

According to the U.S. Fire Administration, clothes dryers were responsible for an estimated 15,600 structure fires annually from 2002 to 2004. The fires resulted in an average of 15 deaths, 400 injuries and \$99 million in direct property damage each year. The leading cause of fires is the lack of maintenance, primarily lint build-up in the exhaust system.

Don Beckering, State Director of the Minnesota State Colleges and Universities Fire/EMS/Safety Center, has compiled the following comprehensive list of best practices for preventing dryer fires. He addresses the need for cleaning and maintenance and stresses special care when drying materials that are soiled with volatile chemicals such as solvents, gasoline and cleaning agents.

CLEANING * MAINTENANCE * PREVENTION

- Lint screen/filter should be cleaned after each use. Lint is a highly combustible material. Lint with chemical residues can be even more combustible.
- A dryer with an exhaust vent that is 75 percent blocked can elevate the operating temperature up to 89 percent. If the normal operating temperature is 300 degrees F, a 75-percent restricted vent could increase it to 567 degrees F.
- Lint traps miss a significant amount of lint, causing it to build up inside the dryer, dryer vent and even on the heating element. Check dryers frequently for lint build up outside of the trap.
- Metal vents are preferable and often required. Plastic/flex-type can melt or ignite.
- Use rivets or very short screws for connecting metal vent sections. Longer screws that protrude into the vent will catch lint and make removing it more difficult.
- Check outside vents for lint build-up or obstructions.
- Clean vent systems periodically.
- Keep dryer exteriors, adjoining areas and laundry rooms clean and free of lint build-up and clutter.
- Lint infiltrates smoke detectors – dust and/or vacuum smoke detectors frequently to ensure efficient operation and to keep sensors free of debris.
- Never, ever obstruct or block sprinkler heads.
- Fire extinguishers for laundry rooms or areas with a clothes dryer should be ABC-rated, which covers burning combustibles, flammable liquids and electrical fires.
- Report and/or repair an improperly working dryer immediately.
- Dryers that do not shut off automatically are unsafe. If the timer is defective or not operating properly, excessive heat will build up in the dryer drum after drying is completed. In some cases, the material in the dryer may burst into flames.
- Carefully read the operation/maintenance manual and follow the manufacturer’s recommendations.
- Remove dry items immediately and place in a ventilated area to avoid the potential for spontaneous ignition. Spontaneous ignition is the delayed ignition of solid combustible materials due to an internal heat generation process. For example, spontaneous ignition could occur when cotton cloth materials removed from a hot dryer are stuffed into a bin or hamper. Since there is no ventilation in the hamper and cotton is a combustible material, the heat generated in the hamper can cause the materials to self ignite. This can also occur when items are dried and left inside the dryer drum after the cycle is completed. Without a route for heat to escape, the materials can combust.
- Avoid leaving dryers unattended and check them frequently during operation.

* DRYING ITEMS CONTAINING HAZARDOUS MATERIALS OR FLAMMABLE LIQUIDS *

Towels, clothing and cleaning rags can absorb hazardous materials and flammable liquids. These materials and liquids produce “hydrocarbons” – molecules of unburned fuel. Hydrocarbons absorb heat and can ignite if heated to the ignition temperature of the product. Additionally, hydrocarbon molecules are drawn to moisture or water like iron filings to a magnet. In simpler terms, exposing a wet or damp fabric to a flammable/hazardous material causes the hydrocarbons to attach to the fabric. Therefore, “normal” washing with laundry detergent generally **will not** remove the hydrocarbons and the unburned fuel molecules will remain in the fabric.

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For example, if a cotton-based towel is used to clean up paint thinner, the hydrocarbons from the paint thinner attach to the fabric and remain there even after the towel is rinsed or washed in the traditional manner. In the dryer, the towel can ignite when the temperature reaches the ignition point of the hydrocarbon. There are documented cases in which cloth materials contaminated with paint thinner, nail polish remover, gasoline, kerosene and even cooking grease have ignited inside a dryer.

If items containing flammables/hazards are going to be dried, it is imperative that they are washed properly to remove the hydrocarbons. Special detergents are available that, when used properly, create a surfactant action that releases the hydrocarbons.

The “best practice” in dealing with cloth materials contaminated with a flammable material is to know the product and know how to remove the hydrocarbons through a washing process.

Dan Roeglin, Fire Protection Specialist in the Office of the Chancellor’s Fire/EMS/Safety Center, can provide information to campus personnel regarding the proper cleaning of materials as well as safety and fire prevention in the use of clothes dryers. He can be reached at 651-649-5450 or dan.roeglin@so.mnscu.edu. The Risk Management Division can provide assistance to all other state agencies.



CorCareRX Reduces Workers’ Comp Costs

Pharmacy Network-Prescription drugs are the fastest rising component of Workers’ Compensation costs. CorCareRX is CorVel’s Pharmacy Management Program and is designed to reduce prescription drug expenses for work-related injuries. Participants can save up to 60 percent off the retail price of prescriptions associated with a Workers’ Comp claim. Employees that are filling prescriptions for Workers’ Compensation should always use a CorCareRX card.

Benefits:

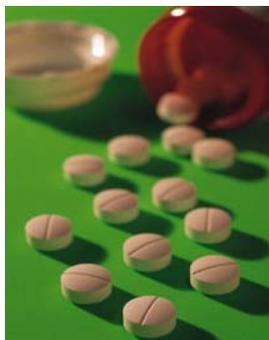
- Injured employees avoid paying for prescriptions out-of-pocket
- Discounted prescriptions
- Access to a large national pharmacy network
- Mail order capabilities

CorCareRX ensures that the medication an injured employee receives is appropriate for the injury and is dispensed in the appropriate quantity. CorCareRX enables significant cost savings and effective claims management while delivering the highest level of care for patients.

CorVel Corporation is the Managed Care Plan provider for the State of Minnesota. If you need assistance with CorCareRX, please call CorVel Corporation at 612-436-2542, or you may also contact your claims specialist.



CorCareRX Cards are widely accepted. Some pharmacy chains include:
Costco
Cub
CVS
K-Mart
Rainbow Foods
Snyder’s
Target
Wal-Mart
Walgreens



Another RMD Dividend!



We are pleased to inform you that the RMD has paid out yet another dividend! In fiscal year 2009, the fiscal year 2007 dividend of \$1,383,483 was distributed to eligible policyholders (39 percent in the property line, 28 percent in the auto liability line and 33 percent in the general liability line). This dividend is among the largest paid to Risk Management Fund policyholders.

Dividends help agencies in at least two ways. First, they can lessen the consequences of already strapped budgets and permit the continuation of valuable services to state government and to the citizens of Minnesota. Second, dollars are available for agencies to invest in the maintenance of infrastructure, machinery, equipment, automobiles and more, thereby mitigating losses and allowing operations to continue uninterrupted.

Most losses are preventable. Agencies’ commitment to this principle has influenced the Risk Management Fund’s ability to pay its 12th dividend in 13 years. Hence, agencies have reaped the benefits of risk improvement efforts year after year.

Although annual dividends are not a guarantee, continued commitment to safety and loss control measures is sure to bring the possibility of future dividends much closer to a reality.

Stay **OUTSIDE** in Cold Weather

Cold weather often brings with it familiar, yet oftentimes dangerous, methods of staying warm. Re-entering your vehicle after putting the fuel-filler nozzle in the fuel tank is one of them. This practice is dangerous and can even be deadly. Stay outside the vehicle while fueling. Getting back in the vehicle during fueling can create static electricity and cause an explosive fire, engulfing you and your surroundings in flames in no time. Take seriously this cold weather alert: Keep Out!

If you absolutely must get into your car while filling up, make sure that when you exit, you close the door while *touching its metal surface*. This will remove any static electricity from your body. Then, and only then, remove the filler nozzle from the fuel tank.

It's also a little-known fact that using a mobile phone – turning it on, answering or making a call or simply when it rings – releases enough energy to ignite fuel vapors. To keep safe, do not use mobile phones at filling stations or when fueling lawn mowers, boats, snow blowers and other equipment. Mobile phones also should not be used, or should be turned off, around solvents, chemicals, gases, grains or other materials that generate flammable or explosive fumes or dust.



Remember these four rules for safe fueling:

1. Turn off engine
2. Don't smoke
3. Don't use your cell phone – leave it inside the vehicle or turn it off
4. Don't enter your vehicle during fueling

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<http://www.mainserver.state.mn.us/risk>

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