



RISK MATTERS

NEWSLETTER

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

ISSUE 6 -- SUMMER 2020



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DORM'S RESPONSE TO INSURANCE MARKET CHANGES

North American commercial insurance and reinsurance buyers will face sizable price increases in 2020 and 2021 across most lines of insurance. The insurance market has been hardening for the past 18--20 months. Insurance and reinsurance markets are cyclical and we have definitely transitioned into an upward-priced market according to our program experience and all brokers. While capacity has been and should be available in all but the most challenged lines, underwriters are showing unprecedented discipline in deployment, especially for risks that have reported claims and that have traditional catastrophe exposure.

Several factors account for the firming market. Persistently low interest rates have dampened insurer returns on their investment portfolios. Across commercial property, extreme catastrophic weather and wildfires since 2017 have had a direct impact on pricing, prompting conditions to harden with sustained escalation in rates. Over and above the company's baseline property rate pricing predictions, markets can be expected to produce increases of 15% to 30% or even 70% or more for challenged occupancies with poor losses and/or risk control deficiencies. The COVID-19 Pandemic is also causing additional chaos in the world's insurance markets at this time.

The Division of Risk Management as a buyer

in these markets for our property insurance program tries extremely hard to control these increased costs. Over the past several State Insurance Fund (SIF) program renewals our increases have been held to more reasonable increases. The past two years as the hardening market cycle has begun, we have again tried to only pass along only the most necessary increases to meet our obligations in claims within our retention and fund the reinsurance purchase. This effort, to be fair and reasonable will again be our approach, but we must advise that our upcoming renewals may reflect the full effect of the hardening market cycle. We do anticipate some program adjustments in rate and perhaps in other areas as deductibles.

Please know and understand that The Division of Risk Management continues to produce a quality program that fosters good relationships with our reinsurance carriers in the world market. We also consider our obligation to our SIF participants with the utmost respect and consideration to produce a traditional property insurance program that is fully able to respond as covered claims are presented.

TIME MANAGEMENT TIPS

Time is a unique resource of which everyone is given an equal amount — a gift of 24 hours each day. How you invest that gift is a major factor in how you feel about your life.

The simple reality is that time is not manageable. Time is a finite, limited, predictable, but renewable resource. Time spent today is gone forever, but tomorrow you get a new day and new chance to manage your life. With time limited, how do you learn to do better when handling your time and teaching your children to do the same? If you wish to help children with time and life management skills, you as the adult need to better model those things you would have your children do. You need to model good life-management skills in order to teach. The single best teaching tool for life management is to model the desired behavior. Take charge of yourself in the framework of time and invest yourself in those things that matter most in your life.

Learning to Set Priorities. Setting priorities is a matter of deciding what is really important to you. What activities and roles give your life meaning? These are the parts of your life where you most want to succeed. Deciding on these priorities provides a means to make time choices, helping you to determine where it is important to invest yourself and where you can let go.

Set Yourself as a Priority. You need to be one of the priorities you set for yourself. Take care of routine maintenance --direct care and attention toward yourself. Insisting on time to relax and pursue some of your own interests is not selfish. Rather it is like changing the filters on your furnace. It will keep you operating more effectively in the other areas of your life.

For more information and help with time management, please contact EAP Coordinator Kwatasian Hunt at Kwatasian.hunt@finance.alabama.gov or 334-223-6153.

8 DISASTER PREPAREDNESS TIPS



As hurricane season is upon our state again, here are a few disaster tips to consider implementing

1. Communicate where you will be. Contact someone outside the affected area to tell them where you will be for the duration of the event.

2. Know the warning signs and alert signals for your area. Stay tuned to your local television or radio station or community alert system for emergency information.

3. Check your emergency survival kit. Make sure your emergency survival kit is stocked and kept in an easily accessible location.

4. Collect emergency building materials.

5. Fuel up your vehicles and equipment. If you have an emergency generator, make sure you have fresh fuel on hand. Make sure generators are located a safe distance from windows, doors and vents.

6. Be sure you have car chargers for your cell phone, smart phone and other portable devices. Do not forget to fully charge devices before a storm.

7. Secure all outdoor objects or move them inside.

8. Know how to shut off all utilities. It is always a good idea to know how to turn off the gas, electricity and water in your place of business.

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RISKY BUSINESS -- LOSS CONTROL TRAINING AND TIPS

WHAT'S WRONG WITH THIS PICTURE?



The Loss Control Specialist often see this issue when they are surveying buildings throughout the State. They always make a recommendation for corrective action when this scenario is found. The recommendation often reads "914 Repair or Replace: Gutters need to be cleaned and maintained". The reasons this recommendation is made are as follows:

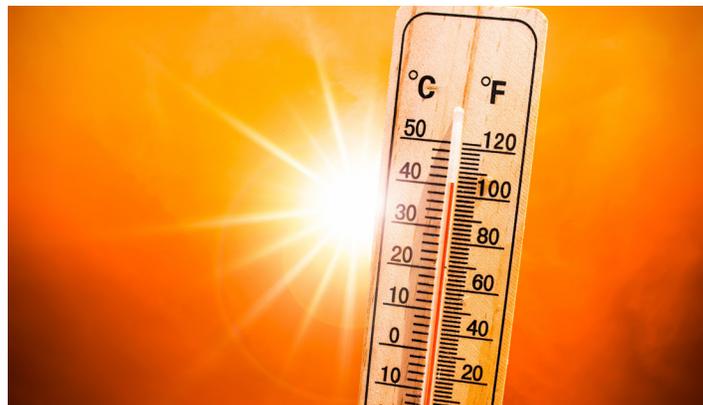
1. Clogged gutters will cause the water to back up and over the gutter and the fascia board behind the gutter which cause moisture intrusion into the building.
2. Clogged gutters will hold moisture which will cause the metal to rust through and break.
3. Excessive moisture intrusion in the wall below the clogged gutter will cause ant and termite infestations, damage walls, and floors. It will also create the perfect enviroment for mold growth.
4. Clogged gutters give the impression of a lack of routine maintenance for the entire building.

PREVENTING HEAT RELATED ILLNESSES

Hundreds of State employees routinely work outdoors. Working in the extremely hot and humid weather conditions that we experience here in Alabama can result in serious illness and even death if certain precautions are not taken. Listed below are some of the heat-related illnesses, their symploms, and suggestions for immediate first-aid treatment:

1. Heat cramps -- caused by excessive sweating which depletes the body's salt and moisture levels. Symptoms are muscle pain or spasms usually in the abdomen, arms, or legs. First-aid should include: stop all activity and sit in a cool place; drink clear juice or sports beverage; do not return to strenuous work for a few hours after cramps subside because further exertion may lead to heat exhaustion or heat stroke.
2. Heat exhaustion -- symptoms may include heavy sweating, weakness or fatigue, dizziness, confusion, nausea, and muscle cramps. First-aid includes: have worker rest in a cool, shaded or air-conditioned area; drink plenty of water; have them take a cool shower or bath.
3. Heat stroke -- symptoms may include rapid high body temperature; hot, dry skin; hallucinations; chills; headache; confusion; slurred speech. First-aid should include: call 911; move the person to a cool shaded area; soak clothes with water; cool shower; fan their body.

The first step to preventing any heat illnesses is by drinking plenty of fluids. Additionally, wearing light-colored, loose fitting, breathable clothing is recommended. It is best to wear a hat, sunscreen, and reduce drinking of highly caffeinated and sugary beverages.



1ST ANNUAL EAP CONFERENCE -- DETAILS

1st ANNUAL EMPLOYEE ASSISTANCE BEHAVIORAL HEALTH CONFERENCE

NOW VIRTUAL
Wednesday, October 7, 2020
8:00AM - 12:15PM
CE Hours: 3.5

****Please see information below****

Topics Include:

Plenary Session

Social Determinants of Health: Addressing Intersecting Experiences that Impact Behavioral Health

Dispelling Myths and Misinformation on the Link Between Mental Illness and Violence

Diversity and Inclusion

Untreated/Undertreated Substance Use Disorders

Under Stress: A Managerial Response to Stress-Related Mental Illness

****For more information or to register, please contact
EAP.Information@finance.alabama.gov****

This conference is sponsored by Risk Management a Division of the Alabama Department of Finance. Contact hours (2.25) provided by the Division of Risk Management. Alabama Social Work Board of Examiners #0678. Contact hours (1.25) provided by Behavioral Health Systems, Inc.

NEW EMPLOYEES

We are pleased to introduce our new employees:

Beth Timmerman, Utilization Nurse, SEICTF

Evelyn Thomas, Claims Representative, SEICTF

Liane Stiggers, Claims Representative, SEICTF

Please join us in welcoming our new staff members!

TOMATO PIE RECIPE

INGREDIENTS

1 9-inch pie shell
1/2 cup chopped yellow or red onion
3-4 tomatoes, cut in half horizontally, squeezed to remove excess juice, roughly chopped
1/2 teaspoon kosher salt
1/4 cup sliced basil (about 8 large leaves)*
2 cups grated cheese (combination of sharp cheddar and Monterey Jack)
1/2 cup (120 ml) mayonnaise
1 teaspoon (or more to taste) of Frank's Hot Sauce (or Tabasco)
Freshly ground black pepper

METHOD.

Pre-bake the crust: Preheat your oven to 350°F (175°C).

Salt and drain the tomatoes: Lightly salt the chopped tomatoes and set them in a colander over a bowl to drain while you are pre-baking the crust.

Squeeze as much moisture as you can out of the chopped tomatoes, using either paper towels, a clean dish towel, or a potato ricer.

Layer pie shell with onions, tomatoes, and basil.

Mix together cheeses, mayonnaise, hot sauce, and black pepper. Spread mixture over tomatoes.

Bake at 350 until bubbly (25-45 minutes).

