

RISK MANAGEMENT ADVISORY COMMITTEE (RMAC)

Meeting Minutes
February 13, 2015
1:00 p.m.

This meeting of the Risk Management Advisory Committee was called to order in the LBJ Building, Conference Room 155, Boise, ID.

Members Present: Director Teresa Luna, Department of Administration, CHAIR
 Kit Coffin, Risk Program Manager, Risk Management Program
 Representative John Gannon
 Senator Dean Mortimer
 Gynna Loper, Idaho Department of Fish & Game
 Char McArthur, Idaho Transportation Department (participated by phone, alternate for
 Jim Carpenter)
 Theresa Chrisman, Lewis-Clark State College (participated by phone)

Others Present: Jennifer Pike, Department of Administration
 Keith Reynolds, Department of Administration
 Tanya Hellewell, Idaho Transportation Department
 Nichole Hutton, Idaho Department Fish & Game
 Kay Christensen, Attorney General's Office

CALL TO ORDER by Director Luna at 1:05 p.m.

WELCOME – *Teresa Luna*

Director Teresa Luna welcomed the meeting attendees. A quorum not being present at the beginning of the meeting, the Committee moved forward with other business on the agenda with a plan to take up the approval of the previous meeting's minutes when and if a quorum was present.

Kit Coffin acknowledged outgoing member Tanya Hellewell who had previously represented the small/mid-sized agency seat on the committee before taking a position at another state agency. Ms. Coffin then welcomed the newest RMAC member, and representative of the small/mid-sized state agency, Gynna Loper with Idaho Department Fish & Game.

RISK MANAGEMENT 101 – *Teresa Luna*

Continuing the education forum the Committee started at the June meeting, Director Luna turned the meeting over to Kit Coffin, Risk Program Manager. Ms. Coffin provided information on the following items:

April 1 Renewals

- Risk has two renewals that are due on April 1 of each year for Aviation and Foreign Liability. These are optional coverages, separate from the core coverages that all agencies pay for, and only applicable to those agencies who need them.
- Aviation coverage for instance, ITD has 3 airplanes covered by the aviation policy, and Fish & Game hires non-owned aircraft to provide various services. Aviation is a commercially insured coverage.

- A new aspect of aviation that Risk is looking in to is for non-manned, drones. A few agencies actually own drones, but that is not something that has been traditionally part of the aviation coverage. Risk is currently investigating options for coverage for those items.
- Foreign liability coverage is only applicable to those agencies whose employees travel to other countries. This coverage consists of general liability, contingent auto liability, and employer's liability.

July 1 Renewals

- July 1 renewals will be for the major coverages: liability, major property, boiler and machinery, crime/employee dishonesty, auto physical damage and inland marine.
- As part of the renewal process, Risk conducts a major communication effort with all agencies to ensure that property schedules are up-to-date.

Auto Physical Damage, Preventable Losses

Risk has noticed a trend in the increase of auto physical damage claims over the last few years. This trend results in increased projections from the State's actuary as part of the annual renewal process. There are many factors to this type of loss, and the State can be the victim as well as the perpetrator.

1:15 p.m. Theresa Chrisman and Char McArthur joined the meeting via conference call.

To assess if there was any correlation between the increase in claims and the number of those that could be classified as "preventable"; risk staff ran a report of claims between 7/1/2011 – present for just those cause codes that most likely could be classified as "preventable" (e.g. a vehicle rolling back, failure to yield right away to another vehicle, insured vehicle hits another vehicle, hits a pedestrian in a crosswalk, hit a stationary non-vehicle object, hit a stationary vehicle, and rear-end). All vehicle versus animal claims were excluded.

For that period of time, there were 305 claims that could be considered preventable. The amount paid for those claims, less any recovery for salvage and the cost of investigations, was \$702,564.94. Most significantly, insured vehicles striking a stationary, non-vehicle object totaled 194 of those 305 claims.

Because of the alarming number of these preventable claims, Risk will be reaching out those agencies with the highest number of claims in recent fiscal years to discuss vehicle use policies, training, and internal reporting policies.

Auto physical damage claims have a \$500 deductible. Ms. Coffin recommended against raising that deductible as a deterrent, since most employees involved in the claim at the financial level, but rather work on awareness and getting employees to take more seriously their obligation to the agency, the state and taxpayers by being more attentive and having more processes in place.

1:24 p.m. Sen. Dean Mortimer joined the meeting in person.

COMMUNICATIONS AND WEBSITE – Teresa Luna

Director Luna informed the members that Risk continues to make improvements to the Risk Management Program website at www.adm.idaho.gov/risk/ and possibly exploring the use an intranet site for agencies.

Risk also continues to improve the efficiency of communications with agencies. The analysis of auto physical claims is an excellent example of the path Risk is headed with their agency communication efforts. Risk will be working with the agencies to ensure that they are looking at the aggregate data of their fleet, that may be spread across the state, and identify any potential problems or areas for improvement.

POTENTIAL LEGISLATION – *Teresa Luna*

The State Board of Education and Department of Administration have continued conversations about potential legislation that would allow the higher education institutions to opt-out of Risk Management and purchase coverages on their own. Some form of this legislation has been seen during the session for several years.

Department of Administration, the Attorney General’s Office and Boise State University met recently to discuss potential legislation. One key issue of the discussion is the filing requirements of the Tort Claims Act, and Risk Management’s involvement and control of the case once the Notice of Tort Claim has been filed. This is an ongoing dialogue that involves policy, process and law.

APPROVAL OF MINUTES – *Teresa Luna*

MOTION: Rep. Gannon made a motion to approve the minutes from the June 26, 2014 as written. The motion was seconded by Sen. Mortimer. With no further discussion, all members voted in the affirmative to approve the minutes and the motion carried.

NEXT MEETING – *Teresa Luna*

To be determined.

ADJOURNMENT

The Committee adjourned at 1:49 p.m.

Jennifer Pike, Public Information Specialist, Department of Administration