

Property & Liability Outreach

Produced by Department of Administration Bureau of State Risk Management

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FY17, Quarter 2

P&L Manual Link



Total Estimated Property Insurance Premiums for all State Agencies/Institutions:

<u>FY16</u>	<u>FY17*</u>
\$11,200,038	\$ 10,900,000

This is an estimated 3% decrease in total property premiums from last FY.

*Some agency premiums will increase more significantly and others may decrease based upon premium adjustments in individual programs, agency loss experience, and exposures.

Paid Property Claims

<u>Auto</u>	<u>Auto</u>
<u>FY16 Q 2</u>	<u>FY17 Q2</u>
\$60,477	\$120,426

<u>Property w/o Auto</u>	<u>Property w/o Auto</u>
<u>FY16 Q2</u>	<u>FY17 Q2</u>
\$789,945	\$778,804

Welcome

Hello and welcome to our third issue. We are currently finishing up calculating the annual insurance premiums for all agencies. Thanks to a reduction in claims experience and reduction of excess insurance premiums, our current calculations show an estimated 3%* decrease in total property premiums. Which is good news and should show up as a property premium decrease for many agencies. On the liability premium side, things are trending the opposite way and we are estimating a 6.4%* increase in total liability premiums for all agencies. The current total estimated liability premium for FY17 is \$7,775,000 vs. \$7,300,000 in FY16.

-Andy Jennings

In January 2017 I began my 4th year as BSRM's Liability Risk Specialist. I often joke, if we haven't spoken or exchanged an email that's good because that means your agency probably hasn't had a liability claim from a third party claimant (pause for laughter). Professionally, prior to my current tenure I worked as a claims adjuster for various insurance companies cumulatively for 10 years. In college I studied Radio, Television and Film at UW Oshkosh and Madison Media Institute so if you have kids that want to go to school for that you can tell them; "Oh, so you want to work in the insurance industry?" Wink, wink, nudge, nudge. I married my best friend last September and I'm the proud father of 4 of the coolest cats on the planet, Griswold, Casi, Cali and Dexter. My favorite quote is: "Great minds discuss ideals; average mind discuss events; small minds discuss people."

-Bradley Templin



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Auto Property Claims Processing

The state self-funded property program provides comprehensive coverage for all state-owned and leased vehicles licensed for use on public roadways. Also offered is collision coverage which is optional and to be determined by the agency needs. Damages to an employee's personal vehicle while being used for state business are covered by the employee's own auto insurance and under no circumstances will the State's property program pay for the vehicle repairs or deductible.

State coverage pays the lower of either the cost to repair or the actual cash value (ACV) of the vehicle at the time of loss, less the applicable deductible. Repairs should be supported by two written estimates if damages are over \$2,500. The ACV is determined by the average trade-in value listed in the NADA Official Car Guide (<http://www.nadaguides.com/Cars>), adjusted for mileage, less salvage. When a vehicle's repairs exceed the NADA value, it is deemed a total loss. For vehicles 7 years and newer, a vehicle is deemed a total loss when repairs exceed 70% of the NADA value. For example, a 2012 Ford Escape has a NADA value of \$11,000, a low estimate of \$8,500 for repairs, and a salvage value of \$3,500. The threshold for repairs would be:

$$\$11,000 \times 70\% = \$7,700$$

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Since the repair estimate exceeds this amount, the vehicle would be deemed a total loss and should not undergo repair. The claim would be paid out at either the cost to repair or the calculated ACV, whichever is less, minus the deductible. In this case it would be the ACV (\$11,000-\$3500=\$7500) less \$1,000 deductible.

All property claims over the \$1,000 deductible should be filed with BSRM within 120 days of the loss or a higher deductible will apply. If the claim cannot be finalized within this timeframe an agency should submit a written statement putting BSRM on notice of the claim and explanation why the claim will cannot be finalized within the proper time frame. Proper claim documentation submitted for payment should include: vehicle Accident Report Form, [DOA 6496](#), photos (if taken), two estimates if damages over \$2500, documentation of ACV if vehicle is totaled and Signed Proof of Loss Form, [DOA 6413](#).

-Contributor Olivia Johnson

Liability Liaise

Winter in Wisconsin brings an increase in the potential of and slip and falls claims.

Slip and Falls are:

#1 Cause of accidents in Homes, & Public Buildings

#2 Leading cause of Injuries throughout the United States (Auto Accident #1)

#2 Cause for Workman's Compensation and Liability Claims (40% of all Claims)

The good news is slip-and-fall injuries don't have to "just happen." How? By being proactive and just not reactive to prevent them. Start early and be diligent by getting the word out to your agencies maintenance or custodial staff.

Risk Management Contacts should:

- Have a general knowledge of when snow and ice accumulation is removed by staff and how often so that if and when a slip and fall occurs a proper investigation can ensue to determine if any negligence exists.
- Coordinate with staff and make sure, high traffic areas and entrances be cleared first. Risk Management should also make sure maintenance or custodial staff is piling snow in a low area of "lots" to prevent hazards from melting and refreeze which could create future slips and falls.
- Coordinate with maintenance staff (preferably prior to snow falling) to spot check for hazards. Identify potholes and cracks that may cause issues in inclement weather and arrange for repairs before it snows.
- Check that drain pipes, grate covers and catch basins are not clogged with debris. Once the snow comes, ice dams can form, causing water from melting snow and ice to back up onto sidewalks and refreeze. Make sure lighting systems covering parking lots and sidewalks are checked regularly to verify they are working properly.
- Check entrance steps and handrails for damage. Employees need a sturdy handrail to grip when conditions are slick.
- Review previous year's reports to determine where there has been a history of slip-and-fall incidents. Find solutions to eliminate problem areas.
- Coordinate with custodians to prevent indoor slips. When snow is tracked indoors, interior walking surfaces in entrances, reception areas, hallways, and stairwells can be dangerous. To keep individuals safe, strategically place "wet floor" signs to slow people down as they enter the building or use beveled floor mats to catch excess water.
- Create a procedure for taking the appropriate action when someone causes or comes across a spill.

What can people themselves do to deter slips and falls?

- Be aware of your surroundings and make good decisions.
- Focus on your footing. Watch where you walk. Concentrate on getting from point A to point B safely.
- Walk like a penguin. Use short, slow steps.
- Don't use your cell phone while walking from the parking lot or on stairs.
- Use handrails on stairways and don't rush.
- Be aware of changes in walking surfaces. Many falls are caused when people don't realize they're leaving non-slippery surfaces for slippery ones.
- Free up your hands. Use a carrying case with a shoulder strap for laptops and files.
- Wear appropriate footwear — no high heels or smooth-soled shoes.
- Step down and not out when getting out of a vehicle. Swing both legs out. Place both feet on the ground and use hands for support.
- Step down off curbs, not out. Landing on your heel first instead of flat footed can cause a fall.
- Use authorized paths. If it's not clear of snow, don't use it. No shortcuts.
- Report unsafe conditions to a supervisor or maintenance person.

-Contributor Bradley Templin

Paid Liability Claims

FY16 Q2

FY17 Q2

\$526,573

\$1,027,857

Open Claim Counts

February 2017

Auto General

21 15

Civil Rights Environmental

99 1

Medical Malpractice

46

Professional

9

Employment Practices

8

Total

199

Website:

P&L Webpage

Contact Us

Property & Liability Program Manager

Andy Jennings, ARM-P

(608) 266-0168

Andy.Jennings@wisconsin.gov

Property & Liability - Property Specialist

Olivia Johnson

(608) 267-2731

Olivia.Johnson@wisconsin.gov

Property & Liability –Liability Specialist

Bradley Templin

(608) 267-0643

Bradley.Templin@wisconsin.gov

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