



**State of Hawaii
Risk Management
Office**

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Message from the Risk Management Office

Quarterly Reports:

The quarterly reports for claim activity for FY 08, 3rd Quarter, were distributed April 17, 2008. Additional changes were made that hopefully assisted you in disseminating information to your divisions. The detailed reports included breakout for your major divisions.

If you have suggestions to further enhance these reports please let us know.

Training:

The March 5, 2008 Risk Management Coordinators' meeting was, as usual, a great session! We had 46 attendees (7 of which were from the Department of the Attorney General). We provided an overview of the State's current statewide insurance program, as well as providing information regarding different types of insurance. Again, the most discussed part of the session involved insurance requirements on contracts and how to interpret a certificate of insurance.

Due to staffing issues, we have not completed a training agenda for "Claims 101", for auto and tort claims and property losses. We will keep you advised as to the date.

American Cemwood Roofing:

A class action lawsuit involving Cemwood roof tiles has been settled. Anyone who used Cemwood roofing tiles and had damage due to the faulty tiles or had to replace the product before expiration of the warranty period needs to fill out a claim form. *(Copy attached at the end of this newsletter)*

Ryan Endo, Deputy Attorney General, Department of the Attorney Civil Recoveries Division, is coordinating the submission of the claims. If you have any questions, you can reach hi at 586-1317, or by email at ryan.s.endo@hawaii.gov.

OTHER NEWS:



Staffing:

SAD NEWS: We still have a vacant position in the Risk Management Office.



Property Losses:

There were no serious property losses for FY 08, 3rd Qtr! Great work!

Message from Risk Management Office (continued)



The updates for the property data will be completed and out to departments by May 23, 2008. As a reminder, this information is used to insure our property and in the calculation of the risk management cost allocation. It is VERY important that you review and respond as to the accuracy of the inventory by June 30, 2008.

Annual Auto Inventory
Property Inventory Update

DEADLINE:
06-01-08
06-30-08

TO DEPARTMENTS FROM RMO:
Auto Insurance Cards
Cost allocation for FY 2010 & 2011

06-15-08
07-15-08

CLAIMS OVERVIEW
AS OF MARCH 31, 2008

	TORT		POTHOLE		% OF TOTAL	
	12/31/07	3/31/08	12/31/07	3/31/08	12/31/07	3/31/08
FY 08	327	613	71	171	22%	28%
FY 07	677		168		25%	
FY 06	981		399		41%	
FY 05	1107		496		45%	

	AUTO		AUTO RENTAL CLAIMS		% OF TOTAL	
	12/31/07	3/31/08	12/31/07	3/31/08	12/31/07	3/31/08
FY 08	140	263	57	90	41%	34%
FY 07	374		79		21%	
FY 06	366		76		20%	
FY 05	320		28		9%	

	PROPERTY	
	12/31/07	3/31/08
FY 08	99	129*
FY 07	267	
FY 06	146	
FY 05	105	

*47 were earthquake claims.



HURRICANE SEASON...

We have been very fortunate the last few years – however, the December 4-7, 2007 storm with high winds was a reminder as to the damage that can be caused. Therefore, we are reprinting information previously provided for your easy reference. These articles will be compiled in a separate folder on the Risk Management intranet website.

PRIOR PLANNING PREVENTS POOR PERFORMANCE!

Are you ready for a disaster?

- Do you have any action plan?
- Update your emergency plans.
- Is your call list updated?
- Do you have updated inventories?
- Is your computer data backed up?
- Is the back up files in a safe location?

What do you do if you have damage?

- Prepare a report on the details of the loss.
- Report the loss to the Risk Management Office immediately.
- Submit the report using *Report of Loss or Damage of State Property (RMP-001)* within 5 working days.
- Photograph damages.
- Protect property from further damage, if applicable.
- Separate damaged and undamaged property.
- Set up accounting records and record all aspects of the loss.
- Identify temporary measures needed to resume operations and associated costs that are incurred.

The forms and procedures can be located on our intranet website.



Risk E-Notes

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Message from Risk Management Office

Thanks to all of you that have completed and turned in your Property Data Requirements and Money & Securities Survey forms. Please continue to complete forms. We are still in the process of compiling the data and when it is completed a copy will be provided to you. This information is critical in the placement of the State's property and government crime insurance policies.

Information for the renewal of the excess liability insurance policy may be needed. Aon and Risk Management will be in contact with you in the near future to review your department's exposures.

Act 173 has passed! Mahalo nui loa to all for your support, especially the Department of Education and the University of Hawaii for their support and testimony! A copy of the Act is included in this issue of Risk E-Notes.

A training session will be held as soon as procedures are developed to provide you the details on how this will affect your department. In the interim you can contact our office for information.

The State has had several large fire losses in the past year. One recurring problem that we have found is that the value of the contents damaged or lost has been difficult for the affected department to document. In order for the insurance company to be able to pay for any loss to contents, we must be able to provide documentation of that property. The insurance company will work with the department to assist in compiling the information; however, the responsibility still is with the department to provide the details and inventory schedule or supporting documentation.

Our next training session will cover this in more detail. We are also working on formal Property Loss Procedures that will assist you in the event of a loss.

RISK TIP



The time to take action and commence preparations for your family, business, and property is BEFORE hurricane hazards affect your area.

- Check the hurricane map and locate your home. Locate evacuation routes and shelters near you. Practice driving to them and be flexible.
- Develop a family / business emergency plan.
- Put together a Hurricane Survival Kit.
- Make plans for your pets. Shelters do not allow for animals.
- Secure your home and property
- Stay calm, stay alert and stay informed.

Below are a few recommended items to include in your Hurricane Survival Kit:

1. Portable radio, flashlights and extra batteries
2. First Aid kit
3. Special Medication (prescriptions and others)
4. 5-7 Day supply of non-perishable food (granola bars, saimin, instant soup, can goods, dried fruit, etc)
5. Water – a gallon per person per day for drinking, cooking and personal hygiene.
6. Infant formula and diapers
7. Hibachi with charcoal and/or camping stove with fuel
8. Manual can opener
9. Matches, Lighter and candles
10. Disposable plates, utensils and ziploc
11. Extra pet food
12. Extra toilet paper and other essentials
13. Important family documents (copies of insurance policies, ID and bank account records) in waterproof container
14. Household bleach

Go to: <http://www.scd.state.hi.us> for more info.

ARE YOU READY FOR HURRICANE SEASON?



Example of severe hurricane damage to a home: loss of roof sheathing and roof framing structure, windows breached by windborne debris, and failure of wood foundation posts and beams.

HURRICANE IN HAWAII.

Hurricanes are an ever present threat for Hawaii. It is not a question of "if", but "when" the next hurricane hits. Since 1950, five hurricanes or tropical storms have caused serious damage in Hawaii. Since 1950, seven other tropical storms or hurricanes could have caused serious damage. Every hurricane is different and we can only guess how much damage will result. In Hurricane Iniki, which struck Kauai, over 14,000 single family homes were damaged or destroyed with a little more than half of those only experiencing minor damage. We need to be prepared for the hurricanes that will threaten Hawaii in the future.

TIPS ON HURRICANE DAMAGE PROTECTION

You can make your house less susceptible to damage from hurricanes or strong winds by installing wind resistive devices. These include strengthening your roof to wall connections by installing hurricane clips. You may also want to consider investing in opening protection, such as window storm shutters. You should clear the area around your house of loose furnishing and materials that could become flying objects that might penetrate a window. Wind entering a window can create internal pressure within your house that can help cause your roof to fly off.

GRANT PROGRAM

You can obtain grant moneys from the State government for installing certain wind resistive devices. You can get 35% for the cost of the wind resistive device and installation, up to a maximum of

\$2,100 if you meet the requirements of the grant program, subject to the availability of funds.

To find out more and obtain application materials, check out the website located at <http://www.hurricaneretrofits.hawaii.gov>, or search "loss mitigation grant program". If you do not have access to the Internet, you can call 265-3703 or 265-4211 to receive an information packet by mail. The grant program is being administered by the Insurance Division of the DCCA.

PREMIUM DISCOUNTS

Some property insurers give premium discounts for installation of wind resistive devices.

DISASTER PREPAREDNESS KITS AND PLAN

Hawaii Civil Defense has some good suggestions on how to prepare your family for a hurricane at their website located at <http://www.scd.state.hi.us>

State of Hawaii Department of Commerce & Consumer Affairs (2007)



- Ever wonder how to remove those pesky labels? Try using a hairdryer to heat the label which will loosen the glue – making it easy to remove!
- Can't open that plastic top on your soda or water bottle? A co-worker suggests wrapping a rubber band around the cap – it acts like a grip!

CLAIM FORM
AMERICAN CEMWOOD ROOFING

I. CLAIMANT AND PROPERTY INFORMATION

(Claimant information should match ownership of property)

Name of Claimant: _____

Tax Identification Number or Social Security Number: _____

Name of Claimant: _____

Tax Identification Number or Social Security Number: _____

Property Address: _____
Street City State Zip

County: _____

Current Mailing Address: _____
(if different) Street City State Zip

Telephones: _____
Day Evening

_____ E-mail Fax

Directions to property from main freeway: _____

1. Are you the current owner(s) of the property listed above? ___ Yes ___ No

If Not: Please provide a completed Assignment Form from the current property owner.

2. Are you submitting this claim form on behalf of a homeowners association (HOA) or other form of common ownership?
___ Yes ___ No

If Yes: You must provide proof that the association owns and/or maintains the roof. Examples of acceptable proof may include a condominium declaration, bylaws, Covenants, Codes, and Restrictions (CC&R's), or other governing documents that indicate the association is responsible for the maintenance of the roof.

[NOTE: If the HOA maintains the roof, unit owners may not file a claim individually. Please contact your HOA to file a group claim.]

II. PROOF OF OWNERSHIP

3. Please provide **ONE** of the following documents as proof of ownership of the Property. The document must name all owners and provide the address of the Property; a mailing address is not sufficient. Please do not send originals.

- _____ **A copy of the Property Tax Statement for the current year;**
- _____ A copy of the Deed (Warranty, Trust or Quit Claims);
- _____ A copy of the current Mortgage Statement;
- _____ A copy of the current home insurance statement.

III. CEMWOOD ROOFING INFORMATION

Number of buildings on the Property on which Cemwood roofing was installed _____

Number of Roofing Squares, if known: _____

Number of Stories: ___ One ___ Two ___ Three or More

Month/Year Cemwood roofing was installed: _____

Please provide **ONE** of the following items as proof of Cemwood roofing, which should include, where applicable, relevant dates (i.e. date of installation or purchase) and address of the property. Please do not send originals.

- _____ Invoice – The invoice or receipts indicating purchase or application of Cemwood roofing;
- _____ Original Bid – A copy of the original bid and canceled checks indicating the work was completed;
- _____ Delivery Receipt – Paperwork showing delivery of Cemwood roofing by a distribution yard or supplier;
- _____ Warranty Card – A copy of a completed warranty card;
- _____ Photographs – Color photocopies of photographs depicting the product on your roof, including where possible, a photograph of the letters “AC,” “P,” or “T,” or the word “Permatek,” which may appear on your shakes or tiles;
- _____ Correspondence from Defendants – Correspondence from American Cemwood or MacMillan Bloedel acknowledging that the product on your roof is Cemwood;
- _____ Statement from Contractor – A statement from a roofing contractor that the roofing is Cemwood, signed under penalty of perjury.

IV. REPLACEMENTS

Has any of the Cemwood roofing on the property been replaced at any time prior to the date of this Claim Form?

___ Yes ___ No

If Yes: Please indicate who completed the replacement(s) (American Cemwood, contractor, individual, or other):

You must attach copies of any written documentation relating to the replacement(s) such as copies of the invoices or bid, and canceled checks reflecting the replacement(s) of the Cemwood roofing and any photographs/video showing damaged Cemwood roofing on the Property prior to the replacement; evidence of any leaking of the roof and the cause; and/or any other evidence of the prior condition of the roof.

V. OTHER PAYMENTS OR REIMBURSEMENTS

Have you, or, to your knowledge, has any other owner of the Property or assignor/assignee of the claim ever received any payments or reimbursements from anyone (e.g., insurer, distributor, supplier, contractor, installer, etc.) for the cost of repair or replacement of the Cemwood roofing on the Property? ___ Yes ___ No

If Yes: please indicate:

Total amount of payment(s) or reimbursement(s): \$ _____

Source of the payment(s) or reimbursement(s): _____

Please attach copies of documentation showing the amount of the payment(s) and/or reimbursement(s).

VI. TAX INFORMATION

Awards, if any, cannot be paid without the Claims Administrator’s receipt of the tax information requested below. The information is requested to allow the Claims Administrator to comply with the Internal Revenue Service information reporting requirements when, and if, required.

- Question 1: Are you a FORMER owner of the property for which you are filing this Claim Form?
_____ Yes _____ No
- Question 2: Have you previously deducted on your federal income tax return(s) the original cost of buying and installing the Cemwood roofing?
_____ Yes _____ No
- Question 3: If you previously repaired/replaced your Cemwood roofing, have you previously deducted on your federal income tax return(s) all of the repair/replacement costs?
_____ Yes _____ No

VII. CERTIFICATION

By signing this Claim Form, I/we certify under penalties of perjury that:

(1) the taxpayer identification number(s) set forth in Section I is/are my/our correct taxpayer identification number(s) and that the information set forth in Section V is correct; and

(2) I/we am/are not subject to backup withholding because: (a) I/we am/are exempt from backup withholding, or (b) I/we have not been notified by the IRS that I/we am/are subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me/us that I/we am/are no longer subject to backup withholding.

All the information that I/we supplied in this Claim Form is true and correct to the best of my/our knowledge and belief and this document is signed under penalties of perjury. By my/our signature(s) below, I/we also authorize the Inspector to inspect the Cemwood roofing on the property.

At least one Claimant indicated on your proof of property ownership must sign.

_____ Signature of Claimant	_____ Date
_____ Signature of Claimant	_____ Date
_____ Signature of Claimant	_____ Date

Mail this completed, ORIGINAL Claim Form with the requested attachments to:

American Cemwood Roofing Litigation Settlement
PO Box 162
Lancaster, CA 93584

If you have any questions, please call 1-800-708-3266 or visit www.cemwoodclaims.com