



Director's Column

The Big Payoff

Favorable loss experience and controlled Risk Management Fund (RMF) operating expenses allowed 116 policyholders to recently receive a share of the \$515,252 FY2009 dividend payable in FY2011. Eighty-four percent of the total dividend was declared for the auto liability line and sixteen percent for the general liability line.

Even in times of strained budgets, state agencies have the opportunity to reap financial rewards in the form of a dividend by implementing sound risk management

practices, such as safety and loss control. These practices impact dividends in two ways. First, they reduce the severity and frequency of losses, which directly impacts whether a dividend will be declared and the amount of the dividend. Secondly, because adherence to safety and loss control measures reduces claims, the associated claims handling costs are also reduced, positively impacting the expense side of the dividend equation.

Total RMF dividend payments over the past fifteen years, representing the auto liability, general liability and property lines, have reached \$16.8 million. Although dividend payments are never guaranteed, the FY2011 payout represents the 14th dividend in the last 15 years. For this reason, the odds are pretty good that agencies insured through the RMF are likely to receive a dividend.

Dividends are proof positive that attentiveness to the proactive management of risk is paying off. Keep up the good work!

Save the Date!



It's not too early to begin making plans to attend the fifth annual Minnesota State Safety and Loss Control Conference, set for October 25 - 26, 2011 at the Hennepin Technical College in Eden Prairie.

Already underway are plans for a wide array of concurrent sessions, including Continuing Education opportunities; however, it's not too late to submit your suggestions for timely topics.

Contact Todd Christensen at todd.christensen@state.mn.us or by phone at 651-201-3005 with your thoughts or ideas, and join us at the Conference on October 25 - 26.

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Watch Out for “Routine Activity!”

By Todd Christenson, Safety and Loss Control Manager

By working in health and safety for the state over the years, I have had an opportunity to see and hear about the hazards associated with the tasks that state employees are asked to perform each day. Every year, the Workers' Compensation Program receives over 2,600 reports of workplace incidents that result in injuries and the submission of a workers' compensation claim. These injuries vary in severity from first aid to fatalities.

I recently was reading a report about an incident involving a state employee in which it stated the task was considered a “routine activity.” So I ask myself, “If state work is *routine* why are we experiencing all these injuries?”

By considering work *routine* we run the risk of being complacent. The definition of complacency from Dictionary.com is, “a *feeling of quiet pleasure or security, often while unaware of some potential danger, defect, or the like.*” It is easy to become complacent when we complete the same *routine activities* day after day with no adverse consequences.

To combat complacency we must create a culture of awareness. Now, think about your own driving habits. Are you complacent? Do you assume that a green light at an intersection means there are no hazards and you can proceed without concern? Many of us do and there are many motor vehicle crash statistics suggesting this is a bad assumption.



I have two young inexperienced drivers in the family now; so, every time I am riding with them I try to instill constant awareness of their surroundings, especially at intersections and, even more importantly, at controlled intersections. I encourage them to scan all intersections as they approach them. I don't want them becoming complacent and assuming others' actions.

My son accuses me of always thinking about all the bad things that could happen, even when we are talking about *routine activities*. But by doing so, I am able to anticipate and control the hazards that can lead to injury. Are you or your employees performing routine activities on autopilot or are you anticipating what could happen and taking action to prevent it?

There are inherent risks in everything we are charged to do for the citizens of Minnesota, and it is our collective responsibility to insure that the work is performed well. A job well done means no one is injured, property is not damaged, and everyone goes home at the end of the day! To all State of Minnesota employees, whether you are a frontline worker, supervisor, manager or program director, or the commissioner of an agency, please understand that there is no such thing as a *routine activity*!

If you would like to discuss safety and loss control please contact the Risk Management Division at 651-201-3005.



Phased Implementation Planned for Risk Management Information System

The Risk Management Division is continuing to merge four separate technology systems into one integrated risk management information system. A phased implementation is now planned.

The new information system will replace a twenty year old workers' compensation system and the multiple licensing and maintenance agreements of other risk information systems. It will also offer web-enabled statewide injury reporting, automate key functions and provide enhanced security.

The expanded functionality and some of the customized development

has taken longer than estimated. For example:

- ❖ A more streamlined approach to reporting injuries was identified as part of a Lean Kaizen event. Building the new workflow into the system was not part of the original specifications, but automating is a vast improvement over the old paper-intensive approach;
- ❖ The state's requirements for calculating workers' compensation benefits are entirely unique to Minnesota, and extensive development and quality testing has taken more time; and
- ❖ The state's new security standards, changes in federal Medicare reporting requirements, and the need for a SWIFT interface all raise new requirements.

The goal of Phase one is to go-live with the core workers' compensation claim functionality in July. The go-live target for Phase two, including the property and casualty functionality, will come in a second and subsequent phases, depending on timely completion of Phase one.

Taking a phased approach helps focus on core functionality first and provides flexibility for dealing with other changes, such as SWIFT and new reporting requirements.

Another Demonstration of RMD Value

When the Health Licensing Boards recognized that their Medical Professional Liability Insurance Program for their voluntary health care providers was becoming both cumbersome and costly, the RMD located just the solution.

The Voluntary Health Care Provider Program, established by the Health Licensing Boards, facilitates the provision of health care services by volunteer health professionals. Since the volunteers treat patients through eligible health care facilities and organizations around the state, each volunteer doctor, dentist and nurse must have malpractice insurance to cover professional errors or omissions.

For the 42 volunteers that currently participate, the Health Licensing Boards were managing 42 separate applications, 42 annual invoices, and 42 insurance policies. Ten new volunteers eager to begin serving were unable to do so because the Health Licensing Boards ran out of funds to pay for the insurance. The new RMD solution provides larger limits, broader coverage and results in more than a 75% premium savings. Additionally, a single policy covers **all** volunteers – the 42 current volunteers as well as the 10 that are waiting to serve and any other volunteers that join the program during the policy term.

Thank you for all your time on this and helping locate something that will save this program a ton of money.

*Juli Vangsness
Health Licensing Boards*

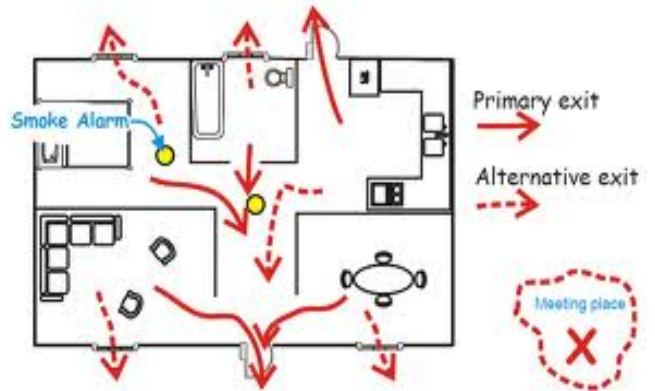
Health Related Licensing Boards' Juli Vangsness, responsible for the administration of the volunteers' insurance, was thrilled that the new malpractice insurance solution eliminates a heavy administrative burden and affords a substantial premium savings.

100 Years After the Triangle Shirtwaist Factory Fire: A History Lesson on the Importance of Emergency Evacuation Drills

The Triangle Shirtwaist Company fire that occurred 100 years ago (March 25, 1911) in New York City was a major impetus that led to the development of occupational health & safety measures, fire safety & prevention efforts and state-based workers' compensation systems. The blaze that killed 146 workers was the deadliest U.S. workplace fire until September 11, 2001. The workers were unable to exit the ninth and tenth floors of the building due to locked exit doors, a failed fire escape and fire truck ladders that were too short to reach the ninth floor. Many died after leaping from the windows as the flames of the fire consumed the entire floors within minutes.

While the Triangle Shirtwaist Company fire highlighted the need for changes in America's workplaces, it still serves today as a reminder of the importance of workplace safety, especially the practice of building evacuation drills. Companies that routinely hold evacuation drills do so in an effort to make their workplaces safer for their employees and visitors.

RMD encourages agencies to review their building evacuation policies and conduct periodic drills to ensure that all employees know when and how to respond in the event of an emergency. With changes to the demographics of our workplace, we must be careful not to assume that all employees and visitors have had the same experience in how to respond in the event of an emergency. Properly posted emergency evacuation signs and conducting regular drills will help to ensure that employees and visitors are prepared to respond in the event of an emergency.



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