

# Wise Words

WE INSURE STATE EQUITY

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

September 2005

## **PLEASE CIRCULATE**

# **HURRICANE IVAN UPDATE**

Our State Insurance Fund claims staff continues to work through a backlog of claims received from Hurricane Ivan. Over 2500 claims were received from our policyholders with estimated damages now at \$32,000,000. We appreciate everyone's patience as we work to conclude these claims.



### **A few reminders:**

The majority of our insured buildings are covered at full replacement cost coverage however until repair/replacement is made, the loss is payable at Actual Cash Value or the depreciated cost. Actual Cash Value is determined by applying appropriate depreciation to the repair/replacement cost. The policy allows two years from the date of loss (9/16/04) to complete repairs so that the depreciation applied can be reimbursed.

If you have applied for FEMA assistance, please understand that FEMA cannot pay you until you have received your insurance settlement. Any insurance coverage you have on your damaged structure is primary and should respond prior to FEMA's assistance. You may be able to collect your

uncovered loss such as debris removal and your deductible from FEMA. For more information, contact FEMA at [www.fema.gov](http://www.fema.gov).

Your in-house labor and material costs are reimbursable and should be clearly documented for reimbursement. Extra expenses incurred as a result of Hurricane Ivan may also be reimbursable and documentation should accurately reflect what those costs were. Extra expense covers those expenses over and above what you would normally have paid to continue your normal operation.

Contents claims are often challenging in that proper documentation is not submitted correctly the first time. Contents should be itemized with a thorough description of each item to include make, model, serial number, year purchased or acquired and the replacement cost. Computer and other electronic items should be checked by a qualified vendor to determine if the item is repairable. If not repairable, we will need a statement from the vendor to that effect as well as a statement as to the salvage value of the item. When the State Insurance Fund pays in full for property, it becomes the owner. Any salvage proceeds are returned to the State Insurance Fund. A properly documented claim speeds up the process! Please contact the Claims Department with any questions you may have.

### **Calling All Email Addresses**

We would like to send you important news and information via email. If you are interested, please send your email address to: [riskinfo@riskgmt.alabama.gov](mailto:riskinfo@riskgmt.alabama.gov).

# SEICTF Supervisor Training Available to Agency Personnel



The State Employee Injury Compensation Trust Fund (SEICTF) offers training to agency Supervisors. The purpose of the training is to assist Supervisors in meeting their responsibilities if an employee under their supervision is injured at work. The training is provided at no charge to the agency and may be provided at the worksite. The topics include reporting work-related injuries, completing required forms, avoiding potential liability exposures and managing the employee who returns to work with temporary activity restrictions. The training session lasts approximately two hours.

In 2004, over 60 training sessions were conducted with more than 1500 supervisors representing 100 State agencies participating. Feedback from attendees and agency administration has been very positive. Consultation is also available to assist agencies in developing internal policies and procedures for work injury claims. Agencies whose employees are covered by the State Employee Injury Compensation Trust Fund may request training by calling Leigh Clemmons at (334) 396-3601.

## REPORTING EMPLOYEE INJURY ACCIDENTS

The Administrative Code which governs the delivery of SEICTF benefits requires that an employee notify their employer of an on-the-job accident. Legitimate claims can be denied if they are not reported in a timely manner. Because of the critical time element involved in delivering medical benefits, SEICTF requests and encourages immediate reporting of accidents to the employer and encourages immediate completion and faxing of the First Report of Injury to SEICTF by the employer.

If notice is not given, the employee or the employee's dependents (in case of death) will not be entitled to physician's or medical fees nor any benefits which have accrued under the program, unless it can be shown that the party required to give the notice had been prevented from giving it by reason of physical or mental incapacity, other than minority, fraud or deceit, or equal good reason.



You are encouraged to report accidents immediately no matter how slight or insignificant it may seem at the time. Be sure that all of your agency's employees are aware of the notice requirement.

### *Wise Words*

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## PREVENTING HARASSMENT

One of the most important precautions against sexual harassment in the work place should take place in employee orientation. Explain to all new employees that under no circumstances is sexual harassment tolerated, and that any complaint will be taken seriously and investigated as confidentially as possible.

Inform employees that they have a responsibility to stop sexual harassment by telling the offender, in a calm and reasonable manner, that the behavior is offensive and that he/she should stop. If the problems continue, it is the employees responsibility to notify a supervisor or other authority so that additional corrective action can take place.

Supervisors can prevent sexual harassment by demonstrating and demanding professional behavior of all employees and work contacts. Privately inform a harasser (whether employees, customers, or others) when their behavior is inappropriate or might be offensive. Upon witnessing or learning of sexual harassment, the supervisor should follow established policy and complete an investigation.

The investigation should begin as promptly as possible to assure that the incident is clearly recalled by all witnesses. Because sexual harassment allegations can damage a persons reputation, as well as tarnish the state's image,



employees involved in the investigation should not discuss the situation with anyone other than the personnel investigating the complaint.

Written statements should be obtained from all personnel involved in the investigation. Employees involved in the investigation should be assured that, regardless of the outcome, the employer will not tolerate any retaliation for the employees participation in the investigation. Be sure to inform everyone that knowingly reporting false information may subject the individual to disciplinary action.

Once a sexual harassment complaint has been investigated and resolved, it is the agency's responsibility to assure that the work place is as amiable as

possible. The supervisor must assure that the harassment has stopped and that there are not retaliatory actions toward the employee, the offender, or others involved in the investigation.

This is not legal advice but is offered to increase awareness of the workplace issue. Contact your legal counsel to develop policies and procedures appropriate to your agency.

Source: Risk Matters, a publication by the Risk Management Office of the State of Montana.

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