

**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

Risk Management Officer

Tracy.S.Kitaoka@hawaii.gov

Ann Sueoka

- 586-0546

Claims Mgmt Spec V

Ann.N.Y.Sueoka@hawaii.gov

Maria Paet-Ugaitafa

- 586-0548

Claims Mgmt Spec III

Maria.Paet-Ugaitafa@hawaii.gov

Danny Loo

- 586-0545

Claims Mgmt Spec III

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





HIDEO MURAKAMI  
COMPTROLLER  
MIKE N. TOKUNAGA  
DEPUTY COMPTROLLER

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES

P. O. BOX 118  
HONOLULU, HAWAII 96810

May 31, 1985

COMPTROLLER'S MEMO 1985-15

TO: Heads of all Departments  
FROM: Hideo Murakami, Comptroller  
SUBJECT: Risk Management Coordinators

The Risk Management Branch under the Department of Accounting and General Services has been created to establish a centralized risk management and insurance program to protect the State against fortuitous or accidental losses.

To provide a focal point for each department and to provide a single contact for the State Risk Manager, it is requested that each department appoint a "Risk Management Coordinator". Some departments, because of size or unique organization may wish to select alternate or even divisional Risk Management Coordinators.

Every department or division will have some risk management responsibilities. It is not anticipated that the Risk Management Coordinator will spend more than 3 to 5 hours per month. Their primary task will be to provide information to the State Risk Manager, such as reporting new loss exposures, reporting property and liability claims, and assisting the department or divisions with questions concerning the risk management program.

An Orientation meeting for Risk Management Coordinators will be held in a few months to explain operations of the risk management program. Other individual or group meetings will be held one or two times per year to:

- o Discuss new operations of the department or division.
- o Discuss changes in the risk management program.
- o Inspect department or division operations.
- o Meet with new Risk Management Coordinators as turnover occurs.

Page 2  
Risk Management Coordinators

Please provide me the name(s) of your department's Risk Management Coordinator(s) by completing the attached form. A reply on or before June 20, 1985 will be appreciated.

For more information on this matter, please call John Takamune at 548-3214.



HIDEO MURAKAMI  
Comptroller

attach.

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
RISK MANAGEMENT BRANCH

DEPARTMENT: \_\_\_\_\_

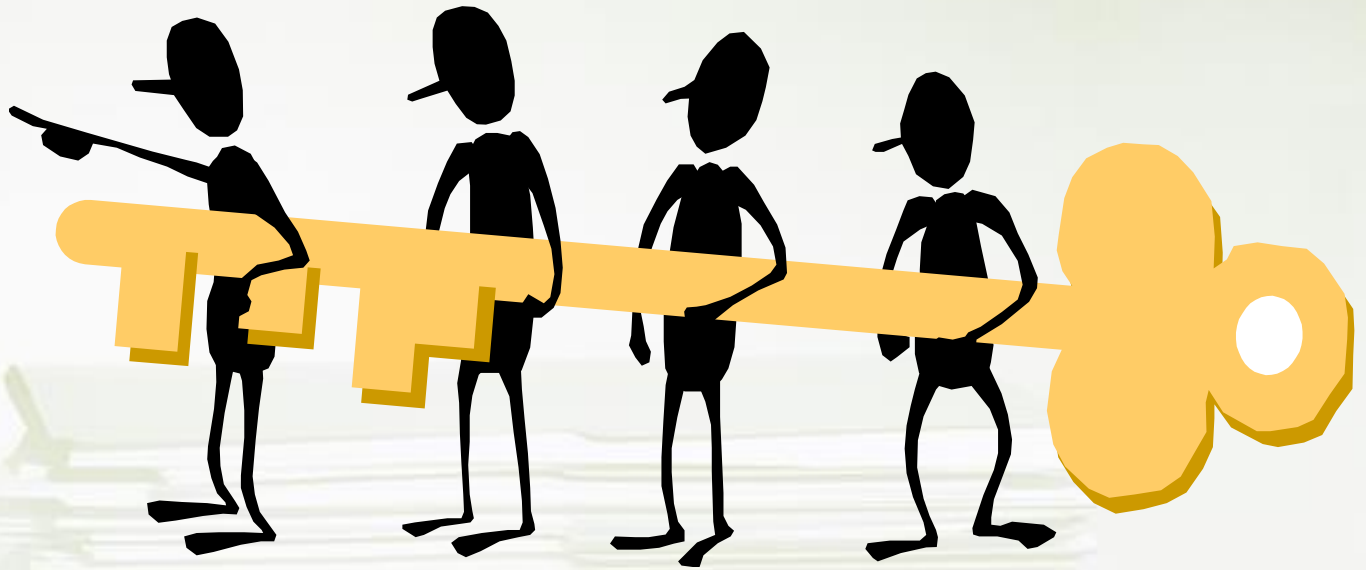
<u>Name of Risk Management Coordinator</u>	<u>Telephone</u>	<u>Alternate, Division or Unit</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Submitted by: \_\_\_\_\_

Date: \_\_\_\_\_

# TEAM WORK

**Is the KEY!**



# State Risk Management and Insurance Administration

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING & GENERAL SERVICES  
*Together, Working as an Ohana*  
ACCESSIBILITY HAWAII.GOV  
STAY CONNECTED To Your State Government

Home Comptroller AARC Admin Rules Reports Comptroller's Memoranda eProcurement

You are here: Home → Risk Management Office

## Risk Management Office

**GENERAL INFORMATION:**

The Risk Management Office (RMO) is attached to the Administrative Services Office (ASO) under the Office of the Comptroller and is primarily responsible for the Statewide Risk Management Program (the Program) pursuant to Chapter 41D, Hawaii Revised Statutes. The Program's mission is to protect the State against catastrophic losses and to minimize the total cost of insuring risk. The key activities of the Program include:

- ▶ Identifying and analyzing loss exposures.
- ▶ Procurement of commercial insurance and associated risk management services.
- ▶ Administer self-insured insurance program and process informal claims against the State.
- ▶ Fund self-insured automobile and deductible amounts for liability losses.
- ▶ Fund deductible amounts for property losses and assist in submitting claims to the commercial property insurance companies.
- ▶ Advise departments on matters pertaining to risk management.
- ▶ This office is also responsible for the investigation and resolution of liability claims against the State of \$10,000 or less and automobile liability accident claims involving State vehicles or employees of \$15,000 or less per claimant.
- ▶ Generally, claims are resolved within 60 days of receipt. Generally a two-year statute of limitations is applicable for all claims which means that if the claim is not settled to the claimant's satisfaction within two years from the date of the incident, the claim cannot be considered. (See HRS 662 - State Tort Liability Act and refer to Section 4, Statute of Limitations, below.)

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 Clean up 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  
<http://hawaii.gov/forms/internal/department-of-accounting-and-general-services/data-call-form-property.doc/view?searchterm=prop>
  - Data Requirements – Property
  - Supplemental Data Requirements – Property
- Review and update schedule annually

# Data Requirements - Property



STATE OF HAWAII  
DATA REQUIREMENTS - PROPERTY

COMPLETE AND SUBMIT TO RISK MANAGEMENT OFFICE



Department Name: \_\_\_\_\_

Address of this location: \_\_\_\_\_

City: \_\_\_\_\_ State: HI Zip Code: \_\_\_\_\_

Please complete below per building or space you occupy.  
(Note: Remember to use replacement cost value and not depreciated/book value)

Building Replacement Cost: \$ \_\_\_\_\_ (if known) -OR-  Allow Aon to determine using Marshall-Swift

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

Electronic Data Processing Equipment (computer equipment including media & software): \$ \_\_\_\_\_

**CONSTRUCTION** (see descriptions of construction type on page 2):

Construction Class	Roof	Floors	Wall
1. Frame	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Joisted Masonry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Non-combustible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Masonry non-combustible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Modified Fire Resistive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)			

# of stories: \_\_\_\_\_ Basement:  Yes  No Year Built: \_\_\_\_\_ Total Area: \_\_\_\_\_ sq. ft.  
(excl. basement) (incl. basement)

**OCCUPANCY**

Nature of business/description of operations at this premises \_\_\_\_\_

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

**If rented/leased:**

Is the State required to provide insurance? What is the required limit? \_\_\_\_\_  
Provide landlord name and address \_\_\_\_\_

Other tenants:  yes  no (if yes describe) \_\_\_\_\_

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

**PROTECTION**

Fire Extinguishers:  Yes  No  
Fire Hydrants:  Yes  No # of within 500 Feet: \_\_\_\_\_ Closest Fire Station: \_\_\_\_\_ miles

Fire Alarm:  Yes  Central Station or  Local Gong  No Fire Alarm Manufacturer: \_\_\_\_\_



STATE OF HAWAII  
DATA REQUIREMENTS - PROPERTY

COMPLETE AND SUBMIT TO RISK MANAGEMENT OFFICE



Automatic Sprinklers:  Yes  No Burglar Alarm:  Yes; Type \_\_\_\_\_  No

Watch Service:  Yes  No Supervised:  Yes  No

Describe any other fire protection features such as a large body of water nearby that can be used by Fire Department, pumps, etc. \_\_\_\_\_

**EXPOSURES**

Distance to nearest neighboring buildings:  
North \_\_\_\_\_ ft. Occupancy \_\_\_\_\_ South \_\_\_\_\_ ft. Occupancy \_\_\_\_\_  
East \_\_\_\_\_ ft. Occupancy \_\_\_\_\_ West \_\_\_\_\_ ft. Occupancy \_\_\_\_\_

Loss Experience (other than Flood) Give details and amounts \_\_\_\_\_

Has there been a flood of this property?  Yes  No

If yes, give details & amounts: \_\_\_\_\_

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

**\*STANDARD CONSTRUCTION DEFINITIONS**

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

**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.

The information is completed by (print name): \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Phone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

**State of Hawaii**  
**Instructions for Data Requirements – Property**

**COMPLETE 1 FORM FOR EACH BUILDING.**

During the Risk Management Coordinators Meeting on February 9, 2005, we distributed the attached Data Requirements-Property sheet. This is to capture the current property information for all State locations. The collected data will be compiled and used for the renewal marketing. Please submit the information to Julie Ugalde, Risk Management Officer, by 6/1/06. The following are explanations and instructions for some of the questions asked:

- **Business Personal Property Value** - This is your contents value including furniture, fixtures, equipment and machinery.
- **Electronic Data Processing Equipment** - This is your computer equipment value including media, software, cables and other computer devices attached.

Construction

**Roof and Floors** – Please refer to Standard Construction Definitions described on 2<sup>nd</sup> page.

Occupancy

**Other tenants** – If the building is owned by the State and houses third party as tenants, please describe.

Protection

**Fire Alarm** – If answers Yes, we need to know whether the alarm is central station or local gong. Central station means that the alarm will notify an outside security company and call Fire Department. Local gong means that fire alarm is activated only locally and is not connected to an outside security company. Thus, someone needs to contact Fire Department for help.



STATE OF HAWAII  
DATA REQUIREMENTS - PROPERTY



Department Name: \_\_\_\_\_

Address of this location: \_\_\_\_\_

City: \_\_\_\_\_ State: HI Zip Code: \_\_\_\_\_

Please complete below per building or space you occupy.

*(Note: Remember to use replacement cost value and not depreciated/book value)*

Building Replacement Cost: \$ \_\_\_\_\_ (if known) -OR-  Allow Aon to determine using Marshall-Swift

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

Electronic Data Processing Equipment (computer equipment including media & software): \$ \_\_\_\_\_

**CONSTRUCTION (see descriptions of construction type on page 2):**

Construction Class	Roof	Floors	Wall
1. Frame	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Joisted Masonry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Non-combustible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Masonry non-combustible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Modified Fire Resistive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)			

# of stories: \_\_\_\_\_ Basement:  Yes  No Year Built: \_\_\_\_\_ Total Area: \_\_\_\_\_ sq. ft.  
*(excl. basement) (incl. basement)*

**OCCUPANCY**

Nature of business/description of operations at this premises \_\_\_\_\_

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

If rented/leased:

Is the State required to provide insurance? What is the required limit? \_\_\_\_\_

Provide landlord name and address \_\_\_\_\_

Other Tenants:  yes  no (if yes describe) \_\_\_\_\_

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

**PROTECTION**

Fire Extinguishers:  Yes  No

Fire Hydrants:  Yes  No # of within 500 Feet: \_\_\_\_\_ Closest Fire Station: \_\_\_\_\_ miles

Fire Alarm:  Yes ( Central Station or  Local Gong)  No Fire Alarm Manufacturer: \_\_\_\_\_



STATE OF HAWAII  
DATA REQUIREMENTS - PROPERTY



Automatic Sprinklers:  Yes  No Burglar Alarm:  Yes; Type \_\_\_\_\_  No  
Watch Service:  Yes  No Supervised:  Yes  No

Describe any other fire protection features such as a large body of water nearby that can be used by Fire Department, pumps, etc. \_\_\_\_\_

**EXPOSURES**

Distance to nearest neighboring buildings:

North \_\_\_\_\_ ft. Occupancy \_\_\_\_\_ South \_\_\_\_\_ ft. Occupancy \_\_\_\_\_  
East \_\_\_\_\_ ft. Occupancy \_\_\_\_\_ West \_\_\_\_\_ ft. Occupancy \_\_\_\_\_

Loss Experience (other than Flood) Give details and amounts \_\_\_\_\_

Has there been a flood of this property?  Yes  No  
If yes, give details & amounts: \_\_\_\_\_

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

**\*STANDARD CONSTRUCTION DEFINITIONS**

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

**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.

The information is completed by (print name): \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Phone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_





STATE OF HAWAII  
 SUPPLEMENTAL DATA REQUIREMENTS - PROPERTY

**COMPLETE AND SUBMIT TO RISK MANAGEMENT**



Department Name: \_\_\_\_\_

Division: \_\_\_\_\_

City: \_\_\_\_\_ State: HI Zip Code: \_\_\_\_\_

**What is Covered as Business Personal Property?**

The following is covered under the business personal property coverage:

- furniture and fixtures,
- machinery, equipment, and stock
- all other personal property owned by the State and used for business,
- improvements and betterments made by or acquired by the State, and
- any leased personal property the State has a contractual responsibility for.
- personal property of others is in the State's care, custody, or control.

**Please identify the Miscellaneous Personal Property not already captured in your department's current Statement of Values:**

- |  |   |
|--|---|
| <input type="checkbox"/> Contractors Equipment (not licensed for road use)                           | <input type="checkbox"/> Fine Arts                    |
| <input type="checkbox"/> Farm Machinery  | <input type="checkbox"/> Museum collection            |
| <input type="checkbox"/> Heavy Equipment (not licensed for road use)                                 | <input type="checkbox"/> Exhibits/Property on Display |
| <input type="checkbox"/> Audio/Visual or Movie Production Equipment                                  | <input type="checkbox"/> Watercraft less than 30 feet |
| <input type="checkbox"/> Hospital/Medical Facility Equipment   | <input type="checkbox"/> Playground Equipment         |
| <input type="checkbox"/> Electronic Data Processing Equipment (incl. mainframe and computer servers) | <input type="checkbox"/> Research Equipment           |
| <input type="checkbox"/> _____   | <input type="checkbox"/> _____                        |
| <input type="checkbox"/> _____   | <input type="checkbox"/> _____                        |

**TOTAL REPLACEMENT COST OF ABOVE PROPERTY: \$ \_\_\_\_\_**

The information is completed by (print name): \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Phone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

# 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.

# Valuation

## 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.

# Property Schedule

DESCRIPTION	DEPT	ADDRESS	CITY	ZIP CODE	OCCUPANCY	CONSTR CODE	YEAR BUILT	STORY	AREA	PC	AS/NS	SEISMIC ZONE	BLDG	BPP	EDP	PPO	BI/EE	TOTAL
Employee's Retirement System	B&F	101Aupuni St. Ste. 208	Hilo	96720	Office Tenant -Leased space	2	1971	10	616	6	NS	4	\$ -	\$ -	\$ 13,106		\$ -	\$ 13,106
Employee's Retirement System	B&F	201 Merchant St. Ste 1400	Honolulu	96813	Landlord/Occupant	5	1989	23	21,783	3	AS	2A	\$ -	\$ 600,000	\$ 5,269,800		\$ -	\$ 5,869,800
Employee's Retirement System	B&F	State Office Bldg. 3060 Eiwa St. Room 302	Lihue	96766	Office Tenant-State Bldg	5	1965	3	349	5	AS	1	\$ -	\$ -	\$ 11,049		\$ -	\$ 11,049
Employee's Retirement System	B&F	State Office Bldg. 54 S. High St. Room 218	Wailuku	96793	Office Tenant-State Bldg	5	1971	4	400	5	NS	2B	\$ -	\$ -	\$ 10,563		\$ -	\$ 10,563
Office of the Public Defender	B&F	1130 N. Nimitz Hwy. Ste. A254	Honolulu	96817	Office Tenant -Leased space	2	1989	2	21,155	3	NS	2A	\$ -	\$ 197,346	\$ 193,348		\$ -	\$ 390,694
Office of the Public Defender	B&F	275 Ponahawai St. Ste. 201	Hilo	96720	Office Tenant -Leased space	Assume 5		2	2,126	6	NS	4	\$ -	\$ 8,738	\$ 25,141		\$ -	\$ 33,879
Office of the Public Defender	B&F	81 North Market St. 1st Floor	Wailuku	96793	Office Tenant -Leased space	2		2	3,726	5	AS	2B	\$ -	\$ 15,134	\$ 18,134		\$ -	\$ 33,268
Office of the Public Defender	B&F	81-948 Waena Oihana Loop Ste. #110	Kealahou	96750	Office Tenant -Leased space	Assume 5		1	2,098	5	AS	4	\$ -	\$ 2,098	\$ 17,181		\$ -	\$ 19,279
Office of the Public Defender	B&F	State Office Bldg. 3060 Eiwa St. Room 206	Lihue	96766	Office Tenant-State Bldg	5	1965	3	1,911	5	AS	1	\$ -	\$ 25,224	\$ 33,793		\$ -	\$ 59,017
Public Utilities Commission	B&F	688 Kinooale St. #106A	Hilo	96720	Office Tenant -Leased space	2	1973	2	232	6	NS	4	\$ -	\$ 1,817	\$ 2,958		\$ -	\$ 4,775
Public Utilities Commission	B&F	Kekuanoa Bldg. 465 South King St. #103	Honolulu	96813	Office Tenant-State Bldg	5	1926	5	6,152	3	NS	2A	\$ -	\$ 379,542	\$ 244,744		\$ -	\$ 624,286
Public Utilities Commission	B&F	State Office Bldg 3060 Eiwa St. #302-c	Lihue	96766	Office Tenant-State Bldg	5	1965	3	180	5	NS	1	\$ -	\$ 2,599	\$ 2,703		\$ -	\$ 5,302
Public Utilities Commission	B&F	State Office Bldg. 54 S. High St. Room 218	Wailuku	96793	Office Tenant-State Bldg	5	1971	4	200	5	NS	2B	\$ -	\$ 1,977	\$ 2,602		\$ -	\$ 4,579
State Government	B&F	No. 1 Capitol District Bldg. 250 South Hotel St.	Honolulu	96813	Office Tenant-State Bldg	5	1927	5	6,472	3	NS	2A	\$ -	\$ 70,678	\$ 94,520		\$ -	\$ 165,198
State Government	B&F	No. 1 Capitol District Bldg. 250 South Hotel St.	Honolulu	96813	Office Tenant-State Bldg	5	1927	5	5,103	3	NS	2A	\$ -	\$ 82,523	\$ 112,114		\$ -	\$ 194,637
State Government	B&F	No. 1 Capitol District Bldg. 250 South Hotel St.	Honolulu	96813	Office Tenant-State Bldg	5	1927	5	8,896	3	NS	2A	\$ -	\$ 124,971	\$ 92,217		\$ -	\$ 217,188
Union Health Benefits Trust	B&F	201 Merchant St. Ste 1520	Honolulu	96813	Office Tenant -Leased space	5	1989	23	8,324	3	AS	2A	\$ -	\$ 136,462	\$ 4,417,930		\$ -	\$ 4,554,392
<b>B&amp;F TOTAL</b>													\$ -	\$ 1,649,109	\$ 10,561,903	\$ -	\$ -	\$ 12,211,012

# What is Liability Insurance?

Coverage for liability that arises out of the conduct of a business. The insurer agrees to “Pay on Behalf” of the Insured all sums for Legal Liability arising out of premises and operations including Products and Completed Operations, Fire Damage Legal Liability, Personal Injury and Advertising Liability, Errors & Omissions, Employments Practices Liability, and Employment Benefits Liability.



# 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

LAYER	LIMITS & COVERAGE	INSURERS
EXCESS LIABILITY	\$15M per Occurrence or Wrongful Act \$15M Products & Completed Operations Agg. \$15M Errors & Omissions Aggregate \$15M Employee Benefits Liability	Starr Indemnity and Liability Company
STATE RETAINED LIMIT	\$4,000,000 to apply to each and every loss	State of Hawaii

# 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 cause by subsidence
- Liability arising our 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



**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING GENERAL SERVICE**  
**ASO / RISK MANAGEMENT**

PLEASE MAKE THE FOLLOWING CHANGES TO THE VEHICLE INVENTORY.																	
License	Description	Make	VIN	Year	Assigned Unit	Island	Required	Fund	(A)dd / (D)elete	Date of Purchase	Date of Disposal	Ownership	(X) Coverage requested		No. of Passengers	Buses & Vans (only)	
							Class Code (if adding vehicle)					State(S), Leased (L) or Other (O)	Comp/Coll	Fire & Theft		(C)argo / (P)assenger	
Department				Name		Phone number		Date									

CLASS	VEHICLE DESCRIPTION
3110	Sedan, Coupe, Station Wagon
3111	Van (passenger, cargo)
3113	Bus (0-30)
3114	Bus (30-60)
3115	Bus (over 60)
3120	Truck (0-10,000 GVW)
3121	Truck (10,000-20,000 GVW)
3122	Truck (20,000-45,000 GVW)
3123	Truck (over 45,000 GVW)
3130	Trailer
3140	Ambulance (Hospital)
3141	Ambulance (Rescue)
3145	Fire Apparatus
3150	Tractor
3170	Miscellaneous
CODE	ISLAND
1	OAHU
2	MAUI
3	HAWAII
4	KAUAI
5	MOLOKAI
6	LANAI
CODE	OWNER
S	STATE
L	LEASE
O	OTHER
	INSURANCE
	<u>COMP/COLL (includes Fire &amp; Theft)</u>
	X COVERED
	if blank - not covered
	<u>FIRE &amp; THEFT</u>
	X COVERED
	if blank - not covered
FUND	
G	GENERAL FUND
S	SPECIAL FUND
T	TRUST FUND

# 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".
  - [http://hawaii.gov/forms/internal/departments-of-accounting-and-general-services/rmai001\\_05-09.xls/view](http://hawaii.gov/forms/internal/departments-of-accounting-and-general-services/rmai001_05-09.xls/view)
- Review need for comprehensive and collision or fire & theft coverage
  - Check appropriate column to purchase coverage



Dean H. Soki  
Comptroller  
Marie E. Zellmer  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

July 10, 2013

**TO:** Heads of Departments and Agencies

**ATTN:** Risk Management Coordinators

**FROM:** Dean H. Seki  
State Comptroller

**SUBJECT:** Annual Vehicle Inventory Update for the Automobile Self-Insurance Program

Enclosed is the Annual Vehicle Inventory Report for your review and action. The following are guidelines and instruction to assist in your department's review.

1. Current Vehicle Inventory Report ("Report"). This report lists in detail the vehicles covered under the State Automobile Self-Insurance Program. Please update your department's inventory as follows:
  - a. Line out all vehicles that were disposed of and provide the date.
  - b. Add acquired vehicles at the end of the Report with date of acquisition, license plate #, vehicle description, VIN, model year, billing unit (if any), island code, item class, fund, and type of coverage requested. Note if the vehicle is owned by the State (S), Leased (L), or Other (O). If other, please explain.
  - c. List the passenger capacity next to the VIN for busses and vans for newly acquired vehicles.
  - d. Report any disposed or newly acquired vehicle (purchased, transferred, donated) after this update period within 30 days using the "RMAI 001 (5/09) form, located at <http://ags.hawaii.gov/aso/rmo/forms-and-instructions/>.
  - e. Vehicles that are not added to the Risk Management auto inventory within 30 days of acquisition and for which physical damage coverage is being requested will not be covered for loss or damage.

F. Review the usability and status of each of your old vehicles to determine the type of coverage and accuracy of your bills which are scheduled for issuance by September 1, 2013.

2. Physical Damage Coverage. Physical damage coverage is available on an optional basis to cover damages to a department's vehicle.

a. Comprehensive/Collision coverage provides of reimbursement to the department when a vehicle is damaged due to a State employee's fault, an uninsured motorist is involved, or the vehicle is damaged etc. This coverage includes damage by Fire and Theft.

i. To cover a vehicle for Comp/Coll, place an "X" under the column "COMP/COLL" on your vehicle inventory.

ii. The charge for FY 14 is \$125 per vehicle.

iii. The maximum payment on any one vehicle is \$40,000 and \$250,000 per occurrence, contingent upon availability of funds.

b. Fire and Theft coverage provides limited coverage in the event the department's vehicle is either damaged by theft of fire only.

i. To cover a vehicle for fire and theft ONLY, place an "X" under column "Fire & Theft".

ii. The charge for FY 14 is \$50/vehicle.

iii. The max payment on any one vehicle is \$15k and \$100k per occurrence, contingent upon availability of funds.

c. Since July 1, 2012, there will be a \$500 deductible for preventable losses.

Departmental bills for the comp/coll coverage will be mailed by September 1, 2013. Automobile liability insurance coverage is billed separately through the annual risk management cost allocation.

Please return the updated report to DAGS – Risk Management Office on or before **August 10, 2013**. If there are no changes for your department's auto inventory, return the report to us with the notation that there are no changes. Once the updates have been made by Risk Management, a revised inventory will be provided to you.

If you have any questions, or want an excel report, please call Tracy Kitaoka, Risk Management Officer at 586-0550.

Enclosures

# 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

- 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 (RMP-001)

The Report of Loss or Damage of State Property (RMP-001) form is to be completed for loss or damage to property owned or leased or in the care, custody, or control of the State of Hawaii only. The State of Hawaii does not insure employee's personal property while being used or kept at the workplace. Nor is the State liable for damages or theft of employee's property.

Automobile accidents are not reported on this form; use RMAA-001.

RMP-001 is completed as follows:

- Part 1 -prepared by the employee discovering loss or damage
- Parts 2 & 3 - prepared by the immediate supervisor having control or authority over the lost or damaged property.

The form is reviewed and signed by the departmental Risk Management Coordinator before submitting to the Risk Management Office. RMP-001 is to be completed and submitted within 5 days of any loss. If additional time is required, please notify the R.M.O.

The property loss must meet the following criteria to be considered for reimbursement:

- \* must be fortuitous or accidental,
- \* item must be listed in State Inventory System, or supported by accounting records,
- \* item is not surplus aged, broken, or junked
- \* item is not more than 7 yrs. old or scheduled for replacement
- \* item is not misplaced or unaccounted for (missing upon taking of inventory
  - \* item is not covered by first dollar insurance, and
  - \* item is not a gift or donation.

Once the loss is reported, the departmental Risk Management Coordinator will receive either an acknowledgement of the loss and instructions on how to receive reimbursement (SRMRF -P), or an explanation for the denial of the claim. If neither is received within 15 days, contact the Risk Management Office. Refer to the Report No. on future correspondence or inquiries.

Reimbursement for the loss must be completed within the fiscal year the claim is reported. If this is not possible, contact the Claims Management Specialist for further instructions.

## **Report of Loss or Damage of State Property (RMP-001) (cont)**

A police report must be submitted for any claims involving thefts or burglaries. The reports to the police must be made immediately after discovery of the theft or burglary. Secure the police report number and a verification letter regarding the report.

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

**Examples of losses:** a computer is stolen from a room, water leaks onto equipment, windstorm damage, a car hits a building, etc.

**Examples of losses not covered:** petty cash, employees' personal property, equipment left in the field, missing inventory, etc.

### **Note:**

**In addition to the RMP-001 form, please utilize the applicable “FEMA Forms” for losses that may require FEMA funding. If you have any questions regarding the utilization of these forms, please contact the Risk Management Office at 586-0547.**

STATE OF HAWAII  
REPORT OF LOSS OR DAMAGE OF STATE PROPERTY  
(Risk Management)

DEPARTMENT : \_\_\_\_\_  
UNIT/SCHOOL : \_\_\_\_\_

- 1. TYPE OF LOSS (X): Theft \_\_\_\_\_ Fire/Arson \_\_\_\_\_ Vandalism \_\_\_\_\_  
Storm \_\_\_\_\_ Other \_\_\_\_\_  
(Specify)
- 2. DATE INCIDENT DISCOVERED \_\_\_\_\_ TIME \_\_\_\_\_ A.M./P.M.
- 3. DATE INCIDENT OCCURRED \_\_\_\_\_ TIME \_\_\_\_\_ A.M./P.M.
- 4. HOW WAS LOSS DISCOVERED?
- 5. WHO DISCOVERED LOSS? \_\_\_\_\_ TITLE \_\_\_\_\_
- 6. WHO IS RESPONSIBLE FOR PROPERTY? \_\_\_\_\_ TITLE \_\_\_\_\_
- 7. AMOUNT OF LOSS \$ \_\_\_\_\_

ATTACH A COPY OF THE DETAIL INVENTORY OF PROPERTY REPORT OR OTHER DOCUMENTS AND INDICATE THE ITEMS THAT ARE INVOLVED IN THE LOSS. IN ADDITION, INDICATE NEXT TO EACH ITEM THE BUILDING AND ROOM NUMBER WHERE THE PROPERTY WAS LOCATED, IF APPLICABLE. NOTE: THIS ITEM MUST BE COMPLIED WITH IN ORDER TO VERIFY EXISTENCE OF THE PROPERTY.

- 8. IF CRIME SUSPECTED:
  - a. WHERE ENTRY MADE \_\_\_\_\_ MANNER \_\_\_\_\_  
(Building & room number) (window/door/louvre/etc.)
  - b. SECURITY \_\_\_\_\_ TYPE OF SYSTEM \_\_\_\_\_  
(Fire/burglar/patrol/etc.) (window/gate/alarm/tights/etc.)
- c. INCIDENT REPORTED TO LOCAL POLICE: NAME \_\_\_\_\_  
BADGE NUMBER \_\_\_\_\_ STATION \_\_\_\_\_  
DATE \_\_\_\_\_ TIME \_\_\_\_\_
- 9. OTHER PERTINENT INFORMATION

I CERTIFY THAT THE ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Signature \_\_\_\_\_ /Phone No. \_\_\_\_\_ Date \_\_\_\_\_

Report No. \_\_\_\_\_  
(RM use)

STATE OF HAWAII  
SUPERVISOR'S REPORT OF LOSS OR DAMAGE OF STATE PROPERTY  
(Risk Management)

GENERAL DESCRIPTION OF PROPERTY LOST OR DAMAGED: \_\_\_\_\_

BUILDING & ROOM NO. \_\_\_\_\_ \$ \_\_\_\_\_ TOTAL

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

EVALUATION

LOSS SEVERITY POTENTIAL: PROBABLE RECURRENCE RATE:  
 MAJOR     SERIOUS     MINOR     FREQUENT     OCCASIONAL     RARE

WHAT ACTION HAS OR WILL BE TAKEN TO PREVENT RECURRENCE? LIST ALL ACTIONS IN ORDER.  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_  
 4. \_\_\_\_\_

GIVE DATE OF IMMEDIATE ACTION TAKEN. GIVE DATE WHEN ACTION COMPLETED.  
 IMMEDIATE ACTION 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_  
 ACTION COMPLETED 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_

INVESTIGATED BY: SUPERVISOR _____ DATE _____ PHONE # _____	REVIEWED BY: RISK MGMT. COORDINATOR _____ DATE _____ PHONE # _____
---	---

NOTE: IN ORDER TO RECEIVE REIMBURSEMENT, PARTS 1, 2 AND 3 MUST BE COMPLETED.



# 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



## Automobile Accident/Loss Notice (RMA-001)

The Automobile Accident/Loss Notice (RMA-001) form is a remake of the standard Automobile Accord form previously used. The form should be used for every automobile accident or loss and submitted to the Risk Management Office. The R.M.O. will maintain records for all accidents.

The State of Hawaii, as a self-insured entity, conforms to the Hawaii Motor Vehicle Insurance Law.

Bodily Injury coverage applies to individuals who sustain accidental harm, other than the employee driver and meets the tort threshold of personal injury protection benefits equal or exceeding \$5,000.

Property Damage coverage applies to damage to property owned by others.

Personal Injury Protection Benefits for appropriate and reasonable treatment and expenses in arising from an automobile accident. However, employees in the course & scope of employment will utilize Workers' Compensation. All other eligible persons, such as a pedestrian or a non-employee passenger, would have this coverage.

The State of Hawaii does not carry any additional coverage, such as wage loss, death benefits, and uninsured motorist coverage or underinsured motorist coverage.

Coverage for physical damage to State owned or leased vehicles are not provided unless specifically designated for coverage. The department is charged a nominal fee for this coverage. The amount may change annually based upon the loss experience.

Automobiles covered by the Risk Management Program include:

1. All State owned vehicles
2. Leased, hired, rented, and other non-owned automobiles when authorized by the State and operated under the name of the State
3. Employee-owned automobiles while used in the course and scope of employment and in the name of the State will have excess liability over the employee's own personal automobile insurance policy. Physical damage to employee's own vehicle is not covered.

Authorized drivers include State employees; State legislator; member of State boards, commissions, or councils; volunteer; student driver; or any other authorized individual licensed to operate an automobile covered under this policy.

### **Automobile Accident/Loss Notice (RMA-001) (cont)**

Independent contractors are not covered. They must provide their own insurance.

The State does NOT cover employees' personal automobiles even if they are used for work. The employee's personal automobile insurance policy will be responsible for any accidents or loss. In the event of a serious accident, and if the employee's insurance policy cannot adequately cover a loss, the employee or the insurance carrier, must notify the Risk Management Office. The State does provide "excess liability" protection for the employee, as long as the employee was in the course and scope of employment.

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

If the accident is minor, the CMS will request the claimant to secure two written estimates. The settlement will reflect the lower of the two estimates.

If the accident is serious or involves bodily injury, it must be reported within 24 hours to the R.M.O.

STATE OF HAWAII  
**AUTOMOBILE LOSS NOTICE**

1. DATE OF LOSS: \_\_\_\_/\_\_\_\_/\_\_\_\_ 2. TIME OF LOSS: \_\_\_\_\_  AM  PM
3. POLICE REPORT #: \_\_\_\_\_ 4. DEPARTMENT: \_\_\_\_\_
5. DIVISION: \_\_\_\_\_ 6. BRANCH: \_\_\_\_\_
7. ACCIDENT LOCATION: Street Names, Address, City, State: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. ACCIDENT DESCRIPTION: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
9. PURPOSE OF TRIP AT TIME OF ACCIDENT: \_\_\_\_\_  
 \_\_\_\_\_

*(If damage is to a vehicle rented to a state employee, input the information on the vehicle rented to the State employee here)*

STATE VEHICLE

Year: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_

VIN: \_\_\_\_\_ License Plate #: \_\_\_\_\_

Describe Damage to State Vehicle: \_\_\_\_\_  
 \_\_\_\_\_

Estimated Damage Amount: \$ \_\_\_\_\_

STATE DRIVER INFO

Driver Name: \_\_\_\_\_ Work Phone: \_\_\_\_\_

State Work Place/Location: \_\_\_\_\_

Driver Position Title: \_\_\_\_\_ Home/Cell #: \_\_\_\_\_

Driver Email: \_\_\_\_\_

Did you have permission to drive this vehicle:  YES  NO

Name of the person who gave you permission: \_\_\_\_\_

Provide that person's work phone number: \_\_\_\_\_

OTHER DRIVER INFO (IF APPLICABLE)

Driver Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ St: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_ Is the Driver the Owner?  YES  NO

Note: if the driver was not the owner, provide the owner (or rental car company) info below:

OWNER'S INFO

Owner Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ St: \_\_\_\_\_ Zip: \_\_\_\_\_

Owner Email: \_\_\_\_\_

## AUTOMOBILE LOSS NOTICE – PAGE 2

<b>OTHER VEHICLE INFO</b>	Year: _____ Make: _____ Model: _____ VIN: _____ License Plate #: _____ Describe Damage to Other Vehicle: _____ _____ Estimated Damage Amount: \$ _____ Insurance Carrier: _____ Policy #: _____		
<b>PROPERTY DAMAGE (if other than a vehicle)</b>	Owner Name: _____ Phone #: _____ Description of Property: _____ Describe Damage: _____ _____		
<b>WITNESSES</b>	Name	Address	Telephone
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
<b>PASSENGERS IN STATE VEHICLE</b>	Name	Address	Telephone
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
<b>ADDITIONAL INFO</b>	Any additional information to provide? _____ _____ _____		
STATE DRIVER'S SIGNATURE: _____ DATE SIGNED: ____/____/____  SUPERVISOR'S SIGNATURE: _____ DATE SIGNED: ____/____/____  SUPERVISOR PRINT NAME: _____ PHONE #: _____  SUPERVISOR TITLE: _____  SUPERVISOR EMAIL: _____			



STATE OF HAWAII

DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES

DIVISION OF AUTOMOTIVE  
MANAGEMENT

CENTRAL MOTOR POOL

## POLICIES AND PROCEDURES

EFFECTIVE APRIL 1, 2006

11. Usually, towing fees shall be the responsibility of the motor pool. However, towing service fees resulting from poor driver judgment, include but not limited to, driving off paved roads, hitting stationary objects, and parking illegally will be charged to the agency.

Section 15 Automotive services for non-motor pool vehicles.

4. Gasoline, 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, Drivers Report of Accidents), which is kept in the glove compartment of each vehicle. The form is to be completed at the scene 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 DAGS-Risk Management Officer. The motor pool staff shall assure that that RMA-002 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 accidents must be reported to the police and the motor pool supervisor even though another vehicle is not involved or there are no apparent injuries or damages.
- C. The original Form RMA-001 shall be submitted to 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), residual bodily 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 employee passengers sustain 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

# HOW A TORT CLAIM IS PROCESSED

## 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.

STATE OF HAWAII  
**INCIDENT/ACCIDENT REPORT**  
(INFORMATION ON INJURY/SAFETY/HEALTH MATTERS)

**INCIDENT:** EVENT OR SITUATION WHICH MAY OR COULD HAVE RESULTED IN PHYSICAL HARM OR PROPERTY DAMAGE

**ACCIDENT:** EVENT OR SITUATION WHICH RESULTED IN PHYSICAL HARM OR PROPERTY DAMAGE

---

**RULES FOR HANDLING REPORT**

1. NEVER ADMIT LIABILITY! AVOID SAYING THAT THE EVENT OR SITUATION WAS UNSAFE, DANGEROUS, HAZARDOUS, INADEQUATE, UNPROFESSIONAL, SUBSTANDARD, OR OTHERWISE DEFICIENT.
2. REFER TO THE INCIDENT OR ACCIDENT AS AN UNFORTUNATE EVENT OR SITUATION.
3. ASK QUESTIONS TO GATHER PERTINENT FACTS AND TO CLARIFY IMPORTANT POINTS.
4. REVIEW YOUR UNDERSTANDING OF THE INCIDENT OR ACCIDENT WITH THE CALLER.
5. INFORM THE CALLER THAT THE MATTER WILL BE INVESTIGATED PROMPTLY AND THAT FOLLOW-UP WILL BE MADE.
6. EXPRESS SINCERE THANKS FOR THE CALLER'S INFORMATION AND/OR SUGGESTION TO CORRECT, PREVENT PROBLEMS OR TO PROMOTE PUBLIC HEALTH AND SAFETY.
7. **REMEMBER - YOU ARE THE FIRST IMPORTANT STEP IN LOSS CONTROL FOR THE STATE OF HAWAII. IF THE CALLER IS LEFT FEELING THAT THE STATE IS UNCONCERNED, A LAWSUIT COULD BE INITIATED.**

\*\*\*\*\*

Completion of this report includes prompt presentation of report to your immediate supervisor for investigation, then to the departmental risk management coordinator for review. Prompt reporting of incident or accident will allow investigation and collection of facts while they are available and fresh in the mind. Accuracy is always in the best interest of the State.

STATE OF HAWAII  
**INCIDENT/ACCIDENT REPORT**  
(Risk Management)

DATE RECEIVED: \_\_\_\_\_

PERSON RECORDING INFORMATION: \_\_\_\_\_

NAME OF CALLER: \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE NO \_\_\_\_\_ DATE OF INCIDENT \_\_\_\_\_ TIME OF INCIDENT : \_\_\_\_\_ a.m./p.m.

WHAT HAPPENED AND HOW? (CONDITION DESCRIBED): \_\_\_\_\_

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

LIKELY CAUSE? (OBJECT/EQUIPMENT/SUBSTANCE INFLECTING): \_\_\_\_\_

WITNESSES (NAME, ADDRESS AND PHONE NO.): \_\_\_\_\_

\*\*\*\*\*  
**SUPERVISOR'S RESPONSE TO CALLER/FOLLOW-UP ACTION**  
(To be executed upon completion of "Supervisor's Report", Part 3 of 4)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date/Time of Response/Follow-up \_\_\_\_\_ By: \_\_\_\_\_

STATE OF HAWAII  
INCIDENT/ACCIDENT REPORT

(Risk Management)

Caller or Claimant: _____		Date of Occurrence: _____	
INJURY OR ILLNESS: Part of Body affected:	PROPERTY DAMAGE/LOSS: List of Property:	INCIDENT: Nature of Incident:	
Nature of Injury / Illness: _____	Nature of Damage or Loss: _____		
Object / Equipment / Substance inflicting: _____	Object / Equipment / Substance Inflicting: _____	Object / Equipment / Substance Inflicting: _____	Object / Equipment / Substance Inflicting: _____
Person with most control of Inflicting Item: _____	Person with most control of Inflicting Item: _____	Person with most control of Inflicting Item: _____	
<p><b>D</b> Describe clearly how the incident/accident occurred:</p> <p><b>E</b> _____</p> <p><b>S</b> _____</p> <p><b>C</b> _____</p> <p><b>R</b> _____</p> <p><b>I</b> _____</p> <p><b>P</b> _____</p> <p><b>T</b> _____</p> <p><b>I</b> _____</p> <p><b>O</b> _____</p> <p><b>N</b> _____</p>			
<b>EVALUATION</b>			
LOSS SEVERITY POTENTIAL: <input type="checkbox"/> MAJOR <input type="checkbox"/> SERIOUS <input type="checkbox"/> MINOR		PROBABLE RECURRENCE RATE: <input type="checkbox"/> FREQUENT <input type="checkbox"/> OCCASIONAL <input type="checkbox"/> RARE	
<b>P</b> WHAT ACTION HAS OR WILL BE TAKEN TO PREVENT RECURRENCE? LIST ALL ACTIONS IN ORDER. <b>R</b> 1. _____ <b>E</b> 2. _____ <b>V</b> 3. _____ <b>E</b> 4. _____ <b>N</b> _____ <b>T</b> _____ <b>I</b> _____ <b>O</b> _____ <b>N</b> _____			
GIVE DATE OF IMMEDIATE ACTION TAKEN. GIVE DATE WHEN ACTION COMPLETED. IMMEDIATE ACTION 1. _____ 2. _____ 3. _____ 4. _____ ACTION COMPLETED 1. _____ 2. _____ 3. _____ 4. _____			
INVESTIGATED BY: _____		REVIEWED BY: _____	
SUPERVISOR _____	DATE _____	PHONE # _____	RISK MGMT. COORDINATOR DATE _____
			PHONE # _____





# HOW A TORT CLAIM IS PROCESSED

## 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.

## **IMPORTANT INFORMATION FOR FILING A CLAIM FOR DAMAGE OR INJURY**

Attached is the Claim for Damage or Injury form to file a tort claim incident against the State of Hawaii.

In order for the State to conduct a meaningful investigation, the form must be completed in detail and in its entirety. All material facts should be stated on this form, as it will be used in resolving your claim. You may use additional pages if necessary.

Please be advised that the State Tort Liability Act makes the State responsible only when the State is negligent and when that negligence causes an injury or damage. The State is not automatically responsible for bills (medical, repairs or other) because an incident occurs on its premises or as a result of its operations. It is your responsibility to fulfill your financial obligations.

**You have two (2) years from the date of the incident to finalize 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.**

Follow the attached instructions and submit your original claim form and one copy to:

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

Retain these pages for your future reference. If you have any questions, or if you do not receive an acknowledgement letter within ten (10) days of the submission of your claim, contact the Risk Management Staff at 586-0547.

## INSTRUCTIONS

Claims for property damage, loss or destruction, or for personal injury, must be signed by the owner of the property or by the injured person, or by a parent or guardian, in the case of a minor. If that person cannot sign because of death, disability, or other reasons acceptable to the State of Hawaii, then a duly authorized agent or other legal representative may file a claim and provide the evidence satisfactory to the State of their authority to act.

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

The following are examples of acceptable means of independent verification or documentation:

- (a) For damage to property that has been or can be economically repaired, submission of a photograph of the damaged property and two itemized signed statements or estimates by reliable and independent parties. If payment has been made, an itemized statement or receipt showing the actual payment. Proof of ownership may also be required.
- (b) For damages to a motor vehicle, copies of the current registration and no-fault card will be required in addition to (a).
- (c) For lost or destroyed property, or for damage to property which cannot be economically repaired, submission of statements itemizing each item, original cost of the item, date purchased, where purchased and the value of the item before and after the incident can be used in determining the actual value of the claim.
- (d) For personal injury or death, medical information will be required. This may involve securing an authorization to release medical information, securing a report from a doctor, hospital/clinic, copies of medical bills and/or verification of other related expenses.

CLAIM FOR DAMAGE OR INJURY

PRINT IN INK OR TYPE

1. Full name of claimant/victim (provide age if minor):  
(Mr./Ms.) \_\_\_\_\_
2. Residence Address (include zip code): \_\_\_\_\_  
\_\_\_\_\_
3. Phone: Res: \_\_\_\_\_ Bus: \_\_\_\_\_
4. Occupation: \_\_\_\_\_
5. Place of Employment: \_\_\_\_\_  
\_\_\_\_\_
6. Location of Incident/Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Date of Incident: \_\_\_\_\_ Day of Week: \_\_\_\_\_  
Time: \_\_\_\_\_
8. Description of Incident: (State, in detail, all known facts and circumstances, identify person and property involved, and why you believe the State of Hawaii is at fault. If possible, please enclose photographs, maps, diagrams, etc., to help us understand the incident.)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Witnesses to incident/injury/damage/loss:

Name

Address

Phone No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Personal injury       \$ \_\_\_\_\_  
Property damage/loss   \$ \_\_\_\_\_

13. If automobiles are involved, provide ALL of the following:  
Automobile Insurance Company name and phone number, Policy  
Number, and Date of Expiration. Have you filed a claim with  
your insurance company regarding This incident?

(Please circle one)       YES       NO

\_\_\_\_\_  
\_\_\_\_\_

THE UNDERSIGNED STATES THAT THE INFORMATION AND CLAIM SUBMITTED IS TRUE  
AND ACCURATE UNDER THE PENALTY OF FRAUD.

Dated: \_\_\_\_\_

Signature of person filing claim

Address

City, State

Zip

# HOW A TORT CLAIM IS PROCESSED

## 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.

## Instructions to complete a Request for a Statement of Self-Insurance form (RMO-SOSI)

The request for the Statement of Self-Insurance (SOSI) is to be completed only by State of Hawaii authorized employees. At times, the State of Hawaii will be required to submit this form in lieu of an insurance policy that is being requested by another entity or individual. The State of Hawaii, with few exceptions (ie DOE for County properties), will not indemnify other entities and/or list them as an additional insured on the State's insurance policies. Here are instructions for each section of the form in descending order.

- Please have the requesting department or fully authorized employee, print and sign their name and title in the "From" section at the top of the page.
- For DOE, please have the Principal or Vice Principal print and sign his/her name in the above referenced section. This is to ensure that the administration is aware of the activities and parties involved.
- Provide a contact person's name and number so the Risk Management Office will be able to efficiently follow up on missing information.
- Provide a thorough description of how the activity is directly related to the core business of the respective department/division/branch.
- Provide specific instructions regarding where the SOSI needs to be sent to and/or if the respective State department/division/branch/office needs a copy.
- If you have a range of dates or many different activity dates, you may provide it on one request form.
- The SOSI will not be issued for dates more than one year from the request date.
- All fields are required otherwise it may cause processing delays.
- Please also provide, at the very least, 5 working days for the form to be processed, otherwise there will be no guarantee that it will be punctually issued.
- Print on letter head or fax cover sheet to identify the requester.

Thank for your allowing the Risk Management Office serve you with your insurance needs!

**TO: RISK MANAGEMENT OFFICE**

Fax number: 808-586-0553

**FROM:** \_\_\_\_\_

**REQUEST FOR STATEMENT OF SELF-INSURANCE**

**NAME OF SCHOOL/DIVISION/AGENCY**

NAME \_\_\_\_\_

DATE \_\_\_\_\_

CONTACT NUMBER \_\_\_\_\_

FAX NO. \_\_\_\_\_

**NAME OF ACTIVITY:**

**ADDRESS OF ACTIVITY:**

**DATE OF ACTIVITY:**

**TIME OF ACTIVITY: TO:**

**FROM:**

**NUMBER OF PARTICIPANTS AS APPLICABLE:**

**PLEASE PROVIDE A BRIEF EXPLANATION OF THE ACTIVITY AND HOW IT RELATES TO THE DEPARTMENT'S MISSION:**

**PLEASE ADDRESS THE STATEMENT OF SELF-INSURANCE TO:**

**NAME:**

**ADDRESS:**

**FAX NUMBER:**



# 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

Honorable 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 \_\_\_\_\_ *[name or identify the event]* on \_\_\_\_\_ *[date]*, from \_\_\_\_\_ *[time]* to \_\_\_\_\_ at \_\_\_\_\_ *[location]*, \_\_\_\_\_ *[county]*, Hawaii. This facility/property is owned by the \_\_\_\_\_ *[name of county]*.

This event will involve \_\_\_\_\_ *[In detail, explain the event and all anticipated usages of the county property or facility]*.

Your approval would, in essence, indemnify, defend, and hold harmless the \_\_\_\_\_ *[county agency]*, \_\_\_\_\_ *[county]* 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 \_\_\_\_\_ *[county agency]*, \_\_\_\_\_ *[county]* 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 \_\_\_\_\_; 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], 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 taxpaying 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.

\_\_\_\_\_  
Bruce A. Coppa  
Comptroller

\_\_\_\_\_  
Date

**Governor's Approval:**

\_\_\_\_\_  
Neil Abercrombie  
Governor of the State of Hawaii

\_\_\_\_\_  
Date





**HAVE A NICE DAY!**