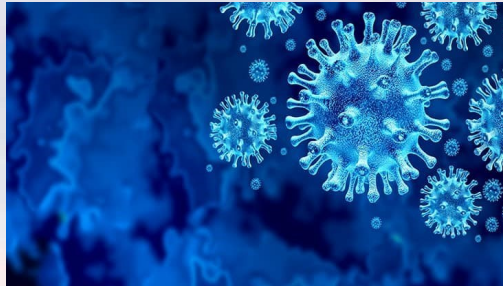


State Risk Newsletter

News From the Director

By: Sheri Whisman

Many of us, over the past ten months, have faced a new normal by working remotely. Most are working from home. Entering a public building, (not just an office building) may cause you to be at risk if the proper precautions are not followed. Dirty fingers and desks are one thing, but the biggest risk for the spread of any virus is what is travelling through the air.

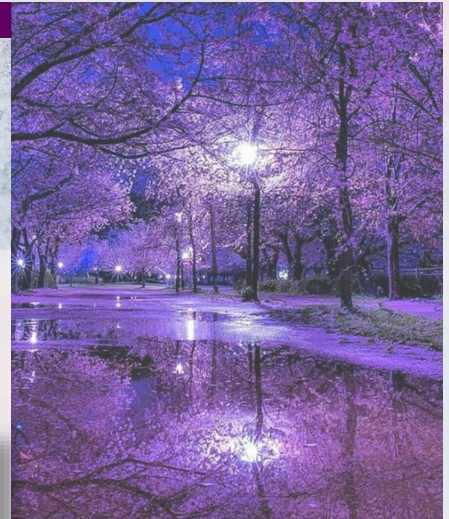


The greater risk is not from the actual building, but from sick employees. If one person is sick, he or she could spread the germs through coughing and sneezing, touching surfaces and contacting others closely. Even while staying at their private desks, germs can also be spread by the flying droplets which settle on any surface and cause contamination. Circulated air can also contribute to the spread of microbes. In indoor environments, microbial life is circulated through the air and within HVAC systems. Maintenance of these systems and filtration has an impact on how contaminants flow through the air. Buildings that have not been properly serviced to maintain appropriate circulation, filtration, humidity and temperatures can contribute to higher amounts of microorganisms moving through the systems.

Home offices are a more controlled environment with fewer people and fewer touched surfaces. By working from a home office, you are not surrounded by all of the shared places colleagues are touching or are exposed to droplets. But, if you head outside you can still bring the virus into your home while working remotely if you're not diligent. The virus cannot spontaneously grow in your home, an infected human must bring it in. That means coming in contact with someone who is sick or touching an infected surface, then transferring it to your surfaces at home.

That's why it's so important that, no matter whether you're working in an office or at home, you need to prioritize sanitization. Of course, there will be fewer high-touch surfaces in your own home and no colleagues to touch them, but if the germs enter your environment, you can contract the virus regardless.

Kentucky's Governor, Andy Beshear has set up a link for staying updated on the latest. For more guidelines regarding COVID-19, visit: <https://governor.ky.gov/covid19>



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Agency Directory

Director's Office

- Sheri Whisman, Director—502-782-5444
- Beryl Thompson, Assist. Director—502-782-5438
- Sandy Etherington, Office Mgr—502-782-5442

Appraisal/Sprinkler/Underwriting

- Meagan Hart-Program Manager - 502-782-5423
- Alex Reese-Ins Policy Spec—502-782-5441
- Katherine Hutcherson-Proc Dev Spec -502-782-5443

- Gerry Hamilton-Appraiser-502-782-5421
- Chuck Jackson-Appraiser-502-782-5439

Kentucky Self Insured Auto Program

- Karen Bond-Proc Dev Spec-502-782-5437

Property and Auto Claims

- Evelyn Smith-Program Manager-502-782-5433
- Audra Perkins, Proc Dev Spec -502-782-0369

eRIMS/MyRISK Assistance

- Ryan Barnard-Res Man Analyst - 502-782-5435

APPRAISAL

Top five changes that influence your values & premium

By: Gerry Hamilton

1. Structures added or removed

- Added structures are to be reported with a completed FTR-10 form within 30 days after you acquire or take possession.
- Structures should be removed from insurance coverage due to demolition or selling the property. If you fail to report when a structure has been removed, sold, or demolished you will continue to be charged the insurance premium. (Note: When the structure has been sold, it is very important to list the purchaser information.) Use the FTR-11 form to remove a structure.

2. Structure additions

- Additions to an existing structure will always add value and therefore will increase the need for additional insurance coverage. Complete the FTR-10 form with as much information as possible (building name, property ID number, construction cost, square footage, etc.)
- All agencies should conduct an internal audit of structures regarding any physical changes incurred (basic renovation is not necessary to report).

3. Structure Renovations

- Structures that are altered in any way should be reported to the appraisal section with an emailed explanation and pictures of the change.
- Structures often go through a renovation that also changes its use (examples: typical classroom to high tech science lab -or- residence to office). This may also change the aspects of your COPE data (as we learned from the last newsletter COPE is Construction, Occupancy, Protection, and Exposure).

4. Structure removals

- When removing part of a building, you have removed a portion of your risk, materials, and exposure. This should be reflected in your building value and square footage; each play a primary role in the appraised value.
- Partial removal to an existing structure will always decrease value and therefore will decrease the amount of insurance coverage. The appraisal section should be emailed in the event with as much information as possible (building name, building number, property ID number, square footage, etc.)

5. Physical structure changes

- The most common physical changes to a structure are materials of the roof and exterior walls.
- Roof construction from shingle to metal construction will significantly alter value.
- Exterior wall construction from simple concrete or block walls to an additional layer or covering of a wood, vinyl siding or tile product will significantly alter value as well.

All of these changes above will change the value of your appraisal, insured value and your potential claim payment. The proper documentation and form, which may be found on our website, should be emailed in using the 'email form' button on the form. Please keep us notified when these changes occur. This helps us keep values current and the Commonwealth better protected. Our building appraisers are available to assist you and may be reached by emailing: Chuck Jackson, Chuck.Jackson@ky.gov and Gerry Hamilton, Gerry.Hamilton@ky.gov

UNDERWRITING

By: Meagan Hart

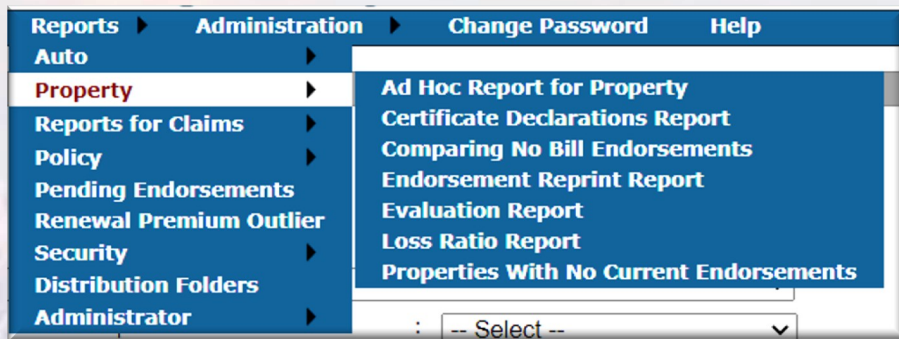


All telephone coverage is now considered building contents. We are working on merging the coverage in our risk management system (eRIMS). If you have received an email from Underwriting, it is important to reply as early as possible to finalize these changes, so it will not delay your endorsements.

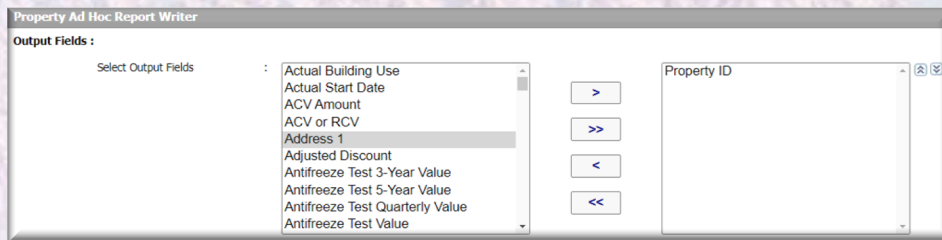
It is important to check your endorsements and certificates regularly for changes and report them to State Risk to keep your coverage current.

Running Reports! Access your reports through our customer portal. Through this portal you access information such as; construction, flood zones, premium, highway district, GPS coordinates, square footage, sprinkler reports, total coverage, etc. You can build a report to suit your needs.

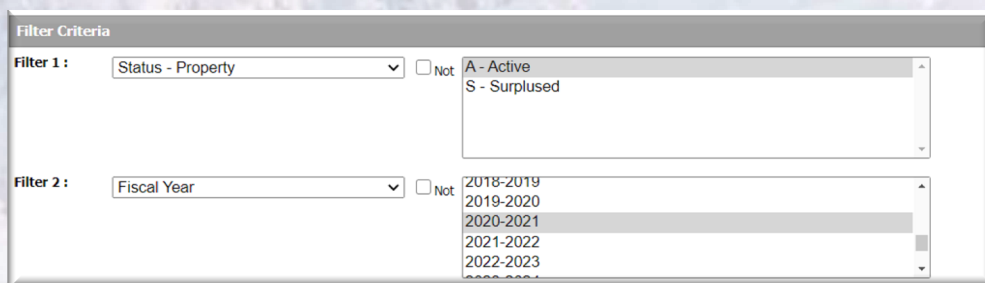
Step 1: In the top task bar – Select ‘Reports’ – ‘Property’ – ‘Ad Hoc Report for Property’



Step 2: Select the output field you wish to appear in your report header – select the button to move it into the report.

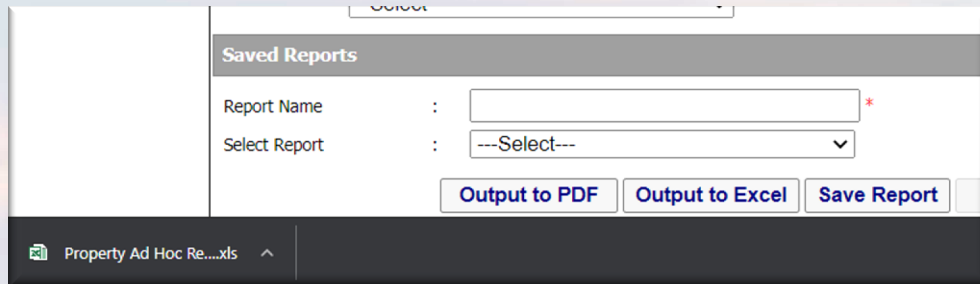


Step 3: In the filter criteria select the items you wish to include or exclude from our report.

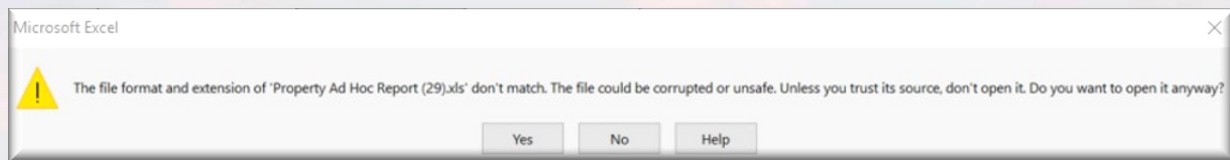


UNDERWRITING

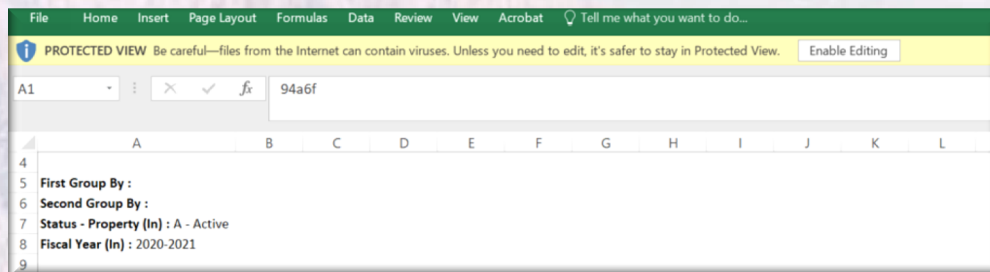
Step 4: When your report is ready – output the report to Excel. This may take a while depending on the amount of data.



Step 5: Select 'Yes'



Step 6: Select 'Enable Editing' and delete the header cells from the document – this information is system generated and not needed. (Generally cells 1-9)



Step 7: Now you can modify and save your report as an xml document.

If you have, questions or concerns regarding your certificates or coverage do not hesitate to contact us! We are also scheduling *free* virtual reviews of your certificates and coverages prior to renewal, if you are interested in setting up a review please email us at: StateRiskUnderwriting@ky.gov or call 502-782-5423.

SPRINKLER

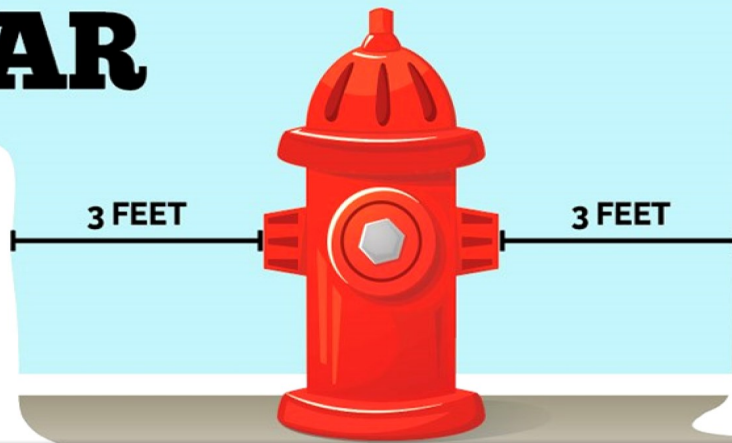
By: Meagan Hart

Help Your Fire Fighters

KEEP THEM CLEAR

In an emergency, every second counts.

- » Remove any snow and ice from hydrant
- » Clear a wide enough perimeter to walk around it (about 3 feet)
- » Clear a path from the hydrant to the street



Locking Valves:

State Risk and FM Global strongly recommend that all sprinkler control valves be in the secured *open position with unbreakable locks and chains*. Even though your sprinkler control valves are equipped with tamper switches, *locking them in the open position* will provide an additional layer of protection to ensure the sprinkler system will function properly as designed. Speak with your Johnson Controls Inspector while onsite for your regular scheduled inspection, they may provide a lock and chain free of charge. For guidance on code requirements, please contact the State Fire Marshal's Office at (502) 573-0382.

(Please see the attached letter from State Risk)



Safety isn't expensive,

It's priceless

AUTHOR UNKNOWN

SPRINKLER

Endorsement D – Protective Safeguards is part of your Fire and Tornado Policy. This endorsement modifies your insurance coverage. As part of your Fire and Tornado Policy, you are required to maintain the protective devices or safeguards – see KRS 56.170. The protective safeguards which this applies to are:

- Automatic Sprinkler Systems
- Automatic Fire Alarm
- Security Service
- Service Contract



(Click on image)

Under this endorsement we will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- Knew of any suspension or impairment in any protective safeguard and failed to notify us of the fact; or
- Failed to maintain any protective safeguard and over which you had control in complete working order.

All reported locations insured with the Fire and Tornado Fund with a fire suppression system will be inspected through State Risk and our contracted inspection company, Johnson Controls, Inc. Johnson Controls Inc. will notify you of deficiencies with your system on your inspection report. State Risk requires a Corrective Action Statement (CAS) to be completed to have the deficiency removed from your account and satisfy Endorsement D – Protective Safeguards.



New Year Knockouts!

MURRAY STATE UNIVERSITY

Carrie Thomas and her team in The Office of Environmental Safety & Health knocked out the competition this quarter! They completed the most Corrective Action Statements (CAS)

Contact Katherine at Katherine.Hutcherson@ky.gov for a list of your outstanding deficiencies or to set up a free virtual review of your sprinkler deficiencies!

Free Virtual Training: Recently FM Global, Johnson Controls, and State Risk have teamed up to bring our customers the best fire suppression service as possible. Our collaboration team meets regularly to improve our trainings, programs, and services for you! We hope you will take advantage of our recent improvements to our free virtual training program and sign up today by contacting Meagan.Hart@ky.gov. Our training offers refresher courses fire suppression systems, myths vs. facts, anatomy of a system, frequent deficiencies, red tag kit, etc.

CLAIMS

Requesting Auto/Equipment Coverage Reporting Property & Auto/Equipment Claims

By Evelyn Smith

In 1936, KRS 56 established the “Fire & Tornado (F&T) Insurance Fund” and in compliance with KRS 42.0651, Division of State Risk & Insurance Services provides insurance for all state-owned and state-operated facilities and vehicles registered and in possession of Kentucky State Agencies/Universities.

My team and I are dedicated to provide services in compliance with KRS, the F&T property insurance policy and the Kentucky Self-insurance Auto Program (KSAP).

Property Claims are paid out by the Fire & Tornado Insurance policy

When property damages occur, KRS 56.110 requires that the agency having control or custody over the property, shall report it to us **within 30 days**. Therefore, it is important that each State Agency have a “claims contact person” to contact immediately when damages occur, caused by floods, earthquakes, windstorms, hail, lightning, explosions, riots or civil commotion, vandalism, multiple thefts, etc.

- When building damages occur and the repair cost could exceed \$40,000 and/or compromise the structure stability, we ask that you contact DECA (Department of Engineering & Contract Administration) because they are very helpful in the bid process. We also communicate with them about what is/is not covered under the insurance policy.
- When damages are major and needs further detailed assessment, we will assign property claims to our contract licensed Property Claims Adjuster, at no additional cost to you and this will help move the repair/replacement process by also working with DECA employees.
- If boiler, chillers, transformers, etc. that provide heat and air-conditioning to the building, are damaged, check to see if the damage may be covered under a manufacturer’s “warranty”. If it is not, equipment breakdown coverage is included in all insured buildings; and please report a claim as soon as possible for quick assessment.

If you have any questions about claim coverage, contact Audra Perkins or Evelyn Smith.

Auto/Vehicles & Equipment insured by the KY Self-insurance Auto Policy (KSAP)

All auto/vehicles and equipment owned, leased, or rented are statutorily required to be insured for liability coverage; and are required to remain insured under KSAP until it is registered in the name of the new owner (not the Commonwealth of KY). Periodically throughout the year, State Agencies/Universities are required to report all new purchases, transfers, rental returns and sold vehicles/equipment in order to document dates, VIN #, and Tag #. This information is critical to confirm coverage when a claim occurs.

While liability coverage is required, you have the option to select Physical Damage coverage. If you have any questions about requesting insurance coverage OR reporting a KSAP claim, contact Karen Bond or Evelyn Smith.

Also, visit our website for information and forms: <http://finance.ky.gov/offices/controller/Pages/dsris.aspx>

“Risky Business”

YOU FOUND MOLD.....NOW WHAT?

By: Sheri Whisman

Most people grab for that bottle of household chlorine bleach and try to stop the growth of the mold. What they don't know is that using household chlorine bleach to kill mold is a myth with most moldy areas.

As a matter of fact, the Occupational Safety and Health Administration (OSHA), **stopped** recommending the use of bleach for dealing with mold problems. The Environmental Protection Agency (EPA) updated their guide as well, removing the suggestion to use bleach to kill mold.

The truth is, using chlorine bleach to kill mold is probably one of the worst things you can do.

The problem is, it's true that bleach can kill mild cases of mold in places *some* of the time. However, bleach only works to remove mold on hard, impermeable surfaces like a bathtub and/or shower surrounds or tiles. On porous surfaces like drywall or hardwood floors, it will not work to kill mold or keep it from coming back. Why? Because mold spreads its roots (called *mycelia* and *hyphae*) deep into porous surfaces. Simply spraying a bleach solution on the surface will not kill mold spores at their roots.

Here are some reasons why you should NOT use chlorine bleach to kill mold spores:

- Bleach encourages toxic mold growth on porous surfaces because it provides excess moisture. Bleach contains about 90% water. When you apply bleach to a surface, the chlorine quickly evaporates leaving behind a lot of water. Then, when the water soaks into porous surfaces like wood, it encourages mold growth. So, bleach can actually make your mold problem worse.
- Bleach only removes the color from mold. After you spray bleach, only the surface appears clean. But the problem is, the mold's roots, or hyphae, continue to grow.
- Chlorine bleach is extremely harmful to surfaces. For example, when you use bleach on wood, it starts to weaken it by breaking the fibers. When you spray bleach on metal, it starts to corrode it almost immediately. Thus, using bleach to kill mold creates problems with the structural integrity of a building.
- Bleach is extremely corrosive. When you spray bleach and it evaporates, it releases chlorine gas. It irritates and eventually causes damage to the skin, lungs, and eyes. The corrosive nature of bleach is even worse when it's mixed. Bleach should never be mixed with acids, because it causes dangerous fumes. Remember: Mixing cleaning compounds containing ammonia with bleach produces deadly gasses that can kill with just a few breaths.
- Bleach doesn't work as a sanitizing agent when it's mixed with an organic material. To be a successful sanitizer, bleach has to be used on clean materials and surfaces. That's why bleach products get used in the laundry after the wash cycle. Light and heat compromise the sanitizing properties of bleach. Despite the fact that the chlorine odor lingers for a while after you use it, bleach loses strength so quickly it doesn't have a residual effect. That is, it doesn't prevent future bacterial or fungal growth.

“Continued Risky Business”

SO WHAT CAN I DO TO THE REMEDIATE MOLD

If the mold is extensive, you should **always** contact a professional clean up team to remediate the mold *as soon as possible*. There are antimicrobial agents registered with the EPA specifically for killing mold. Some are formulated to be friendly to the environment, your employees and guests. In addition, they are cost effective, easy to use, and they have a true residual effect. That means they actually **prevent** bacteria and mold from re-growing.

At State Risk, we recommend that you hire a contractor to do the cleanup if the moldy area is larger than 3 square feet or if the HVAC is involved. Make sure the contractor has experience cleaning up mold. If you have not used the remediation company before, contact their references. Not all restoration companies will give you the same quality of work that you will require. Even franchise companies are owned independently.

If you suspect that the heating/ventilation/air conditioning (HVAC) system may be contaminated with mold, consult EPA guide *[Should You Have the Air Ducts in Your Home Cleaned?](#)* before taking further action. Do not run the HVAC system if you know or suspect that it is contaminated with mold - it could spread mold throughout the building. If the weather is cold during this timeframe, it is recommended to rent a temporary heating system while the remediation is underway.

For more information, visit:

<https://www.epa.gov/indoor-air-quality-iaq/should-i-use-bleach-clean-mold-0>

PROTECTING YOUR PROPERTY FROM RIOT AND CIVIL COMMOTION

Tips to help businesses prepare for, mitigate and recover from such events

PRE-EVENT PLANNING:

- ◇ Develop a solid Business Continuity Plan to include both pre-incident and recovery plans.
 - ◆ Your plan should include designated positions, authority to implement the plan, initiation points, training, and auditing.
 - ◆ Consider creating a Crisis Leadership Team to develop documented procedures in the event of civil unrest, including varying levels of damage and downtime.
 - ◆ Consider proactive measures to reduce potential downtime business impact (e.g., building inventory or ramping up production in safer locations).
- ◇ Consider how quickly your employees might be able to return to work, including remote work options.
- ◇ Complete a Physical Security Risk Assessment, including developing a facility security map to identify different levels of security for your facility.
- ◇ Recognize individual location vulnerability. Street-level businesses in urban areas are highly vulnerable, while rural, industrial businesses are at the other end of the risk spectrum.
- ◇ Review your Property Insurance policy to ensure understanding of what is and



is not covered.

- ◇ Recognize/anticipate events that could trigger civil unrest. Monitor local/state law enforcement notices and social media to stay on top of local issues/events.
- ◇ Consider installing permanent protection devices, such as steel roll-up doors and window openings and heavy barriers around entryways to prevent vehicles ramming the entry.
- ◇ Consider installing impact-resistant, tempered, wired, laminated or burglar-resistant glass. Other window protection includes window bars, protective film on the glass or security shutters.
- ◇ Consider installing emergency backup power for critical pieces of equipment (climate-controlled finished goods, critical data processing equipment, etc.).
- ◇ Consider installing heavy-duty safes for small, highly valuable merchandise and equipment.
- ◇ Consider installing impact-resistant security cameras and high-intensity security lighting with redundancy of sufficient intensity for the video surveillance. Mount the equipment on the exterior of the building so it is inaccessible from the ground.
- ◇ Arrange for frequent backups of important data and intellectual property to an off-site location.

AS EVENT GROWS IN LIKELIHOOD:

- ◇ Clean up area outside your buildings to remove combustible material (e.g., pallets, vegetation) and any debris or loose items that could be used as projectiles.
- ◇ Empty trash receptacles/dumpsters of combustible material and secure them.
- ◇ Work to keep your building envelope intact to help prevent incendiary devices from getting thrown in and looters from accessing the building.
 - ◆ If permanent protection is not installed, use ¾-inch plywood to board up windows and doors.
 - ◆ Secure/lock all roof access points, exterior ladders, roof hatches, openable skylights, etc.
- ◇ Relocate valuable equipment/merchandise to heavy-duty safes or off-site.
- ◇ Remove items in window displays.
- ◇ Move vehicles that are out in the open to a secure area.
- ◇ Relocate/reduce the amount of ignitable liquids and gases in storage and in-process.
- ◇ Ensure backup power equipment (generators) are operational and have adequate fuel in the event of area-wide power outages.
- ◇ If not already done regularly, back up all important data and intellectual property to an off-site location.

IMMEDIATELY BEFORE EVACUATION:

- ◇ Ensure sprinkler control valves are locked open and fire pumps are set to automatic start.
- ◇ If possible:
 - ◆ Shut off gas supply and other possible flame sources.
 - ◆ Shut down the main power supply, as long as it does not disconnect power to an electric fire pump.

AFTER EVENT:

- ◇ Assess the situation for safety hazards.
- ◇ Survey and take pictures of damage.
- ◇ To report a loss, clients should dial (1) 877 NEW LOSS (639 5677) in the United States and Canada, or visit fmglobal.com for local contact information.
- ◇ Implement temporary repairs if possible as needed:
 - ◆ Board up broken windows, doors and other openings.
 - ◆ Replace activated sprinklers and get fire protection systems back in service quickly.

REFERENCES:

FM Global Property Loss Prevention Data Sheet 9-1, Supervision of Property
Reducing the Arson Threat (P7721)

AGENCY SPOTLIGHT

Division of Fleet Management

The Division of Fleet Management, under the direction of the Finance and Administration Cabinet, provides technical and administrative services, as well as procurement support for state owned vehicles. The division's main mission is to provide agencies within the Commonwealth vehicles that are leased to them and also manage a state motor pool for those who need a less permanent rental. In addition, they provide comprehensive vehicle maintenance and repair services. Among these services, the division provides distribution and assignments of vehicles; fueling options; maintenance and accident repair; full-service car wash, vehicle replacement and procurement; centralized mileage reporting; motor pool reservations; and roadside assistance. Some additional areas they manage are:

- **Fleet Help Desk:** Fleet utilizes a Help Desk to assist anyone in a Fleet owned or maintained vehicle from 7:00 AM until 5:00 PM Monday – Friday by calling 800-928-4649 or after 5:00 PM and on weekends at 502-564-2080.
- **Wreck Line:** Fleet also has a wreck line to report any kind of Fleet vehicle being involved in any kind of wreck or incident. That number is 800-435-0714.
- **T-1 Garage:** Fleet also manages the T-1 Garage. The Garage takes care of all of the Fleet vehicle needs for vehicles in and surrounding the Frankfort area. The Garage can perform most any service from scheduled maintenance to some of the more complicated items which include, but not limited to: engine swaps, transmission repairs and other vehicle repair shop work.

NOTE: Most of the Commonwealth vehicles from Fleet are equipped with GPS for mileage reporting, regular maintenance, safety, and monitoring for aggressive driving.