

# ***CONCOURSE THEATER***

## ***Rules***



- **NO FOOD, BEVERAGES or SMOKING** in Theater
- Set **PHONES** and **PAGERS** on Vibrate or Silent
- **RESTROOMS**  
Take a right out of theater entrance in the direction of the Sequoyah Building



# INTRODUCTIONS

- Lynn Finch – Marsh
- Allen Gilley – Marsh
- Shelly Green – Marsh
- Patsy Irwin – Marsh
- Dan Daniel – Cunningham Lindsey
- Regina Selvidge – Cunningham Lindsey
- Dick Rogers – Cunningham Lindsey
- Susan Courtney – Cunningham Lindsey
- Evelyn Rawls – Cunningham Lindsey
- Kevin Lloyd – Cunningham Lindsey
- Shelley Travers – Cunningham Lindsey

# State Risk Management (SRM) Staff



- Lou Boggs-Claims
- Mona Condulle-Admin/Underwriting
- Mary Herrera-Admin/Underwriting/Fire Dist.
- Theresa Howell-Admin/Underwriting/Fire Dist.
- Matthew Johnson-Temp Claims
- Sara Kyte-Assistant Attorney General
- Gene Lidyard-RM Division Administrator
- Ed Manek-Admin/Underwriting
- Steve Pancoast-Risk Control
- Jack Roberts-Risk Control
- Nancy Westbrook-Claims



# SRM Staff Changes

- Sara Kyte, Assistant Attorney General
- Nancy Westbrook, Liability Claims Manager
- Jack Roberts, Manager of Risk Control
- Steve Pancoast, Risk Control Specialist

# SRM Division

## Process Improvements



- Property
- Property Plan Review
- Risk Management Information System



# Property Fire Protection Plan Review

- State Fire Marshal
- Construction & Properties
- Insurance Carrier Engineering Unit
- State Risk Management (SRM)



# Property Claims

- Cunningham Lindsey
- Construction & Properties
- Agency
- SRM



# It's Here

## Risk Management Information System (RMIS)

- Implementation has begun
- Currently developing data base and screens
- Data conversion and mapping ongoing
- Training for SRM staff estimated to begin December/January
- March estimate for going live
- Agency access training estimate June

# RMIS



## Features and Benefits

- Agency online incident reporting
  - Quicker claims processing and turn around
- Agency online underwriting survey updates
  - More convenient and timely updates
- Agency online review of historical loss summary
  - More control

# Insurance Program Improvement



- Fine Arts
- Credits on Tort Liability and Property
- Allocation Model
- Possible reduction on D&O deductibles



## **SRM's Mission:**

**To protect the assets of the State of Oklahoma through professional programs in risk control, self-insurance, insurance, claims management, and cost allocation**

# Quick Review

## Risk Management Fundamental Functions



1. Risk Identification and Assessment
2. Risk Control
3. Incident and Accident Investigation
4. Claims Management
5. Risk Financing



# Quick Review

- 2004: SRM rolls out RM Fundamental Functions Seminars
  - First seminar: RM Process Overview and Introduction to the Five Fundamental Functions



# Quick Review

- 2005: Second part of SRM series
  - Risk Control: Fundamental Function 2



# Incident and Accident Investigation

## Fundamental Function 3 The Controller Of The Risk Management Process



# Seminar Objectives

- Gain your commitment to improve Incident and Accident Investigations
- Provide you with information to improve your investigations
- Stress the need for thorough investigations
- Demonstrate how effective investigations lead to quicker claim settlements and lower costs
- Property claims: mitigation; submission; investigation; settlement



# Accident/Incident Investigation

Fundamental Function 3  
The Controller  
Of The Risk Management Process



# Incident Review Process



Allen M. Gilley  
Marsh - Atlanta, Georgia



# Why Perform Incident Investigations?



# Purposes

- Protect the safety and health of employees
- Uncover basic (or root) causes, both conditions and behaviors
- Identify and implement appropriate interventions
- Minimize probability of recurrence
- Ensure that all incidents/injuries are reported and investigated
- Accurately record vital information for future use



# Incident Investigation Definition

**Incident -** An unplanned or unintended occurrence that caused or had the potential to cause injury, illness, property and/or material damage

# Incident Investigation Definition



Root Cause Analysis - A technique used to lead an investigator to the basic or root cause of an incident

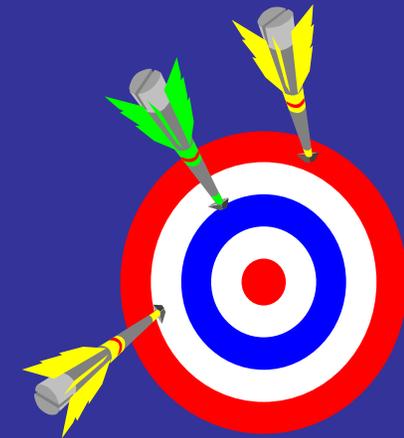


# **Why Aren't Effective Investigations Consistently Performed?**

# Why Incident Investigations Often Miss the Target



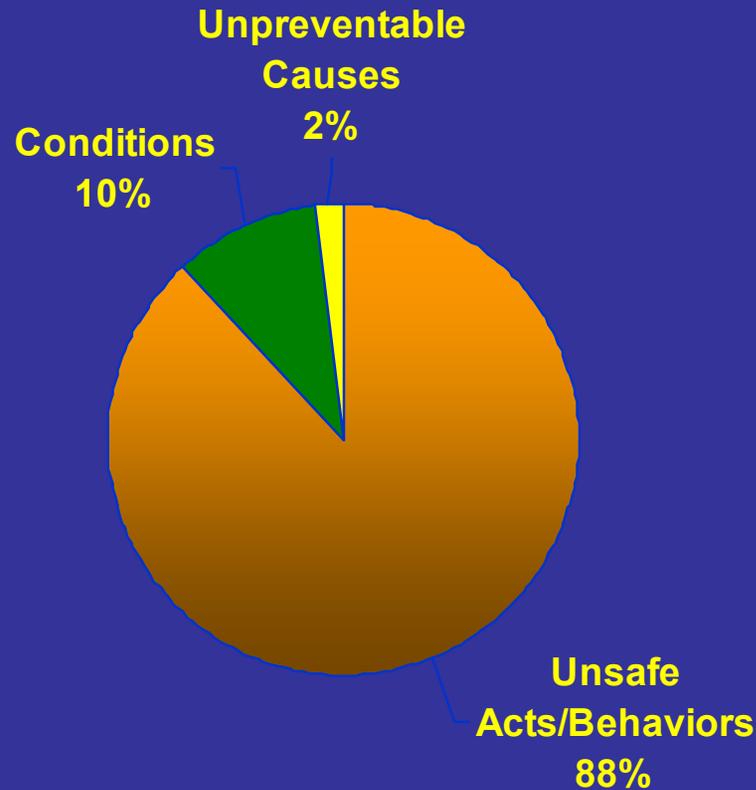
- Time Constraints
- Experience of the Investigator
- R+ for simply getting them done
- Fear of Punishment
- Focusing only on Conditions





Safety efforts, including incident investigations, have historically focused on physical conditions rather than behavioral elements

# Heinrich's 88:10:2 Ratio



Contributing Factors in 75,000  
Accidents Studied



**While we don't want to ignore physical conditions, we should add behavioral factors to our list of potential basic causes**



# Types of At-Risk Behaviors

- Forced
- Unforced
- Influenced

# Forced At-Risk Behavior



- Dictated by the system that makes it impossible to do the job in a safe manner.
- Usually “Hard” system issues
  - Workstation Design
  - Tool/Equipment Design





# Unforced At-Risk Behavior

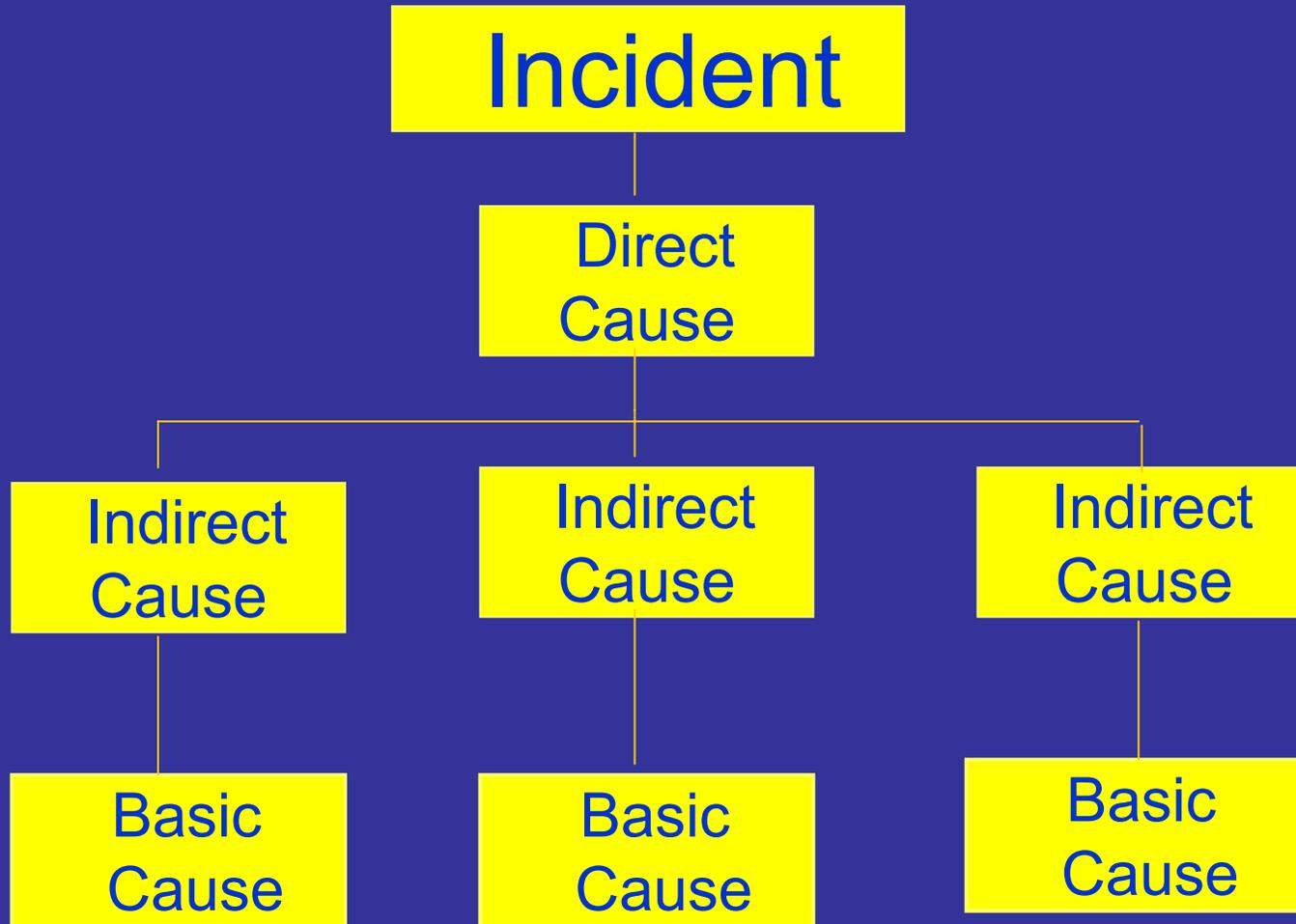
- No explanation or payoff
- Error
- The corresponding safe behavior would not impede the task

# Influenced At-Risk Behavior

- Largest percent of at risk behaviors
- Usually involves some impediment to getting the job done
- Involves a potential reward for risk taking



# The Anatomy of an Incident





# Direct Cause

The actual or potential harm inflicting contact or action

- Caught in Auger
- Fall from Ladder
- Contact with Caustic
- Lifting a Box
- Pushing a Cart

# Indirect Causes



Behaviors and conditions that contribute to the direct cause or other indirect causes:

## Behaviors:

- Improper use of equipment
- Working in undesirable posture/position
- Not wearing PPE
- Removing/not replacing guard
- Poor housekeeping

## Conditions:

- Exposed point of operation
- Poor workstation design
- Slick walking surface
- Tools on floor
- Damaged ladder



# Basic Causes

System weaknesses that allow or encourage at-risk behaviors and/or conditions to exist:

- Ineffective training
- Poor workstation design
- Poor motivation (R+, extinction, punishment)
- Inadequate maintenance
- Lack of procedures
- Lack of necessary tools/equipment

# Finding root causes



- In order to find root causes, we must continue to ask “Why” until there are no more answers.
- Effective intervention and corrective actions cannot be determined or implemented until the root cause are identified.

# Corrective Actions

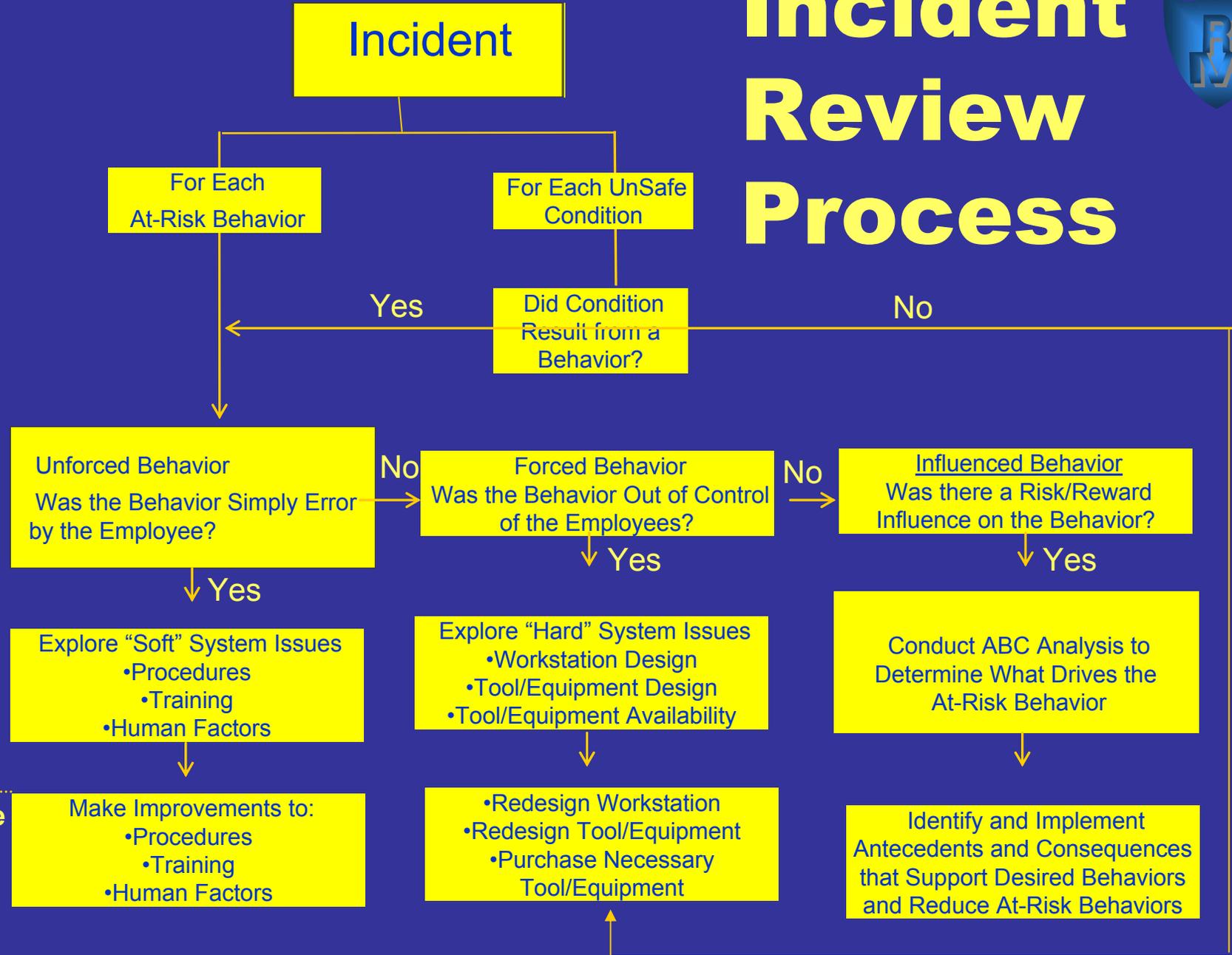


Identify those interventions that can eliminate or minimize the recurrence of the incident

- Physical Conditions
- System/Process Issues
- Behavioral Issues

Should be relevant to basic causes

# Incident Review Process



**Corrective Measures**

# Incident Review Exercise



- Review the incident described
- Identify the conditions and behaviors that contributed to the injury
- Identify the root causes
- Identify relevant corrective actions



# **Actual Incident Investigation Process**



# We Need to Determine the Following:

- Who
- What
- When
- Where
- How



# Who Should Perform the Investigation?

- **Onsite Supervisor or Manager**



# **When Should the Investigation be performed?**



**Why should the investigation, its findings, and recommendations be documented?**



- Process won't work as intended without documentation
- Documentation enables Process to survive the “Hit by a Bus” test
- Documentation permits Quality Assurance of Process



**How should the process, its findings, and recommendations be documented and communicated?**



# Investigation Tools

## – Standardized Forms

## – Basic/Root Cause Identification Tools

- Brainstorming
- Cause and Effect (Fishbone) Diagram
- Flow Charts
- Failure Mode, Effect, and Criticality Analysis (FMEAC)
- Fault Tree Analysis



# Summary



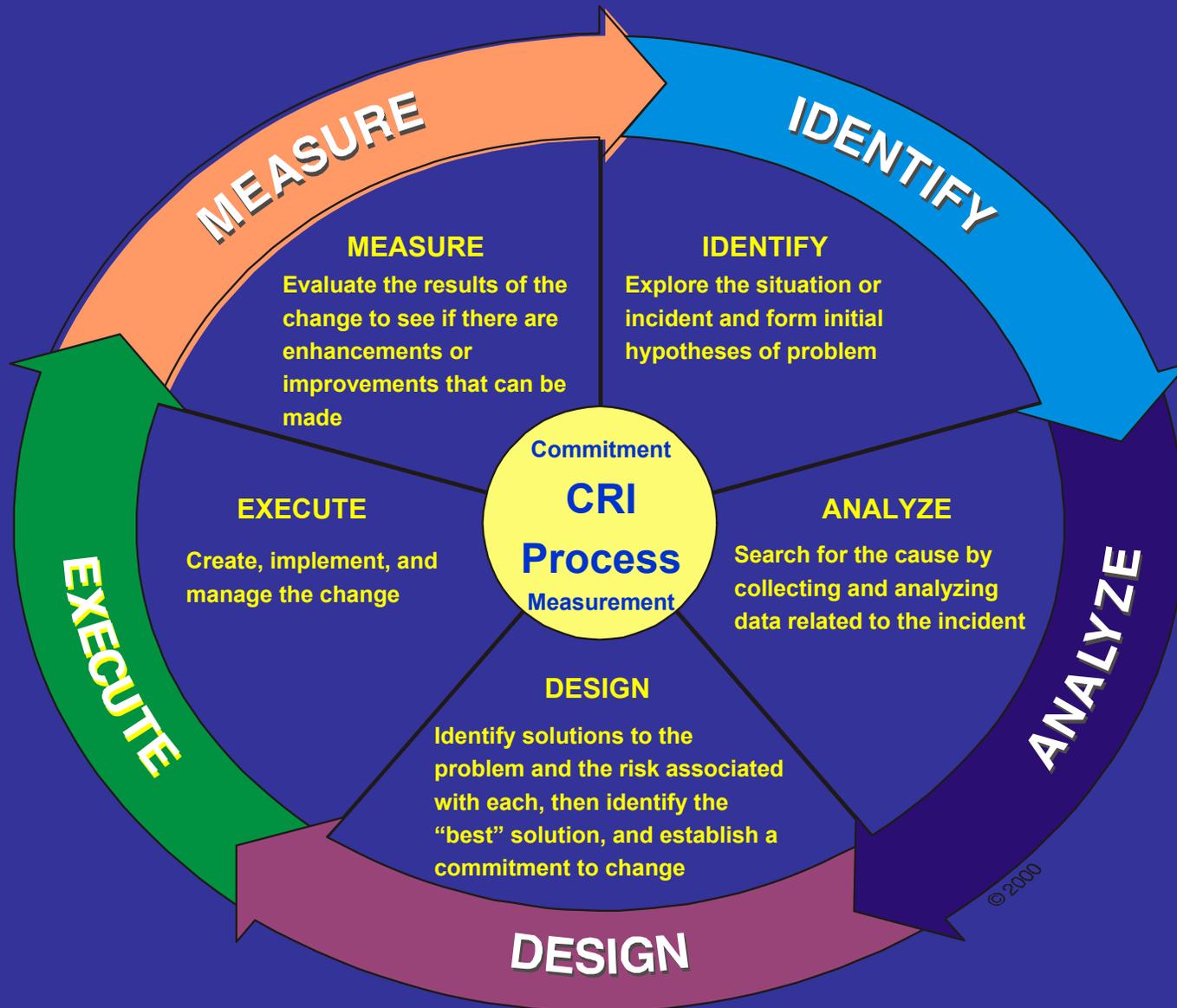
# Questions and Comments?



# Accident/Incident Investigation

Fundamental Function 3  
The Controller  
Of The Risk Management Process

# CONTINUOUS RISK IMPROVEMENT PROCESS





# Loss Control: Post-Loss

- Investigation
- Control and Mitigation
- Communication
- Coordination

# Policies And Procedures



- Current
  - Notification procedures
  - Inventories
  - Property and content values
- Employee selection and orientation
- Designation of responsibilities establishes accountability
- Employee education and training



# Self Inspections

- Roof inspections
- Inspection and testing of Fire Protection Systems
- Review and practice of emergency procedures

# Other Prevention Measures



- Comprehensive Preventive Maintenance Program
- Regular inspection and testing of protective and early warning systems
  - Fire Alarm Systems
  - Sprinkler Systems and Fire Pumps
  - Fire Suppression Systems



# Definitions

- Incident: an unexpected, unintended, undesirable event that does not result in financial loss or bodily injury
- Claim: a formal monetary demand as a result of financial loss or bodily injury

# Incident Investigations

## Prepare Us To:



- Prevent future losses
- Mitigate losses that do occur
- Expedite claims management



# Initiating The Process



- Have a system in place that insures every incident is reported (every incident has the potential to become a loss)
- Educate every employee in how the process works and inform them of their role
- Hold all employees accountable for system utilization



# Documentation

- Take pictures
- Make drawings
- Take measurements
- Keep notes on observations
- Develop a timeline
- Get accurate descriptions



# Standardized Forms

- Employee Guide for Vehicular Accidents
- Standard Liability Incident Report
- Scope of Employment Form
- Property Loss Notice

# STEP #8 GET WITNESSES

NAME \_\_\_\_\_ PHONE NO. \_\_\_\_\_

ADDRESS \_\_\_\_\_

# STEP #9

## Call Risk Management

OKC Area 521-4999

Statewide Toll Free 1-888-521-RISK

DATE OF INCIDENT: \_\_\_\_\_

TIME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## GET THE FACTS!!!

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

SIGNATURE OF DRIVER \_\_\_\_\_ DATE \_\_\_\_\_

CONTACT YOUR SUPERVISOR IMMEDIATELY. COMPLETE A STANDARD LIABILITY REPORT FORM, SCOPE OF EMPLOYMENT FORM AND SEND TO YOUR AGENCY RISK MANAGEMENT COORDINATOR IMMEDIATELY.

STATE OF OKLAHOMA

RISK MANAGEMENT DIVISION

P.O. BOX 53364

OKLAHOMA CITY, OK 73152

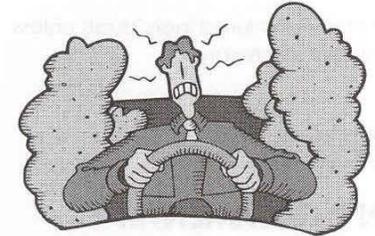
405-521-4999



**STATE WIDE TOLL FREE  
(For agency use only)**

**1-888-521-RISK (7475)**

# ACCIDENT INFORMATION FORM



**STATE  
OF  
OKLAHOMA**

**Department of Central Services**

**RISK MANAGEMENT DIVISION**

THIS FORM IS TO BE KEPT IN THE GLOVE COMPARTMENT OF ALL STATE AND PERSONAL VEHICLES BEING USED BY STATE EMPLOYEES WHILE ACTING WITHIN THE SCOPE OF THEIR EMPLOYMENT. THE FACTS REQUIRED IN THIS FORM MUST BE COMPLETED TO THE EXTENT THAT INFORMATION IS AVAILABLE AT THE TIME OF THE ACCIDENT.

**THIS FORM IS  
NOT TO BE GIVEN TO CLAIMANTS**

## IN CASE OF AN ACCIDENT...

### STEP #1

#### Aid the injured

Do not move injured individuals unless absolutely necessary.

### STEP #2

#### DON'T COMMENT!!!

Do not make any statements concerning the assumption of liability. Only give information required by authorities. Do not sign any statement except from an authorized representative of the Risk Management Division or your agency's authorized legal counsel.

### STEP #3

#### Call the police

Give exact location and advise if medical help is needed. Write down the name(s) and badge number(s) of police officer(s) who assist you.

Name \_\_\_\_\_

Badge # \_\_\_\_\_

Traffic Violation issued to:

State Vehicle  Other Vehicle

### STEP #4

#### Facts about your vehicle

Agency \_\_\_\_\_ Department \_\_\_\_\_

Driver's Name \_\_\_\_\_

Department Phone # \_\_\_\_\_

Make/Year \_\_\_\_\_ Tag No. \_\_\_\_\_

Location of Damage \_\_\_\_\_ Amount \_\_\_\_\_

### STEP #5

#### Obtain facts about other vehicles

Name \_\_\_\_\_ Phone No. \_\_\_\_\_

Address \_\_\_\_\_

Make/Year \_\_\_\_\_ Tag No. \_\_\_\_\_

Driver's License No. \_\_\_\_\_ Insurance Co. \_\_\_\_\_

Location of Damage \_\_\_\_\_ Amount \_\_\_\_\_

### STEP #6

#### OBTAIN FACTS ABOUT INJURED PERSON(S)

Name \_\_\_\_\_ Age \_\_\_\_\_

Address \_\_\_\_\_ Phone No. \_\_\_\_\_

Injured Party:

In State Vehicle  Pedestrian

In Other Vehicle

### STEP #7

#### Record facts about other property damage (Non-Vehicular)

Owner's Name \_\_\_\_\_ Phone No. \_\_\_\_\_

Address \_\_\_\_\_

Property Damaged \_\_\_\_\_

Nature of Damage (be brief) \_\_\_\_\_



# Property Claims

- Contact SRM within 24 hours of loss at (405) 521-4999
- 24 hour Answering Service
- Follow up with a written Property Loss form within 3 working days





# Property Claims

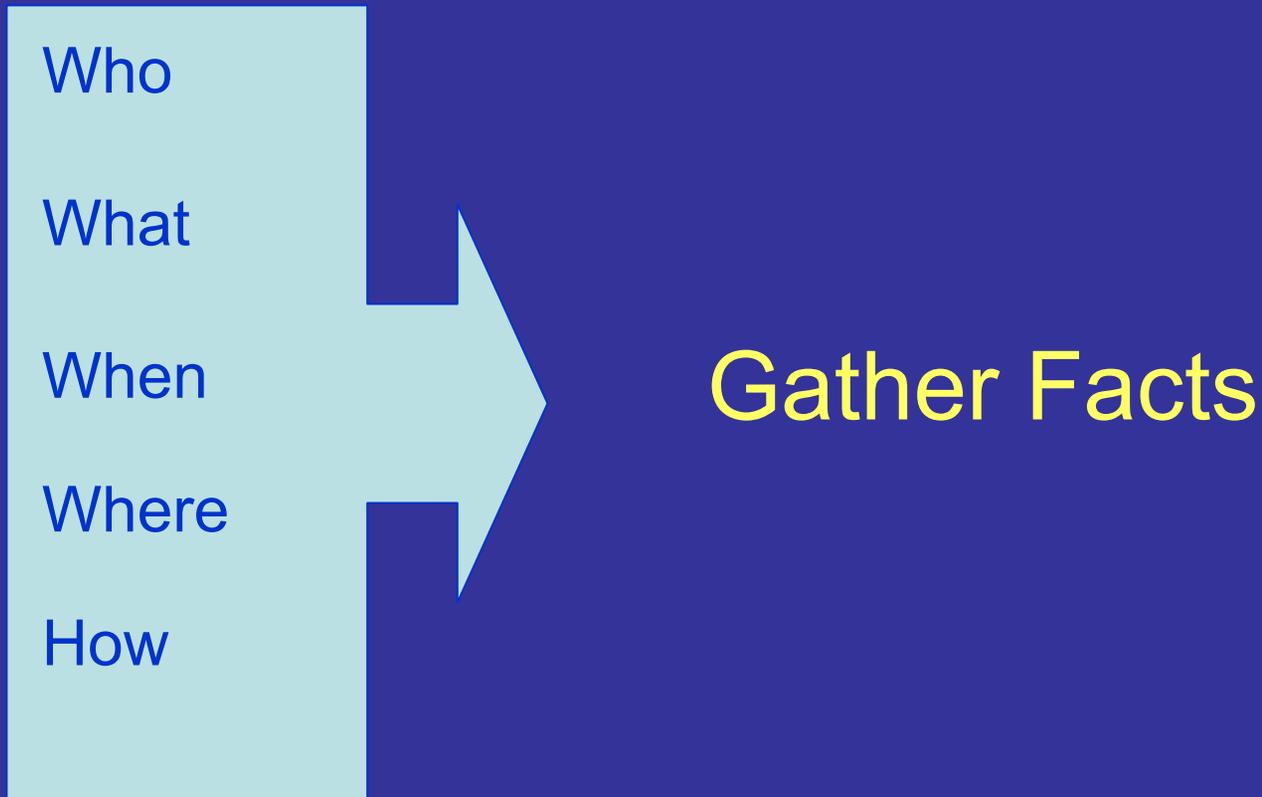
- Cunningham Lindsey
- Construction & Properties
- Agency
- SRM (Risk Control & Claims)

# When Should Information Be Gathered And By Whom



- As soon as practicable after notification
- The Agency Supervisor nearest the scene

# Liability Incident Reporting Guidelines





# Who Was There?

- Persons who were directly involved
- Those who were injured
- Those who gave aid
- Those who witnessed the incident



# Who

(continued)

- Who Was Notified?
- Who Responded?
- Who Needs To Be Notified?

# What Did They See



- What was the environment (dark, cloudy, wet, dry, windy, etc.)?
- What was the task or activity



# When?

- Date and time of the incident
- Before what/After what



# Where?

- Where exactly did the incident take place?
- Where were they coming from?
- Where were they going?
- Where were they taken?



# How

- How did it happen?

# Anatomy Of An Incident



# Business Occupancy

## Educational Facility



### January 7

### Time Line

- 7:05 A.M. Building opened, employees begin arriving for work
- 7:11 A.M. Alarm monitoring company receives a trouble signal from the facility
- 7:12 A.M. Alarm company notifies Facility Manager of receipt of the signal, but qualifies it as “probably nothing”, and “no need to hurry”, and “call us back and let us know what is happening when you get there”





# Alarm Sounding In The Building

## Timeline

- 7:50 A.M. Facilities Manager arrives  
fire alarm sounding
- 8:15 A.M. Local Fire Department notified of the  
alarm but advised that they were not  
needed
- 8:20 A.M. Control valve located by employees  
but keys could not be found to unlock  
the chain holding the valve in the open  
position

# Sprinkler System Control Valve



# Water Still Flowing

## Time Line



- 8:50 A.M. Fire Department receives second call for assistance
- 8:55 A.M. Fire Department arrives on scene
- 9:05 A.M. Fire Department uses bolt cutters on chain and shuts sprinkler system control valve
- 12:30 P.M. Restoration Company arrives and begins clean up

# What Was The Direct Cause?



## What Were The Indirect Causes?

- Broken fire sprinkler pipes
- Poor system design
- Inadequate maintenance
- Ineffective or lack of training
- Lack of necessary tools/equipment

# Investigation Analysis

(Identify Accident Causal Factors)



- What conditions or actions were not acceptable?
- What conditions must be changed?

# Relevance To Basic Causes



- Physical Conditions
- System/Process Issues
- Behaviors and decisions



# Protect Valuable Files



# Protect Valuable Files



# Investigation Factors



- Behavior (skills, abilities, and decisions)
- Environmental (physical conditions of materials, tools, equipment, and weather, etc.)
- Management policies and procedures (regulations, training, supervision, and maintenance, etc.)

# Investigation Factors



- Time factors
- Employee characteristics
- Task characteristics
- Preventive measures
- Incident severity

# Investigation Analysis

## (Identify And Design Solutions)



Determine corrective actions to prevent a recurrence

- Seek solutions that are feasible to implement
  - identify short-term remedies, if necessary
  - identify solutions that are cost effective
  - identify those responsible for correction
- Influence decision makers who can facilitate the implementation of corrections
- Measure and evaluate the results



# Things You Should Know

- The incident investigation, documentation, and reporting process including timeline
- Keep current and accurate records
- Develop and be prepared to implement a business continuity plan



# What If?



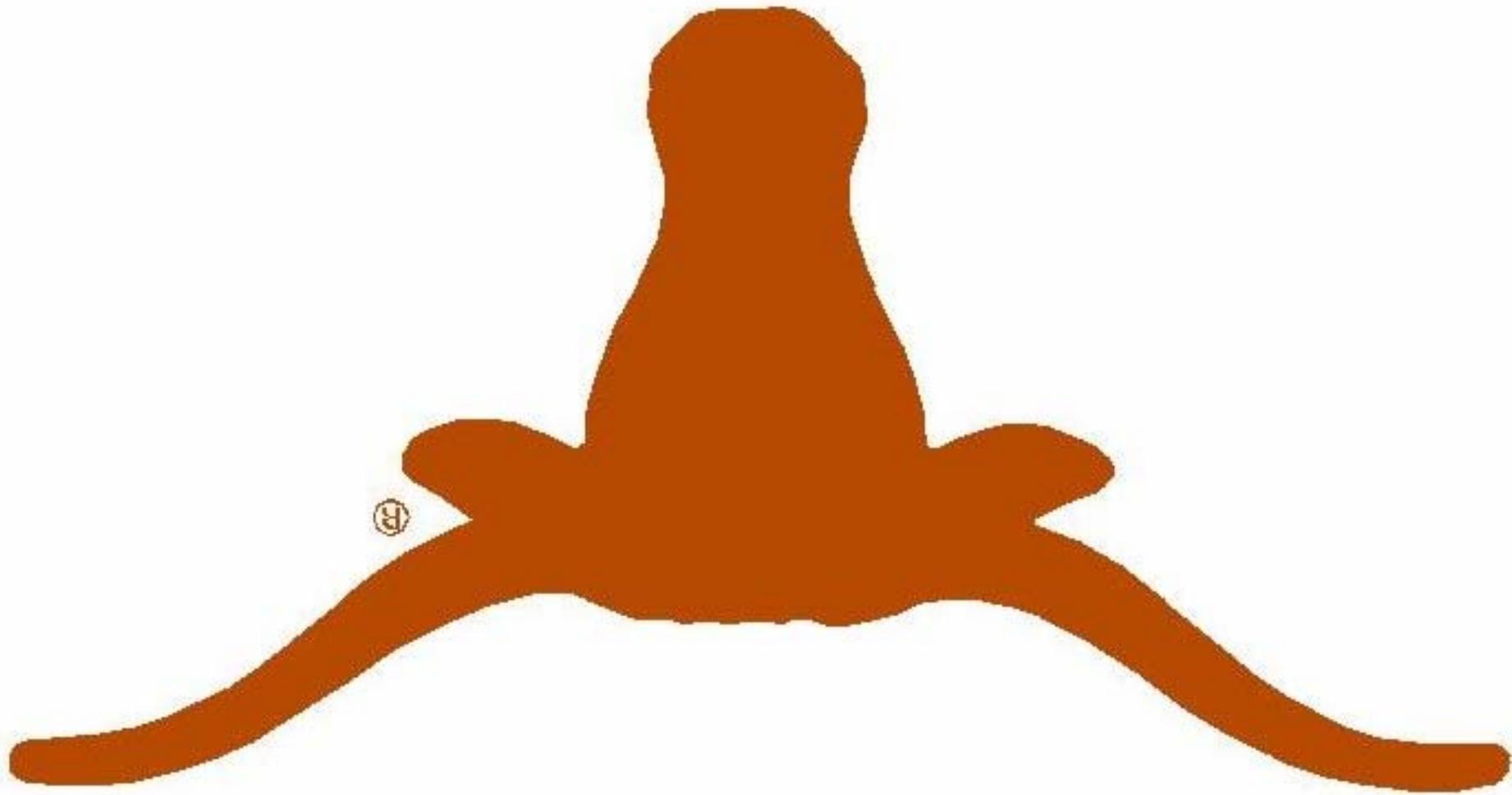
# Things You Should Know

- Know your coverage and exclusions
- Know your mitigation resources
  - Internal (maintenance, custodial, etc.)
  - External (restoration company, SRM, other specialists)
- Know the role of the players
  - Agency
  - SRM
  - Adjuster



**Break !**

Cunningham   
& Lindsey  
**Delivering the  
promises**



# About Cunningham Lindsey



- Cunningham Lindsey U.S. (CLUS) is a leading independent insurance claims services company, providing a wide range of claims adjusting services including commercial property and liability, personal lines, catastrophe response, and environmental assessment and remediation

# About Cunningham Lindsey (cont'd)



- In addition to our U.S. headquarters in Dallas, Texas we have a network of over 140 branch offices ready to meet the needs of our clients from coast-to-coast. We offer traditional risk management and claims adjusting expertise, plus service solutions to handle high volume, low severity property claims.
- For more information, please visit us at [www.cunninghamlindsey.com](http://www.cunninghamlindsey.com).



# State of OK Team Members

**Dan Daniel – Manager  
Dallas, Tx**

**Regina Selvidge, Adjuster  
Oklahoma City**

**Susan Courtney – Area  
Supervisor**

**Kevin Lloyd, Adjuster  
Oklahoma City**

**Evelyn Rawls, Acct Executive**

**Dick Rogers – Adjuster  
Tulsa, OK**

**Shelley Travers – Adjuster  
Tulsa, OK**



**Our Mission is to assist in presentation and submission of property claims for YOU and to assist in dealing with third party claimants for YOU.**

# Property Claims Handling

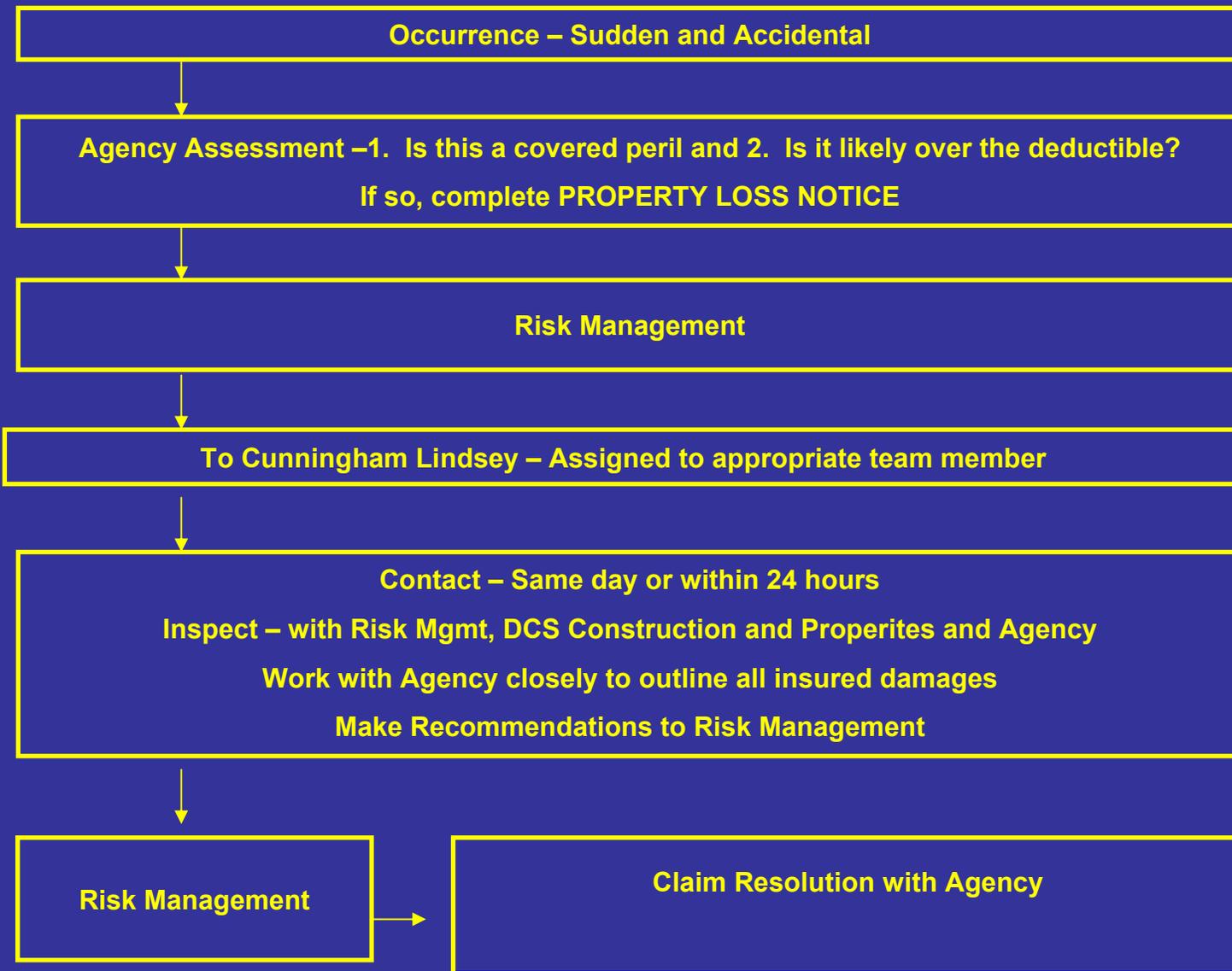




# Coverages

- Property Damage
  - Structural
  - Contents
- Extra Expense (expenses which are “over and above” what “normally” would be incurred.)
- Business Interruption

# Life of a Property Claim



# Agency notice to Risk Mgmt



- Prompt notice in proper format


**State of Oklahoma  
Department of Central Services  
Risk Management Division**

**PROPERTY LOSS NOTICE**

P.O. BOX 53364  
 OKLAHOMA CITY, OKLAHOMA 73152  
 405/621-4999 - Fax No: 405/622-4442  
 E-Mail: Jeannette\_Postman@dcs.state.ok.us

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CLAIM # \_\_\_\_\_

AGENCY NAME: \_\_\_\_\_ Agency Code: \_\_\_\_\_  
 AGENCY ADDRESS: \_\_\_\_\_  
 PHONE: \_\_\_\_\_ DATE OF LOSS: \_\_\_\_\_ TIME OF LOSS: \_\_\_\_\_

NAME AND LOCATION OF STRUCTURES/CONTENTS DAMAGED (If damage is to contents list the contents and the structure they were in when damaged. Include the address and city where damage occurred. PLEASE GIVE RISK MANAGEMENT GENERIC NUMBER OF STRUCTURE IF KNOWN)

DESCRIPTION OF LOSS - HOW AND WHAT WAS DAMAGED? (for example: wind tore off 1/4 of roof on north end of cabin # 4356 and contents were damaged by water.)

(attach additional sheets if necessary)

COUNTY OF LOSS: \_\_\_\_\_ ESTIMATED AMOUNT OF LOSS: (List structures and contents separately): \_\_\_\_\_  
 AUTHORITIES REPORTED TO: (Fire/Police, etc.) \_\_\_\_\_  
 PERSON TO CONTACT TO INSPECT LOSS: (Name & Phone) \_\_\_\_\_  
 COMMENTS: \_\_\_\_\_  
 FORM COMPLETED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
 SIGNATURE: \_\_\_\_\_ PHONE: \_\_\_\_\_

DCS/RISK MGMT - FORM P001 (00/2004)


**State of Oklahoma  
Department of Central Services  
Risk Management Division**

**PROPERTY LOSS NOTICE**

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**BEFORE A LOSS**

- Be sure you have reported, to Risk Management, the property you want insured. Property is covered on a repair or replacement basis for reported locations unless specifically excluded, limited, or placed on Actual Case Value. Repair or replacement is limited to the actual cost of repairs or replacement or the reported value, whichever is less. Check to insure your reported values are correct.
- Have an accurate, up-to-date inventory. Recent pictures, videos or copies of purchase orders may be used to establish ownership for items that are not on your inventory.
- Make sure any contractors performing new construction or renovation on your building are adequately insured. Risk Management does not provide "Builder's Risk" insurance.
- Maintain records of dates of any maintenance performed on your building or equipment. If you are in a rented location, maintain records of any maintenance requested by you and if the action taken was sufficient to correct the problem.
- Keep current architectural plans of your building in a safe place with a copy stored at another location.
- Have a plan of action prepared prior to a property loss. Personnel should be assigned to supervise repairs, make purchases, track expenses, and submit your claim.

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**WHEN THERE IS A LOSS**

- Report the loss immediately to the proper authorities, such as police or fire departments.
- Report the loss to Risk Management by phone (405) 521-4999 within 24 hours of the loss (a written loss form must be submitted with 10 days). Coverage will be denied for incidents that were not reported within 90 days of the date of the occurrence.
- Make sure the area is safe for personnel to enter.
- Take pictures of the loss before cleanup.

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- Take all necessary steps to minimize the loss and insure safety. Temporary repairs may be necessary to prevent further damage. Failure to protect exposed property from further damage in a timely manner may result in a separate incident, and/or loss, and a separate deductible, or reduced recovery values.
- If cleanup must proceed before inspection of the loss by Risk Management due to the threat of further damage or safety of personnel, do not dispose of any damaged items without Risk Management's approval.
- Track your claim expenses carefully. Keep accurate records of labor, purchases, equipment usage, etc. Any internal labor expense must have the following documentation:
  - Name, title, and hourly salary of employee
  - Dates and times worked on loss
  - Detailed description of duties performed. Include the location of the work and the materials used, if any.
 You will be required to document your claim with time sheets, purchase orders, inventory, etc.

**SUBMITTING YOUR CLAIM**

- Submit your claim to Risk Management when all repairs and/or replacements have been completed. You may also request partial payments while the claim is in progress, however, please limit partial payment requests to no less than 1/4 of the anticipated claim total.
- Submit two copies of your claim to Risk Management along with a cover letter stating your claim number and the total amount you are requesting. State if it is a partial payment or final claim reimbursement request.
- Prepare a spreadsheet of your expenses. Number your supporting documentation to coincide with its number on the spreadsheet.

If you have any questions, or need assistance with your claim, please call (405) 521-4999.

DCS/RISK MGMT - FORM P001 (01/2000)

# ADJUSTMENT PROCESS



## AGREEMENT ON SCOPE OF DAMAGE

Inspection performed by:

CL Adjuster

Risk Management Representative

DCS Construction and Properties

Agency Representative

Experts/Contractors as needed

# ADJUSTMENT PROCESS



## PERILS COVERED

- Fire
- Lightning
- Hail
- Water, Ice
- Wind
- Burglary

# ADJUSTMENT PROCESS

## (cont'd)



### PERILS COVERED

- Boiler and Machinery
- Flood
- Earthquake
- Vandalism
- Theft

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED

- Interruption of business
- Loss of market or loss of use
- Loss or damage or deterioration arising from any delay

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Mysterious disappearance
- Loss resulting from the voluntary parting with title or possession of property
- Loss or damage caused by or resulting from nuclear reaction or nuclear reaction or radioactive contamination
- Loss or damage caused by or resulting from warlike actions

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Loss or damage directly or indirectly caused by discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force
- Rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such occurrence

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Seizure or destruction by order of public authority
- Risk of contraband or illegal trade
- Fraudulent or dishonest act or acts of any officer or employee
- Lack of incoming electricity, fuel, water, gas, steam, refrigerant, outgoing sewerage, incoming or outgoing voice, data, or video

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Cost of making good, defective design or specifications, faulty material, or faulty workmanship
- Against loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Munitions property stored at any Oklahoma Military Department location or while in transit
- Wear and tear, lack of maintenance, deterioration, inherent vice, latent defect, corrosion or erosion
- Settling, cracking, shrinking, bulging or expansion of foundations, walls, floors, pavements, walls, ceilings or roofs

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Loss or damage to the interior portion of buildings under construction or renovation from rain, sleet or snow
- Sidewalks, roadways, and pavements
- Damage to indoor plants
- Electronic Date Recognition Exclusion

# ADJUSTMENT PROCESS (CONT'D)



## PERILS EXCLUDED (cont'd)

- Asbestos Exclusion
- Terrorism
- Fungi Exclusion

# ADJUSTMENT PROCESS (CONT'D)



## DUTIES OF THE INSURED

- Take reasonable steps to protect covered property
- Notify the police if a law is broken
- Report to SRM within 24 hours
- Loss must be reported in writing to SRM within three workdays
- 90 day reporting limit

# ADJUSTMENT PROCESS (CONT'D)



## DUTIES OF THE INSURED (cont'd)

- Complete inventories of damaged and undamaged property
  - Quantities, cost, values and amount of loss claimed
- Permit SRM and its representative to inspect the property for loss assessment

# ADJUSTMENT PROCESS (CONT'D)



## DUTIES OF THE INSURED (cont'd)

- Permit SRM to take samples
- Cooperate with SRM
- Provide bid specifications for repairs or replacements
- Provide SRM all requested documentation

# ADJUSTMENT PROCESS

## (CONT'D)



### DUTIES OF THE INSURED (cont'd)

- Agency must respond to written request for information or documentation from SRM within ten working days of the date of the request. Failure of the agency to respond may result in denial
- Agency is responsible to see all repairs and/or replacement have been completed and a final claim submitted to SRM prior to two years from the date of the incident



# ESTIMATE OF DAMAGES

- Once inspected, CL adjuster will prepare an estimate of damages based on the scope of *insurable* damages (those not excluded). The scope will be presented to Risk Management, who will in turn send to the Agency.
- Disputes must be presented within 30 days per **10. EXTENT OF LOSS (Pg 16)**

# SAMPLE PROPERTY ESTIMATE



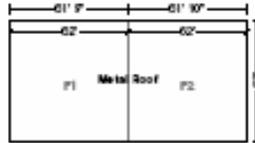
Cunningham Lindsey

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Claim Number	Policy Number	Type of Loss	Deductible
	UNKNOWN	Wind Damage	\$ 25,000.00
Property: OK			
Claim Rep.:		Business:	
Title:			
Company:			
Business:			
Estimator:		Business:	
Title:			
Company:			
Business:			
Date of Loss:	10/17/06	Date Inspected:	09/27/06
Date Entered:	10/03/06	Date Assigned:	10/17/06
Price List: TXAM2S6D			
Restoration/Service/Re model with Service			
Charges Broken Out			
Estimate: 406257273590			

406257273590

## Main Level



## Room: Metal Roof

7,811.56	Surface Area	78.12	Number of Squares
373.99	Total Perimeter Length	63.00	Total Ridge Length
0.00	Total Hip Length	3,905.55	Area of Face 1
3,906.01	Area of Face 2		

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Remove Metal roofing - High grade	7,812.00 SF	0.35	2,734.20	0.00	2,734.20
Roofing felt - 30 lb.	78.12 SQ	19.19	1,499.12	<224.87>	1,274.25
Sheathing - radiant barrier - 1/2" - OSB	96.00 SF	1.25	120.00	<24.00>	96.00
To replace wind-damaged portion of decking.					
Metal roofing - High grade	8,749.44 SF	5.29	46,284.54	<6,942.68>	39,341.86
Flashing, 14" wide	248.00 LF	2.40	595.20	<89.28>	505.92
Drip edge	250.00 LF	1.17	292.50	<43.88>	248.62
Ridge cap - metal roofing	63.00 LF	3.19	200.97	<30.15>	170.82
<b>Room Totals: Metal Roof</b>			<b>51,726.53</b>	<b>&lt;7,354.86&gt;</b>	<b>44,371.67</b>
<b>Area Items Total: Main Level</b>			<b>51,726.53</b>	<b>&lt;7,354.86&gt;</b>	<b>44,371.67</b>



## Room: Debris Removal

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Dumpster load - Approx. 40 yards, 7-8 tons of debris	1.00 EA	521.04	521.04	0.00	521.04
Debris chute rental - per week - 30" x 4' section	2.00 WK	15.50	31.00	0.00	31.00
Debris chute hopper rental - per week - 30" x 4' section	2.00 WK	36.00	72.00	0.00	72.00



**CONTINUED - Debris Removal**



DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Debris chute mounting hardware rental - per week	2.00 WK	21.25	42.50	0.00	42.50
<b>Room Totals: Debris Removal</b>			<b>666.54</b>	<b>0.00</b>	<b>666.54</b>
<b>Line Item Totals: 406257273590</b>			<b>52,393.07</b>	<b>&lt;7,354.86&gt;</b>	<b>45,038.21</b>

<b>Grand Total Areas:</b>					
0.00 SF Walls	0.00 SF Ceiling	0.00 SF Walls & Ceiling			
0.00 SF Floor	0.00 SY Flooring	0.00 LF Floor Perimeter			
0.00 SF Long Wall	0.00 SF Short Wall	0.00 LF Ceil. Perimeter			
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area			
0.00 Exterior Wall Area	0.00 Exterior Perimeter of Walls				
7,811.56 Surface Area	78.12 Number of Squares	373.99 Total Perimeter Length			
63.00 Total Ridge Length	0.00 Total Hip Length	3,905.55 Area of Face 1			
3,906.01 Area of Face 2					

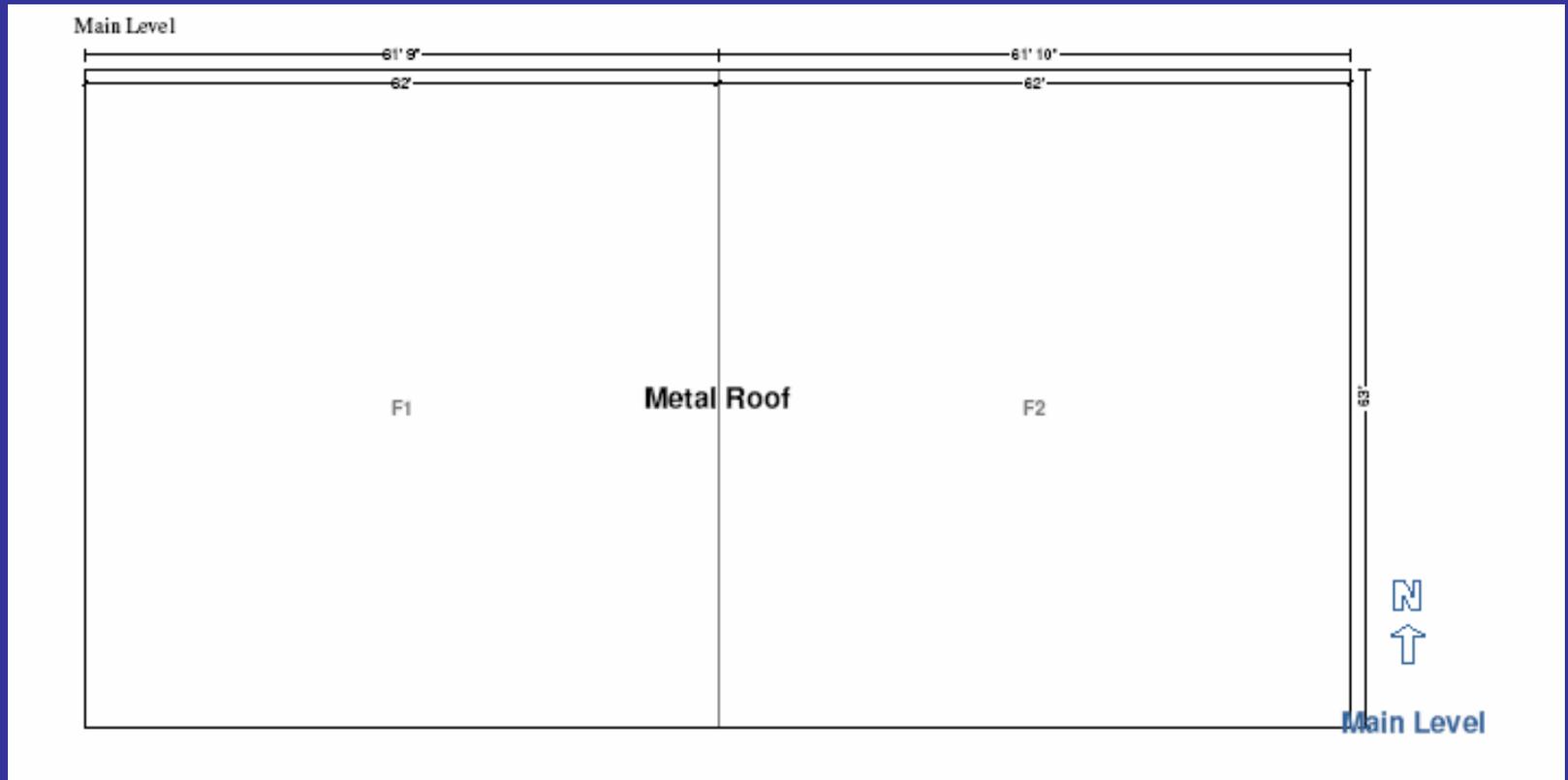
<b>Summary for Wind Damage</b>					
Line Item Total					52,393.07
Material Sales Tax	@	7.250%	20,946.71		1,518.64
Subtotal					53,911.71
Overhead	@	10.00%	51,177.51		5,117.75
Profit	@	10.00%	51,177.51		5,117.75
Replacement Cost Value					64,147.21
Less Non-Recoverable Depreciation					<9,099.44>
<b>Actual Cash Value</b>					<b>55,047.77</b>
Less Deductible					(25,000.00)
<b>Net Claim</b>					<b>30,047.77</b>

REGINA SELVIDGE  
Property General Adjuster



<b>Recap by Room</b>		
Estimate: 406257273590		
Area: Main Level		
Metal Roof	51,726.53	98.73%
Area Subtotal: Main Level	51,726.53	98.73%
Debris Removal	666.54	1.27%
Subtotal of Areas	52,393.07	100.00%
<b>Total</b>	<b>52,393.07</b>	<b>100.00%</b>

<b>Recap By Category with Depreciation</b>			
O&P Items	RCV	Deprec.	ACV
GENERAL DEMOLITION	666.54		666.54
ROOFING	48,992.33	7,354.86	41,637.47
Subtotal	49,658.87	7,354.86	42,304.01
Material Sales Tax @ 7.250%	1,518.64	228.00	1,290.64
Overhead @ 10.00%	5,117.75	758.29	4,359.46
Profit @ 10.00%	5,117.75	758.29	4,359.46
O&P Items Subtotal	61,413.01	9,099.44	52,313.57
Non-O&P Items	RCV	Deprec.	ACV
GENERAL DEMOLITION	2,734.20		2,734.20
Non-O&P Items Subtotal	2,734.20		2,734.20
O&P Items Subtotal	61,413.01	9,099.44	52,313.57
Subtotal	64,147.21	9,099.44	55,047.77
Less Deductibles	(25,000.00)		(25,000.00)
<b>Grand Total</b>	<b>39,147.21</b>	<b>9,099.44</b>	<b>30,047.77</b>



# SAMPLE CLAIM PHOTOS



# SAMPLE CLAIM PHOTOS



# EXTENT OF LOSS



## EXTENT OF LOSS

In most cases, Risk Management will provide the insured with a scope of repairs prepared by an adjuster or other qualified person. It is the responsibility of the insured to review the scope of repairs for correctness and completeness. If the insured is not in agreement with the scope of repairs provided by Risk Management, it is the responsibility of the insured to notify Risk Management in writing within 30 days of receipt of the scope of repairs of any disagreement or discrepancies. If the agency fails to notify Risk Management in writing of their disagreement with the scope of repairs within 30 days of the date it was provided to the agency, the claim will be adjusted in accordance with the scope of repairs. In the event that the claimant and Risk Management are unable to agree on the extent of the loss, either may make a written request to the other for an arbitration of the loss. In this event, each party will select a competent and disinterested appraiser, engineer, or other qualified expert to represent their position. The two representatives, with the consent of the parties they are representing, will select a third qualified expert to act as mediator. Each representative will state separately the extent of the loss. All exclusions and limitations in the Annual Statement of Coverage will apply to all parties. If the two representatives fail to agree, they will submit their differences to the mediator. A decision agreed to by any two will be binding. Each party will:

- a. Pay their chosen representative any costs associated with their assistance.
- b. Bear the expense of the mediator and any associated testing equally.



# CLAIM PAYMENT

- Amount payable shall be determined by SRM Administrator
- Loss affidavit and release of all claims properly executed by Agency
- SRM forwards warrant request to Finance Division of DCS



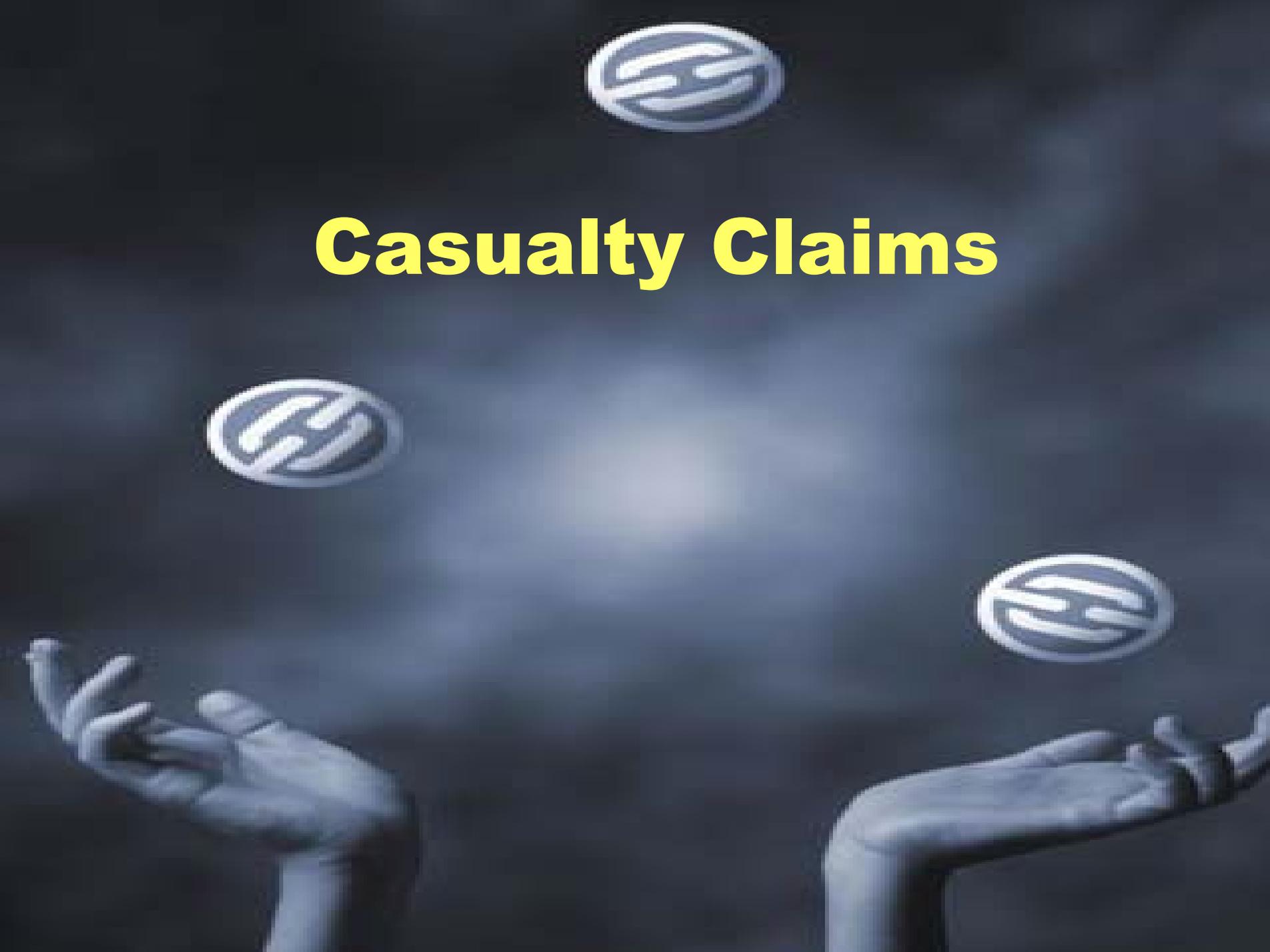
# CLAIM PAYMENT

- Finance Division will review all documents
- Issue a warrant

# Frequently Asked Questions



- Depreciation - What is it? How is it calculated?
- RCV vs. ACV
- How do we resolve disagreement?
- Scope
- Cause
- Pricing
- Timeliness
- Who has final determination?

A hand is shown at the bottom left, juggling three balls. Each ball features a stylized logo consisting of a circle with a horizontal bar and a vertical bar. The background is dark blue with a bright, glowing light source in the center, creating a lens flare effect. The text 'Casualty Claims' is centered in a bold, yellow font.

# Casualty Claims

# Role of Cunningham Lindsey



- **Assisting State of Oklahoma Agency; SRM; and Attorney General**
- **Investigate claims for determination of liability**
- **Evaluate damages**
- **Make recommendation to claim resolution**

# When Will CL Become Involved?



- Upon the request of Risk Management

# How is Investigation Performed?



- Scene investigation
- Witness/Interested party interviews
- Medical bill reviews
- Coordination of independent medical examination
- Damage estimates
  - Auto
  - Building
  - Personal Property
  - Other

# Conclusion of Casualty Claim



- **Liability Assessment / Damage Estimates submit to SRM for final determination**



# QUESTIONS?

Thank you very much