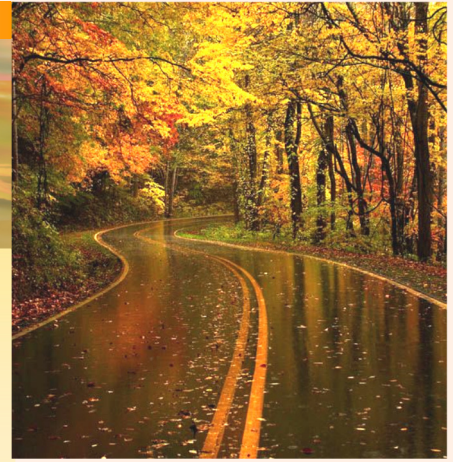


State Risk Newsletter



Director's Office News



We are pleased to announce Sandy Etherington is our new office manager! Sandy offers a great background in providing top quality customer service along with an extensive financial background. We are convinced that Sandy will help improve our day-to-day operations.

Inside this issue

- Director's Office..... 1
- Underwriting 2
- Claims 3
- Risk Management..... 4
- FM Global 5
- Agency Spotlight.....7

About Us

To comply with the Finance and Administration Cabinet's initiative to move all state agencies out of leased space and into state owned facilities, the division will be moving to the new downtown office building. The exact move date is still unknown, but will happen within the next ten weeks. We will notify our customers via email a week before we move.

Our new address will be:
Division of State Risk & Insurance Services
500 Mayo-Underwood Building - 1st Floor
Frankfort, Kentucky 40601

Our phone numbers will remain the same.



Photo provided by D. W. Wilburn Company

Agency Directory

Director's Office

- Sheri Whisman, Director—502-782-5444
- Buryl 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 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
- Audra Perkins, Proc Dev Spec I-502-782-0369

eRIMS/MyRISK Assistance

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

Underwriting

The Top 10 Happenings in Appraisal, Sprinkler & Underwriting!

1. Many of you have asked for it, and we listened. We have rolled out the change to the inland marine scheduling procedure this year! For items under \$25,000.00* no schedule will be required (*excludes fine arts, transit, and temporary).
2. Telephone coverage has been combined with content coverage. If you would like to review your telephone coverage and consolidate it into content coverage, we can certainly help!
3. The Fire and Tornado policy received an overhaul this renewal. To make it easier to read, we have simplified the definitions and moved them into one section in alphabetical order.
4. Our forms have received a face lift! We have converted them to a PDF format to make them easier to use and read. You will no longer need to use Chrome or Macros to open it.
5. Our FTR-10 Form (request for property insurance) and the Real Properties Form B117 form have joined forces. You now submit one form directly to State Risk and Real Properties.
6. We offer customer certificate reviews with the State Risk staff. We will review your coverages and answer any questions you may have. You can schedule this by giving any of our team members a call or sending us an email.
7. Our sprinkler inspection contract has changed to Johnson Controls! They are inspecting all state-owned and operated insured facilities. To schedule your inspections please contact Gyanna.Hoover@jci.com and Meagan.Hart@ky.gov.
8. We are fired up! State Risk and Johnson Controls have teamed up to offer a variety of sprinkler trainings to familiarize your staff with terminology, safety and procedures. For more information please email Meagan.Hart@ky.gov.
9. The Corrective Action Statement for reporting sprinkler deficiencies corrections is available on our website under 'Related Information'.
10. Our building appraisers have traveled across the state meeting with customers to appraise new structures. They welcome the opportunity to appraise the new structure as soon as beneficial occupancy applies – reach out to our building appraisers for more information about the appraisal process.

The Appraisal, Sprinkler, & Underwriting Team



(Left to Right: Gerry Hamilton, Meagan Hart, Chuck Jackson, Katherine Hutcherson, and Alex Reese)

Claims

Our team is dedicated to providing quality customer service to all state agencies and state universities throughout the Commonwealth of Kentucky. Below is State Risk & Insurance Services website:

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

Meet Our Claims Team!

Evelyn Smith (502-782-5433 or Evelyn.Smith@ky.gov) is the division's claims manager. She has been with State Risk since 2013 and in the insurance industry since 1978. Ms. Smith has extensive experience that includes 12 years underwriting, policy issue & billing; 9 years risk management, underwriting and actuarial assessments of property; 2 years as a licensed agent selling property/casualty and life/health insurance; and 6 years as a human resource manager. Ms. Smith served as claims manager from 2002-2005 for the Fire & Tornado Self-insurance Fund, returning to Division of State Risk & Insurance Services in 2013 as claims program manager for the Fire & Tornado Self-insurance Fund and the KY Self-insurance Auto Program.

Karen Bond (502-782-5437 or Karen.Bond@ky.gov) is the procedures development specialist she provides quality customer service for requests to add or delete vehicle and mobile equipment coverage to make sure items are properly covered under the KSAP program. By Kentucky law, liability coverage is required for all state-owned, leased, or rented vehicles including mobile equipment. You also have the option to purchase "physical damage" coverage. Karen also handles all automobile claims and works with adjusters to settle claims.

Ryan Barnard (502-782-5435 or Ryan.Barnard@ky.gov) is the division's resource management analyst. Ryan is responsible for providing access to our insurance system as well as arranging dates/times for property and auto insurance coverage, KSAP audits, as well as property and auto claims complimentary training requests.



We are excited to announce that ***Audra Perkins*** has joined our Claims team and will be handling all property claims in accordance with the Fire & Tornado Self-insurance Fund. Audra has been working for the Commonwealth of Kentucky over eighteen (18) years and likes to resolve issues quickly by providing quality customer service. If you have any questions, feel free to contact her at 502-782-0369 or AMPerkins@ky.gov

Farewell to ***Eslam Omar*** on his new adventure at Kentucky State University. With Eslam leaving State Risk, all state-owned vehicle and mobile equipment claims should be reported to Karen Bond.

This is our Claims Team! If anyone is not available to assist you, always feel free to contact Evelyn Smith.

“Risky Business”

Earthquakes in Kentucky? There are numerous fault lines in Kentucky. Most discussions about fault lines in Kentucky seem to focus on the New Madrid fault that is located in far Western Kentucky. However, there are others sprinkled across the state. Seismologists estimate that the New Madrid Seismic Zone has a 25-40% change of producing a significant quake within the next few years.

What causes earthquakes? Over millions of years, the rocks beneath the earth’s surface move against one another and gradually build up pressure and strain. An earthquake occurs when this accumulated energy reaches the breaking point, causing huge masses of rock to shift. The resulting force is transferred to the ground above, where we live and play.

So what can I do to be more prepared prior to an earthquake?

- Secure tall furniture such as filing cabinets, bookshelves, etc., to a wall stud.
- **HAVE A PLAN!** Train personnel to know where to go and what to do. Make sure someone has direction on how to protect people during and after the shake. Also, compose an Emergency Response Plan and Continuity of Operations Plan. If you have plans, revisit them to ensure changes are not needed.
- Hold drills periodically.
- Keep enough first aid supplies, water, blankets and nonperishable food available for at least three days following the earthquake.
- Work with your county Emergency Management and Department for Public Health to coordinate response and possible recovery efforts.

What measures do we need to take when the shake comes?

- Stay calm.
- Take cover.
- Understand gas lines and utilities might be damaged and unsafe.
- After an earthquake is over, reassess your Emergency Operations Plan and Continuity Operations Plans and make changes if needed.

Remember after a major earthquake, tremors will be felt for days and often weeks after. After follow up tremors, reassess your area for damage and contact State Risk for further direction on a claim.

Does my agency have earthquake coverage through the Fire and Tornado policy? YES. Please refer to your Fire and Tornado Policy on page 12 section (b) (1).

For more information on how to be prepared for an earthquake in Kentucky visit: <https://www.fema.gov/earthquake> .

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.

FM Global

Looking Back and Lessons Learned



FM Global and State Risk partner to share loss prevention success stories and loss lessons for the benefit of all Commonwealth insured locations. Every year, one of the leading causes of fire ignition is due to **hot work**. In just the past 10 years, FM Global documented 282 client losses (not all from the Commonwealth) from hot work, totaling \$946,800,000 in client damages and downtime costs. Of those losses, all could have been prevented. The impact on facilities and communities from major fire events takes weeks to months to recover, and yet it takes only minutes to implement a proper hot work management program before work begins. Just remember, loss history shows there is no industry or type of facility immune to this hazard.

What is hot work?

Hot work includes cutting, welding, brazing, grinding, sawing, sweat soldering, applying roof covering, sealing plastic shrink-wrap by torch, and using a plumber's torch. These are common examples of hot work.

A Commonwealth Loss

In June 2018, the Kentucky Center for the Arts experienced a fire on the roof which was ignited by hot work. Over the 4 hours the fire was active, the fire department was on the roof extinguishing the fire, dispensing thousands of gallons of hose water into the building causing extensive damages to the ceilings, walls, floors, and finishes of the interior. Shows were cancelled and the lobby area of the center was closed for repairs. Sadly, this was a preventable loss event, yet millions of dollars were spent and loss and normal business interruption resulted.

From this photo detailing the roof damage, it is evident that hot work should be strictly prohibited on this roof due to the combustible wood sheathing present.

Hot work was not part of the scope of work.

An enforced hot work policy and hot work permit were not followed when it was determined that hot work was potentially needed.



FM Global

Looking Back and Lessons Learned-cont.

Lessons Learned:

- **Collaborate:** It is everyone's responsibility to ensure any and all hot work is properly restricted and managed with collaboration from all parties involved.
- **Prepare:** Develop a written policy now for managing any future hot work activities and **obtain FM Global's free hot work permits** or an equivalent permit. Ensure the policy and permit is distributed to all personnel including contractors visiting the site.
 - ◆ *In a hot work management policy, this roof would have been listed as a hot work prohibited zone due to the wood sheathing.*
 - ◆ *The below precaution checklist section of a hot work permit could have prompted supervisors to **not** approve hot work activity on the roof:*

Hot work on walls, ceilings or roofs	
<input type="checkbox"/>	Construction is noncombustible and without combustible covering or insulation.
<input type="checkbox"/>	Combustible material on other side of walls, ceilings or roofs is moved away.

- **Note:** Often, hot work can be replaced with an alternative work method, or the work can be relocated to a safe area. If hot work activity is discussed, ask if there are alternatives. If none are available, make sure hot work procedures are followed.

Resources:

- **Free hot work management training:** <http://training.fmglobal.com>
- **Free hot work permits:** <https://www.fmglobalcatalog.com>
- **Hot Work Policy:** FM Global DS 10-3 *Hot work Management:* www.fmglobaldatasheets.com
- **NFPA 51B:** *Standard for Fire Prevention during Welding, Cutting, and other Hot Work*
- **State Risk Human Element Policies Brochure:** <https://finance.ky.gov/offices/controller/Pages/dsrisk.aspx>
- **Need more?** Contact FM Global account engineer Stephanie.Erin@fmglobal.com

Agency Spotlight



This summer, Murray State University installed the first clean agent fire suppression system on campus. The Data Center project at MSU, relocated the data center from a larger space in the Industry & Technology Building into a smaller space within the same building. This relocation freed up a larger space to be repurposed into professional offices for Information Systems staff and directors.

With the relocation of the data center, MSU's Facilities Management was able to ensure that the HVAC systems were correctly sized for the equipment and UPS. During the renovation, the previous halon fire suppression system was removed and the halon was reclaimed for resale. The Clean Air Act of 1994, banned new installations of halon systems, because Halon 1301 was determined to be an ozone depleting substance.



A new FM-200 clean agent fire suppression system was installed to provide fire protection to the data center equipment and electronics. This

system disperses the chemical FM-200 when smoke detectors become activated. The colorless, odorless agent vaporizes upon discharge and absorbs heat to rapidly suppress fire while leaving no residue to clean up. It is electrically nonconductive, will not short-out electronic equipment or thermally shock delicate circuitry resulting in less damage to critical equipment, facilitating a much shorter recovery time and



reducing downtime.

WAY TO GO MURRAY STATE!!!!