STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

State Risk Management and
Insurance Administration

Risk Management Coordinators
Meeting

2015
Agenda

- Introductions
- Risk Management Office and its role
- Insurance Coverages
- Claims
- Cost Allocation
- Statements of Self Insurance
- Indemnification Agreements
- Questions and Answers
STATE OF HAWAII
Risk Management Staff

Main Office

586-0547
dagsrmo@hawaii.gov

Tracy Kitaoka
- 586-0550
Tracy.S.Kitaoka@hawaii.gov

Ann Sueoka
- 586-0546
Ann.N.Y.Sueoka@hawaii.gov

Maria Paet-Ugaitafa
- 586-0548
Maria.Paet-Ugaitafa@hawaii.gov

Danny Loo
- 586-0545
Danny.SS.Loo@hawaii.gov
Risk Management Office

• **Role**
  – Operate a comprehensive risk management and insurance program for the State.

• **Services**
  – Purchase of insurance
  – Self-insure autos
  – Maintain auto inventory (insurance purpose only)
  – Issue Statements of self-insurance
Risk Management Office

- **Services (continued)**
  - Request for approval to indemnify Hawaii counties and Federal government
  - Insurance requirement for contracts
  - Maintain property inventory (insurance only)
  - Maintain data base for loss history
  - Process claims
    - Auto
    - Tort
    - Property
      - Assist with insurance company for property losses
Risk Management Office

• **Services** (continued)
  – Reports on departmental claim activity
  – Legislative Report
Aon Risk Services, Inc.
Service Team

Main Office 533-4900

Chad Karasaki  Chairman, CEO, Resident Managing Director
Helen Otani  Senior Account Specialist
Anibal Esquef  Director Risk Control
Kyle Ray, J.D.  Director Claims
Aon Risk Services, Inc.

- **Role**
  - Utilize Risk Management techniques to support the efforts of the State's Risk Management Office.

- **Services**
  - **RISK IDENTIFICATION**
    - Exposure Surveys, Questionnaires and Analytic Tools
    - Property Data Requests
    - Maintain the Property schedule
    - Actuarial Analysis of Projected Losses
    - Actuarial Analysis on Solvency of the Revolving Risk Management Fund
    - Computation of Imputed Premium for Automobile Self Insured Status compliance
Aon Risk Services, Inc.

- **Services** (continued)
  - **RISK TRANSFER**
    - Design, Market and Place "state of the art" insurance products with appropriate retentions, limits and coverage's grants at the optimum pricing levels available in the marketplace.
    - Explore Alternative Funding Mechanisms
    - Provide Language for Contractual Risk Transfers

- **RISK AVOIDANCE**
  - Pre - Loss Activities
  - Site Surveys
  - Loss Control
  - Safety Training
  - Best Practices & Regulatory Compliance
Aon Risk Services, Inc.

- **Services** (continued)
  - RISK MITIGATION
    - Post Loss Activities
    - Resolving Disputed Claims with Carriers
    - Claim Reviews on Open Claims
Risk Management Coordinators

Comptroller Memorandum 1985-15

• **Role**
  - Liaison with Risk Management Office

• **Responsibilities**
  - Report new exposures
  - Reporting of new losses
  - Assist in settlement of claims
  - Place proper insurance and indemnity clauses in contracts
  - Coordinate loss control activities
  - Assist in securing requested information for claims
  - Disseminate information to appropriate staff
Meetings will be held one or two times per year for coordination of the risk management program. Other meetings or group coordination will be held in a few months to explain operations of the department of distillation.

An orientation meeting for risk management will be held over department of distillation with questions concerning the risk reporting property and liability claims, and assisting the department.

Risk management coordinators may, if necessary, be selected from among or even outside the department. Some departments, because of size or nature, may need to have a single coordinator for the entire department. It is the responsibility of the coordinator to provide a local point of contact for the department.

Subject: Risk Management Coordinators

FROM: Mido Murakami, Controller

TO: Heads of all departments

MEMO 1985-15

MAY 31, 1985

Honolulu, Hawaii 96810

President of the Board of Regents of State of Hawaii

AND GENERAL SERVICES

DEPARTMENT OF ACCOUNTING

State of Hawaii
attached.

Comptroller
HIDEO MURAKAMI

John Takamune at 548-3214.

For more information on this matter, please call

A reply on or before June 20, 1985 will be appreciated.

Risk Management Coordinator(s) by completing the attached form.

Please provide me the name(s) of your department's

Risk Management Coordinators

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STATE OF HAWAII

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
RISK MANAGEMENT BRANCH

DEPARTMENT: ________________________________

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Submitted by: ________________________________

Date: ________________________________
TEAM WORK

Is the KEY!
State Risk Management and Insurance Administration

Internet:

http://ags.hawaii.gov/aso/rmo/
Purpose for State Risk Mgmt and Insurance Administration

HRS 41D, State Risk Management and Insurance Administration

- Consolidate insurance purchase into one office
- Reduction of duplicate coverage
- Manage “cost of risk”
- Develop Statewide loss history data base
- Handle claims: tort, auto, and property
What is the Purpose of Insurance?

Insurance transfers the risk, or chance or loss, from one party (the insured) to another party (the insurer), in which the insurer promises to pay the insured, or others on behalf of the insured’s behalf, an amount of money for a loss.
Types of Insurance

- Property
- General Liability
- Automobile
- Workers Compensation
- Crime
- Professional Liability
- Medical Malpractice
- Builders Risk
- Aviation
- Pollution
What is Property Insurance?

Property insurance covers a business's building and its contents including improvements and betterments, money and securities, accounts-receivable records, inventory, furniture, machinery and equipment, supplies and even intangible assets such as trademarks -- when damage, theft or loss occurs.
Property Exposures

• Real Property
  – Building or structure
  – Improvements or Betterments
  – Fixtures including Outdoor Fixtures
  – Permanently installed machinery & equipment
  – Boilers and Machinery
  – Builder’s Risk and Soft costs

• Personal Property (Contents)
  – anything that isn’t nailed down, dug into or built into the land
  – Furniture and fixtures
  – Inventory / Stock
  – Fine Arts
  – EDP Equipment & Media
Property Exposures (continued)

- Property of Others
  - Property in your care, custody and control

- Property Off Premises
  - Property in transit (key exclusions: Ocean Transit)
  - Property while on Exhibit

- Business Interruption /Extra Expense
  - Loss of Income/Rents/Fees
Property Insurance
Term: 12/1/14 to 12/1/15

**Insurers:** Various London & Domestic Markets

**Coverage:** Real and Personal Property – Statewide Blanket Policy

**Limits:** $200 million each occurrence “All Risk” of Direct Physical Loss, including,

- Windstorm $200 million occurrence
- Flood $200 million occurrence and aggregate
- Earthquake $200 million occurrence and aggregate
- Boiler & Machinery $200 million occurrence
- Terrorism $50 million occurrence (certified & non-certified)
Property Insurance
Term: 12/1/13 to 12/1/14

Deductibles:

Named Windstorm: 3% of values per unit of insurance, subject to a “per occ.” minimum of $1,000,000

Earthquake, Tsunami, Flood Damage & Volcanic Action:
3% of values per unit of insurance, subject to a "per occ." minimum of $1,000,000

Other Losses: $1,000,000 per occurrence

Terrorism: $ 50,000 per occurrence
Property Insurance

Covered Perils

- Fire, lightning, hail, wind, auto, aircraft, vandalism, riot/civil commotion, smoke, sinkhole, volcanic, weight of sleet/snow/hail, falling objects, collapse, water damage
- Theft
- Windstorm including Hurricane
- Earthquake
- Flood / Tsunami
- Terrorism
Property Insurance

Major Exclusions

- Hostile or warlike action
- Nuclear reaction or radioactive contamination
- Fraudulent or dishonest acts
- Ordinary wear & tear or gradual deterioration
- Faulty design, material or workmanship
- Decontamination & clean up except as shown herein
Property Insurance

Property Excluded

- Watercraft over thirty (30) feet only while waterborne; aircraft; and motor vehicles licensed for highway use when not on Insured’s premises. This exclusion does not apply to contractor’s equipment, stock, property on exhibit or being repaired.
- Land except for Decontamination and Cleanup Expense. Exclusion does not include cost to reclaim, restore or repair land improvements.
- Currency, money, gold bullion, evidence of debt, except accounts receivable, notes or securities.
- Growing crops, standing timber used for industrial processes, and live animals not used for research.
- Water, except for Impounded Water, Decontamination and Cleanup Expense, or contained in piping or processing system or holding tank.
- Export and import shipments in ocean transit.
- Waterborne shipments to and from Alaska, Hawaii, Puerto Rico, Guam, Virgin Islands and via the Panama Canal.
How do we know what to insure?

Property Inventory Schedule

- Departments must report to Risk Management
  - Data Requirements – Property
  - Supplemental Data Requirements – Property

- Review and update schedule annually
QUESTIONS ON FORM COMPLETION:

Call Mike Seu, Aon Risk Services at 540-4365
Fire Alarm – If answers Yes, we need to know whether the alarm is
party as Tenants, please describe.

Other Tenants – If the building is owned by the State and houses third
Occupancy

described on 2nd page.

Root and Floors – Please refer to Standard Construction Definitions
Construction

Electronic Data Processing Equipment – This is your computer equipment

Business Personal Property Value – This is your contains value including

Expansions and instructions for some of the questions asked:

Julie Ugale, Risk Management Officer, by 6/1/06. The following are
completed and used for the renewal meeting. Please submit the information to

During the Risk Management Coordinators Meeting on February 9, 2005, we

COMPLETE 1 FORM FOR EACH BUILDING.
State of Hawaii Data Call for Property

Fire Alarm Manually: No □ Central Station or Local (ong) □ Yes □ Closest Fire Station: miles □ No □ # of within 500 Feet: □ Yes □ No □ Fire Hydrants: □ Yes □ No □ Fire Extinguishers: □ Yes □ No □ 

PROTECTION

If you occupy the basement or below-grade floor, describe operations & list equipment used.

Other Tenants: □ Yes □ No (if yes describe):


Provide landlord name and address:

If rented/leased:

Is the building owned or rented/leased? Owned □ Rented/Leased □

Nature of business/description of operations at this premises:

OCCUPANCY

Occupancy (incl. basement) Total Area: sq ft

Year Built: No □ Yes □ Basement: □ Yes □ No □ Total # of Stores:

Other (please specify):

5. Modified Fire Resistant
4. Masonry non-combustible
3. Non-combustible
2. Sprinkler Masonry
1. Frame

Wall: □ Other □ Floors: □ Other □ Roof: □ Other □ Construction Class:

CONSTRUCTION (See description of construction type on page 2):

Electronic Data Processing Equipment (computer equipment excluding media & software):

Business Personal Property Value at this location (contents, fixtures, equipment/machinery):

Building Replacement Cost:

OR - Allow Aon to determine using Marshall.

Please complete below per building or space you occupy:

City: □ Other □ State: H I Zip Code: □

Address of this location:

Department Name:

AON

DATA REQUIREMENTS - PROPERTY

STATE OF HAWAII
STATE OF HAWAII
DEPARTMENT OF FIRE SAFETY

DATA REQUIREMENTS - PROPERTY

STATE OF HAWAII

Page 2

The following definitions apply to all causes of loss other than earthquake:

STANDARD CONSTRUCTION DEFINITIONS

Flood Exposure (nearest body of water/distance): miles

If yes, give details & amounts:

Has there been a flood at this property? Yes     No

Loss Exposure (other than flood) Give details and amounts:

Occupancy:    East    South    West    North

Distance to nearest neighboring building:

Exposure:

Describe any other protection features such as a large body of water nearby that can be used by fire

Which Service: Yes     No

Supervised:    Yes     No

Automatic Sprinklers: Yes     No

AON

REV 4-2007

E-mail:

Fax No:

Phone No:

Signature:

Title:

Date:

The information is completed by (print name):

State of Hawaii Data Requirements - Property
TOTAL REPLACEMENT COST OF ABOVE PROPERTY:

☐ Research Equipment
☐ Playground Equipment
☐ Waterless less than 30 feet
☐ Exhibits/Property on Display
☐ Museum collection
☐ Fine Arts
☐ Freelance and custom services
☐ Electronic Data Processing Equipment (mol)
☐ Hospital/Medical Facility Equipment
☐ Audio/Visual or Movie Production Equipment
☐ Heavy Equipment (not leased or for rent use)
☐ Contractors Equipment (not leased or for rent use)

Please identify the Miscellaneous Personal Property not already captured in your department's current statement of values:

What is Covered as Business Personal Property?

City: ___________________________ Zip Code: ___________________________
State: HI
Division: ___________________________ Department Name: ___________________________
Standard Construction Definitions

- **Frame** - Buildings where the exterior walls are wood or other combustible materials including construction where combustible materials are combined with other materials such as brick veneer, stone veneer, wood iron-clad, stucco on wood.

- **Joisted Masonry** - Buildings where the exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and where the floors and roof are combustible.

- **Non-Combustible** - Buildings where the exterior walls and the floors and roof are constructed of, and supported by metal, asbestos, gypsum or other non-combustible materials.

- **Masonry Non-Combustible** - Buildings where the exterior walls are constructed of masonry materials as described in Code 2 above, with the floors and roof of metal or other non-combustible materials.

- **Modified Fire Resistive** - Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of one hour or more but less than two hours.
Replacement Cost vs. Actual Cash Value

- **REPLACEMENT COST**
  Insurance that pays the dollar amount needed to replace or repair damaged property without deducting for depreciation but limited by the maximum dollar amount shown on the declarations page of the policy.

- **ACTUAL CASH VALUE**
  A form of insurance that pays damages equal to the replacement value of damaged property minus depreciation.
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What is Liability Insurance?

What is Liability Insurance? (cont.)

- **Occurrence form**
  - Recommend form
  - Policy in force at the time of an incident is policy that responds to claim

- **Claims Made form**
  - Usually professional liability policies
  - Policy in force at the time the claim is made responds to the claim
Liability Exposures

- Population
- Area Square Miles
- Number of Employees
- Number of Officials
  - Elected
  - Appointed
- Projected Budget
- Waterfront
  - Lifeguards
  - Marinas & Piers
  - Watercraft
- Schools and Universities
  - Enrollment
  - Campus Security
  - Dormitory/Housing Info
- Dams
  - Owned
  - Maintained
- Welfare & Social Services
- Utilities
  - Water
  - Wastewater/Sewage Treatment
  - Electric or Gas
Liability Exposures (continued)

- **Public Safety**
  - Fire Department
  - Police Department
  - Jails and Prisons

- **Medical Facilities - Owned/Operated**
  - Number of Physicians/Nurses
  - Services Provided

- **Fleet**
  - Passenger vehicles
  - Emergency vehicles
  - Trucks (street sweepers, refuse, etc.)

- **Street and Roads**
  - Miles of paved roads
  - Number of Bridges
  - Highway Tolls
Liability Insurance
Term: 12/1/14 to 12/1/15

**Insurer:** Starr Indemnity & Liability Company

**Coverage & Limits:**
- $15 million Any one occurrence or Wrongful Act or series of continuous repeated or related occurrences
- $15 million Products/Completed Operations Hazard Aggregate
- $15 million Errors & Omissions Liability Aggregate
- $15 million Employee Benefits Liability Aggregate
  - Bodily Injury and Property Damage
  - Personal and Advertising Injury
  - Employment Practices Liability
  - Automobile Liability
  - Watercraft Liability (except research vehicles)
  - Terrorism Coverage
  - Dam Coverage

**Self Insured Retention:**
- $4 million Occurrence or Wrongful Act
# 2013-14 Liability Program Structure

<table>
<thead>
<tr>
<th>LAYER</th>
<th>LIMITS &amp; COVERAGE</th>
<th>INSURERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXCESS LIABILITY</td>
<td>$15M per Occurrence or Wrongful Act</td>
<td>Starr Indemnity and Liability Company</td>
</tr>
<tr>
<td></td>
<td>$15M Products &amp; Completed Operations Agg.</td>
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<tr>
<td></td>
<td>$15M Errors &amp; Omissions Aggregate</td>
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</tr>
<tr>
<td></td>
<td>$15M Employee Benefits Liability</td>
<td></td>
</tr>
<tr>
<td>STATE RETAINED LIMIT</td>
<td>$4,000,000 to apply to each and every loss</td>
<td>State of Hawaii</td>
</tr>
</tbody>
</table>
Liability Insurance

Covered Perils

• Bodily Injury and Property Damage
• Errors & Omissions
• Employment Practice Liability
• Employee Benefit Liability

Who is an Insured?

The State officials and employees, including members of boards, districts, agencies, trustees, and volunteer workers.
Liability Insurance

Major Exclusions

- Liability arising out of the operation of any hospital, clinic or health care facility owned or operated by the insured
- Bodily Injury or Property Damage expected or intended by the insured, except from use of reasonable force to protect persons or property
- Aircraft, airfields, runways, hangars and other properties in connection with aviation activities
- Workers Compensation, unemployment and disability law obligations
- Bodily injury to any covered party of the insured for the acts of another of your employees arising out of and in the course of their employment by the insured
Liability Insurance

Major Exclusions

- Any liability for “advertising injury” offense arising out of
  - Breach of contract
  - Failure of goods, products or services to conform to quality or performance made in our advertisement
  - Wrong description of price or goods or services in your advertisement
- Property Damage to:
  - Property owned by you or
  - Aircraft in the care, custody and control of the insured
- Any liability arising out of the handling of claims or suits within the retained limit including investigation, defense or settlement of claims or suits
- Any liability under ERISA or similar statutes
Liability Insurance

Major Exclusions

- Any liability arising out of criminal, fraudulent, dishonest or malicious acts or omissions committed by or at the direction of the insured
- Property damage caused by subsidence
- Liability arising out of direct condemnation of property or the power of eminent domain or inverse condemnation
Liability Insurance

Major Exclusions

• Any liability arising out of or in connection to any transit authority, transit system, or public transportation

• Any liability for injunctions, equitable relief, or any other form of relief other than the payment of money damages

• Any obligation of any insured under any Uninsured Motorist or Underinsured Motorist law

• Pollution exclusion

• Asbestos exclusion

• Bodily Injury or Property Damage arising out of the failure to provide an adequate supply of electricity, gas, steam or water
How do we know what to insure?

Liability Insurance

Underwriting data is obtained through the State’s website, CAFR and solicited from specific departments as necessary (i.e., DLNR regarding dam information)
What is Automobile Insurance?

Coverage for liability arising out of the operation, maintenance, or use of an motor vehicle.

Hawaii requires that all motor vehicles have liability insurance.

Mandatory coverage:
- Bodily injury
- Property damage
- Personal Injury Protection

Optional coverage:
- Uninsured motorist coverage
- Underinsurance motorist coverage
- Physical damage (comprehensive and/or collision)
Automobile Exposures

Covered Vehicles:

1. All State owned vehicles
2. Leased, hired, and rented vehicles
3. Employee-owned automobiles while used in the course & scope of employment and in the name of the State for excess liability only. Damage to the employee’s vehicle is not covered.
Automobile Exposures

Covered Drivers:

State employees; State legislators; members of State boards, commissions, or councils; volunteers; student driver; or any other authorized individual licensed to operate an automobile covered under the program.

Independent contractors are not covered.

Non-State employees provided rental car coupons are not covered.
Automobile Liability

**Insurer:** Self-Insured HRS 431-10C-301

**Coverage & Limits:**
- $20,000 Bodily Injury Per Person
- $10,000 Property Damage Per Accident
- $10,000 Personal Injury Protection

**Statutory Autonomy:** $15,000 per claimant HRS 41D-(3)

**Damages excess:** Referred to the Dept of the Attorney General
Auto Inventory

- State Risk Management maintains data base
- Acquisitions & Deletions to be reported to Risk Management office in timely fashion (within 30 days)
- Comprehensive & Collision

REMINDER:
- SUV now designated as light trucks code 3120
- All buses need to specify number of passengers
- Vans need to be classified as Private Passenger or Cargo only
<table>
<thead>
<tr>
<th>License</th>
<th>Description</th>
<th>Make</th>
<th>VIN</th>
<th>Year</th>
<th>Assigned Unit</th>
<th>Island</th>
<th>Class Code (if adding vehicle)</th>
<th>Fund</th>
<th>[Add / Delete]</th>
<th>Date of Purchase</th>
<th>Date of Disposal</th>
<th>Stand[By] Leased (L) or Other (O)</th>
<th>Comp/Coll</th>
<th>Fire &amp; Theft</th>
<th>No. of Passengers</th>
<th>(C)argo / (P)assenger</th>
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Department: Name
Phone number: Date

RMA-001 (01/9)
<table>
<thead>
<tr>
<th>CLASS</th>
<th>VEHICLE DESCRIPTION</th>
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<tbody>
<tr>
<td>3110</td>
<td>Sedan, Coupe, Station Wagon</td>
</tr>
<tr>
<td>3111</td>
<td>Van (passenger, cargo)</td>
</tr>
<tr>
<td>3113</td>
<td>Bus (0-30)</td>
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<tr>
<td>3114</td>
<td>Bus (30-60)</td>
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<tr>
<td>3115</td>
<td>Bus (over 60)</td>
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<tr>
<td>3120</td>
<td>Truck (0-10,000 GVW)</td>
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<tr>
<td>3121</td>
<td>Truck (10,000-20,000 GVW)</td>
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<tr>
<td>3122</td>
<td>Truck (20,000-45,000 GVW)</td>
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<tr>
<td>3123</td>
<td>Truck (over 45,000 GVW)</td>
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<tr>
<td>3130</td>
<td>Trailer</td>
</tr>
<tr>
<td>3140</td>
<td>Ambulance (Hospital)</td>
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<tr>
<td>3141</td>
<td>Ambulance (Rescue)</td>
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<tr>
<td>3145</td>
<td>Fire Apparatus</td>
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<tr>
<td>3150</td>
<td>Tractor</td>
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<tr>
<td>3170</td>
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<td>OAHU</td>
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<tr>
<td>2</td>
<td>MAUI</td>
</tr>
<tr>
<td>3</td>
<td>HAWAII</td>
</tr>
<tr>
<td>4</td>
<td>KAUAI</td>
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<tr>
<td>5</td>
<td>MOLOKAI</td>
</tr>
<tr>
<td>6</td>
<td>LANAI</td>
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<table>
<thead>
<tr>
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<th>OWNER</th>
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<tbody>
<tr>
<td>S</td>
<td>STATE</td>
</tr>
<tr>
<td>L</td>
<td>LEASE</td>
</tr>
<tr>
<td>O</td>
<td>OTHER</td>
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<table>
<thead>
<tr>
<th>INSURANCE</th>
<th>COMP/COLL (includes Fire &amp; Theft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>COVERED</td>
</tr>
<tr>
<td></td>
<td>if blank - not covered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIRE &amp; THEFT</th>
<th>COVERED</th>
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<tbody>
<tr>
<td>X</td>
<td>COVERED</td>
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<tr>
<td>if blank</td>
<td>- not covered</td>
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<thead>
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<tbody>
<tr>
<td>G</td>
<td>GENERAL FUND</td>
</tr>
<tr>
<td>S</td>
<td>SPECIAL FUND</td>
</tr>
<tr>
<td>T</td>
<td>TRUST FUND</td>
</tr>
</tbody>
</table>
Vehicle Inventory Update

Details the vehicles covered under the State Automobile Self-Insurance Program

Update as follows:

- Line out all vehicles which have been disposed of and note the date of disposal.
- Add all vehicles acquired at the end of the Report (Use RMAI-001)
- Show the date of acquisition
- License plate #
- Vehicle description
- Vehicle identification #
- Model year
- Billing unit (if any)
- Island code
- Item class
- Fund
- Type of coverage
- Ownership of vehicle: State (S); Leased (L); Other (O)
- No. of passengers for buses and vans.
Vehicle Inventory Update

• Report any disposed or newly acquired vehicle (purchased, transferred, donated) after this update period immediately using the attached form, “RMAI 001”.

• Review need for comprehensive and collision or fire & theft coverage
  – Check appropriate column to purchase coverage
covered for Loss of Damage:

Physical damage coverage is being requested will not be
inventory within 30 days of acquisition and for which
vehicles that are not addressed to the Risk Management and

Use the "MV ACTUARY" (Vol. 5-50) form, located at
the level 101-100 (F285/285) form. Located at

Report any disposed of newly acquired vehicle (contingent,

Return for newly acquired vehicles.

List the passenger capacity next to the VIN for bus and

explore.

By the State (s) leased (c) or other (o), if other, please

Vehicle Territory and Territory mile year (e.g., Indiana code, Iowa code, 2022, and

License plate, vehicle description and license plate, vehicle description, VIN, model

Available vehicle types at the end of the report with the other of

Follows:

Follows:

Insurance Program. Please update your department's inventory as

Delays the vehicle covered under the State Automobile Self-

Current Vehicle Inventory Report ("Report") This report lists in

PHASE: Annual Vehicle Inventory Update for the Automobile Self-Insurance

SUBJECT: State Completed

FROM: Risk Management Coordination

ATTN: Heads of Departments and Agencies

TO: Heads of Department and Agencies

July 10, 2013

DEPARTMENT OF ACCOUNTS AND GENERAL SERVICES
STATE OF HAWAII

[Signature]

COO MORRIS

[Signature]

COO AOKI
If you have any questions or want an Excel report, please call Terry. Risk.

Management Officer # 386-0950.

If you have any questions or want to see the updated report, please call Terry.

RISK MANAGEMENT OFFICE - Risk Management Office.

Please retain the updated report to DFS - Risk Management Office.

 management cost allocation.

Automobile liability insurance coverage is billed separately through the annual risk

Department bills for the compulsory coverage will be mailed by September 1, 2013.


Since July 1, 2012, there will be a $500 deductible for:

- $1,000 per occurrence, conditioned upon availability.
- The maximum payment on any one vehicle is $1,000 and
- The charge for P.Y. 14 is $700/vehicle.
- No under column for P.Y. 14.
- To cover a vehicle for fire and theft only.
- The annual coverage is either damaged by theft or fire only.

b. Fire and theft coverage provides limited coverage in the event:

- The vehicle is damaged or.
- The maximum payment on any one vehicle is
- The charge for P.Y. 14 is $1,250 per vehicle.
- Vehicle involved.
- Under the column of “COMP/COIL” on your.
- To cover a vehicle for COMP/COIL” place on “X”.
- Fire and Theft.

You may also add:

b. Comprehensive/Collision coverage. Comprehensive/Collision coverage is available on an optional basis to cover damage to another's vehicle. Comprehensive/Collision coverage is necessary if you operate a department.

September 1, 2013.

bills which are scheduled for issuance by

to determine the type of coverage and accuracy of your.

Review the usability and status of each of your old vehicles.
What is Crime Insurance?

Crime Insurance protects organizations from loss of money, securities, or inventory resulting from crime. Common claims allege employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting, and other criminal acts.
Crime Exposures

• Controls
  – Are checks stamped “For deposit only”- More than one signature required on checks
  – Is there a hold-up alarm - Is there a burglary alarm
  – Are there any guards on duty - Is a perpetual inventory maintained for all inventory
  – Current procedure for wire transfers - Do the same procedures apply to all foreign locations

• Employee Count
  – Type A class – employees who handle, have custody or maintain records of money and other assets
  – Out of country
  – All others
Crime Exposures

• Highest/Maximum Amounts of

  – Money, Coins and currency
  – Securities, Stocks and Bonds
  – Checks of customers
  – Payroll (checks and cash)
  – Petty Cash

- General source of funds on premises
- Where are receipts deposited
- How often are receipts deposited
- Method of conveyance (i.e. armored car)
- Precious metal or stones
Crime Insurance
Term: 12/1/14 to 12/1/15

Insurer: Westchester Fire Insurance Co. (ACE)

Coverage & Limits:
- $10,000,000 Public Dishonesty
- $10,000,000 Forgery or Alteration
- $10,000,000 Inside Premises – Theft of Money & Securities
- $10,000,000 Inside Premises – Robbery, Safe Burglary – other property
- $10,000,000 Outside the Premises
- $10,000,000 Computer Fraud
- $10,000,000 Money Orders and Counterfeit Paper Currency
- $10,000,000 Funds Transfer Fraud
- $10,000,000 Credit/Debit/Charge Card Forgery
- $ 100,000 Claims Expense Coverage

Deductibles: $500,000 per Occurrence
$ 1,000 Claims Expense, Money Order and Counterfeit Paper, and Credit/Debit/Charge Card Forgery

This coverage requires all loss to be reported to the insurer as soon as possible. Report all instances to Risk Management Dept. (586-0547). Failure to report a claim may void coverage.
Crime Coverage Forms

EMPLOYEE ONLY COVERAGE

- **Employee Theft** – Loss or damage to money, securities, and other property resulting directly from theft committed by an employee.

- **Faithful Performance of Duties** – Loss or damage to money, securities, and other property resulting directly from the failure of employee to faithfully perform duties as prescribed by law.
Crime Coverage Forms

THEFT, DISAPPEARANCE, DESTRUCTION
(Robbery/Burglary)

- **Theft of Money/Securities (Inside)** – Loss of money and securities inside the premises resulting directly from theft, disappearance, or destruction.

- **Robbery/Safe Burglary Other Property (Inside)** – Loss of or damage to other property inside the premises resulting directly from an actual or attempted robbery of a custodian.

- **Outside Premises** – Loss of money and securities outside the premises in the care and custody of a messenger or an armored motor vehicle company resulting directly from theft, disappearance, or destruction.
Crime Coverage Forms

ADDITIONAL SPECIFIC PERILS COVERAGE

- **Forgery/Alteration** – Loss resulting directly from forgery or alteration of checks, drafts, promissory notes, or similar written promises to pay a sum certain in money that are made or drawn upon by you.

- **Computer Fraud** – Loss or damage to money, securities or other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises to a person or place outside those premises.

- **Funds Transfer Fraud** – Loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer, pay or deliver funds from your transfer account.
Crime Exclusions

- Acts of Employees learned of by the insured prior to the policy period
- Loss resulting from the unauthorized disclosure of confidential information of the insured or another person/entity which is held by the insured
- Loss resulting from seizure or destruction of property by order of governmental authority
- “Loss that is an indirect result of an “occurrence” covered by this policy, including but not limited to
  - Inability to realize income that would have been realized had there been no loss
  - Payment of damages of any type for which you are legally liable
Crime Exclusions

- Loss that is an indirect result of an “occurrence” covered by this policy, including but not limited to
  - Inability to realize income that would have been realized had there been no loss
  - Payment of damages of any type for which you are legally liable
- Legal Fees, Costs and Expenses except when covered under Forgery & Alteration
- Nuclear Hazard
- Pollution
- War or Military Action
Crime Exclusions

As respects Employee Dishonesty

- Inventory shortages
- Loss resulting from trading, whether in insured name or in a genuine or fictitious account

As respects Computer Fraud

- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards
- Loss resulting from a fraudulent instruction directing a financial institution to transfer, pay or deliver funds from your transfer account
- Loss or that part of any loss, the proof which as to its existence or amount is dependent upon
  - An inventory computation
  - A profit and loss computation
Crime Exclusions

As respects Funds transfer Fraud

- Loss resulting from the use of any computer to fraudulently cause a transfer of money, securities or other property
Crime Exclusions

As respects Theft, Disappearance, or Destruction (Inside/Outside)

- Accounting or Arithmetical Errors or Omissions
- Loss resulting from the giving or surrendering of property in any exchange or purchase
- Fire, however caused, except
  - Loss of or damage to “money” and “securities
  - Loss from damage to a safe or vault
- Loss of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device
- Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them
- Loss of or damage to property after it has been transferred or surrendered to a person or place outside the premises or banking premises
Crime Exclusions

As respects Theft, Disappearance, or Destruction (Inside/Outside)

- Vandalism or Malicious Mischief
- Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property
OVERVIEW - CLAIMS

• PROPERTY
  – Risk Management
    • $1 million deductible
  – Insurance
    • $200 million per occurrence
    • $100 million per occurrence for earthquake

• LIABILITY
  – Risk Management
    • $10,000 or less
  – Department of Attorney General
    • Legislative Relief
    • $10,001 or more
  – Insurance
    • $15 million per occurrence excess of self-insured retention - $4 million
OVERVIEW - CLAIMS

- **AUTOMOBILE LIABILITY**
  - Risk Management
    - $15,000 per claimant
  - Department of Attorney General
    - $15,001 or more
    - Legislative Relief
  - Insurance
    - Up $15 million per occurrence (excess liability), excess of $4 million self-insured retention

- **CRIME**
  - Risk Management
    - $500,000 deductible per occurrence
  - Insurance
    - $10 million per occurrence
REPORTS

• Quarterly Reports on Claim Activity
  – Summary
  – Details

• Legislative Report
  – Annual Report of Claims and Lawsuits Arbitrated, Compromised or Settled
• Loss control position was eliminated with reduction in force (1995)
• Quarterly claim activity reports provides loss control recommendations
• Services provided by State’s insurance broker
  – Aon Risk Services, Inc. of Hawaii
  – Requests may be submitted by memo
PROPERTY CLAIMS

Property Claims

• Property Schedule
  – Insurance Renewal
  – Coverage for locations
  – Values
    • Replacement Cost
    • $17.4 Billion
      – $14.5 billion - buildings and structures
      – $  7.7 billion - contents & equipment
      – $  .2 billion - business interruption
PROPERTY CLAIMS

Claims

- Property
- RMP-001
  - Coverage
    - Buildings
    - Contents
    - Equipment
  - Claim process
    - Fortuitous and accidental losses covered
    - Reimbursement basis
PROPERTY CLAIMS

PROPERTY LOSS CLAIMS

What is covered?
- Buildings
- Contents
- Equipment

For a loss to be paid from the fund, the following criteria need to be met:
- Loss is Fortuitous and Accidental
- Item is listed on the State Inventory System, or supported by accounting documents;
- Item not surplus aged, broken or junked;
- Item not more than 7 years old or scheduled for replacement (large equipment may be exceptions);
- Item not missing or unaccounted for;
- Item is not covered by first dollar insurance; and
- Item is not a gift or donation
PROPERTY CLAIMS

Property Loss Claims

• What is Not Covered?
  – Infrastructure
    • Light Poles
    • Equipment left in field
    • Landscape (trees, etc.)
  – Wear & Tear
  – Items not on inventory
  – $5,000 deductible for preventable losses
    • Comptrollers’ Memorandum 2007-10
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

• RMP-001 Report of Loss or Damage to State Property
  - (See Forms & Instructions)
  - Use to report all property losses except auto losses
  - State owned property & property in the care & custody of the State (leased items)
  - Complete as soon as possible
  - Large losses to be reported within 5 working days
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

RMP-001

• Part 1
  – Prepared by employee discovering loss

• Part 2 & 3
  – Prepared by immediate supervisor of employee who discovered loss
  – Form to be reviewed and signed by the departmental Risk Management Coordinator
Report of Loss or Damage of State Property (RWP-1001)

The Report of Loss or Damage of State Property (RWP-100) is to be completed for the purpose of:

- Reporting any loss or damage to state property,
- Providing an accurate record of the incident,
- Ensuring proper investigation and accountability.

Instructions:
- If this is not possible, contact the Claims Management Specialist for further instructions.
- Reimbursement for losses must be completed within the fiscal year the claim is processed. The report must be submitted within the 15-day period from the date of the loss.

1. Describe the loss or damage in detail:
   - Location and time of incident.
   - Description and condition of the property.
   - Cause of the loss or damage.

2. Provide evidence of loss or damage:
   - Photos or video recordings.
   - Receipts for repairs or replacement.

3. Submit the report promptly to the RWP-100 Coordinator.

4. The report must be supported by evidence of the loss or damage.

The report should include:
- A detailed description of the loss or damage.
- Evidence of the loss or damage.
- A signature of the person reporting the loss or damage.

RWP-100 Coordinator:
The report should be submitted within 7 days of the loss or damage.

Additional information or questions may be directed to the Claims Management Office.

[Signature]
Coordinator, Claims Management Office

[Date]

Attachment:
[Form or document related to the report]
Please contact the Risk Management Office at 586-0547. You have any questions regarding the utilization of these forms. If "FEMA Forms" for losses that may require FEMA funding. It in addition to the RVIP-001 form, please utilize the applicable.

Note:

Examples of losses not covered: petty cash, employees' personal property, equipment, windows, damagé, a car, hills, a building, etc.

Examples of losses: a computer is stolen from a room, water leaks onto equipment, individual's or entity.

Always identify whether or not recovery of the damage can be made against another.

Because the police report number and a verification letter regarding the report will be made immediately after discovery of the theft or burglary.

A police report must be submitted for any claims involving thefts or burglaries. The

Report of Loss or Damage of State Property (RVIP-001) (cont)
I certify that the above is true and correct to the best of my knowledge.

Date

Signature

Phone No.

9. Other pertinent information

Date/Time

Base Station/Unit

C. Incident reported to local police: Name (window/gate/entrance/exit)

Building/door (window/room number)

Manner

4. Where entry made

8. If crime suspected:

ATTACH A COPY OF THE DETAIL INVENTORY OF PROPERTY REPORT OR OTHER DOCUMENT AND INCORPORATE

Amount of loss $?

Who is responsible for property?

Who discovered loss?

4. How was loss discovered?

2. Date incident discovered

A.M./P.M.

Other (specify)

1. Type of loss (X): Theft, Vandalism, Arson, Fire, Burglary, etc.

UNIT/SCHOOL:

DEPARTMENT:

(Agent of Management)

State of Hawaii

Report No.
<table>
<thead>
<tr>
<th>Risk Mgmt. Coordinator Date &amp; Phone #</th>
<th>Supervisor Investigated By</th>
</tr>
</thead>
</table>

**Note:** In order to receive reimbursement, Parts 1, 2, 3 and 4 must be completed.

**PART 1: ACTIVITY COMPLETED**

1. Immediate Action: Give date of immediate action taken.
2. Follow-up: Give date when action completed.
3. Recommendation: List all actions in order.

**PART 2: RARE, FREQUENT, OCCASIONAL, MINOR, MAJOR, SERIOUS**

- [ ] RARE
- [ ] OCCASIONAL
- [ ] FREQUENT
- [ ] MINOR
- [ ] MAJOR
- [ ] SERIOUS

**PART 3: PROBABLE RECURRENT RATE**

**PART 4: EVALUATION**

**PART 5: CONDITIONS**

- [ ] WHAT ARE THE BASIC OR FUNDAMENTAL REASONS FOR THE EXISTENCE OF THESE ACTS AND/OR CONDITIONS CONTRIBUTED MOST DIRECTLY TO THE LOSS?
- [ ] WHAT ACTS, FAILURE TO ACT AND/OR CONDITIONS CONTRIBUTED MOST DIRECTLY TO THE LOSS?

**PART 6: BUILDING & ROOM NO.**

- [ ] TOTAL

**PART 7: GENERAL DESCRIPTION OF PROPERTY LOST OR DAMAGED**

**PART 8: SUPERVISOR’S REPORT OF LOSS OR DAMAGE OF STATE PROPERTY**

- [ ] AM (use Report No.)
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

- Photograph all damage
- In the event of a fire – keep item suspected of causing fire
- Do not disturb scene until investigation is completed
- Insurance company may need to inspect for large losses
- Other forms and instructions
  - Act 173 Forms and Instructions
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

• Large Losses
  – Collect as much information as possible as to cause of loss
    • May need fire investigator
  – Protect property from further damage
  – Segregate damage from non-damaged property
  – Act 173 Procedures and Guidelines
  – Set up one point of contact
  – Set up accounting records

• NOTE: Good record keeping BEFORE a loss is PRICELESS!
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

• Payments
  – Deductibles are covered by the Risk Management Office
  – Reimbursement basis
    • Need Purchase Order(s) for the repairs or purchase of replacement item(s)
    • Need Invoice(s) for repairs or the purchase of replacement item(s)
    • Need Accounting codes for reimbursement
    • Journal vouchers are issued whenever possible
  – General Funds
    • Expenditure and reimbursement to be within the same fiscal year
      – May be exceptions
      – Otherwise G 00 reimbursed
  – Special Funds
HOW TO FILE & PROCESS A PROPERTY LOSS CLAIM

• Insurance Claims
  – See Act 173 Procedures & Guidelines
  – $1 million deductible
    • Funded by Risk Management Office
  – Memorandum of Agreement (MOA)
  – Insurance proceeds may be paid direct to department/agency after MOA is completed
HOW TO FILE & PROCESS A CRIME LOSS CLAIM

Crime Claims

• RMP-001
  – Coverage
    • Follow same procedures as Property Loss Claims
    • MUST be reported IMMEDIATELY otherwise may not be covered
AUTOMOBILE CLAIMS

Automobile Insurance Coverage

• Self-insured HRS 431:10C-301
  - Bodily Injury
  - Property Damage
  - Personal Injury Protection
    » Employees are covered by Workers’ Compensation

• Statutory Autonomy HRS41D-3(c)
  - $15,000 per claimant
AUTOMOBILE CLAIMS

Automobile Insurance Coverage

- Physical Damage
  - Must be on inventory and coverage requested prior to loss
  - Annual Inventory update
    » Inventory approx. 5,700 vehicles
  - Current cost
    » $125 per vehicle for comprehensive & collision
    » $ 50 per vehicle for fire & theft only
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

Automobile Claims

• Risk Management Office handles all automobile claims

• Photograph all damage
  – Photograph all sides of the vehicle
    • Wide-angle is best
    • Include license plate for identification
  – State vehicle
  – Other vehicle
  – Other property
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

Automobile Claims

• RMA-001
  – (see forms & instructions)

  – Accident Reporting Procedures
    • EXCEPTION: DAGS – Motor Pool
    • Section 16 – report the loss to DAGS – Motor Pool

  – Complete and submit to the Risk Management Office within 5 working days;

  – If serious, within 24 hours
Authorized drivers include: self-employed; State employees; State institution members; State boards.

2. All State owned vehicles

3. Employees own personal automobile insurance policy. Employees and in the name of the State will have excess liability coverage.

Employee-owned automobiles will be used in the course and scope of employment.

Lessee, hired, leased, and other non-owned automobiles are not authorized by

The Risk Management Program includes:

- Property Damage coverage applies to damage to property owned by others.
- Personal Injury Protection Benefits for applicable insured members and dependents.
- All other persons, employees, and non-employees are covered under the policies of the vehicle.
- Self-employed, contractors, and the State for automobile accident of loss and submitted to the Risk Management Office. The RM O.

The Automobile Accident/Trial Notice (RWA-100) form is a remittance of the standards

Automobile Accident/Loss Notice (RWA-001)
If the accident is serious or involves bodily injury, it must be reported within 24 hours to

All claims are reported directly to the R.M.O.

employee’s own insurance. The employee’s personal accident insurance policy will be responsible for any

Independent contractors are not covered. They must provide their own insurance.
<table>
<thead>
<tr>
<th>OWNER'S INFO</th>
<th>DRIVER INFO</th>
<th>OTHER INFO (if applicable)</th>
<th>STATE DRIVER INFO</th>
<th>STATE VEHICLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Name:</td>
<td>Driver Name:</td>
<td>Note: If the driver was not the owner, provide the owner's or rental car company info below:</td>
<td>Name of the person who gave you permission:</td>
<td>VIN:</td>
</tr>
<tr>
<td>Address:</td>
<td>Driver Email:</td>
<td>Is the Driver the Owner?</td>
<td>Provide that person's work phone number:</td>
<td>Year:</td>
</tr>
<tr>
<td>City:</td>
<td>Address:</td>
<td>YES</td>
<td>Home/Cell #:</td>
<td>Make:</td>
</tr>
<tr>
<td>St:</td>
<td>City:</td>
<td>NO</td>
<td>Work Phone:</td>
<td>Model:</td>
</tr>
<tr>
<td>Zip:</td>
<td>Phone #:</td>
<td></td>
<td></td>
<td>License plate #:</td>
</tr>
</tbody>
</table>

![Image of the form](image-url)

**PURPOSE OF TRIP AT TIME OF ACCIDENT:**

**ACCIDENT DESCRIPTION:**
<table>
<thead>
<tr>
<th>SUPERVISOR EMAIL:</th>
<th>SUPERVISOR TITLE:</th>
<th>SUPERVISOR'S SIGNATURE:</th>
<th>SUPERVISOR PRINT NAME:</th>
<th>DATE SIGNED:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STATE DRIVER'S SIGNATURE:</th>
<th>DATE SIGNED:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>ADDITIONAL INFO</th>
<th>PASSENGERS IN STATE VEHICLE</th>
<th>WITNESSES</th>
<th>PROPERTY DAMAGE (if other than a vehicle)</th>
<th>OTHER VEHICLE INFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any additional information to provide?</td>
<td>Name</td>
<td>Name</td>
<td>Owner Name:</td>
<td>Year:</td>
</tr>
<tr>
<td></td>
<td>Address</td>
<td>Address</td>
<td>Description of Property:</td>
<td>Make:</td>
</tr>
<tr>
<td></td>
<td>Telephone</td>
<td>Telephone</td>
<td>Describe Damage:</td>
<td>Model:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VIN:</th>
<th>Describe Damage to Other Vehicle:</th>
<th>License Plate #:</th>
<th>Insurance Carrier:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Damage Amount: $</td>
<td>Policy #:</td>
<td></td>
</tr>
</tbody>
</table>

Form RMA-001 (08/14) P. 2 of 2
Section 15  Automotive services for non-motor pool vehicles.

A.  Class B. oil, maintenance services, and minor repairs may be arranged and furnished by the motor pool for state-owned vehicles. Prior arrangements for servicing and repairs are necessary before any work is scheduled with the motor pool supervisor.

Section 16  Accident reports.

A.  In case of an accident, drivers of motor pool vehicles shall promptly report the accident to the police and complete accident report form (RMA-002, State of Hawaii, Driver's Report of Accident), which is kept in the glove compartment of each vehicle. The form is to be completed as the same of the accident and used as a reference to complete Form RMA-001, Automobile Loss Notice. A copy of the RMA-002 should be sent to the DARS-Risk Management Officer. The motor pool staff shall ensure that the RMA-001 is in the glove box of each motor pool vehicle. The driver of a motor pool vehicle involved in an accident shall also complete Form RMA-001, Automobile Loss Notice and submit the form to the motor pool supervisor by next working day following the accident. If for any reason the driver is unable to complete the form, the supervisor shall complete the RMA-001 and forward the completed form to the motor pool supervisor. The motor pool will not provide a loaner vehicle until it receives a completed Form RMA-001.

B.  The driver of any motor pool vehicle that is involved in an accident must promptly report the accident to the police and, thereafter, the motor pool supervisor and their respective supervisors. All accident reports shall be signed by the police and the motor pool supervisor even though another vehicle is not involved or there are no apparent injuries or damage.

C.  The original Form RMA-001 shall be submitted as the motor pool and the agency shall retain a copy for its files.

Section 17  Automobile insurance.  All state-owned vehicles are insured and in compliance with the Hawaii No-Fault Law. Coverage includes no-fault benefits (or personal injury protection), accidental bodily injury liability and property damage liability. Coverage protects state officials, employees, and other authorized licensed drivers operating vehicles owned by the state. Medical benefits are provided under the state workers' compensation law when state drivers or employees sustained injuries.
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

Automobile Accident Claims Payments

- Claim payments are made by the Risk Management Office
- State vehicles:
  - Reimbursement basis
  - Need photographs for damage in excess of $1,500
  - Minimum of 2 estimates
    - HOWEVER – follow your department’s procurement procedures
- General Funds
  - Expenditure and reimbursement must be should within the same fiscal year
    - May be exceptions
    - Otherwise G 00 reimbursed
- Special Funds
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

Automobile Accident Claims Payments to Others

– Claim payments are made by the Risk Management Office
  • Statutory Autonomy $15,000 per claimant
  • Greater than $15,000 per claimant
    – Legislative Relief

– Risk Management staff will investigate and determine liability
  • Lower of estimates for damage to vehicles is considered
  • Release of all claims secured
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

Automobile Accident Claims Payments to Others
- Car Rental Losses or Accidents
  • Report to the Risk Management Office ASAP
  • Complete thorough inspection of rental!
  • Photograph contested damages (cel phone?)
  • Risk Management will investigate and determine liability
  • Lower of estimates for damage to vehicles is considered
  • Release of all claims secured
  • COMPROMISE – amounts in excess of compromise by Risk Management are NOT paid by the employee!
HOW TO FILE & PROCESS AN AUTOMOBILE CLAIM

• Not all claims are paid!
  – Reasons for denial of liability coverage for State employee:
    • Unauthorized use
    • Illegal activity
      – Driving under the influence
    • Not within the scope of employment
HOW A TORT CLAIM IS PROCESSED

Tort (Liability) Claims

- Office autonomy  $10,000 per claimant
  - HRS 41D-3(d)
- Greater than $10,000
  - Legislative Relief
- What is a tort?
- Claim process
- Excess liability
Tort (Liability) Claims

• What is a tort?
  – A tort is a civil wrong, other than a breach of contract
  – A tort can be generated by many sources, such as:
    • Premises
    • Conduct or activities of employees
    • Operation of motor vehicles & equipment
HOW A TORT CLAIM IS PROCESSED

Tort (Liability) Claims

- **RML-001 Incident/Accident Report**
  - Department completes and submits to the Risk Management Office
- **RULES**
  - DO NOT ADMIT LIABILITY
  - DO NOT COMMENT ABOUT CAUSE OF INCIDENT
Incident/Accident Report (RML-001)

The Incident/Accident Report (RML-001) is an internal form to be completed by State employees only. The reporting of incidents and accidents is considered a very important function. Use RML-001 to report all incidents or accidents that occur at a State location or resulting from a State activity/function. The incident can involve property damage, bodily injury or relay a concern that needs to be documented. Immediate completion of this form will capture the most accurate information before submitting the form to the R.M.O. This form is not to be provided to a claimant or the general public. Please note that page 4 is to be completed in the event preventative measures need to be taken. If none is needed, note “N/A”.

No liability is to be admitted by anyone involved in any accident or loss. Nor should any commitments be made to pay for any medical or other expense, even ambulance services. The State does not have any provision to pay these expenses simply because an injury or damage occurs on their property. The State Tort Liability Act makes the State responsible for payment of losses where it or its employees were negligent, and when that negligence caused the injury or damage.

ALWAYS secure the names, addresses, and phone numbers of any witnesses. This information may be invaluable if a lawsuit results from the incident/accident.

Refer to the RULES FOR HANDLING REPORT when dealing with the general public.

Examples: an employee finds their personal property missing from the desk, a person falls down on State property, or any employee receives a threatening phone call or client in the office.

When in doubt, contact the Risk Management Office at 586-0547 for instructions and/or advice.
mind. Accuracy is always in the best interest of the State. If incident or accident will allow investigation and collection of facts while they are available and fresh in the

Prompt reporting of investigation, then to the departmental risk management coordinator for review.

Completion of this report includes prompt presentation of report to your immediate supervisor for

<table>
<thead>
<tr>
<th>RULES FOR HANDLING REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Never admit liability. Avoid saying that the event or situation was unsafe, dangerous, hazardous, inadequate, unprofessional, substandard, or otherwise deficient.</td>
</tr>
<tr>
<td>2. Refer to the incident or accident as an incident/accident event or situation.</td>
</tr>
<tr>
<td>3. Ask questions to gather pertinent facts and to clarify important points.</td>
</tr>
<tr>
<td>4. Review your understanding of the incident or accident with the caller.</td>
</tr>
<tr>
<td>5. Inform the caller that the matter will be investigated promptly and that follow-up will be made.</td>
</tr>
<tr>
<td>6. Express sincere thanks for the caller's information and/or suggestion to correct.</td>
</tr>
<tr>
<td>7. Remember, you are the first important step in loss control for the State of Hawaii.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DAMAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVENT OR SITUATION WHICH RESULTED IN PHYSICAL HARM OR PROPERTY HARM OR PROPERTY DAMAGE</td>
</tr>
<tr>
<td>INCIDENT</td>
</tr>
</tbody>
</table>

(Information on Injury/Safety/Health Matters)
Incident/ Accident Report

STATE OF HAWAII

(Use) Report No.

By: __________________________

Date/Time of Response/Follow-up:


SUPERVISOR'S RESPONSE TO CALLER/FOLLOW-UP ACTION

To be executed upon completion of Supervisor's Report, Part 3 of 4

WITNESSES (NAME, ADDRESS AND PHONE NO.):


Likely Cause? (Object/Equipment/Substance Involved):


WHERE DID IT HAPPEN? (BUILDING NAME/ADDRESS/LOCATION):


WHAT HAPPENED AND HOW? (CONDITION DESCRIBED):


PHONE NO. __________________________

ADDRESS __________________________

NAME OF CALLER __________________________

Person Recording Information: __________________________

DATE RECEIVED: __________________________
INCIDENT/ACCIDENT REPORT
STATE OF HAWAI'I
Tort (Liability) Claims

- RMTC – Report of Damage or Injury
  - (see forms & procedures on RM website)
    Completed by the claimant and submitted to the Risk Management Office
  - Risk Management generates a tort questionnaire to the department seeking information regarding the incident/accident.
  - An acknowledgement letter is sent to the claimant.
Follow the attached instructions and submit your original claim form and one copy to:

Honolulu, Hawaii 96810-0119
P.O. Box 119
Risk Management
Department of Accounting and General Services
State of Hawaii

If you have any questions, or if you do not receive an acknowledgment letter within ten (10) days of the submission of your claim, contact the Risk Management Unit at 808-586-0547.

You have two (2) years from the date of the incident to file your claim. If you are not satisfied with the outcome of your claim and decide to sue, a lawsuit must be filed before that two (2) year period, otherwise the statute of limitations will prevent your claim from being considered, or settled.

You are responsible to fulfill your financial obligations. If your liability is based on an accident or injury, you must provide the State with a copy of your insurance policy. The State will also provide a copy of its insurance policy for your review.

If any additional information is needed, you may use additional forms. This form may be used in resolving your claim. You may use additional forms to conduct a meaningful investigation. The form must be against the State of Hawaii.

ATTACHED IS THE CLAIM FOR DAMAGE OR INJURY FORM TO THE FORM INCIDENT

A CLAIM FOR DAMAGE OR INJURY
IMPORTANT INFORMATION FOR FILING
medical bills and/or verification of other related expenses.

This may involve securing an authorization to release medical information. For personal injury or death, medical information will be required.

- For personal injury or death, medical information will be required.

- Determining the actual value of the claim.
- No fault card will be required in addition to (a).
- For damages to a motor vehicle, copies of the current registration and
- Actual payment, proof of ownership may also be required.
- Proof of ownership has been made, an itemized statement of receipt showing the
- Signed statements of estimates by reliable and independent parties. If
- Submission of a photograph of the damaged property and two witnessed
- For damage to property that has been or can be economically replaced.
- Documentation:

The following are examples of acceptable means of independent verification or
required to submit this information at this time. However, you are not
documented by independent verification and evidence. However, you are not
is accepted by the State; the dollar amount of your claim will need to be
You must state a dollar amount on page 2. Line 12 of the form. If your claim

Evidence satisfactory to the State of their authority to act.
authorized agent or other legal representative may file a claim and provide the
for personal injury, then a duly
disability, or other reasons acceptable to the State of Hawaii, then a duly
signature in the case of a minor. If the person cannot sign because of death,

Claims for property damage, loss or destruction, or for personal injury, must be
Full name of claimant/victim (provide age if minor):

PRINT IN INK OR TYPE

Claim for Damage or Injury

1. Location of Incident/Address:

2. Residence Address (Include zip code):

3. Phone: Res: Bus:

4. Occupation:

5. Place of Employment:

6. Date or Incident:

7. Day of Week:

8. Description of Incident: (State in detail, all known facts and why you believe the State of Hawaii is at fault, if possible, and why circumstances, identity of person and property involved, etc., to help us understand the incident.) Please enclose photographs, maps, diagrams, etc., to help us understand the incident.

FILL IN BLANK SPACES OR TYPE
FORM PMIC (9/97) (P)  

City, State, Zip

Address

Signature of person filing claim

Date:

AND ACKNOWLEDGE UNDER THE PUNITIVEpenalty or FRANK.

THE UNDERSEDAUTHORITIES THAT THE INFORMATION AND CLAIM SUBMITTED IS TRUE.

12. Amount of claim (see instructions for verification of amount):

11. Personal Injury (Nature and extent of injury or loss):

10. Property Damage or Loss (Nature and extent of damage or loss):

9. Witness(es) to incident/injury/damage/loss:

8. Phone No.

Address

Name

PLEASE fill in the following:

VRS

(d) You have violated your insurance company regarding this incident.

Your insurance company name, policy number, and expiration date of expiration. Have you filed a claim with

Authoritative Insurance Company name and phone number, policy:

13. If automobiles are involved, provide ALL of the following:

$ Property damage/loss

$ Personal Injury

NO
Tort (Liability) Claims

- Tort Questionnaire
  - Risk Management staff utilize questionnaires to collect information from the department/agency
  - To be completed and returned within 15 days
  - Risk Management staff investigates and determines if the State is liable for damage or injury
  - Goal to resolve tort claims
    - 90 days
HOW A TORT CLAIM IS PROCESSED

Tort (Liability) Claims

• Tort Questionnaire
  – Arrears
    • Cause delays in decisions
    • Additional work for all
      – Phone calls
      – Follow-ups to departments
HOW A TORT CLAIM IS PROCESSED

Tort (Liability) Claims

- Excess liability
  - Reporting to be done by the Risk Management Office
LAWSUITS

Lawsuits must be reported as soon as they are received.
  - Must be responded to within 20 days of service - typical deadline
    • Small Claims and District Court have dates listed
  - If not met, defendant has a default entered
  - Must request the Attorney General for legal defense of an employee
Cost Allocation

• Allocates RMO’s total operational cost
  – Cost of Insurance policies
  – Cost of Self Insured Losses
  – Cost of Office expenses and overhead
• General Fund and Special Fund Allocation
• Based on Exposure Factors
  – Property Replacement Values
  – General Liability Employee Count
  – Automobile Vehicle Count
  – Crime Employee Count
Cost Allocation

- Based on Historical Losses (7 years)
  - Capped at $1,000,000 for Property
  - Capped at $10,000 for GL
  - Capped at $15,000 for Auto
  - Capped at $500,000 for Crime
- Allocation Calculated Every Biennium
  - FY16/17
  - FY18/19
  - Therefore, each allocation is good for 2 years
Insurance Requirements for Contracts

• Comptroller’s Memoranda
  – 2010-06
  – 2010-08
  – 2010-39

• SPO 150 Webinar (on demand)
  – Located on SPO website
Statement of Self-Insurance

Requested by a person in authority.

- **Liability**
  - Allows the department/agency to utilize non-State facilities, ground & locations.

- **Property**
  - Allows the department/agency to lease or use non-State owned property, such as leased equipment.

Form is to be signed by appropriate person.
Thank you for allowing the Risk Management Office serve you with your insurance needs.

Print on letter head or fax cover sheet to denote the request.

Ensure there will be no guarantee that it will be punctually issued.

Please also provide all the very least 5 working days for the form to be processed.

All forms are required otherwise it may cause processing delays.

The SOIS will not be issued for dates more than one year from the request date.

If you have a range of dates or many different activity dates, you may provide it.

If the respective share department/division/office needs a copy:

Provide specific instructions regarding where the SOIS needs to be sent to and/or business of the respective department/division.

Provide a thorough description of how the activity is directly related to the core business of the company. This section of the form should be concise.

For DO: please have the President of Vice President print and sign his/her name or that of the employee and print and sign the name of the employee. Please have the procedure department or duly authorized employee print and sign the name of the employee in the above referenced section. This is to ensure that the administration is aware of the above referenced section.

The SOIS is to be completed only by the employee.
<table>
<thead>
<tr>
<th>REQUEST FOR STATEMENT OF SELF-INSURANCE</th>
</tr>
</thead>
</table>

FROM: Fax number: 808-586-0553
TO: RISK MANAGEMENT OFFICE
Indemnification Agreements

- State cannot enter into indemnification or hold harmless agreements
- EXCEPTION:
  - HRS 46-71.5
  - Request to Approve Indemnification of counties
  - HRS 29-15.5
  - Request to Approve Indemnification of federal government
TO: The Honorable Neil Abercrombie  
Governor of the State of Hawaii  

Honorabe Bruce A. Coppa, Comptroller  
Department of Accounting and General Services  

THRU: Honorable David M. Louie  
Attorney General  

FROM:  
______________________  

RE: Request for Approval to Indemnify __name of county agency and county__ for Use of County Properties  
County Facility/Property: ________________  
Purpose of Usage: ________________  
Date of usage: ________________  

Pursuant to Hawaii Revised Statutes (“HRS”) §46-71.5, we respectfully request your approval of an indemnification to allow the Department of ___________ to conduct a ___________ on ___________ from ___________ to ___________ at ___________. This facility/property is owned by the ___________.  

This event will involve ___________.  

Your approval would, in essence, indemnify, defend, and hold harmless the ___________ for use of the facility upon which this event will take place.  

A. Section 46-71.5, HRS  

Under §46-71.5, HRS, the State may agree to indemnify, defend, and hold harmless a county agency if certain preconditions are satisfied: 1) The Governor approves the State’s proposed indemnification; and 2) The Comptroller, pursuant to Section 41D-8.5, HRS, has (a) obtained an insurance policy in an amount sufficient to cover reasonably anticipated liability of the State that may arise or (b) determined that obtaining such a policy is not in the best interest of the State.  

B. Indemnity Protection to be Provided  

The State shall indemnify, defend, and hold harmless ___________ its officers, employees, and agents, from any and all claims of liability for any damage to real or personal property or injury to or death of any persons when such damage, injury or death arises out of the action or omission of the State, its
officers, employees, agents, consultants, contractors, or invitees in conjunction with
[clearly identify the event] to be held at [name of facility/specific location within the facility/ address] [county].
Hawaii, on [date] from [time] to [time]; provided that the State shall not be required to indemnify, defend, or hold harmless, the [county agency] [county], its officers, employees, and agents, from any claims of liability for any damages to real or personal property or injury to or death of any persons, when such damage, injury or death arises out of the action or omission of the [county] [county], and/or its officers, employees, agents, consultants, contractors, or invitees, regarding the maintenance and repair of the above mentioned facility/property. This provision shall not be read or interpreted to create any liability of the State or any person or entity to any person or entity, except for the duties to indemnify, defend, and hold harmless set forth herein. This provision is not intended to and shall not be interpreted to benefit any third person, or to benefit or create any third-party beneficiary.

C. Insurance

By way of this memorandum, the Department of _____ requests that the Comptroller either obtain an insurance policy or policies pursuant to Section 41D-8.5, HRS, in an amount sufficient to cover the liability of the State that reasonably may be anticipated to arise under the indemnity provision, or make a determination that it is not in the best interest of the State to obtain insurance.

D. Inspection

For the purposes of this request, the Department of _____ has inspected [identify the facility] and noted the facility to be in safe condition for its intended use. In consideration of the noted type of events and educational activities to be held, the facility was examined and, pursuant to the Department of _____'s check of the premises, the Department of _____ believes there is not significant risk or liability to the State to use the facility as indicated.

E. Conclusion

We believe the benefit to the State and to taxing public is great under this request. We respectfully request your approval of the foregoing indemnity protection for the [county agency] [county] so we may proceed with use of the facility as stated above.

F. Attorney General Review

The Attorney general has reviewed and approved the proposed request for the above mentioned dates.

Should you have any questions, please contact ______________, at ______________.
Attorney General’s Recommendation for Approval:

David M. Louie
Attorney General
State of Hawaii

Date

Comptroller Review and Approval:

Pursuant to HRS §41D-8.5, the Comptroller has obtained an insurance policy or policies in an amount sufficient to cover the liability of the State that reasonably may be anticipated to arise under the indemnity provision set forth in this memorandum.

The Comptroller has determined that it is not in the best interest of the State to obtain insurance for the indemnity set forth herein and approves the indemnity without further need of insurance.

Date

Bruce A. Coppa
Comptroller

Governor’s Approval:

Date

Neil Abercrombie
Governor of the State of Hawaii
HAVE A NICE DAY!