It is with sadness that I dedicate this column to Frederick R. Johnson, Jr. His life here on earth ended all too soon when he passed away on April 23, 2014.

Fred was the first Director of the Risk Management Division (RMD) and, during his 18 year tenure, established the Property and Casualty Program, which today is nearly a $12 million per year insurance operation.

The RMD was started in 1987 to provide auto liability coverage for the state’s fleet when affordable insurance coverage was unavailable from the conventional insurance market. Over the years, the Program was expanded to include among others, auto physical damage, inland marine, general liability, professional liability, and property coverages.

When interviewed in 2007 and asked how he would describe his time at the state as Director of RMD (1986-2004), Fred replied, “It was an exciting and satisfying job. I felt that I left a mark by setting up a solid risk management foundation for the state of Minnesota that will endure for some time to come.”

Today, the total insured value for buildings and contents in the Risk Management Fund (RMF) is nearly $15 billion - quite the tribute to the efforts of our first Director.

WORKERS’ COMPENSATION UPDATE

CorVel has a new poster, brochure, and identification card. To be in compliance with state workers’ compensation laws, you must use these new materials. You can obtain the new materials from the Risk Management Division website at (look under Workers’ Compensation, CorVel Forms): http://mn.gov/admin/government/risk/resources/

Along with the new materials, CorVel is no longer using their “designated medical clinics” model that most of you have been using to direct employees for their initial medical care. While you can still recommend a CorVel medical clinic to an employee, you must not refer to the clinic as your agency’s designated clinic or inform the employee that they must go to that clinic for their first visit. We still want you to direct injured employees into the CorVel network. To help employees and you access medical treatment in the CorVel network, CorVel has created a document titled “Options for Locating a Network Provider.” This is an optional document that you can post adjacent to the State of Minnesota Workplace poster. It provides employees with three ways in which they can immediately obtain information about the CorVel medical network. You can find this document on our website too.

If you prefer, you can order the new State of Minnesota Workplace Poster, Managed Care Brochure for Employees or the Managed Care ID Card for Employees by emailing Katie Friend at CorVel: katie_friend@corvel.com. Please indicate the number of each item that you want along with your name, agency, and mailing address.
When it comes to new construction, major renovations or protection installations, it is important that the proper protection is installed to not only lower your risk of loss, but also to help control insurance costs. Often, we find that many projects – although they meet the local codes and are approved by the AHJ (Authority Having Jurisdiction) – fail to adequately meet NFPA (National Fire Protection Association) and insurance industry standards. And more importantly, they can leave your facilities at risk of loss since the minimum codes are not always in your best interest. It is important that these projects make the most effective use of your resources and the proper protection is designed into the project – rather than requiring expensive changes upon completion.

Just last year, a drawing submittal for Sam Houston State University did not show any supporting thrust blocks for new fire hydrants to be installed. The lack of these key supports would have caused the water main to eventually break – most likely when it is most needed – during a fire! This was recognized during the plan review process, and these critical components were added to the project.

We recommend that a certified property loss control consultant be engaged to review new construction plans prior to start of work. The good news is that RMF policyholders can take advantage of the plan review services offered by HSB (Hartford Steam Boiler) Professional Loss Control for free. HSB engineers are capable of confirming that the projects meet NFPA and insurance industry standards, and they can offer suggestions on how the protection may be improved. It is fairly easy to incorporate these changes when the project is in the conceptual stage, so be sure to involve them as early as feasible.

Sample projects appropriate for review are:

⇒ New construction of a building that is valued at $10 million or more.
⇒ Roof replacements exceeding 10,000 sq. ft.
⇒ Sprinkler installations of 100 heads or more.
⇒ Gas suppression systems in computer rooms.
⇒ Hazardous equipment installations (e.g., flammable or explosive environments).

To submit a project, please contact Boyd Abbe via phone at 651-201-3011 or by email at boyd.abbe@state.mn.us.

GOVERNOR’S SAFETY AWARD RECIPIENTS

The following state organizations received a Governor’s Safety Award at the recent Minnesota Safety and Health Conference for year 2013. Please join us in congratulating them!

Award of Honor
Minnesota Correctional Facility – Willow River

Outstanding Achievement
Community Addiction Recovery Enterprise – Anoka
Community Addiction Recovery Enterprise – Carlton
Community Addiction Recovery Enterprise – Fergus Falls
Community Addiction Recovery Enterprise – Willmar
Department of Human Services – Central Office
Minnesota Correctional Facility – Moose Lake
Minnesota Correctional Facility – Rush City
Minnesota Department of Agriculture

Meritorous Achievement
Minnesota Department of Military Affairs
Minnesota Correctional Facility – Faribault
Minnesota Correctional Facility – Oak Park Heights
Minnesota Correctional Facility – St. Cloud
Minnesota Department of Revenue
Minnesota Department of Transportation – Metro District
Minnesota Pollution Control Agency
Minnesota Sex Offender Program – St. Peter
Minnesota Zoo
Winona State University
Energy touches every part of our lives. We need it to power our businesses, schools, hospitals and homes. We use it to heat and cool our air and water, light our buildings, and run our equipment from computers to machinery.

Of all the energy consumed in the United States, 40 percent is used to operate commercial and residential buildings. Most of this energy goes to lighting, heating, cooling, and hot water. As energy prices continue to rise, businesses and institutions are struggling to make ends meet and stay competitive in a sluggish economy.

The savings potential through energy conservation is enormous. But we need information and guidance that we can trust, so we can take the steps that are necessary to reduce our energy consumption.

HSB inspectors make energy-saving suggestions
Hartford Steam Boiler (HSB) has put decades of technical experience with energy-intensive equipment and systems into the development of a new program that will add new and tangible value to the insurance coverage. This energy-saving program is available at no added cost for RMF policyholders.

HSB’s Energy Optimization program includes onsite energy efficiency observations by HSB inspectors and tools you can use to get accurate information about current energy consumption and opportunities to reduce energy use and costs.

HSB provides jurisdictional inspections and loss prevention services as part of RMF’s program of insurance. Now, when conducting jurisdictional inspections, HSB inspectors may spot energy-saving opportunities and recommend follow-up action that can help save money and prevent breakdowns.

New ways to improve efficiency
HSB continues to explore new ways to deliver energy savings to customers. As energy becomes scarce and costs rise, improved efficiency is increasingly important for businesses and institutions. HSB sees this as an opportunity to provide more value by helping customers save money through better equipment operations, maintenance, equipment selection, and other strategies.

Visit HSB’s website at www.hsb.com and click on the tab for Energy Efficiency. You can watch a video about energy optimization and explore energy efficiency tools, including equipment energy calculators and tips on how to reduce energy use in buildings. For more information, you can also contact RMD’s Boyd Abbe by phone at 651-201-3011 or by email at boyd.abbe@state.mn.us.

TIME TO CLEAN

With the change of season, again it is time to clean cooling coils, drain pans, and adjacent surfaces in our HVAC systems. During the summer months, cooling coils, drain pans, and adjacent ductwork are typically high moisture areas where microbial growth may occur if accumulated dirt is present. Routine preventative maintenance activities, such as the scheduled cleaning of HVAC system components, are a very important part of indoor air quality management.

Some great resources are available on the internet that explain and provide assistance in formulating a preventative maintenance schedule. A few can be found on RMD’s Safety and Loss Control website: http://mn.gov/admin/government/risk/safety-loss-control/industrial-hygiene/index.jsp, including:

- EPA - “Indoor Air Quality Building Education and Assessment Model” or “I-BEAM.” I-BEAM is a web-based program made up of different sections that help explain aspects of indoor air quality and how to manage, operate, and maintain buildings for good IAQ.
Deer Ticks

Deer ticks, also known as blacklegged ticks, are just one of thirteen known tick species in Minnesota. They are most common in the east and central areas of the state and are found in hardwood forests and wooded and brushy areas. Deer ticks are potential carriers of Lyme disease, human anaplasmosis and babesiosis.

Risk Timeframe

Primarily, risks are from mid-May through mid-July, when the smaller nymph stage of the deer tick is feeding. Risk is present, but lower, in early spring and again in the fall (late September-October) when the adult stage of the deer tick is active. See Risk Map below from the MN Department of Health.

Deer Tick Bites

Prevention

Check and re-check for ticks when you are in tick-infested areas.

1. When in deer tick habitat, walk in the center of the trail to avoid picking up ticks from grass and brush.
2. Wear light colored clothing so ticks will be more visible.
3. Create a barrier to ticks by tucking pants into socks or boots and tuck long sleeved shirt into pants.
4. Use a repellent containing DEET or permethrin, and carefully follow the directions on the container.
5. After being outdoors in tick habitat, get out of your clothes immediately, do a complete body check, shower, and vigorously towel dry. Wash your clothes immediately as to not spread any ticks around your living area.
6. Pets should also be checked for ticks.

Tick Removal

The risk of getting a tick-borne disease is small if the tick is removed soon after it becomes attached. Deer ticks must remain attached one to two days to transmit Lyme disease, and about one day for the other diseases.

1. Take precautions when in tick habitat, but don’t panic if you find a deer tick on you. Not all ticks are infected, and prompt tick removal can prevent illness.
2. Use tweezers to grasp the tick close to its mouth.
4. To avoid contact with the bacteria, if present, do not squeeze the ticks’ body.
5. Wash the area and apply an antiseptic to the bite.

Lyme disease signs, symptoms and treatment

Visit the Minnesota Department of Health’s Web site for more information on this topic.

For more resources, visit DNR’s Web site.
RMF policyholders should have received via email the Auto and Package Request for Renewal by now. Please contact Carol Morgan at 651-201-2593 or by email at carol.morgan@state.mn.us if you haven’t received them.

We are pleased to report that effective July 1, 2014, property insurance rates will decrease by 12.5 percent for all deductible levels, except a 17.5 percent reduction will apply to the $250,000 deductible.

The rate per student for the Student Intern Medical Professional Liability coverage has decreased from $10.85 to $10.25.

At each renewal, building and contents values are automatically adjusted for inflation. For FY2015, buildings and contents will be increased by 3 percent and 1 percent respectively.

RMF’s broad general liability policy just got broader, with the addition of the following coverages:

♦ Crisis response coverage ($250,000 sublimit) - to help manage media attention and restore public confidence during a crisis.

♦ Unintentional errors and omissions coverage - unintentional failure to disclose all hazards will not impact rights of recovery under the policy.

♦ Rowing shells and sculls, regardless of their length, are covered for liability. All other watercraft 30 feet or less continue to be insured for liability.

♦ All MnSCU aircraft training hulls incapable of flight are covered for liability.

For those agencies that own buildings that RMF insures, be certain to answer the new question under Section A of the Package Application, which pertains to Hot Work. For auto policyholders, please remember to answer the very first question on the Auto Application, which addresses out-of-state miles driven.

For the first time, policyholders will receive the renewal invoice and coverage documents via email. So that your renewal may be processed in a timely manner, please return your auto and package renewal information to us at your earliest convenience.