

# State Risk Newsletter

## Director’s Office News

The Division of State Risk and Insurance Services is excited to launch their first electronic newsletter!

The newsletter will be published periodically throughout the year. Each area of our Division will spotlight an article that will include helpful tips, loss prevention ideas, underwriting topics/updates, claims processes, educational information and upcoming training opportunities.

Our goal is to help you anticipate and avoid risk, in other words, guarding your tomorrow! We hope you will find great value in the content of the newsletter. Whether you are working on improving risk at your location, underwriting new areas or working a claim, there will be something for you!



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### About Us

Established in 1936, State Risk is a not-for-profit self-insured agency under the direction of the Finance and Administration Cabinet, Office of the Controller. We insure state owned property (structures and assets), vehicles, mobile equipment, and procure insurance policies for liability risk exposures.

Four functions:

- Appraisal
- Underwriting
- Claims
- Loss Prevention/Risk Management

State Risk operates on the basis of KRS 56.070, which mandates insurance protection for all state owned buildings and business personal property (contents). Your insurance coverage is on an “all risk” basis, including losses caused by floods, earthquakes, vandalism, theft, or other situations. We currently insure more than 8,200 state owned structures.

We oversee mandatory boiler and sprinkler inspections and provide statewide risk management services.

At State Risk, we take time to understand your business and its unique risks, challenges and opportunities. We tailor our solutions to address your specific need and protect what is most important whether it’s your employees, guests, equipment and buildings. We are your risk office!

## Agency Directory

Director’s Office

- Sheri Whisman, Director—502-782-5444
- Beryl Thompson, Assist. Director—502-782-5438

Underwriting

- Meagan Hart-Program Manager - 502-782-5423
- Alex Reese-Ins Policy Spec II-502-782-5441
- Katherine Hutcherson-Procedures Development Specialist II-502-782-5443

Gerry Hamilton-Appraiser-502-782-5421

Chuck Jackson-Appraiser-502-782-5439

Kentucky Self Insured Auto Program

Karen Bond-Program Coordinator-502-782-5437

Property and Auto Claims

Evelyn Smith-Program Manager-502-782-5433

Eslam Omar, Int Pol Analyst III-502-782-0369

eRIMS/MyRISK Assistance

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

# Underwriting

The Appraisal and Underwriting section is tasked with three essential functions based on KRS 56.065 – KRS 56.1855. We are responsible for the underwriting of the Fire and Tornado Fund, which insures all state-owned assets, building appraisals for all state-owned structures, and the sprinkler and boiler inspection programs. Our section has an experienced staff of five:

*Alex Reese, Insurance Policy Specialist II - Underwriting (since June 2006)*

*Chuck Jackson, Building Appraiser (since December 1994)*

*Gerry Hamilton, Building Appraiser (since May 2005)*

*Katherine Hutcherson, Procedures Development Coordinator (since April 2019)*

*Meagan Hart, Program Manager (since July 2012)*

Our section works closely with FM Global, the excess carrier, to assist you in insuring all state-owned assets, protecting your fire suppression equipment, and inspecting boiler systems. We work with Johnson Controls (Simplex) to inspect all fire suppression systems in state owned facilities annually and work with each state agency to correct any deficiencies arising from such an inspection.

Based on statute, building appraisers set the building valuation for insurance purposes on a replacement cost basis, to ensure the Commonwealth of Kentucky entity has enough coverage to replace the facility with like kind and quality at the time of a loss.

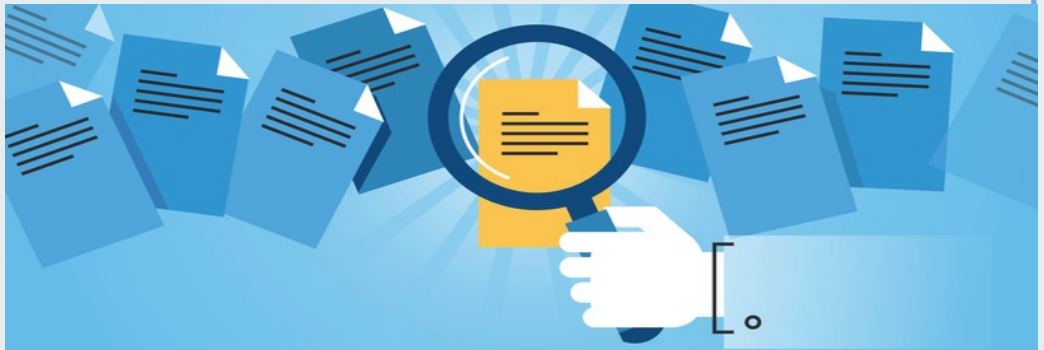
Underwriting staff may modify insurance coverage amounts based on your requests and meet with you to review your certificate, coverages, and policy should you so desire.

We invite you to contact us and ask any questions you may have. We are happy to help.



# Claims

The Claims section at State Risk is responsible for administering property and auto insurance claims for all state agencies and state universities throughout the Commonwealth of Kentucky. We are a team with a priority in quality



customer service to expedite repairs and/or replacement of damages throughout Kentucky.

For property losses that result from of a “covered cause of loss”, please contact Evelyn Smith (*with State Risk since 2013*). You will need to submit a completed Notice of Loss for the Fire & Tornado Self-Insurance Fund. That form (SRC-10) can be found online at:

<https://finance.ky.gov/offices/controller/Pages/dsrisk.aspx>.

Two items you may not be aware of that are benefits included with the Fire & Tornado Fund are:

1. Since 2015, Boiler & Machinery coverage has been included under the Fire & Tornado Fund.
2. For all Fire & Tornado Fund claims, a \$5,000 deductible applies but only once per incident for each certificate.

For vehicle and mobile equipment losses that occur, please contact Eslam Omar (*with State Risk since 2016*). You will need to submit a completed KY Self-Insurance Auto Policy (KSAP) claim form available on the State Risk web page listed above. Send a police report and any available pictures to aid in confirming coverage and assist the auto claims adjuster. Eslam may assign an online driver’s safety course depending upon accident details. These courses are beneficial in reducing both the frequency and severity of vehicle accidents

For requests to add vehicle and mobile equipment coverage, please contact Karen Bond (*with State Risk since 2011*). She can also assist you with rental vehicles and premium payment questions. It is imperative that you communicate to Karen any additions or deletions to your vehicle and mobile equipment fleets to ensure they are properly covered.

Ryan Barnard (*with State Risk since 1999*) is the division’s Resource Management Analyst and he can assist you and your agency with access to our risk management system as well as training requests.

# “Risky Business”

One of the largest misconceptions about risk is that you are at its mercy. *The truth is....YOU possess more power over risk than you think!* Risk management is defined as a process of managing uncertainty and potential exposures that affect your agency’s assets. A risk management plan is an active process that provides valuable insights to an agency to avoid or alert potential risks. By minimizing or mitigating these risks (hazards), an agency can reduce or eliminate disasters before they occur. It starts with identifying and evaluating risk, followed by correcting and eliminating risk to prevent potential losses.

At State Risk, we provide statewide risk management services at no additional cost. The state’s Risk Manager and our excess insurer, FM Global, will assist your agency with a risk management plan. As risk managers, we are responsible for managing hazards posed to agencies all while protecting state assets, income, and employees.

The first step in creating an effective risk management plan, is to understand the distinctions among the types of risks that an agency may face. A risk event (hazard) from any source has the potential to be fatal to an agency’s strategic plan or even to their employees and visitors. Having a risk management plan is an important part of maintaining a successful and responsible agency. It will not only help protect people, but avoid costly and often unbudgeted repairs.

Interested in having a viable risk management plan at your agency? You can start by following these simple steps:

- Step 1: Identify Risk
- Step 2: Analyze the Risk
- Step 3: Evaluate or Rank the Risk
- Step 4: Treat the Risk
- Step 5: Monitor and Review the Risk



If you are interested in more information, we welcome the opportunity to speak with you about avoiding risk. Contact us to schedule your free risk management assessment at 502-782-5444.





## Who is FM Global? What Is Their Role?

The Commonwealth of Kentucky has partnered with Factory Mutual (FM) Global to provide insurance coverage in excess of the \$1 million dollar threshold. FM Global is the excess insurer for the Fire and Tornado Fund (F & T). State Risk pays for this premium on behalf of our policy holders. FM Global offers loss prevention engineering visits, project management services, impairment management services, online training and property loss prevention data sheets all free to our clients. Mitigating risk is the mark of resilient companies and FM Global assists toward that goal. State Risk is happy to help your agency take advantage of these risk management services. Just reach out to one of our qualified staff and we'll put you in touch with the FM Global contact.

To learn more about FM Global visit: [www.fmglobal.com](http://www.fmglobal.com)

## Agency Spotlight

In each newsletter, we will spotlight an agency and/or a person who has shown ways to improve risk. This month we recognize:

### **Central State Hospital – Bob Duley, Director of Plant Operations**

Mr. Duley has implemented a sprinkler control valve supervision program. The program includes field labeling the location of all sprinkler control valves and precise documentation of the inspections. Mr. Dudley also installed physical barriers around the natural gas regulators/lines to prevent impact damage from lawnmowers, vehicles or other equipment.

For more information, please contact Mr. Duley at [Robert.Duley@ky.gov](mailto:Robert.Duley@ky.gov)

