

State Risk Newsletter

News From the Director

By: Sheri Whisman



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I hope you are enjoying your summer! Since we have so many new clients, I wanted to highlight who we are, what is our role and how can we best assist you! The **Division of State Risk and Insurance Services** is under the direction of the Finance and Administration Cabinet – Office of the Controller. State Risk provides and procures cost effective insurance for state owned property, vehicles, mobile equipment, and liability risk exposures. Additionally, this division provides state-wide risk management services and procures Public Official Bonds, Commercial Liability, Sickness/Accident insurance policies, Aviation policies and various liability policies to state agencies, universities, and Kentucky Community and Technical College Systems. The division also provides underwriting, appraisal services of state-owned structures and utilizes a third-party claims adjuster to assist in processing your claims faster. State Risk evaluates the various state agencies' insurance needs and acts as the insurance liaison between state agencies, the Finance Cabinet, and the commercial insurance market. We have two major programs:

- **Fire and Tornado Insurance Fund (F&T)** is an essential focus of the division and is a self-insured commercial property insurance program that was established in 1936. F&T provides insurance protection for all state-owned buildings and business personal property (contents), **pursuant to KRS 56.070**. The fund provides property insurance coverage on an "all risk" basis, including losses caused by floods and earthquakes, subject to specified exclusions, for approximately 8,177 state owned structures.
- **The Kentucky Self-Insured Auto Program (KSAP)** is a self-insured, state owned vehicle insurance program established in 2011. KSAP staff audits and records all vehicle additions and deletions per agency, issues the annual renewal billing and collects the premium due. Currently, KSAP is responsible for insuring an excess of 13,500 vehicles. Claims are also processed through this office, where we have a third-party claims adjuster handle your vehicle claim.

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Continued from Director

The Division is comprised of five key areas:

- **Appraisal:** Performs field appraisals and annual appraisal updates for structures owned by the Commonwealth. The appraisers determine the replacement cost values by using industry standard appraisal software with an emphasis on square footage, perimeter, construction methods and cost of materials. These values are then utilized by the underwriting staff to determine the insurance premium for all state-owned structures.
- **Underwriting:** Issues approximately 310 insurance policy certificates to insured state agencies, universities, and the Kentucky Community and Technical College Systems. To ensure proper insurance coverage, the underwriters counsel with state entities to determine the acquisition or surplus of buildings, business personal property (contents), fine arts and scheduled business continuation coverage, throughout the state. For the current FY, over \$27 billion in assets are insured, through the Fire and Tornado Fund.
- **Sprinkler and Boiler Inspection:** State Risk administers the KRS 56.170 mandated inspection program for all state owned and insured facilities. Fees for inspections are paid for by State Risk with any repairs or deficiencies paid for by the customer/agency.
- **Claims:** State Risk administers all property damage claims for the Commonwealth of Kentucky within the Fire and Tornado Fund (F&T) for insured properties. As part of a claim, they are also responsible for setting up the claim, investigating, assigning to a third-party property claim adjuster when needed, and making settlement payments to the insured agency for covered damages. For auto claims with the Kentucky Self-Insured Auto Program (KSAP), the claims staff sets up a claim, receives photos and police reports to confirm vehicle coverage prior to sending the claim to a third-party claims adjuster, who will handle the claim until settlement is determined for closure.
- **Risk Management:** 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.

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. If we can assist by providing risk management prevention guidance, contact us!

State Risk offers free training and provides risk management prevention guidance. If you would like more information regarding risk preventions, contact Sheri.Whisman@ky.gov.

APPRAISAL AND UNDERWRITING

By: Gerry Hamilton

State Risk - Training Services

Has your staff experienced recent retirements? Have employees moved on to other job opportunities? State Risk is here to make that transition less painful when cross training is not an option.

At State Risk, we partner with over 300 state agencies and universities to maintain accurate insurance inventories. In order to have an accurate inventory of property and assets, we work to develop a strong working relationship with each of our agencies. A common occurrence that affects that partnership, is when the agencies experience staffing changes. When these changes occur, the staffing replacements are not aware of our partnership or how our process works.

The Division of State Risk & Insurance Services provides FREE training! Some areas we offer training for appraisal and underwriting are:

- building & structure
- structure contents
- tunnels (not under foundation)
- inland marine reporting
- master computer reporting
- business income (basic, medical & university)
- building & structure insurance claims
- auto accident reporting / claims
- sprinkler deficiency / corrective action statements

State Risk has training presentation materials available for some of the items listed and they can be viewed on your schedule. We also provide one-on-one training with each of our insurance product experts.

To assist you with all your training needs, fill out the CTR-1 “Complimentary Training - Request Form” found on our website. Upon receiving the form, State Risk will contact you with training product options specific to your training request. We are here to help you transition to a working partnership with us. We look forward to working with you for all your insurance needs provided by The Division of State Risk and Insurance Services.

You can also download the latest form updates from our website:



SPRINKLER

By: Cecil Sowers

Fire Sprinkler Systems

Control Valve Safeguarding

The National Fire Protection Association (NFPA 25®) states, “Each normally open valve shall be secured by means of a seal or a lock or shall be electrically supervised...”

Control Valves—What Are They?

Control valves control the flow of water in an automatic fire sprinkler system. Therefore, it is critical they remain open to allow water flow to the sprinklers. According to the NFPA, closed valves are the main cause of sprinkler system failure. There will likely be several control valves located throughout your system that separate the system into designated sections. These valves come in a variety of sizes and types. The most common types of control valves are described below.

Outside Stem & Yoke (OS&Y) valve (also called an indicating gate valve) - Indicating type means that one can visually determine if the valve is open or closed. An OS&Y valve is open when the threaded stem extends from the valve. The valve is closed when the stem is not visible above the control wheel.

Butterfly valve - Also an indicating type. There is an indicating vane that moves when the valve wheel is turned. The valve is open if the vane is parallel to the riser or direction of water flow. If the vane is perpendicular to the direction of water flow, the valve is closed.

Post Indicator Valve (PIV) - This valve may be mounted on the exterior of the building (horizontal type) or in the yard of the premises (vertical type). The valve indicates its status through a small window on the side, displaying either “OPEN” or “SHUT.”

Control Valve Safeguarding Techniques



Chain & Lock - Secure a locked chain through the control wheel or handle to prevent physical movement of the valve. The valve should be chained and locked in the open position.

Locked & Limited Access Room - The control valve can be safeguarded by limiting access to the valve. This may consist of keeping the door(s) to riser rooms locked and limiting access to authorized personnel only.

Tamper Switch - A tamper switch is an electro-mechanical device attached or integrated into the valve controls which sends an electrical signal if the valve is moved. The tamper switch alarms should be supervised by a 24-hour remote station or may be locally monitored if the building is continuously occupied. Most tamper switch devices have a rest key. This key should be safeguarded or kept with authorized personnel only.

Multiple types - This utilizes two or more of the above techniques and provides superior safeguarding.

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SPRINKLER

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Here are some common sense safety rules:

- Make safety a priority at your facility
- Know and follow the company safety rules
- Use the required protective equipment
- Remind your co-workers about safety procedures and equipment
- Attend safety training and refresher courses as available
- Know what to do in case of an emergency
- Ask questions when you don't understand
- Don't ignore a safety hazard
- Don't become distracted with jobs you've done many times
- Use equipment in ways they were intended
- Being pressured by others may cause you to ignore or forget safety procedures
- Don't take shortcuts on the job
- Don't assume safety is someone else's job

Think about how the choices you make on the job not only affect you, but also how they affect your family, your co-workers, and the state. Reminding yourself of the far-reaching consequences an incident can have on many different people can reinforce making the right decision by working safely.

Brag Board

Northern
Kentucky
University
(NKU)

NKU has completed all their deficiencies!
Audra Points has made great strides to ensure that NKU is safe for all students and staff members.



The Dept. of Corrections

Kentucky State Penitentiary completed 421 sprinkler deficiencies for the quarter!
Thank you, Brian McGuire and Kenneth Johnson, for staying on top of this.



Kentucky Horse
Park

Kentucky Horse Park works diligently to make the proper deficiency corrections in a timely manner and turning in the Correction Action Statements.



PROPERTY AND AUTO CLAIMS

By: Evelyn Smith

Training Accommodation Requests From Our Insureds

I have a team who provides customer services to all Kentucky State Agencies/Universities including KCTCS statewide. It is our goal to provide quality information for F&T property claims (Audra Perkins), KSAP auto claims (James Baggett), KSAP auto underwriting audits/billings (Sandy Etherington), and Customer Training requests (Ryan Barnard).

During 2021, we experienced 3 catastrophic events that affected 34 different certificates, having damages caused by “snow/ice/wind damages in February”, “flood damages in late February & early March”, and “tornado disaster in December”. During the first 6 months of 2022, we had 2 catastrophic windstorms/tornados that damaged various buildings insured under 9 different State Agency/University certificates. During the fall, Kentucky usually has heavy rainstorms, windstorms and flooding which should prompt assessment of potential damages that could occur to your property and autos. Putting attention to risk management procedures to reduce the risk of damages, is in everyone’s best interest.

Fire & Tornado (F&T) Self-insurance Property Claims

When damages occur, complete the claim form SRC-10 on our website and when hitting the “email button”, it will be sent to our central email box: FT.PropertyClaims@ky.gov or contact Audra Perkins if you have any questions. Upon receipt of the claim form, photos and detailed description of damages that have occurred, we will determine if our licensed Property Claims Adjuster needs to be assigned (at no cost to you) to assess damages and give guidance for moving forward with repairs, cleaning, etc. It is important to mitigate damages as soon as possible by use of professionals to avoid mold or other issues. Windstorms can also cause power outages that could affect your permanently installed equipment providing electrical services to transformers, boilers, chillers, HVAC, etc. in your buildings.

The KY Self-insurance Auto Program (KSAP)

KY State law requires all motor vehicles/equipment to be insured for Auto Liability, which covers damages caused to the other driver’s vehicle or personal property. Auto Physical Damage coverage is not required; however, this covers damages to State-owned/rented vehicles or equipment when no other party is involved. Coverage can be requested on the vehicle listing report (VLR) or send emails to our KSAP general email address: KSAPunderwriting@ky.gov or contact Sandy Etherington if you have any questions. It is also important that you request coverage as soon as you have possession and Auto Liability coverage is statutorily required to remain in effect until it is registered in the name of the new owner. We also require that you immediately report a change when vehicles/equipment is transferred to another State Agency.

Sometimes accidents cannot be avoided; and it is important to call the police and your supervisor when an accident occurs. Never admit fault, take photos (if possible), get information from the other driver, including name, phone number, insurance and ask if any injuries. Complete the KSAP claim form SRC-12 that is on our website and email it to KSAPAutoClaims@ky.gov and contact James Baggett if you have any questions about the form.

To learn more, visit
our website:



FM Global Training Center

There are many resources available from FM Global. The best place to start is at the FM Global Training Center which can be accessed using the following link:

www.fmglobal.com/training-center

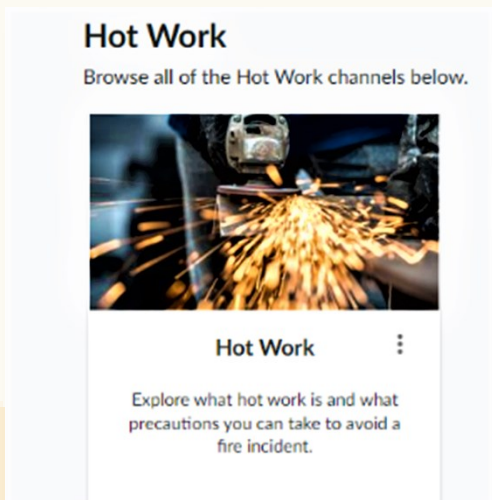
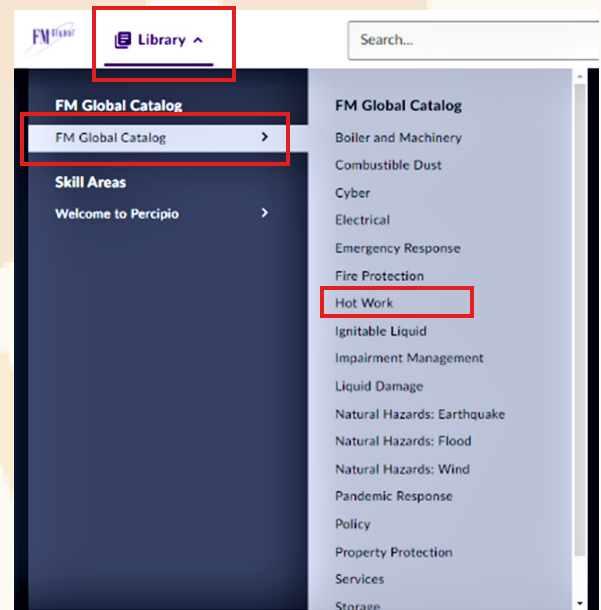
First time users will need to register by clicking on the “Begin Registration” link. The Account Number for the Commonwealth of Kentucky is 84539. Please fill in the appropriate information and register, and you will then receive a welcome e-mail with the following link:

<https://fmglobaltraining.percipio.com>

Your login name will be your e-mail, and from here you can establish a password and login to the site.

Once you have logged in to the training site page, please go to the top of the page and click “Library,” then click “FM Global Catalog” to reveal a list of topics that may be interest to you.

For this demonstration, let’s select “Hot Work”



You can then click the picture to browse FM Global hot work training resources available to you.

Resources include the following:

- A 1-hour long training module on how to use the hot work permit system to properly manage hot work conducted at your facility
- An 11-minute video discussing the hazards of hot work
- A short 4-minute video on how to properly fill out a hot work permit.
- A 1-hour recorded webinar exploring what hot work is and what can be done to avoid a fire incident.

Happy exploring!

If you have any questions, please contact your local FM Global field engineer or David Morris, FM Global Account Engineer at david.morris@fmglobal.com.

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.

Meet the State Risk Staff

Audra Perkins

Procedures Development Specialist



amperkins@ky.gov

502-782-0369

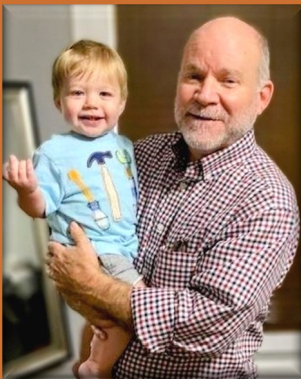
(Cell) 502-514-6565

Hello there. My name is Audra Perkins and this August will be my 21st anniversary working with State Government. Prior to joining the team here at State Risk as a Procedures Development Specialist in September 2019, I worked with unemployment insurance. The two jobs couldn't be more different, but I'm extremely glad I made the move! I learn something new every day and hope I make your interactions with us a tad less stressful. I'm on the front line of the claims process so when you need to get a claim started it will start with me. I'll work with you to get updates about your claims and then once the work has been completed and you've sent in the final paid invoices, I'll start the reimbursement/payment process.

When I'm not assisting you with your claims, I am with my family, in the woods with our hunting dogs or kayaking!

Chris West

Insurance Appraiser



chris.west@ky.gov

502-782-5439

Job Duties: Performs field appraisals and annual appraisal updates for structures owned by the Commonwealth. The appraisers estimate replacement cost value using industry standard appraisal software. These values are then utilized by underwriting staff to determine the insurance premium for each structure.

Hobby/Fun: I enjoy anything outdoors. Hunting, fishing, camping, and hiking. Four grandkids under the age of 6 plus one more on the way keeps me busy on the weekends. They are also all boys. In two months, I'll have a basketball team.

State Risk Mailboxes

To help keep emails organized and to ensure they are processed in a timely manner, we have email mailboxes dedicated to KSAP and F&T Underwriting as well as KSAP and F&T Claims and the Sprinkler Program.

Below is a listing of all the email mailboxes associated with our office:

Property Underwriting:
StateRiskUnderwriting@ky.gov

Sprinkler Program:
StateRiskSprinklerProgram@ky.gov

KSAP Underwriting:
KSAPUnderwriting@ky.gov

KSAP Auto Claims:
KSAPAutoclaims@ky.gov

Fire & Tornado Property Claims:
FT.PropertyClaims@ky.gov

Staff Directory

Sheri Whisman, Director
Buryl Thompson, Assistant Director

(502) 782-5444 or (502) 229-3905
(502) 782-5438

Sheri.Whisman@ky.gov
Buryl.Thompson@ky.gov

Underwriting for the Fire and Tornado Fund

StateRiskUnderwriting@ky.gov

Gerry Hamilton, Insurance Program Manager
Jeni Collins, Insurance Policy Specialist II
Chris West, Insurance Appraiser
Chuck Jackson, Insurance Appraiser

(502) 782-5421
(502) 782-5441
(502) 782-5439
(502) 782-5437

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Jcollins@ky.gov
Chris.West@ky.gov
Chuck.Jackson@ky.gov

Kentucky Self Insured Auto Program Administration

KSAPUnderwriting@ky.gov

Buryl Thompson, Assistant Director
Evelyn Smith, Insurance Program Manager
Sandy Etherington, Procedures Development Specialist

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(502) 782-5442

Buryl.Thompson@ky.gov
Evelyn.Smith@ky.gov
Sandy.Etherington@ky.gov

Fire and Tornado Property Claims

FT.PropertyClaims@ky.gov

Evelyn Smith, Insurance Program Manager
Audra Perkins, Procedures Development Specialist

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AMPerkins@ky.gov

Kentucky Self Insured Auto Claims

KSAPAutoClaims@ky.gov

Evelyn Smith, Insurance Program Manager
James Baggett, Procedures Development Specialist

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Jamesa.Baggett@ky.gov

Risk Management & Public Official Bonds

Sheri Whisman, Director
Buryl Thompson, Assistant Director

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(502) 782-5438

Sheri.Whisman@ky.gov
Buryl.Thompson@ky.gov

Commercial Liability/Special Event Policies

Buryl Thompson, Assistant Director

(502) 782-5438

Buryl.Thompson@ky.gov

Sprinkler Program

StateRiskSprinklerProgram@ky.gov

Gerry Hamilton, Insurance Program Manager
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Boiler Program

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James Baggett, Procedures Development Specialist

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(502) 782-1866

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eRIMS & Training Assistance

Ryan Barnard, Resource Management Analyst II

(502) 782-5435

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