

ASSUMPTION OF RISK

The State fiscal crisis continues. The people and landscape may look the same. However, priorities and procedures are different. This new working environment for state agencies will continue to change for some time.

State agencies are being asked to operate differently. Working relationships may change. Past cohesive relationships, collaborative efforts, partnerships, or programs may no longer exist. Public entities, private firms, or citizens may look to the state for assistance. That may be protection from risk in the form of "insurance coverage" sometimes called "assumption of risk."

Activities are being re-examined. New questions are being asked. Who is responsible? Who assumes the risk? Who pays when something goes wrong?

What can state government do? Each state agency evaluates the risks of the activities they undertake in the accomplishment of their mission. Some of these activities may involve other public entities. Or, it may be contractual services or interaction with citizens.

It is every state agency's responsibility to adequately address the risks of the activities they undertake. The state has no insurance for liability. We retain 100% of this risk for harm we may do to others. Decisions that state agencies make in the assumption of risk potentially impact all state agencies.

As risks are identified and addressed, this question must be asked: Who should be responsible for the ensuing risks? The answer is not always the same. Sometimes it will be the responsibility of the state. However, the risk may be a business liability of an independent contractor or another public entity. It depends on the activity. The state should not underwrite or absorb business liabilities of others.

It is a sound practice for all state agencies to use a risk assessment process to identify risk, including the likelihood and severity of any potential loss. This helps state agencies select proper tools to manage or mitigate these risks. It also helps identify which party should be responsible for the loss.

The Risk Management Division provides assistance to agencies through the Risk Assessment Roadmap Toolkit. This toolkit provides a structured process for state agencies to determine the amount of risk that they face and decide what to do about it. The toolkit helps agencies to:

- avoid unnecessary risk;
- minimize exposure to the unavoidable;
- build in loss prevention;
- plan rapid response to mitigate costs; and
- document and own business decisions that they make.

Check it out at <http://risk.das.state.or.us/risktoolkt.htm>. ■

STATE AGENCY RISK REPORT LATE THIS YEAR

The State Agency Risk Report is a report that all business managers, risk coordinators, and safety coordinators should be familiar with. This is the annual report, completed by every state agency, that provides Risk Management Division (RMD) with lots of very important data.

The data we collect from state agencies is essential in assisting our budget process. The data is reported to our excess insurance carriers. Although we ask for estimated values, accurately estimating these values is a must. If you report values that differ widely from the **actual** value of the property coverage, your loss settlement may be diminished.

The State Agency Risk Report is normally mailed to agencies in May

(continued on page 3)

What's Inside. . .

	Page
<i>New on the Web</i>	2
<i>Salem Parking at a Premium</i>	4
<i>State Issues New Contract for Ergonomic Chairs</i>	5
<i>Alias – Call It What You Want</i>	7

NEW ON THE WEB

Since our last update, we have added, improved, or just plain changed items on our web page. Take a look and check it out!

New

Agency Loss Information Access System (ALIAS) web page. Need data? Fast? ALIAS is here – but call it what you want! Our new web-based data access system allows state agencies to print and/or create their own agency specific loss reports. Access is limited to agency Risk Coordinators. Note: The **State Agency Billing Codes Manual**, and the PowerPoint Slide Show, **Understanding Risk Management Data**, have also been updated since this web page was added. See <http://risk.das.state.or.us/alias.htm>.

The **Smart Contracting Toolkit** has now arrived! It replaced the **Smart Contracting RiskKey**. The new format takes advantage of the web's navigational features. Links eliminate redundancies. As a result, ease of use is enhanced. Information has been added to help “clear up” some of the mystery of insurance terminology! You can also “copy and paste” any information in the toolkit. We have encouraged the use of a risk assessment to help with risk identification, selection of type and amount of insurance, and other risk control measures. Use this toolkit to help your agency document and make business decisions that you can own! Check it out at <http://risk.das.state.or.us/contractkt.htm>.

Need help with security preparedness activities? Check out the new **Security Considerations for Plans, Programs, or Procedures** web page. Use this information as you evaluate, review, or modify your operating procedures to meet newly recognized risks. Go to <http://risk.das.state.or.us/bcsecurity.htm>.

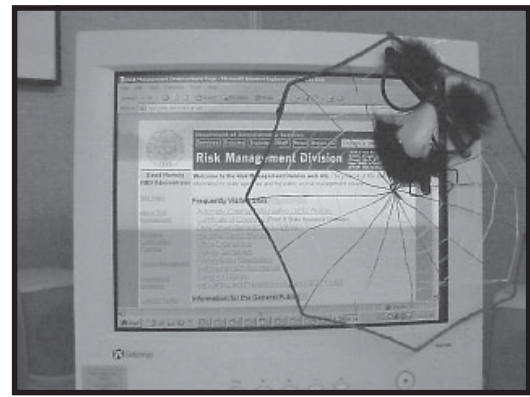
Revised/Updated

The newly revised Volunteer Waiver and Release Forms are now in the **Volunteer Injury Coverages Policy# 125-7-204**. We removed the social security number and added the relationship of the emergency contact. View at <http://risk.das.state.or.us/vicpol1.htm#WAIVER>.

The **Commercial Insurance Policies** section now contains our new policy limits for excess property coverage. Policy limits were reduced from \$400 to \$375 million. See <http://risk.das.state.or.us/insuran.htm>.

The commercial **Insurance Summary** reflects changes and/or new policy terms. Go to <http://risk.das.state.or.us/insumary.htm#property>.

- **Excess Real and Personal Property** - policy limits have been reduced from \$400 to \$375 million.
- **Excess Automobile Liability** - policy limits have been reduced from \$5 to \$2 million.



- **Foreign Liability/Foreign Workers' Compensation/ Employers Liability** - coverage territory is now worldwide. Coverage limits for repatriation expense have been raised from \$50,000 to \$250,000 per employee.
- **Aviation Liability** - schedule of insured aircraft has changed.

Remember, our commercial insurance summary only provides brief highlights of coverage. For actual terms, conditions, and a complete list of exclusions, you must refer to the policy.

Travel Kit RiskKey. Go to <http://risk.das.state.or.us/travelkt.htm>. Several sections of this **RiskKey** have been revised and/or updated.

- We added DAS Purchasing's Travel Contract Information web page to the **Special Resources Section for Frequently Asked Questions**. See <http://risk.das.state.or.us/travelkt.htm#questions>.
- **Rental Cars in the United States** has been updated to reflect changes in the master price agreement for short-term rental cars. View at <http://risk.das.state.or.us/travelkt.htm#rental>.

(continued on page 3)

NEW ON THE WEB

(continued from page 2)

- Repatriation coverage information has been updated in the **Traveling Outside of the United States on State Business** section to reflect current policy terms and conditions. Go to <http://risk.das.state.or.us/travelkt.htm#outside>.

As always, we continue to update the **Vehicle Incident Prevention Project (VIPP) Toolkit**. See <http://risk.das.state.or.us/vipptool.htm>. Recent changes include:

- The **Insurance and Rental Vehicles in the U.S.A.** page reflects changes in the master price agreement for short-term rental cars. Check it out at <http://risk.das.state.or.us/vipprent.htm>.
- Risk control recommendations for the **Rollover Hazard of 15 Passenger Vans** have been updated. This change is intended to reflect the continued emphasis on the risks associated with driving these vehicles. Specific RMD risk control recommendations were also added. Check it out at <http://risk.das.state.or.us/vippvans.htm>.

Several sections of the **Risk Assessment Roadmap Toolkit** have been revised. See <http://risk.das.state.or.us/risktoolkt.htm>. Changes include:

- The **Risk Identification and Evaluation** section has been restructured for ease of use and understanding. Contract risk assessment information

was deleted. We created a new **Contract Risk Assessment Form**. View it at <http://risk.das.state.or.us/riskid&eval.htm> and <http://risk.das.state.or.us/riskformcontract.htm>.

- A **Risk Rating Table** section was added for ease of access. Go to <http://risk.das.state.or.us/riskrating.htm>.
- Risk control method definitions and examples have been added to the **Risk Control Methods and Measures** section. Check it out at <http://risk.das.state.or.us/riskcontrol.htm>.
- The **Risk Assessment Form's** format has been restructured for ease of use. A risk rating table was added. The contract risk assessment section was removed. A new **Contract Risk Assessment Form** was created. These changes can be seen at <http://risk.das.state.or.us/riskform.htm> and <http://risk.das.state.or.us/riskformcontract.htm>.

Retired

The **Smart Contracting RiskKey** has been replaced with the **Smart Contracting Toolkit**. See it at <http://risk.das.state.or.us/contractkt.htm>.

See...View...Click...Go To...Check out our website at <http://risk.das.state.or.us/>. ■

STATE AGENCY RISK REPORT

(continued from page 1)

and is due back to RMD by mid August. But, RMD has been reviewing and making changes to the Property Self-Insurance Manual. We are nearly done. The Risk Report is delayed so that we can incorporate some of the property coverage changes. The review and changes to the policy manual have also prompted new questions.

Below are a few of the changes and/or new questions you will see on the State Agency Risk Report:

- The value you report for aircraft and boats will change from market value to actual cash value (ACV).
- Do you intentionally drop equipment into the water? If so, what are these items and their values?
- Does your agency cover employee property? If so, is there an agreement in place?
- Do your buildings contain boilers and machinery? Other than backup generators, do any of the boilers and machinery generate power?

The State Agency Risk Report is tentatively scheduled to be mailed to agency business managers in late August. Although the report will be late arriving to agencies, we still have a deadline to meet with our insurance carriers. Your completed Risk Report will be due September 30, 2003.

Questions about the State Agency Risk Report should be directed to **Andrea Peters, Insurance Operations Manager (503) 378-5515, andrea.a.peters@state.or.us**. ■

SALEM PARKING AT A PREMIUM

We have received a call from City of Salem Parking Enforcement. State agencies are major businesses in the downtown Salem area. They put a lot of cars on Salem streets. It is essential that we respect the City's parking program.

There is a portion of downtown that is a "Free Parking" zone. It is paid for by local merchants for the convenience of their customers.

City rules restrict students and people on business from taking these spaces. Recently, merchants have complained to the City that there has been an influx of E-plate cars with DAS (or other State) Motor Pool identifiers parking in the free zone all day.

If illegally parked, Salem City Parking Enforcement Officers issue an infraction to the driver of the vehicle - not to the vehicle itself. In order to ascertain if the driver is parked legally or not, the City has asked us for the driver's name. As a rule, we do not disclose state drivers' names without a formal record request. This begins to look like a pretty bureaucratic quagmire.

In the spirit of cooperation, state drivers in Salem or those who come into Salem, must respect the City's Parking Ordinances. If in Salem on business, just pay for parking at meters or in lots.

The City will continue to monitor state vehicles parked in the free zone. If they believe it may be outside the allowed use, they will file a citizen's complaint. We will forward the complaint to the agency who will investigate.

Here is the link to City of Salem Parking Enforcement. Please get the word out to your employees. Be a good neighbor. Don't park in the free zone while on state business.

Learn more about Salem Parking Enforcement. Go to <http://www.cityofsalem.net/~commenf/Parking%20Services.htm>.

Find out about parking in Salem. Contact **DAS-Parking at 503-378-5090**. ■

RISK MANAGEMENT DIRECTORY OF SERVICES

All numbers are area code 503

Information	373-RISK
FAX	373-7337
Internet	risk.management@state.or.us
SAIF Emergency Report	1-800-285-8525
SAIF 801 FAX	1-800-475-7785

Administration:

Administrator -	
David Hartwig	378-5526
Executive Assistant -	
Barbara Hamilton	378-4706
Finance Analyst -	
Bob Nies	378-5521

Safety & Risk:

Manager -	
Kate Wood	373-7233
Safety & Risk Specialist -	
Cindy Pankey	373-0706
Risk Consultants -	
Loree Fogleman	373-7003
Ronda Hollis	373-1037
Safety Management Consultant -	
	378-5525

Insurance & Operations:

Manager -	
Andrea Peters	378-5515
Operations Assistant -	
Jody Haury	378-5514
Receptionist -	
Adina Canales	373-7475

Claims:

Manager -	
Mike Baird	378-5522
Overtime Claims Unit -	
Cort Dokken	378-5468
Claims Adjusting -	
Mike Baker	373-1520
Dwayne Green	378-5940
Carol Hilzer	378-4878
Rocky Jeffries	378-4595
Dawn Nicholas	378-6840
Linda Roberson	378-5508
Brenda Schnee	378-5467
Employment Claims -	
Kent Rice	373-7814

SERVICES TO STATE AGENCIES

Insurance for: Property, liability, workers' compensation, employee dishonesty, vehicle, aircraft, and others.

Claims Adjusting for: Property, liability, and employee dishonesty.

Risk Control Consulting for: All of the above. ■

STATE ISSUES NEW CONTRACT FOR ERGONOMIC CHAIRS

Oregon has updated the statewide price agreement for Adjustable Office Seating (Ergonomic Chairs). The state has had an adjustable chair contract since 1989. A team of agency safety specialists update the specifications at each renewal. Results over time are visible. Chairs fit more people. They have longer warranties. They last longer. They are less expensive to maintain. And, work comp claims for hand and arm injuries have steadily decreased since 1996. That's when the statewide Office Ergo Project got underway.

What makes an adjustable chair "ergonomic?"

Fit the person and the workstation. Both have to work together. At each renewal safety specialists check essential features and functions. What did we like about the prior products? What problems did we encounter? What new, useful features are on the market? Are there unmet needs? Do we have chairs that

meet the work requirements?

Chairs are the most important piece of equipment in the Office Ergo Project. Key chair adjustments are:

- seat height, depth, and tilt;
- back height and tilt; and
- arm adjustments.

Over the years, the adjustability, durability, and quality of office chairs have improved. Longer warranties prolong service life. Chairs can be repaired rather than replaced. The range of adjustments allows chairs to be configured to fit new employees or work situations.

Once employees learn how to use the features, they have greater control over their environment. The chair supports healthy posture. Employees are more comfortable. That can translate to productivity. Injuries and losses are minimized.

But the word is "No New Furniture!"

This is not the time to be redecorating. The Governor has restricted the procurement of new

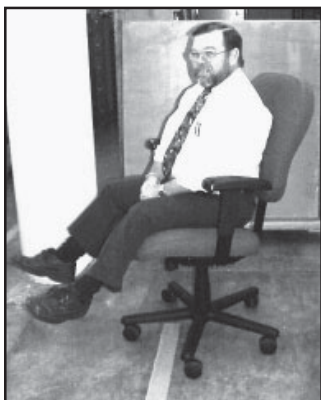
furniture. However, chairs that are broken may be unsafe. Take them out of service. Or an illness

(See chart on page 6)

THANKS TO THE ERGO CHAIR TASK GROUP

They used their expertise and valuable time to benefit the entire state. Our thanks to them:

- **Bob Cox, DAS**
- **Mary Hoskins, DCBS**
- **Steve Vesper, DHS**
- **Anita Lewis, Judicial Dept.**
- **Michelle Gillette, OSU**
- **Bonnie Vinyard, DCBS**
- **Liz Harrison, formerly DAS RMD**
- **Tony Brace, SAIF Corp.**
- **Alan Samarin, SAIF Corp., and**
- **Donna Andrew-Tuthill, formerly DAS RMD, now with Oregon Parks and Recreation Department.**



Bob Cox, DAS Safety, demonstrates a chair that is "way too big".



Tony Brace, SAIF Loss Consultant, shows a chair that is "way too little".



Finally, a chair that is "just right".

STATE CONTRACT FOR ERGONOMIC CHAIRS *(continued from page 5)*

or injury may require special fitting. Chances are there is a chair that can be adjusted to meet the medical needs. If not, a new chair may be necessary.

First, look to see if a broken chair can be repaired. Since 1995 all price agreement chairs should have a tag under the seat. It will tell you the manufacturer and purchase date. Five-year warranties were the standard. The following are common complaints.

- “Loss of lift.” The seat height cylinder wears out. It can easily be replaced for a fraction of the cost of a new chair.
- “Wobbly arms.” A frequent problem when users rely on the arms to help them get out of the chair or ease back in. It’s hard to repair. They may need to be replaced or removed.
- “Flat foam syndrome” resulting in “buttocks bolt.” Safety types frequently shortened in that last condition. You will notice it when the padding in the seat wears out. The bolts that attach the seat to the pedestal become quite prominent, not to mention uncomfortable. Check around. There may be an unused chair that can be fitted to the worker.

Where can you find new chairs?

Check with your agency Purchasing Manager. **Jan Evans** of the **DAS-Procurement Office**, (503) 378-4647, provided the following list. According to Jan,

“Anyone, including vendors, can access these contracts through the online purchasing system at <http://tpps.das.state.or.us/purchasing/>. All the information they need to know is under each contract number”. Here are the three successful manufacturers and their local distributors.

PA #3025 Inside Oregon Enterprises

NO DEALERS

PA #3024 Ergonomic Accessories Intl Corp.

DEALERS:

PA #3127 - Harris Worksystems, Beaverton

PA #3128 - Corporate Environments, Beaverton

PA #3129 - Innerspace Office Solutions, Portland

PA #3130 - Office World, Inc., Eugene

PA #3026 Reimers Furniture Mfg.

DEALERS:

PA #3140 - Commercial Business Furniture, Salem

PA #3141 - Harris Worksystems, Inc., Beaverton

PA #3143 - Harris Worksystems, Inc., Bend

PA #3144 - Interior Office Concepts, Medford

PA #3145 - L & P Office Products, Klamath Falls

PA #3146 - Office Furniture Concepts, Corvallis

PA #3147 - Office Value, Boise

PA #3148 - Pacific Office Furnishings, Portland

PA #3149 - Roseburg Book & Stationery, Roseburg

PA #3150 - RW Sales, Portland

PA #3152 - Shoreline Office Solutions, Seaside

PA #3153 - Worksite Solutions, Inc., Eugene

Two other dealers, Office Products NW of Portland and Office Value of Bend, are not on the system yet because of lack of information from the dealership.

Need to learn how to make the most of the chairs you have? Go to <http://risk.das.state.or.us/safety.htm> and scroll down to the Office Ergo Project.

Check with your agency Safety Advisor. There may be trained Work Station Assessors already available to you through your agency’s Office Ergo program. ■

ALIAS

CALL IT WHAT YOU WANT

On February 20, the long awaited **Agency Loss Information Access System** was launched. And promptly crashed the entire IT platform. It was the first time we tried teaching agency coordinators to get to their data and do reports. Well, we'll never do that again. Boy, were the techies mad at us – oh my yes. Well, we said it wouldn't be business as usual.

An intrepid group of Risk Coordinators “tabbed” and “entered”, “clicked” and “keyed” under the increasingly anxious supervision of **Safety and Risk Units Ronda Hollis, Loree Fogleman, and Cindy Pankey**. Dialogue boxes screamed warnings as screens began to take on the dreaded blue color. Smoke was seen rising from the Oregon State Library Computer training room. It turned out it was just Ronda and Cindy fuming. Loree has been trained in the use of fire extinguishers. So there was no serious danger.

The platform is back up. Turned out it wasn't us, but a nasty virus. Timing is everything. We did learn quite a lot about system flaws and have taken good notes. We appreciate how tough our audience was. Most of them stuck it out. Pretty soon they'll try

it themselves (getting data - not crashing the system). Your agencies will have better information about property and tort losses.

And we are calling ALIAS some new names. None will be printed here. ■

DATA AT YOUR FINGERTIPS aka ALIAS

ALIAS mirrors Risk Management's risk information data system. We use an “off-the-shelf” product called Risk Folio, a product of Risk Labs in Atlanta. RMD Claims team enters data and transactions on all state property and liability claims. This data is refreshed daily into ALIAS.

Agency Risk Coordinators access this password protected ALIAS database. They can view claim transaction data for their agency. The Risk Consultants have created standard reports for agency coordinators to use. Or, the agency coordinator can create custom reports with their data.

If you want to learn more about your agency claim experience, work with your agency risk coordinator. This background is one useful piece of information when conducting a Risk Assessment.

To find out more about ALIAS go to <http://risk.das.state.or.us/alias.htm>. ■

EMPLOYER AT INJURY PROGRAM (EAIP) PAYS RETURN TO WORK EFFORTS

Most state agencies have established procedures to benefit from this innovative DCBS program. The benefits are even more valuable in hard times. Agencies can defray salary costs of injured workers in transitional work. In some cases, the cost of workplace modification may be reimbursed.

Between January 1 and March 31, 2003 alone, agencies recouped over \$140,000. Eighteen agencies participated in EAIP.

In mid-March, SAIF's Oregon Team sponsored a "Comp Chat" on EAIP for state agencies. Twenty five agency safety/work comp coordinators attended.

Some were there for an update. For others, it was a new program. **Lucinda Schwarz**, the Team's Return To Work Specialist, reports that between April 1 and June 30 twenty six agencies filed for EAIP reimbursement. In that quarter they accessed almost \$182,000. ■

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