

ALERT

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DIRECTOR'S COLUMN

by Liz Houlding

Important Notice!

After the merger of the Workers' Compensation Program with Administrations' Property and Casualty Program in the Risk Management Division, we began the process of replacing four legacy systems into one comprehensive system. The new system, iRISK, will allow for standard underwriting and claims processing, as well as help the Division provide meaningful feedback to our customers regarding the nature and type of activities they need to concentrate on to lower their claim costs and premiums.

The first phase of implementing iRISK has concentrated on workers' compensation claim functionality. iRISK will bring efficiencies to the reporting of workers' compensation claims/incidents. Agencies will be able to report workers' compensation incidents to us in a much simpler way and without the delays that exist in our current process. iRISK will also help the Workers' Compensation Claims Man-

agement Unit with complex benefit calculations needed for making accurate payments to injured employees.

We plan to implement the first phase of our new system on October 15th. Individuals directly impacted by iRISK implementation will be learning more about the changes in the next few weeks.

The next phase of the implementation will focus on the development of the Property and Casualty insurance underwriting and claim functions. Other functionality being developed includes incident investigation and control measure tracking as well as OSHA recordkeeping. We are eager to put this new system in place and look forward to working with our partners to realize the efficiencies we envision.

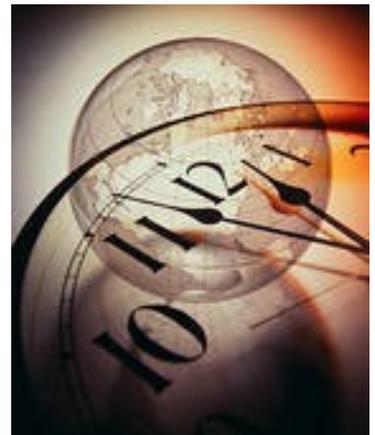
We need your help!

In a previous edition of this newsletter, I mentioned our

goal for timely reporting of workers' compensation claims is 73 percent after achieving 68 percent last year. Unfortunately, we slipped back this year to 63 percent. Timely reporting is defined as a claim being submitted within 3 calendar days. Studies have shown the cost of a claim is increased by 9 percent if reported between 4 and 7 days and 20 percent more if reported between 7 and 14 days. Remember, our interface with SEMA4 is done only one time per day in the early morning hours; thus, first reports should be entered no later than day two after employer notice. Notice of injuries will be sent to us almost instantly when we implement our new computer system in October. Please see your Workers' Compensation Coordinator, who receives quarterly updates, for more information regarding your individual agency results.

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6TH ANNUAL SAFETY & LOSS CONTROL CONFERENCE FEATURES PROMINENT GUEST SPEAKER!

This year's 6th Annual Safety & Loss Control Conference marks the first anniversary of [MnSAFE](#), Governor Dayton's statewide workplace safety initiative. With MnSAFE's goal, to reduce workplace injuries by 25%, efforts/activities to reduce the incidence of workplace injuries are occurring throughout state government. The early measurements show modest injury reductions.

The conference will be held October 2 - 3, 2012 at the Hennepin Technical College in Eden Prairie. It will once again offer exceptional networking opportunities and professional development in the areas of workers' compensation, safety, loss control, and risk management. This year's conference features special guest speaker, Terry Mathis, founder and CEO of [ProAct Safety](#). Terry will be speaking on organizational culture, behavioral safety, frequently injured employees, and turning supervisors into safety coaches.

The following article, written by Terry Mathis for the State of Minnesota, serves as a primer for this year's Safety and Loss Control Conference. Terry suggests that if we as organizations can help our various levels of leadership become true coaches, then we stand to do great things. These great things will help us achieve all of our operational goals including injury prevention and loss control. Please be sure to join us at the [Safety & Loss Control Conference](#) to learn more from Terry and others!

The Primary Tool of Organizational Excellence

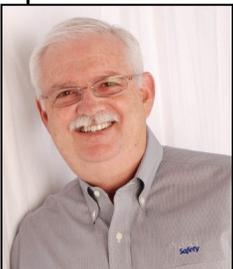
by Terry L. Mathis

Excellence can start with great leaders, but it is ultimately accomplished by great followers. Just as in sports, the coach can select the players and set the strategy, but the players ultimately win or lose the game. Coaching is the most effective way a leader can help a follower improve their performance. Without improved performance, excellence is just another item on the organizational wish list. The greatness of leaders and organizations begins when the leaders realize it is not about them, but about the people.

The first problem with getting leaders to coach is usually that they have no formal training in people skills. Most leaders are experts at managing money or machines or technology and have to learn late in the game the importance of the human element. However, in today's age of high tech and global markets, the people part of the formula is where there is the most room to move toward excellence. The second barrier to coaching is that many leaders have tried and failed. This is due to the fact that many models of performance coaching simply have the wrong starting point. If you walk out on the shop floor and start "evaluating" worker's performance, you are doomed from the start. Such efforts quickly become a matter of the leader's opinion of good performance vs. the worker's opinion of good performance. The most effective way to make coaching work is to start with an agreement on improvement targets. It is critical to not try to correct too much at once. Sometimes it is wise to start with only one issue. Once you agree to try to improve something, feedback and coaching conversations have a context in which they work very well. It is not my opinion vs. your opinion; it is, "Yes, you did it! Good work!" or, "I am concerned. Why did you not do it this time?"

Another key to success is the wording of that last part: "...why did you not do it this time?" It is critical to understand that people often do things for a reason and that, if you don't change the reason, you might not change the behavior. Sub-standard or at-risk behaviors are often influenced by organizational factors leaders don't discover until after poor performance or accidents occur. Good coaching can proactively discover these influences and help align the organizational factors that shape and impact human behavior to positively reinforce excellence.

Great leaders realize that their true greatness is not going to be in their own performance, but in the performance of their team. They quit trying to just be a great leader and start working on leading great people. In other words, they become coaches.



Terry L. Mathis, founder and CEO of ProAct Safety, was listed as one of 'The 50 People Who Most Influenced EHS' for the 2nd consecutive year by EHS Today. As an international expert and safety culture practitioner, he has worked with hundreds of organizations customizing innovative approaches to achieve and sustain safety culture excellence. He has spoken at numerous company and industry conferences, and is a regular presenter at NSC, ASSE PDC, and ASSE SeminarFest. He can be reached at 800-395-1347 or info@proactsafety.com.

RMD ROLLS OUT NEW MNSCU FOREIGN TRAVEL ACCIDENT INSURANCE PROGRAM

by Marlys Williamson, Underwriting Manager

When the RMD began searching for a new Travel Accident Insurance Program for MnSCU foreign travel, several objectives were front and center: comprehensive coverage, best value, streamlined administration, technology-centric. RMD is delighted to report that the new Program, through HTH Worldwide (HTH), fulfilled each of these objectives.

Comprehensive Coverage

HTH coverage is available to MnSCU students and others participating in MnSCU school sponsored foreign trips, such as employees and their spouses and children. It is also available to MnSCU students studying abroad long-term, who were ineligible for coverage under the prior program through ACE.

HTH provides broad medical expense coverage, including coverage for pre-existing conditions, and generous limits for repatriation and medical evacuation.

Cost

Unlike the prior program, HTH does not include a policywriting minimum premium, saving the System Office thousands of dollars. HTH's weekly rates are comparable to the expiring rates. Addi-

tionally, the new program has no deductible, whereas a \$25 per occurrence deductible applied to the previous coverage.

Streamlined Administration

Each school will have a user ID and password, which will allow them to log onto



HTH's website and enroll travelers at the school's dedicated portal. While one school cannot access or view another school's information, RMD and the System Office will have view-only capabilities for all MnSCU trips. This feature can

be especially valuable, giving the System Office instant information on the whereabouts of its travelers in the event an emergency situation arises in a foreign country.

HTH's online capabilities extend to enrolling participants by batch or individual method, printing ID cards, viewing plan information, printing invoices and remittance slips, searching for medical professionals, and much more.

Technology-centric

HTH gives MnSCU schools and their travelers the ability to utilize today's technology. The schools will have electronic rosters for easy enrollment, tracking, and management. Travelers will have online access to medical treatment facilities, and cashless access to top medical care since in many cases HTH will be billed directly for medical services provided, foregoing the need for travelers to shell out funds for medical bills or complete claim forms.

Contact RMD (Marlys Williamson at marlys.williamson@state.mn.us or 651-201-2591) or MnSCU (Keswic Joiner at 651-201-1778 or keswic.joiner@so.mnscu.edu) with questions.

DID YOU KNOW...?

Did you know that the lowest number of property and casualty claims submitted over the last 10 years was 2,036 in 2004? The highest number of claims submitted was 2,495 in 2003. In FY2012, the second lowest number of claims were submitted – 2,116.

The favorable results for FY2012 can most likely be attributed to a mild winter and the loss control efforts taking place across state government. This is important because a good loss ratio suggests that we will continue to return dividends to our policyholders in future years.

RMD DIVIDEND PAYOUT – IT’S A BIG ONE!

by Marlys Williamson, Underwriting Manager

Even though dividends are not guaranteed, in view of 15 payouts in the last 16 years, state agencies have become accustomed to receiving them and even count on them.

In recent months, 140 policyholders were pleased to receive their share of one of the largest dividends—\$1,852,870! Property dividend recipients received a sizeable share or 48 percent of this FY2010 dividend payable in FY2012, while auto liability and general liability dividend recipients received 30 percent and 22 percent respectively. Total RMD dividend payments over the past 16 years reached \$18,664,898.

Policyholders that receive dividends year after year are apt to ask, “If we always receive a dividend, aren’t you charging us too much for insurance in the first place?” Good Question! While we’re not

WCCO’s Jason DeRusha, we like to tackle the tough questions too.

The RMD does not have the financial wherewithal to pay extremely large claims or even numerous small ones. Although the P & C Unit will take in about \$10mm in premium in FY2013, this is miniscule compared to the insured exposures - \$13 billion in state assets, dozens of new construction and renovation projects, close to 16,000 on-road vehicles and off-road units, and countless state agency liability exposures. History has shown that anything can happen at any time – fires, floods, tornados, severe auto accidents, to name a few. Without a crystal ball, there is no way of knowing whether lower premi-

ums would be sufficient to pay for claims and operating expenses in any given year. If lower premiums were charged and they proved insufficient, RMD would

be forced to assess policyholders for the shortfall, an action that could be very

disruptive to agency budgets and one that the Division attempts to avoid. For these reasons, the RMD collects what it views to be an adequate premium and returns any surplus to policyholders in the form of dividends. Phil Blue (former RMD Director) summed it up best when he said, “Give me a dollar, and what I don’t use for claims and expenses, I’ll give you back.”

In recent months, 140 policyholders were pleased to receive their share of one of the largest dividends - \$1,852,870!



CAROL E. MAGURANY-BROTSKI REJOINS SAFETY & LOSS CONTROL TEAM!

Carol Magurany-Brotski, BS, MS, recently rejoined Risk Management Division’s Safety & Loss Control team as their State Safety Consultant.

Carol started her professional safety career in 1988 working for TN OSHA as a Health Compliance Enforcement Officer in Memphis. Since then, her safety career has expanded in four different states. She has worn different safety hats and played a variety of safety roles with the overall daily main objective of having employees go home safe from their jobs. The hats and roles include working as Safety Investigator for MNOSHA, outreach trainer to a variety of employers/employees on many safety topics, loss control in the insurance industry for work comp and property, Safety Consultant with DOER Safety/Loss Control, District 1 Safety Administrator for MnDOT, homeland security with the Louisiana State Police, and agriculture safety in WI. These positions have provided Carol experience in a wide variety of workplaces including: office settings, on and off-roadway construction, manufacturing & maintenance operations, farms, warehouses, prisons, healthcare, educational, and other service environments.

Overall, Carol believes that being an educator is the most important role of the safety professional. If there is an opportunity with every safety interaction to teach (share safety knowledge, experience, resources, etc.) then the communication continues to be played forward in the hopes of preventing/reducing exposures that cause injuries/illnesses. Providing positive safety feedback is also part of the education role that helps promote a safe and healthful workplace. Carol also believes that being in the field with the employees is the most valuable part of being a safety professional. Interacting with employees is very important in learning the exposures/controls and in gaining trust. Contact Carol at 651-201-3011 or carol.magurany-brotski@state.mn.us.



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This document can be made available in alternative formats, such as large print, Braille, audio tape or disk by calling 651-201-2588. Consumers with a hearing or speech disability may contact us through the Minnesota Relay Service at 711 or 800-627-3529, or via email (risk.management@state.mn.us).

PRODUCT RECALL

As students return to college, they may be interested to know that earlier this summer, the U.S. Consumer Product Safety Commission recalled Black & Decker Spacemaker™ 12-Cup Programmable Under-the-Cabinet Coffeemakers. There have been 1,276 reports of handles breaking, including 68 reports of burns and/or cuts.

The recall includes model numbers SDC740, SDC740B, SDC740BR, SDC740C, SDC740DIS, SDC740R, SDC750, SDC750C and SDC750DIS. The model number is printed on the underside of the coffee-maker, directly below the water reservoir.

To see this recall on CPSC's web site, including a picture of the recalled product, go to:

<http://www.cpsc.gov/cpsc/pub/prerel/prhtml12/12191.html>

Also, LED clip-on desk lamps sold exclusively at Lowe's Stores were recalled about the same time because of a shock hazard. The power cord can detach where it meets the clamp, exposing energized wires. There have been five reports of cords detaching, including one reported electric shock and one report of a child receiving burns to her hand and leg.

To see this recall on CPSC's web site, including pictures of the recalled products, go to:

<http://www.cpsc.gov/cpsc/pub/prerel/prhtml12/12184.html>

REVISED HAZARD COMMUNICATION STANDARD COMING



by Jim Kubisiak, MS, CIH, State Industrial Hygienist

Changes are on the way for Minnesota's Right to Know (RTK) Standard. The Minnesota Right to Know Standard has been in place and enforced by MNOSHA since the 1980's. The RTK standard was adopted to make employers responsible for ensuring that employees are aware of workplace hazards including hazardous substances (e.g., chemicals), harmful physical agents (e.g., noise and heat) and infectious agents (e.g., insect and blood borne agents). Minnesota's RTK Standard has served in place of federal OSHA's Hazard Communication Standard (29 CFR 1910.1200).

Recently, federal OSHA revised their Hazard Communication Standard to align with the Globally Harmonized System of classification and labeling of chemicals (GHS). GHS standardizes the classification of and the hazard communication of chemicals (e.g., labeling and safety data sheets) on an international basis. Changes to the definition of hazardous chemicals, chemical hazard classification labeling, and the format of material safety data sheets (which will be called "safety data sheets") are all included in the updated standard that you may have heard called "Hazcom 2012."

Because Minnesota is a state-run OSHA program, Minnesota OSHA rules must be as protective as the federal standards. With that, MNOSHA intends to adopt the revised federal Hazard Communication standard, and continue enforcing elements of the existing MN RTK Standard covering ionizing and non-ionizing radiation and infectious agents that are exempted in the revised federal standard.

The revised federal standard, which became effective on May 26, 2012, includes many requirements to be phased in over time. Agencies can follow the current RTK standard or Hazcom 2012 until all of the effective dates of the standard are reached. Agencies will need to train employees on the new labeling system and the safety data sheet format by December 1, 2013. Labels and safety data sheets in use must comply with the new standard by June 1, 2015. Finally, by June 1, 2016, agencies will need to have fully updated their written hazard communication programs to comply with the new standard.

MN OSHA will be at this year's [Safety & Loss Control Conference](#) and will be providing an update on the new standard and what it means to employers as part of their OSHA Update presentation. The standard is available on the federal OSHA website: <http://www.osha.gov/dsg/hazcom/index.html>. You are encouraged to review the information on the OSHA website and to watch for updates from MNOSHA.