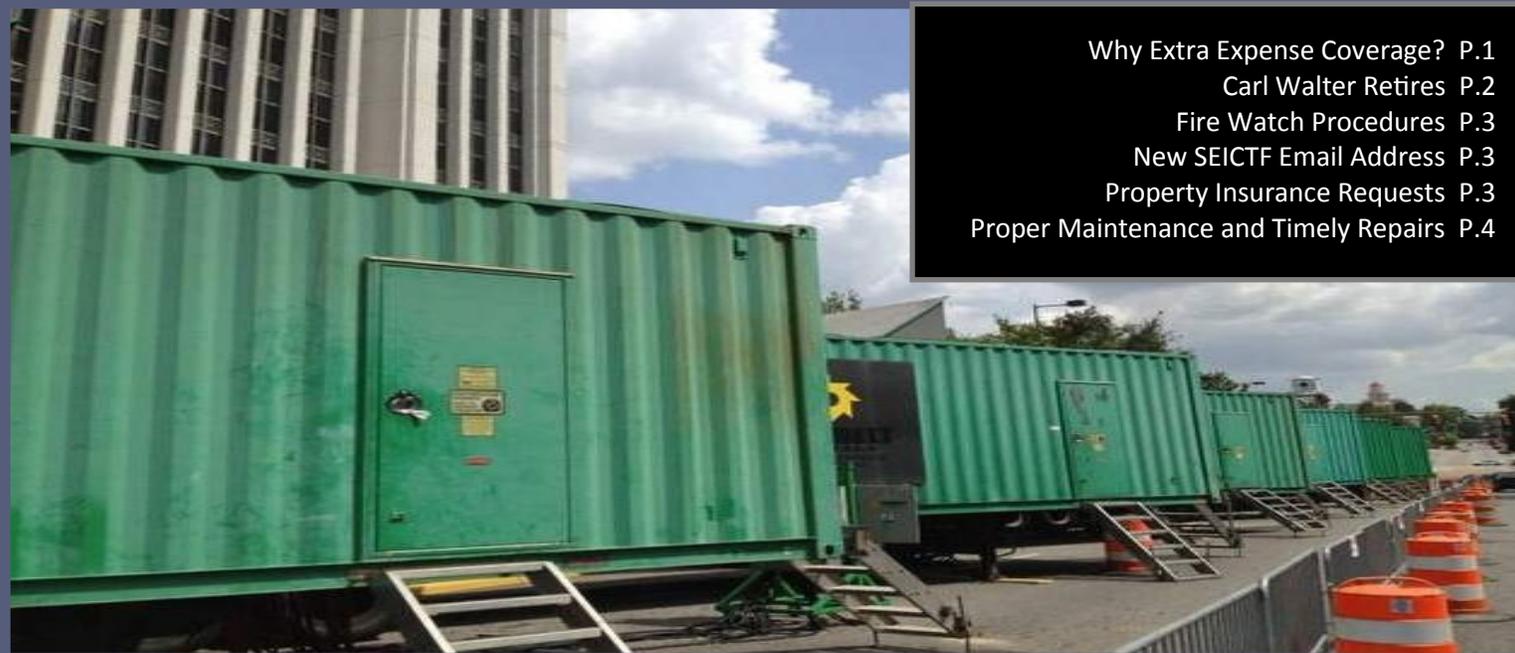


# Wise Words

State of Alabama · Department of Finance · Division of Risk Management

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## *Why Extra Expense Coverage?*

On July 19, 2012, the Retirement Systems of Alabama (RSA) experienced a catastrophic failure of the electrical bus duct system in the RSA Tower when water penetrated the system resulting in electrical arcing and subsequent power failure to the twenty-four story building. Six 1500kw diesel generators were brought in to restore power while the electrical bus system is being manufactured, a period of up to 90 days. With each generator using an enormous amount of fuel per day, extra expense costs will be hundreds of thousands of dollars.

We realize most buildings insured by the State Insurance Fund (SIF) are not 24 story concrete and steel buildings; however, that does not mean there is no need for Extra Expense Coverage. Extra Expense Coverage allows you to be reimbursed for costs over and above your normal operating expenses in order to continue your business following damage to a building caused by a covered peril. The coverage will continue for the reasonable period of time it takes to repair or replace your building subject to the amount of coverage purchased and a time limit of two years from the date of loss.

Some common examples of Extra Expense that we see are the need to move your business operation to another location or bring in portable units following the destruction of an insured building. We strongly encourage this coverage to avoid substantial loss. For more information, please contact our Underwriting Department at 334-223-6120.

## Wise Words

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## Carl Walter Retires

Our friend and co-worker, Carl Walter, retired September 28, 2012 following twenty-three years of state service with the Division of Risk Management (DORM). During most of that time, he managed both the Underwriting and Loss Control departments for the State Insurance Fund, General Liability Trust Fund and the State Employee Injury Compensation Trust Fund. Carl was instrumental in the development of the Auto Liability and Physical Damage Programs which began in 1992 and in the development of the State Employee Injury Compensation Trust Fund in 1995. He also worked closely with the Policy Management Program assisting in the placement of many insurance policies for state agencies beyond the three large funds DORM administers. In his spare time, he handled building maintenance issues for the DORM complex.

We will miss Carl, his wealth of knowledge, his sense of humor, his passion for Auburn football, and so many other things. We wish him the very best!



**Carl Walter, DORM, Underwriting Dept.**

## Fire Watch Procedures

The Fire Watch Procedures are required by the State Fire Marshal's office when a building's fire alarm system is not working or when there is an equipment malfunction, such as a fire alarm and sprinkler systems that need repairs. These procedures should be followed until the equipment has been repaired and inspected by the State Fire Marshal.

A complete list of these procedures is available on our website: [www.riskmgt.alabama.gov](http://www.riskmgt.alabama.gov).

Go to Downloads; Forms; Fire Watch Procedures.

## New SEICTF Email Address

**New SEICTF Email Address - [SEICTF@finance.alabama.gov](mailto:SEICTF@finance.alabama.gov)**

SEICTF has simplified their email address to make it easier for you to submit necessary documents related to your claim. Simply scan and email them to [SEICTF@finance.alabama.gov](mailto:SEICTF@finance.alabama.gov).

As always, we recommend that you submit your First Reports of Injury via the website ([www.riskmgt.alabama.gov](http://www.riskmgt.alabama.gov)) whenever possible.

## Property Insurance Requests

Our Property Insurance Request form, formerly referred to as Self Inspection Form has been revised to include areas to report more detail regarding construction finishes and a section to report additions such as, porches, built-in kitchen equipment, mezzanines, etc.

These forms are required along with interior and exterior photos when adding new property items or reporting renovations. This information helps to ensure adequate coverage and accurate premiums are applied.

To access this form on our website go to [www.riskmgt.alabama.gov](http://www.riskmgt.alabama.gov). Go to Downloads; Forms; Property Insurance Request.

### *Did You Know?*

*Risk Management provides the following coverages through the State Insurance Fund:*

*Property coverage for 450 state entities, K-12 and two/four year colleges*

*Fidelity coverage for 44,208 state employees*

*Employee Injury coverage for 38,195 state employees*

*Employee Assistance coverage for 31,716 state employees*

*Auto Liability coverage on 8,634 state vehicles*

*Auto Physical Damage coverage on 1,562 state vehicles*

# ***Proper Maintenance and Timely Repairs: How to Protect Your Property from Storm Damage***

We've all heard the expression, "take care of your body and your body will take care of you." As a property owner, you should apply this wisdom to your commercial building and the premises around it. While it is easy to see physical damage that can be caused by large storms, Mother Nature also is slowly and consistently breaking down your building's defenses against future weather conditions. The specific weather conditions your building is exposed to, coupled with your maintenance plan, play a large part in the strength and longevity of your building and your resulting bottom line. Here are a few examples of severe weather conditions that can damage properties:

- Expansion and contraction due to seasonal temperature swings and daily temperature fluctuations can create leaks in sealants, gaskets and some building materials
- UV exposure from sun, as well as rain, drought, hail, snow and smog, can degrade roofs and wall systems.
- Salt sprays in coastal locations can corrode various metals; acid rain in northern locations also eats away at some metals.
- Repeated windstorm exposure can cause fatigue on metal and wood components making them more prone to failure in the next big storm.

It's important periodically to survey your building from top to bottom, and quickly inspect for damage following a severe storm. A thorough inspection should include roofs; roof and ground water drainage systems ; walls, windows and doors; building penetration seals such as vents, piping and conduit; and the perimeter grounds.

While most property owners focus attention on operations inside their building, it's important to get outside periodically to survey for damage and identify maintenance needs. Take advantage of long, sunny days to ensure the roof, walls, windows and doors can provide the protections your business will need when storms inevitably come your way.

***Information provided by Insurance Institute for Business & Home Safety***

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