



## Director's Column

By Liz Houlding, Director

The Property and Casualty (P & C) Program achieved a FY2011 fourth quarter combined loss ratio of less than 100 percent for all lines of business - auto liability, auto physical damage, general liability, and property. Loss ratios are an industry-wide benchmark. When premiums collected are sufficient to pay claim costs and operating expenses, the loss ratio is less than 100 percent. Conversely, when pre-

miums collected are insufficient to pay claim costs and operating expenses, the loss ratio is more than 100 percent.

State agencies are well positioned for a dividend when their individual loss results are favorable and the P & C Program experiences loss ratios below 100 percent for the auto liability, general liability, and property lines of business. As the third quarter of FY2012 comes to a close, the P & C Program is on track to repeat this stellar performance for all lines of business, except property. The property loss experience has trended downward because state facilities have sustained property damage from a variety of perils in FY2012.

Agencies can reduce their workers' compensation costs by participating in CorCareRX. In FY2011, state agency participation in CorCareRX increased from a low of 43 percent to a high of 71 percent. To maximize agency savings, the goal is to increase participation to 90 percent. Participation in this program has an average savings of 8 to 10 percent per prescription. Agencies can increase initial usage immediately following a work-related injury by providing employees with a First-Fill Prescription sheet that employees can use one-time to fill any prescription that their doctor might prescribe before the employee receives the CCRx pharmacy card. To use the First-Fill Prescription sheet, click on the link below, copy the sheet, and give it to employees when they report their work injury.

<http://www.admin.state.mn.us/risk/wc/documents/CorVelCorCareRxFirstFill.pdf>

The Risk Management Division (RMD) continues to work with the risk management information system vendor to complete system development and the delivery of a fully functioning workers' compensation claim system. Benefit calculation, a key component, is currently being developed.

Director's Column	1
Mark Your Calendars Now!	1
Governor Dayton signs MnSAFE Initiative!	2
Enterprise's "Quickstart Program"	2
Hurry to Save on MN Safety Conference Registration!	2
Hire the Right People to Create a Safety Culture!	3
RMD Broker Receives Distinguished Award	3
OSHA Window Washing Standard	4
Jurisdictional Boiler Inspections — Update	4

## Mark Your Calendars Now!



Calling all state workers' compensation coordinators, safety and health personnel, and risk management contacts! Mark your calendars now! The State Safety & Loss Control Conference, jointly sponsored by the Risk Management Division and Minnesota State Colleges and Universities, is tentatively scheduled for October 2-3, 2012. Once again this year, the conference will provide an exceptional networking opportunity and professional development in the areas of workers' compensation, safety, loss control, and risk management. Contact Todd Christenson at 651-201-3005 or [todd.christenson@state.mn.us](mailto:todd.christenson@state.mn.us) with questions or comments or to offer suggested topics or presenters.

## Governor Dayton Signs MnSAFE Initiative!

By Todd Christenson, Safety and Loss Control Manager



Eliminating Workplace Injuries

This past fall, Governor Mark Dayton initiated a statewide safety campaign when he signed a [safety commitment statement](#) indicating that “Workplace injuries and accidents have an impact on our state workforce and our ability to deliver services to the citizens of Minnesota. These losses can and should be reduced through effective safety management systems.”

The initiative called MnSAFE, **S**afety **A**ccountability **F**rom **E**veryone, establishes an aggressive but achievable injury reduction goal of 25 percent over the next three years.

MnSAFE, which has been signed by cabinet agency commissioners, also requires state agencies to:

- Establish annual safety and loss control goals.
- Review the data quarterly to assess progress.
- Proactively communicate the safety commitment.
- Integrate safety and loss control into daily operations.
- Provide the necessary resources to support safe workplaces.

A [website](#) has been created to serve as the centralized resource for MnSAFE. The website describes the initiative and will serve as a repository of tools and resources that agencies can use to reduce the number of workplace injuries. The site will also include agency-specific measures which will be updated quarterly. In general, our goal is to share best practices and keep you up to date on our common goal to keep our employees safe. The site can be accessed at <http://mn.gov/mnsafe>. Contact Todd Christenson at 651-201-3005 or [todd.christenson@state.mn.us](mailto:todd.christenson@state.mn.us) with questions or comments.

“Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing.”

Denis Waitley



## Enterprise’s “Quickstart Program”

By Dave Agren, Program Manager

If a need arises where the traveler must pick up an Enterprise rental vehicle prior to the start of business travel, the Enterprise “Quickstart Program” allows for some cost reduction, rather than paying a full day’s rental fee.

Upon request, Enterprise will charge a \$10.00 per rental “Quickstart” fee for vehicles that are made available after 4:00 p.m. The rental charges are suspended until the time of departure that evening or the following morning, no later than the time at which that Enterprise rental location opens.

Enterprise will charge a \$30.00 per rental “Quickstart” fee for vehicles made available Friday after 4:00 p.m. or a \$20.00 per rental “Quickstart” fee for vehicles made available Saturday morning. Rental charges won’t start until Monday morning, no later than the time at which that Enterprise rental location opens.

The “Quickstart” fee will appear on the invoice as an “other” fee.

Remember, any rentals from Enterprise may only be used for state business, as per the terms and conditions of the Contract.



## Hurry to Save on MN Safety Conference Registration!

Once again this year, RMD is coordinating state agency registration to Minnesota Safety Council’s MN Safety & Health Conference scheduled for May 8-10, 2012. By coordinating registration, state agency personnel are eligible for the group discount rate which saves a registrant up to \$220 on a full three-day registration. **You must hurry though; this offer is only good through April 11, 2012.** Contact Jim Kubisiak at 651-201-3016 or [james.kubisiak@state.mn.us](mailto:james.kubisiak@state.mn.us) for details.

## Hire the Right People to Create a Safety Culture!

By Todd Christenson, Safety and Loss Control Manager

As author Jim Collins states in his book, *Good to Great - Why Some Companies Make the Leap... and Others Don't*, it is essential to get the right people on the bus (Collins' metaphor for the workplace). In other words, hire the right people that will exhibit the behavior you want and avoid the risk takers who will take short cuts to complete tasks and will become your future workers' compensation claimant.

Clues about a prospective candidate's safety behavior can be identified during the interview process by asking one or two questions about their safety beliefs and risk-taking behavior. Interviewers should be looking for responses that indicate a candidate's beliefs and behaviors related to:

- Situational awareness – do they demonstrate an awareness of what is going on about them and do they anticipate what might happen next.
- Acceptance of responsibility – do they willingly accept responsibility or place responsibility with others.
- Concern for the well-being of others – do they show concern for others and are they likely to address safety hazards or unsafe behaviors with others.
- Likelihood to take action – are they likely to take action to address a safety concern personally or are they going to suggest it is someone else's responsibility.

A quick search of the internet provides two excellent articles on ensuring you are hiring the right people to create your safety culture. The first article, [Asking the right questions](#), by Jeffery E. LaBelle, was published in the November 2010 issue of *Professional Safety*. This author outlines the benefits of Behavioral Interviewing and presents a table with sample high-value interview questions and their intent, which can be easily incorporated into your interview process.

The second article, [Hiring for Safety: Risk-Takers Need Not Apply](#), by Shawn M. Galloway, President and COO of ProAct Safety, offers four specific questions designed to identify a candidate's safety beliefs.

Supervisors play an especially important role in safety management and they should be asked questions that will provide insight into their safety management beliefs. Look for supervisors that recognize their personal role in creating a safety culture and who have demonstrated their role through past actions. Sample interview questions for supervisors include:

- What do you do to ensure the safety of your employees and the safe operation of the workplace?
- Describe a situation when you discovered or became aware of a safety hazard. What did you do?

**“Look for supervisors that recognize their personal role in creating a safety culture and who have demonstrated their role through past action.”**

Incorporating safety-specific questions into your interviewing process and hiring individuals with strong workplace safety beliefs will enhance your organization's safety culture and reduce the number and severity of workplace injuries, helping your organization realize its MnSAFE goal. Contact Todd Christenson at 651-201-3005 or [todd.christenson@state.mn.us](mailto:todd.christenson@state.mn.us) with questions or comments.

## RMD Broker Receives Distinguished Award

By Marlys Williamson, Underwriting Manager

RMD's Property insurance broker, Rich Terlecki, Area Senior Vice President of Arthur J. Gallagher Risk Management Services, Inc. (AJG), was recognized as 2012 Power Broker by *Risk and Insurance* magazine in their special February 2012 issue. He earned this distinguished award, in part, due to his fine work in reducing FY2012 property reinsurance costs for the RMD at a time when the State of MN was in the midst of financial turmoil. Rich Terlecki and his team were able to reduce the state's property reinsurance costs by 30 percent, which allowed the RMD to reduce property insurance rates for state agencies by 10 percent.

The fact that Rich Terlecki received this distinguished honor is further confirmation to RMD that other AJG clients, particularly public entity clients, also find value in his services.

A variety of factors influence reinsurance terms and conditions and rates. Some of those factors are beyond our control, such as weather-related catastrophes that impact the world's insurance market. Other factors, however, are within our control, such as the selection of first-rate brokers and the implementation of claim-mitigating loss control measures that are embraced by state agencies. These and other controllable factors go a long way in securing a sound, cost effective reinsurance program and making the State of MN an appealing account to reinsurance markets.



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

*Providing the best value in government  
administrative services*

**Risk Management Division  
310 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155-1602**

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## OSHA Window Washing Standard

*By Jim Kubisiak, State Industrial Hygienist*

Minnesota OSHA has issued a new safety standard regarding Window Cleaning and Building Maintenance. This standard, Minnesota Rules, parts 5205.0650 to 5205.0730, took effect March 1, 2012 and applies to all window cleaning or other maintenance activities (e.g., caulking) that is performed while suspended more than 14 feet above grade or adjoining flat surfaces (e.g., roof). The standard does not apply to activities conducted from the grade level or from a ladder supported at grade.

This new standard applies to your organization if:

- You have staff performing window cleaning or other building or structure maintenance activities (indoors or outdoors) while suspended at heights exceeding 14 feet.
- You manage a state-owned building or structure where anchorage points are being utilized for window cleaning or maintenance activities that are performed while suspended at heights exceeding 14 feet.

Please refer to the links below for more information.

A summary of the standard can be found at:

<http://www.doli.state.mn.us/WindowWashingStandard.asp>

The entire standard can be found at:

[http://www.doli.state.mn.us/OSHA/PDF/window\\_washing\\_standard.pdf](http://www.doli.state.mn.us/OSHA/PDF/window_washing_standard.pdf)

## Jurisdictional Boiler Inspections — Update

*By Marlys Williamson, Underwriting Manager*

An article relating to new boiler inspection procedures for facilities insured through the RMD was included in the fall 2011 edition of the *Alert* newsletter. The following update is intended to clear up any confusion and provide new information:

Hartford Steam Boiler (HSB), affiliated with the Lexington Insurance Company, is performing boiler inspections for Risk Management Fund (RMF) insured facilities. MN Department of Labor and Industry previously provided the boiler inspections for these properties.

The HSB inspectors have been given contact information for each RMF insured property and they will be making an inspection appointment with each contact as the facilities come up on their inspection roster.

Agencies can call the inspection Hotline at 1-800-333-4677 with questions relating to their specific facility. (Please mention State of MN Risk Management Fund and Policy No. 2339776 when you call the Hotline.)

The cost of the boiler inspection is borne by the RMD; however, agencies will continue to be responsible for the licensing fee.

HSB will be inspecting all boilers at RMF insured properties, unless the boiler is exempt from inspection. Following is a boiler inspection guide:

- All steam boilers
- Hot water heating boilers, unless less than 750 BTU/hr
- Hot water supply boilers, unless less than 500 BTU/hr
- Unfired pressure vessels, such as air tanks



Century College Equipment Room