



State of Nevada

Department of Administration

RISK-Y BUSINESS

Risk Management Division

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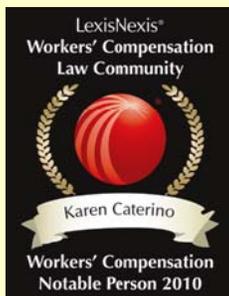
In this issue:

A Message From The Risk Manager	1
Workers' Comp.	2
Effects of Smoking	3
Safety Training	3
Workplace Safety	3
Contracting FAQ	4

A Message From The Risk Manager

The changes that were begun in 2009, including a new managed care organization and a change in third party administration have led to good outcomes for the state's work comp program. Overall cost per claim has decreased by 9% from 2009 to 2010 and the state's net totals for work comp have declined from a high in 2007 of over \$10 million to approximately \$4,000,000 so far in year 2010.

There were 182 claims for back injuries (14% of all claims) that resulted in 840 lost days at a cost of \$741,742.81. There were 255 claims for strains while lifting, pushing, pulling, twisting, reaching, holding and carrying (20% of all claims) that resulted in 1,416 lost days at a cost of \$703,342.60. If you combine backs and strains, it equates to 34% of all claims filed in 2010 for a total cost of \$1,445,085. Many of these injuries are preventable.



The State of Nevada's workers' compensation program has been recognized nationally as innovative and proactive. I was fortunate to be nominated for, and receive, LexisNexis Workers' Compensation Law Community's Notable Person in Workers' Compensation 2010 award. The state is fortunate to have an excellent team of dedicated Risk Management professionals and it clearly shows in all we do.

Pending legislative approval, all agencies should see a *reduction* in their cost for workers' compensation coverage for the next biennium. The current rate of \$2.73 per \$100 of payroll (capped at \$36,000) per person will decline to just \$1.55! Risk Management is pleased to return over \$11 Million to the state.

In other news, we had a change in our Safety Consultant--Ingeborg Thomas began working with Risk Management over six months ago. Inge has been very proactive about identifying statewide Safety Coordinators and ensuring they receive monthly email updates, news and posters for the bulletin boards. Meetings are scheduled accordingly to discuss how to perform safety surveys, what to inspect, how often to inspect, completing documentation, record keeping, answering questions, and addressing concerns.

I also want to point out that the costs associated with physical damage to vehicles *increased* by 21% from 2009 to 2010. There were a total of 307 vehicle accidents in 2010, *41% with our driver at fault*. Backing up, and driver inattention were the major causes of these accidents. These types of accidents are a direct cost to the state and do not factor in additional costs such as third party liability claims or medical costs incurred by an injured worker.

I appreciate all you do to maintain workers' safety—I firmly believe our employees are the state's best assets!

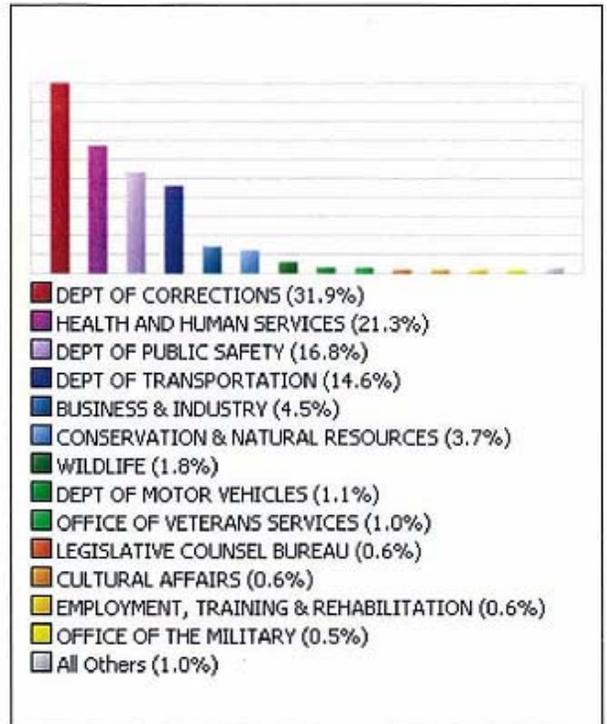
Karen Caterino

2010

WORKERS' COMP TOTAL

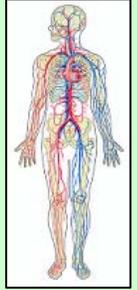
PAID FOR

EACH AGENCY



AGENCY	PAID	OUT RESERVE	RECOVERED	TOTAL INCURRED	CLAIM COUNT	COST PER CLAIM
DOC	\$1,308,052.09	\$1,575,328.31	\$0.00	\$2,883,380.40	358	\$8,054.14
HEALTH/HUMAN SERV	\$1,041,979.13	\$887,680.84	\$0.00	\$1,929,659.97	258	\$7,479.30
DPS	\$554,949.14	\$961,747.63	\$471.94	\$1,516,224.83	126	\$12,033.53
NDOT	\$519,094.33	\$809,038.01	\$4,045.75	\$1,324,086.59	117	\$11,316.98
BUSINESS & INDUST	\$243,615.84	\$176,285.35	\$9,804.83	\$410,096.36	52	\$7,886.47
CONSERV/NAT RES	\$212,171.62	\$127,111.06	\$0.00	\$339,282.68	201	\$1,687.97
WILDLIFE	\$61,718.20	\$103,255.23	\$0.00	\$164,973.43	13	\$12,690.26
DMV	\$56,823.37	\$41,511.53	\$0.00	\$98,334.90	27	\$3,642.03
VETERANS SERVICES	\$77,397.81	\$9,727.20	\$0.00	\$87,125.01	26	\$3,350.96
LCB	\$28,008.90	\$27,563.46	\$0.00	\$55,572.36	8	\$6,946.55
CULTURAL AFFAIRS	\$32,170.67	\$22,586.56	\$0.00	\$54,757.23	7	\$7,822.46
DETR	\$35,593.78	\$18,656.11	\$0.00	\$54,249.89	25	\$2,170.00
MILITARY	\$27,818.72	\$19,939.47	\$0.00	\$47,758.19	12	\$3,979.85
ADMINISTRATION	\$19,720.68	\$2,127.37	\$0.00	\$21,848.05	12	\$1,820.67
TAXATION	\$9,145.13	\$7,302.40	\$0.00	\$16,447.53	3	\$5,482.51
ATTORNEY GENERAL	\$12,893.80	\$0.00	\$0.00	\$12,893.80	11	\$1,172.16
AGRICULTURE	\$8,144.33	\$2,089.27	\$0.00	\$10,233.60	6	\$1,705.60
NEVADA JUDICIARY	\$6,364.57	\$2,511.80	\$0.00	\$8,876.37	2	\$4,438.19
SEC OF STATE	\$6,903.37	\$1,311.92	\$0.00	\$8,215.29	3	\$2,738.43
GOVERNOR	\$395.40	\$2,500.00	\$0.00	\$2,895.40	1	\$2,895.40
EDUCATION	\$1,732.06	\$0.00	\$0.00	\$1,732.06	4	\$433.02
GCB	\$1,699.87	\$0.00	\$0.00	\$1,699.87	4	\$424.97
PUBLIC WORKS	\$670.00	\$0.00	\$0.00	\$670.00	1	\$670.00
CONTROLLER	\$556.53	\$0.00	\$0.00	\$556.53	2	\$278.27
P.O.S.T.	\$460.00	\$0.00	\$0.00	\$460.00	1	\$460.00
Totals:	\$4,268,079.34	\$4,798,273.52	\$14,322.52	\$9,052,030.34	1280	\$7,071.90

5 Ways Smoking Affects Your Body



Smoking reaches every cell in your body. There are 4,000 chemicals in tobacco smoke—more than 50 of them are known to lead to cancer. Smoking is associated with increased risk of at least 15 types of cancer.

Here's what happens to your body when you smoke cigarettes:

Your lips, mouth, nose sinuses, throat, larynx:

All of these areas are suffused with smoke as you inhale and exhale. They get exposed again when coughing brings up chemicals trapped in mucus from the lungs.

Your lungs:

As soon as you inhale smoke, your lungs fill with chemicals and carcinogens that the air sacs, tissues and mucus then absorb. Smoking accounts for at least 30 percent of all cancer deaths and 87 percent of lung cancer deaths. The risk of developing lung cancer is about 13 times higher in female smokers compared to lifelong female nonsmokers.

Your stomach:

The tissue lining your esophagus, stomach and entire gastrointestinal tract is bathed in toxic chemicals that move through your bloodstream and digestive system after you swallow saliva and mucus. Consider this: Smokers are up to 60 percent more likely to develop stomach cancer than nonsmokers.

Your pancreas, kidneys and bladder:

Your bloodstream carries the chemicals to all of your organs, but these three organs are particularly vulnerable. The pancreas absorbs the toxins from blood and bile. The kidneys filter out those dangerous substances from the blood and transfer the toxin-laden urine to your bladder, where it sits until expelled.

Your bone marrow:

Chemicals can even seep from the bloodstream into your bone marrow, where developing white blood cells can be affected, raising a smokers odds of getting leukemia.

Safety Training On The NEATS System

Are you familiar with the NEATS system? If not call the IFS/HR Help Desk at (775) 687-9099 for assistance in getting set up in the NEATS system. If you are already utilizing the NEATS system sign up for some of the classes that Risk Management is conducting:

- Defensive Driving
- Workplace Violence
- Basic Office Ergonomics
- Accident Investigation
- Slips, Trips and Falls

If you need assistance in signing up for the classes listed by Risk Management call Mary Lehrer at (775) 687-3188.

Steps To Improve Workplace Safety



1. Create an environment of safety that begins with top management and focuses on actions.
2. Demonstrate your commitment. Consider a zero-tolerance policy for violations.
3. Focus on unit leaders. Your program should include buy-in and participation by mid-level managers and supervisors, who are largely responsible for maintaining a culture of safety in the workplace.
4. Give managers authority to take actions to improve safety whether that involves using safer materials, equipment or changing work practices or schedules.
5. Measure safety. Use reliable loss trend data to set unit-based safety goals.
6. Encourage safety-minded decisions. When employees are trained to identify the safest solution and are held accountable for doing so, good, safe decision making becomes part of the regular performance of tasks.

The benefits of greater employee safety can be profound. Studies show that employee satisfaction increases and employee turnover decreases when organization are committed to providing a safe work environment.

Contracting FAQ's

So you have been asked by your agency to put together a contract with a local vendor. It is not time to panic! Here are some FAQ's to help you get through the process.

What contract form do I use and where is it located?

Contract templates are located on State Purchasing's website within their *Contracting Tool Box* http://purchasing.state.nv.us/contract_toolbox.htm section. We have a link to that section on our website as well! See the link located within the *Important Links* section at <http://risk.state.nv.us/ImportantLinks.htm> under our *Contracts* drop-down menu.

What insurance should I use for my contract?

Risk Management has developed an insurance manual that provides insurance requirements for twenty-six different scenarios. Within those scenarios, the requirements listed are designed to be the insurance schedule which is "cut and pasted" into the Attachment BB (Insurance Schedule) of your contract form.

Do we still need the insurance section approved by Risk Management if we use one of the schedules from the Insurance Manual?

No. The schedules were specifically developed to address the risks posed within the scope of work associated within the various scenarios. If you use those schedules as provided, no further approval is needed.

What do I do if my particular contract does not fit within the scenarios listed or my scope of work poses unusual risks or hazards?

Call Maureen Martinez, Insurance and Loss Prevention Specialist (775) 687-3195. For complex contracts, telephone conference or meeting may be necessary.

My vendor does not have some of the insurance policies listed on the insurance schedule. Can insurance coverage be waived?

Only with the approval of Risk Management! Insurance schedules were designed to provide your agency the maximum protection from your contracting risks and the insurance coverage required is an integral part of the protection. When deemed appropriate, insurance coverage may be modified; however only after Risk Management has been consulted and approved the modification.

My vendor has asked to modify the language within the indemnification section of the insurance schedule. Does Risk Management approve those changes as well?

No. Since indemnification addresses risk transfer within the agreement, Risk Management can review and make some suggestions for you. However, it is up to your DAG at the Attorney General's office to provide final approval to any changes of the legal language contained within your contract including the indemnification language.

How does my agency apply for an approval/waiver for CETS purposes?

Agency would need to send an email with the request, indicating what changes are requested, the scope of work and an explanation justifying the waiver to Maureen Martinez at memartinez@risk.state.nv.us. Risk Management will then review and if approved will email back a response which you can upload as your attachment in CETS.