

# Wise Words

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

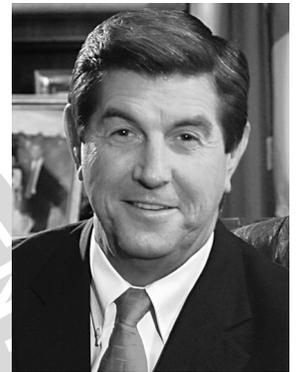
JUNE 2005

## PLEASE CIRCULATE

### IT'S THAT TIME AGAIN - HURRICANE SEASON

June 1st marks the beginning of hurricane season which runs through November 30th.

***A Message from Governor Riley**—Hurricane Ivan left Alabamians with a renewed respect for the powerful force of nature. Although this storm was unprecedented in Alabama's history, the state was very prepared thanks in large part to our dedicated state employees. As I said at the time, dedicated state employees worked through the storm to offer assistance, and the media did an excellent job relaying warnings and information to the public. I'm sure each of us resolved to learn from Ivan and be even better prepared the next time a natural disaster threatens our state. Now is the time to remember those lessons and prepare to put them into action.*



*Weather experts are predicting that the 2005 hurricane season will have a greater potential for harm than the 2004 season. The care of state buildings and property is essential to the delivery of services to the citizens of Alabama. Therefore, the state must take all reasonable measures to protect assets and to minimize any interruption of these services. Thank you for your continued dedicated service to our state.*

*Bob Riley*

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Hurricane Ivan came ashore in Gulf Shores, Alabama on September 16, 2004 creating approximately 2500 new claims for the State Insurance Fund. Reserves are currently at \$30 million. Fortunately the State Insurance Fund is protected by Excess Insurance which should reimburse everything except a \$3,500,000 deductible.

Dr. Bill Gray's 2005 Hurricane Season Forecast follows:

- 11 Named Storms (6 Hurricanes; 3 Intense Hurricanes)
- Landfall Probabilities for a Major Hurricane (category 3, 4, or 5):

**Entire U.S. Coastline**

Average for past century 52%  
2005 Forecast 69%

**East Coast plus**

**Florida Peninsula**

Average for past century 31%  
2005 Forecast 49%

**Gulf Coast (Texas to Florida Panhandle)**

Average for past century 30%  
2005 Forecast 39%

**Caribbean**

Above average risk

Preparations should be made well in advance of a storm in order to mitigate any resulting losses. The following suggestions are offered:

# MEDIATION IS NOW AVAILABLE AS AN ALTERNATIVE FOR SEICTF DISPUTE RESOLUTION

Disputed coverage issues regarding entitlement to State Employee Injury Compensation Trust Fund (SEICTF) benefits are heard in a formal hearing before an Administrative Law Judge (ALJ) or an informal hearing before the SEICTF Review Board. In an effort to reduce the stress and costs of litigation and to speed up the dispute resolution process, SEICTF has noted the benefits of Mediation as an alternative dispute resolution method by employers subject to the jurisdiction of the Alabama Worker's Compensation Law. The Alabama Dept. of Industrial Relations' Ombudsmen program has proven that Mediation is a voluntary, informal, dispute resolution process whereby an impartial third party, can and does assist parties to reach an agreement, identify issues, clarify misunderstandings, explore solutions, and negotiate settlement of disputed issues. Published literature stresses the expected benefits of Mediation as follows:

- Cases are handled quickly: A mediation session has the effect of bringing settlement negotiations "to a head" much quicker than if the case proceeds to trial.
- Reduces expenses of litigation: Mediation helps parties take every step possible to settle a case before it goes to Court. While a result cannot be guaranteed in any particular case, mediation is generally a cost-effective way to handle claims.
- Improved Communication: The mediation session allows you to put your case directly to the person who must make a settlement decision.
- Continuing Relationships: Mediation is particularly appropriate where the disputing parties will have to work together after the dispute is settled. Mediation allows the parties to stay on the best terms possible by doing everything they can to settle their dispute quickly and avoid litigation.
- Flexibility: Mediation sessions can be set up very quickly and can be held at convenient times and locations. In addition, parties may negotiate a settlement that involves responsibilities other than paying money.

SEICTF requested, and the SEICTF Review Board agreed, that Mediation should be used in any and all cases where it is beneficial to the parties. All litigated cases pending before an ALJ or the Review Board are eligible for Mediation.

## Wise Words

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Department of Finance  
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**Director of Finance**  
James Allen Main

**Acting Risk Manager**  
Kim Huggins

We greatly appreciate the  
contributions of the following  
individuals to this issue of  
*Wise Words*.....

Kim Huggins, Marilyn Tucker,  
Mike Jarrett, Carl Walter

## Wise Words

777 South Lawrence St.  
Montgomery, Alabama  
36130-3250

(334) 223-6120 Phone

(334) 223-6154 Fax

or e-mail:  
riskinfo@riskmgt.alabama.gov  
or web site:

<http://www.riskmgt.state.al.us>

If you are interested in receiving this  
publication via e-mail, please send  
your e-mail address to  
[becky.cole@riskmgt.alabama.gov](mailto:becky.cole@riskmgt.alabama.gov)

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## Pre-Hurricane Planning

- Staff and train an Emergency Response Team whose members would be available prior a storm, to implement the Action Plan and to respond after the storm for clean-up and salvage operations.
- Have on hand the telephone numbers and contacts for local offices of emergency preparedness (Civil Defense). Contact them in advance to plan and coordinate activities before the need for emergency action.
- Arrange back-up communications such as two-way radios or cellular phones, and have spare batteries and a diesel-driven emergency generator on site.
- Order emergency supplies and maintain them throughout the hurricane season.
- Inspect roof coverings and flashing and repair as needed.
- Identify and consider the removal of large trees that could fall and damage buildings or power and communication lines.

## Impending Hurricane

Use the two or three day advance warning system the National Weather Service gives to begin taking action consistent with your emergency plan.

- Initiate implementation of your emergency action plan. Begin taking steps to shutdown operations if necessary.
- Make sure gutters and drains are free of debris so that they will function properly.
- Check/maintain all necessary back-up equipment such as emergency generators and communication devices.
- Install hurricane shutters/plywood over windows and doors. Tape windows that are not boarded up.

## After The Hurricane

- Secure the site.
- Survey for damage. If there is damage, call Risk Management promptly!
- Survey for hazards such as live wires, leaking gas, flammable liquids, etc.
- Begin salvage as soon as possible to prevent further damage. Cover broken windows and torn roof coverings immediately.

By planning ahead, you may prevent or minimize hurricane damage. For more information, please contact our office, the Emergency Management Agency, or the American Red Cross. ■

**Please Pay Any Risk Management  
Invoices Within 30  
Days of Receipt**

*Wise Words*

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Montgomery, Alabama 36130-3250

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## **NEW AND IMPROVED CLAIMS SOFTWARE BROUGHT ON-LINE FOR SEICTF.**

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On February 7, 2005, the State Employee Injury Compensation Trust Fund (SEICTF) began using new computer hardware and claims software. The SEICTF information system has left the stone age (Windows 95) and moved on to the next generation with Windows XP. The claims software is specifically designed for employee injury claims management. The new system is considerably faster and has features that enable the SEICTF staff to deliver services and communicate to agencies and employees in a much more timely and effective manner. Please note that e-mail addresses for the SEICTF staff were changed shortly after installing the new software. Please contact SEICTF at (334) 223-6162 or (888) 827-6753 if you need to update an e-mail address. ■

***Mark Your Calendar!***

**June 30, 2005**

***Certification Forms Are Due Back In!***