



Risk E-Notes

State of Hawaii Risk Management Office

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Message from Risk Management Office

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

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

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

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

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

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

RISK TIP



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

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

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

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

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

Act 173

Report Title: Settlement of Claims; Fund Deposit

Description: Authorizes the comptroller to exercise discretion to deposit money received from the settlement of claims or losses of the state into an affected agency’s account instead of the state risk management revolving fund.

ACT 173

THE SENATE
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

S.B. NO. 2237
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO STATE RISK MANAGEMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 41D-4, Hawaii Revised Statutes, is
2 amended by amending subsection (g) to read as follows:
3 "(g) Money received from the settlement of claims or
4 losses of the State as delineated in subsection (a) shall be
5 deemed to be trust moneys and may be deposited into the state
6 risk management revolving fund [-] or into a trust account with
7 and under the control of the affected agency at the discretion
8 of the comptroller. These moneys and any interest earned
9 thereon shall be used for the purpose identified in any such
10 settlement."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2006.



JAMES R. AIONA JR.
ACTING GOVERNOR

GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUN 6 2006

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Home PC Security

This Aon Security Tip is brought to you by Aon's information Security team.

Your privately owned home computer can be an easy target for criminal hackers if it is unprotected and connected to the Internet. Criminal hackers scan the Internet for vulnerable, unprotected home computers, looking for passwords, credit card numbers, and other personal and financial information. Hackers also want to use your computer to plant illicit software and viruses, and as a platform to launch larger Internet attacks. They can even manipulate your computer to send out spam, attack other systems, or do other malicious things.

The good news is that you can protect your home computer with basic security measures. Home computer security is a very broad topic – too broad to cover in a few paragraphs – but you can get a jump-start with materials like *Home Computer Security*, which is available for free, online at <http://www.cert.org/homeusers/HomeComputerSecurity/>. This easy-to-read guide by the Computer Emergency Response Team / Coordination Center (CERT/CC) discusses recommended home computer security actions, listed below. View the full text on the CERT/CC web site to become a more informed and secure home computer user:

- Install and use anti-virus and anti-spyware software.
- Keep the signature files current.
- Keep your operating system and applications patched.
- Install and use a firewall program.
- Make backups of important files and folders.
- Use strong passwords.
- Use care when reading e-mail with attachments.
- Use care when downloading and installing programs.
- Install and use a hardware firewall
- Install and use a file encryption program and access controls



Also take advantage of free services from reputable organizations that can scan your computer for security problems, like those included here:

Microsoft:

<http://safety.live.com/site/en-US/default.htm>

Symantec:

<http://security.symantec.com/default.asp?productid=symhome&langid=ie&venid=sym>

LAUGH BREAK

A man having purchased a case of very rare, very expensive cigars insured them against fire among other things. Within a month, having smoked his entire stockpile of cigars and without having made even his first premium payment on the policy, the man filed a claim against the insurance company.

In his claim, the man stated the cigars were lost "in a series of small fires". The insurance company refused to pay, citing the obvious reason that the man had consumed the cigars in the normal fashion. The man sued.... and won.

In delivering the ruling the judge agreeing that the claim was frivolous, stated nevertheless that the man held a policy from the company in which it had warranted that the cigars were insurable and also guaranteed that it would insure against fire, without defining what it considered to be "unacceptable fire", and was obligated to pay the claim.

Rather than endure a lengthy and costly appeal process the insurance company accepted the ruling and paid the man \$15,000 for the rare cigars he lost in "the fires".

After the man cashed the check, however, the insurance company had him arrested on 24 counts of arson. With his own insurance claim and testimony from the previous case being used against him, the man was convicted of intentionally burning his insured property and sentenced to 24 months in jail and a \$24,000 fine.

Source: <http://www.basicjokes.com>



CALENDAR OF EVENTS

July 2006

- **July 3rd**
 - ⇒ Cost Allocation bills mailed
 - ⇒ Comptroller memo sent to depts re the Property data requirements and Money & Securities survey forms
- **July 4th** – Independence Day
- **July 21st** – Auto Comp/Coll bills to be mailed

August 2006

- **Aug. 1st** – Payment of cost allocation due
- **Aug. 15th** – Deadline for submissions due for Property data requirements and Money & Securities forms.
- **Aug. 18th** – Admissions Day

September 2006

- **Sept. 1st** – Payment due for Comp/Coll bills
- **Sept. 4th** – Labor Day

This is YOUR newsletter and it's success and value will depend on your participation, suggestions, and input!

Email your ideas to:
Julie Ugalde at the Risk Management Office at
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