

RISK MANAGEMENT MANUAL



RISK MANAGEMENT DIRECT

Your Coverage Requires That You Report all Claims and/or Incidents That Could Be Potential Claims Immediately.

Claims Services are Provided 24 hours/day, 7 days/week.

NOTICE: The Contract/Certificate of Insurance your agent affected is a “Manuscript Policy” and it differs significantly from the standard or more conventional types of insurance contracts offered by other insurance companies. Coverage is strictly limited to those activities, operations, and locations listed and described.

KEY CONTACTS SHEET

(Please post for future reference)

RISK MANAGEMENT

Risk Management Direct (RMD)- Salt Lake City Office
Prime Plaza
P.O. Box 4439
Sandy, UT 84091-4439
Toll Free (877) 585-2851 Fax (801) 304-5575
Office Hours: 8:00 a.m. to 5:00 p.m. (MST), M-F

CLAIMS REPORTING

All claims should be reported **IMMEDIATELY** to:

Claims Direct Access (CDA)- Salt Lake City Office
Prime Plaza
P.O. Box 4439
Sandy, UT 84091-4439
Toll Free (877) 585-2849 Toll Free Fax (877) 452-6909
Office Hours: 8:00 a.m. to 5:00 p.m. (MST), M-F

OTHER OFFICES

Claims Direct Access (CDA)- Illinois Office
303 W. Madison Street, Suite 2075
Chicago, IL 60606
Telephone (312) 983-7190 Fax (312)-408-8081
Office Hours: 8:30 a.m. to 4:30 p.m. (CST), M-F

For After-Hours Reporting Of Any Claim:

Call 1-877-243-8182

Fax (877) 452-6909

Or via e-mail at CDA@primeis.com

RISK MANAGEMENT

Risk Management, simply defined, is doing those things that will help you 1) prevent accidents and avoid claims, 2) respond properly in the event of an accident in a manner that will help you minimize damage and liability, and 3) not doing those things that will hurt you in the event of an incident, claim, or lawsuit.

We encourage you to take a role as our partner in minimizing risk and in fighting frivolous litigation. Our combined assets are at stake and it is going to take our united efforts to prevail in what is, increasingly, a hostile litigation environment. If you have any questions or require assistance in designing and implementing any of these concepts, please contact the Risk Management Department at the phone number listed on the attached Key Contacts Sheet.

The following risk management guidelines are designed for quick access to the information pertinent to your business.

PREVENTING AN ACCIDENT

PROPERTY DAMAGE

All real property insured must meet all local, state, and federal guidelines and licensing requirements. In addition, any building or facilities open to the public should do regularly scheduled maintenance and keep logs to reflect the same. Management should implement a safety program to document the inspections in and around the premises for safe operations. Page 14 includes a "Monthly Facility/Plant Inspection" form that should be customized to meet individual business needs. Without documentation of regular inspections and preventative maintenance, your good efforts will be disputed after an injury.

Appropriate signage should be posted to indicate proper behavior (e.g. "Watch Your Step", "No Customers Beyond This Point"), inherent risks (e.g. "HOT - Do Not Touch", "Hard-hat Area"), and temporary unsafe conditions (e.g. "Wet Floor").

BODILY INJURY

All Insureds must operate their facilities and programs in a way that meets the prevailing professional standards of care for that industry. That means that you need to keep track of your industry through trade journals, trade association membership, or attendance at trade association conferences. You must also address the five most common problematic allegations of a personal injury lawsuit:

1. *The plaintiff claims that (s)he was not adequately warned and informed.* You can neutralize this allegation by simply posting signs, safety rules, and other important safety information. You may also issue brochures or handouts to people. You could also use safety videos in some circumstances. One of the key objectives in preventing this allegation is to have a system in place, which enables you to prove, in writing, that people were warned and informed. Some Insureds may be required to use liability release forms.
2. *The plaintiff claims that (s)he was not given proper instructions.* This allegation goes hand in hand with number one above and is solved in the same ways.
3. *Your staff was at fault.* It is critical that you hire staff that are appropriate for the job and that you keep personnel files containing resumes and photocopies of relevant training and certifications. You should also develop an operations manual, which contains information on job descriptions, safety procedures, and an accident/emergency response plan.
4. *The accident/emergency response was inadequate and contributed to the plaintiff's pain and suffering.* You must develop a plan for accidents that is clearly communicated to the staff through the operations manual and staff training.
5. *Your equipment/facilities failed or were not properly maintained.* You must establish an equipment/facilities maintenance schedule and document its implementation and the results of all maintenance checks.

PROFESSIONAL SERVICE CONTRACTORS

Professional Service Contractors can reduce liability and claims by ensuring they have proper contracts in place for the services they render. Professional Service Contractors includes a broad range general contractors, building and construction contractors, medical contractors, etc. **All Professional Service Contractors must utilize an approved service contract.** An approved service contract shall include, but not be limited to the following:

1. The time and place that the work will be performed with an estimated completion time/date
2. A narrative description of exactly how the work will be performed
3. A description of the contractor's responsibilities
4. A description of the contractee's responsibilities
5. A description of the finished product or task
6. A disclaimer for all problems that are unrelated to the work to be performed, any pre-existing conditions, or the final product
7. A Hold Harmless/Indemnity clause, which includes attorney's fees for any actions arising from the service contract.

Note: The contract needs to conform to your state's laws. Contact your attorney for proper wording.

All contracts should be comprised of counterparts, in that if two parties are signing the contract there should be two original contracts, and so forth for three or more. Each party to the contract signs each of the originals and each party receives and retains an original signed copy

HANDLING AN ACCIDENT

WHAT TO SAY, NOT SAY; DO, AND NOT DO

Often, the opportunity to defend an Insured against frivolous litigation is lost in the first few days after the accident occurs. As time goes by, memories fade, details are forgotten, and the opportunity to put a professional face on the entire incident disappears. Quite often, litigation attorneys wait until the statute of limitations has almost expired to file the lawsuit. Their hope, and, too often the unfortunate reality is, that much key information has been lost or forgotten. By waiting to do good accident documentation, you will give the plaintiff the advantage. The sooner you put your accident report together, the better our chances are of effecting a successful defense. You have agreed to the terms of the insurance contract to report all accidents, occurrences, and claims **IMMEDIATELY** after they occur.

In handling accidents, there are generally two jobs that need to be assigned if you have the personnel and the talent. Small operations may need to combine these responsibilities under one individual. One job is that of the Accident Coordinator. This person handles all interaction with the injured, the family members, and the press. The other job is that of the Accident Investigator. The investigator is responsible for gathering witness statements, official reports from government agencies like law enforcement, hospital reports, and coroners reports. (S)He is the person who will work most closely with Claims Direct Access (CDA), the claims department, to help develop the defense. You and your management personnel will work closely with CDA and Risk Management Direct (RMD) before and after the accident. This teamwork is essential if we are going to achieve our mutual goals of protecting our combined assets.

The following guidelines will help you handle accident situations properly, which will save you time and money. Remember, time is of the essence. Any delays could end up costing you and your industry thousands of dollars in legal fees and higher insurance premiums.

I. YOUR RELATIONSHIP TO THE INJURED PERSON

Lawsuits are more likely to be filed by people who feel that the Insured did not demonstrate concern for their well-being. Injured persons should be treated with compassion and concern for their physical as well as emotional needs. Go to the hospital, call and inquire as to the injured person's condition, follow up, and get to know the person. We are much less likely to sue our friends. If there was a fatality involved, your company should send representatives to the funeral, which would most likely consist of a key member of your management and, if any of your staff were directly involved, one of them as well.

Remember to assess and attend to the needs of any other participants who were involved, as well as to the needs of your staff. They may be used as witnesses later, and their impressions of how the situation was handled could be very important.

Staff should not make guarantees of a speedy emergency response or inadvertently make admissions of guilt or wrongdoing. Do not address the cause of the accident verbally or in writing if it involves opinion, conjecture, or speculation. Concern and empathy for what they are experiencing can be expressed without admitting guilt.

II. HOW AND WHEN TO USE THE EXCESS MEDICAL PROVISION OF YOUR POLICY

Your policy contains an excess medical provision which may help pay for an injured person's out-of-pocket medical expenses. If they have their own medical insurance coverage, they will most likely have a deductible and a co-payment. The excess medical coverage is designed to help injured persons with these expenses. This coverage is considered in excess of their primary coverage and is exercised at the discretion of the insurance company. Look for red flags such as statements by the injured person regarding financial hardships and say, "Our liability insurance policy may be able to help you with your out-of-pocket medical expenses. You should call and submit your medical bills to the Claims Manager, at Toll free 877-243-8182, or Fax 877-452-6909." Do not guarantee that it will be available, even though 90% of our claims are resolved by offering the excess med-pay in return for a signed release of all past, present, and future claims.

III. THE FULL WRITTEN REPORT

You will need to make a thorough written report as soon as possible. Use the **Accident Report Form** (attached) and answer all the questions and enclose all requested information. Keep in mind that this report and any of your program documentation is "discoverable." This means that a litigating attorney can and probably will request copies, and by law you have to comply with his/her request. Therefore, avoid any written statements that could be used as the foundation of allegations against you in a lawsuit. Stick to the facts: who, what, where, and when, but never why.

IV. WITNESSES

One good supportive witness statement can shut down frivolous litigation completely. Therefore, you and your staff should do your best to get even one witness statement. Other participants, spectators and your staff should all fill out the enclosed **Statement of Accident** form, if possible. Your staff should also write down anything that the injured person(s) or the witnesses say regarding the accident. Their stories may change after an attorney gets an opportunity to coach them.

V. PHOTOGRAPHS

Photographs of the accident location should be obtained, if possible. Be sure to get close-ups as well as shots taken from further back that depict the larger picture. If your company owns vehicles it would be a good idea to keep a disposable camera in each vehicle in case of an accident.

VI. EQUIPMENT

Your equipment's condition and suitability will almost always be a subject of litigation. It is essential that you keep maintenance records to show that all equipment is inspected regularly and has a preventative maintenance schedule. Equipment inspections must be documented as well as repairs. If the manufacturer has specifications for use and maintenance of a particular piece of equipment, it must be followed.

Any of your equipment that is involved in an accident should be pulled from your equipment inventory, inspected by an independent professional that provides a written report regarding the equipment's condition before being put back into service in your equipment inventory. Broken or faulty equipment should be removed immediately and secured until repaired. There is an "Equipment & Maintenance Documentation Log" included on page 15.

VII. DEALING WITH THE NEWS MEDIA

Dealing with reporters at the scene of an accident can be frustrating and confusing. Your company should designate a company spokesperson, usually a member of key management, who is to handle all inquiries by the press and issue a statement or press release. At the time of the accident, it is best for staff to simply say, "We do not have any comments or statements at this time. Please contact management at . . . for more information." In the event of a fatality, you can also get persistent reporters to be reasonable by saying, "Information will not be released until the next of kin have been notified."

VIII. DEALING WITH THE FAMILY OF THE INJURED OR DECEASED

Contrary to what a lot of insurance companies counsel, we know that it is important to do whatever you can to show compassion and empathy for those individuals who either were injured or are related to a participant fatally injured. Use your best judgment as to how close you get to the family. You may choose to maintain your distance, find it appropriate to visit them in the hospital, or even go to the funeral. The Risk Management and Claims Departments have considerable experience in these matters and you should contact them if you have any questions or doubts about what to do.

IX. DEALING WITH PUBLIC AUTHORITY (POLICE-FIRE-MEDICAL EXAMINER – REGULATORY ENFORCEMENT)

When having to deal with public authority due to an incident, there are three (3) very important guidelines to adhere to: 1) Never lie or exaggerate, 2) Never guess, speculate or voice an assumption (if you don't know, simply say you don't know), and 3) Never sign anything, or give a statement without receiving a copy of what you signed and any statement you gave. Do not hesitate to request your attorney be present.

CLAIMS REPORTING PROCEDURES

Claims Direct Access (CDA) manages claims-related contracts of insurance which are defined as freely negotiated and stipulate **specific requirements, representations, exclusions, and limitations.** CDA handles claims as agreed in each specific contract, which require immediate reporting and compliance from you. If you do not comply with the immediate reporting requirement in your policy, coverage may be denied!

Part of the success of our program depends on each Insured's willingness to be forthcoming in claims and incident reporting. Timely reporting enables CDA to implement aggressive claims handling when appropriate. Personal injury claims will be carefully evaluated to determine liability. When none exists, an aggressive defense will be pursued. CDA's success, with your help, will translate to your success by working to control rate increases and by providing coverage availability and stability. The requirement of your coverage to report claims is made to assist the insurance company in doing the job you paid them to do.

Please use the appropriate reporting forms attached to report claims.

INCIDENT & ACCIDENT REPORT

Insured _____ Insurance Policy Number _____

Address _____

Person filing report _____ Work phone _____ Home Phone _____

Name of injured party _____ Age _____ Gender _____

Injured Party(s) address _____

Injured Party(s) employment _____

Work phone _____ Home Phone _____

Does the injured party have any medical insurance coverage? If yes, identify. _____

Activity participated in during the accident _____

Date and time of accident _____

Describe the extent of the injury. _____

What happened? _____

Describe the accident site and location. (Take pictures if possible.) _____

Did you transport the injured or recommend that they go to a medical facility? _____

If yes, what is the name and address of that facility/doctor? _____

Were there any other contributing factors? Weather Other participants Injured's behavior Other (explain) :

Enclose with this report the following items:

1. A copy of the assumption of risk or liability release form that the injured signed (if any)
2. Written narrative statement by all witnesses describing what happened
3. Names, addresses, and phone numbers of all witnesses, whether other participants, staff, or independent witnesses
4. Injured Party(s) statement
5. List all staff present for the accident and include ages

SIGNATURE OF PERSON COMPLETING REPORT _____

TITLE _____ DATE _____

WITNESS AND/OR INJURED PERSON'S STATEMENT OF ACCIDENT

Our insurance company asks us to collect witness statements pertaining to accidents so we may determine how they occur. We use this form to obtain these statements so we can do what we can to prevent them in the future. Thank you for your assistance in this very important endeavor.

1. Describe events leading up to the accident.

2. What happened?

3. Describe what happened after the accident took place.

4. Can you think of any way this type of accident could be avoided in the future?

5. Were sufficient warnings, instructions, and information provided?

Name _____

Address _____

Signature _____ Date _____

**Claims Direct Access
Automobile Loss Notice**

I. Insured information.

1. Name of the policyholder. _____
2. Insured's address. _____
3. Policy Number. _____
4. Date of incident. _____
5. Broker and Agent. _____
6. Where to contact. _____
7. Phone number and time to contact (also give business phone if any) _____

II. Loss.

1. Location of Accident (include city and state). _____
2. Description of Accident (use reverse if necessary). _____

3. Authority Contacted, i.e. police, etc. include report # and copy of report. _____
4. Violations/Citations. _____

III. Property Damage/Other Vehicle

1. Make. _____
2. Model. _____
3. Year. _____
4. Body Type. _____
5. V.I.N.# _____
6. Owner's Name and Address: _____

7. Residence Phone: _____
8. Business Phone: _____
9. Drivers Name and Address (if different). _____

IV. Property Damage/Insured Vehicle

1. Make. _____
2. Model. _____
3. Year. _____
4. Body Type. _____
5. V.I.N.# _____
6. Driver Name/Relation to Insured: _____
 - A. Date of Birth: _____
 - B. Driver's License Number. _____
 - C. State: _____
 - D. Purpose of Use: _____
 - E. Used with Permission? Yes No

7. Describe Damage. _____

8. Where is vehicle now? _____

9. Phone Number: _____

10. Other Information. _____

V. Injured.

1. List all Injured, Including; Name, Address, Phone, Age, and a brief description of injury.

<u>Name</u>	<u>Address</u>	<u>Phone</u>	<u>Age</u>	<u>Description</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

2. Witnesses or Passengers.

A. Names and remarks (use reverse if necessary).

<u>Names</u>	<u>Remarks</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signature _____

Date: _____

Name _____

**Claims Direct Access
Property Loss Notice Form**

I. Insured Information.

Name of Insured _____
Contact Name _____
Contact Social Security # _____
Contact Phone # _____
Policy Number _____ **Effective Date of Policy** _____
Date of Loss _____ Time of Day _____
Mortgagee _____
Policy Type: _____ Dwelling _____ Business Prop. _____ Other Structures _____
Limits: \$ _____ **Building:** \$ _____ **Contents:** \$ _____
Theft: _____
Self Insured Retention: \$ _____

II. Loss

Location of Loss (Address and Description, use reverse if necessary)

Estimate of Damage: Building \$ _____ Contents \$ _____ Other \$ _____

Kind of Loss: _____ Fire _____ Lightning _____ Flood _____ Theft
_____ Hail _____ Wind _____ Other (explain)

Description of Loss (Use Reverse if Necessary):

Police or fire department reported to: _____

Description of buildings involved (Use Reverse if Necessary):

1. _____
2. _____
3. _____
4. _____

Signature of Insured: _____ Date: _____
Name: _____

**Claims Direct Access
Liability Incident/Accident Reporting Form**

Named Insured: _____
Address: _____
Office Phone: (____) _____ Home Phone: (____) _____ Contact: _____
Insurance Policy Number: _____ Effective date: _____
Name of Injured Party: _____ Age: _____ Gender: _____
If minor, legal guardians name: _____
Address: _____

Employment: _____
Home phone: _____ Employment phone: _____
Activity participating in: _____
Date of Injury: _____ Time of injury: _____
Describe the extent of the injury (use reverse if necessary):

Describe the Injured's mental status:
Confused _____ Calm _____ Panicked _____
Aggressive _____ Other _____

Describe in detail how accident happened (use additional sheets if necessary):

Allergies & medications: _____
Describe first aid given: _____

Is this a re-injury of an old condition? ___ Yes ___ No
Activity time lost: None _____ ½ Day or More _____ Ended participation _____
Describe evacuation: _____

Describe location and accident site: _____

Describe the weather: _____

Temperature (estimate): _____
Were there other contributing factors? (If yes, describe) _____

Did equipment contribute in any way to the accident? (If yes describe) _____

Were any photographs taken? Yes (please forward) ___No

Employees on site (Name, Age, Experience):

Name Age Experience

_____	_____	_____
_____	_____	_____
_____	_____	_____

Has the Injured Party been at this location before? Yes No (if yes frequency)

Does the Injured Party currently have medical insurance? Yes No (If so what company)

Did the Injured Party contribute to the accident in any way? Yes No (If yes describe)

Did the Injured Party state that he/she contributed to the accident in any way?

Yes No If yes explain _____

Did the Injured Party refuse first aid or evacuation? Yes No If yes explain circumstances _____

Did another participant contribute to the injury? Yes No If yes explain _____

Additionally Obtain and Attach:

- A. Copy of any contract or written agreement with the Injured Party.
- B. Written narrative statement by your employee of "What Happened."
- C. Names, addresses and phone numbers of all witnesses including:
 - 1. Client
 - 2. Employees
 - 3. All Other Witnesses
- D. Witness statements.

Signature _____ Date: _____

Title: _____

MONTHLY FACILITY / PLANT INSPECTION

GENERAL AREA (Month/Year)

- Walkways clean/clear/safe
- Parking area maintained
- Hazardous areas blocked off

ILLUMINATION – WIRING

- Frayed Wiring taken out of use
- No overloading of circuits
- Machinery grounded as required
- Ext/Interior properly lighted

HOUSEKEEPING

- Floor machines safe
- Washrooms inspected 2X daily
- Storage rooms safe
- Waste disposal area safe
- Vermin control plan in place

TOOLS

- Power tool wiring safe
- Safety training documented

FIRST AID

- First aid kits in place
- Eyewash stations

FIRE PROTECTION

- Extinguishers charged & in location
- Exit lights/doors/signs inspected

SECURITY

- Door & window locks function
- Alarms operational

MACHINERY

- Machines attended while in operation
- Instructions to operate/stop posted
- Maintenance documented for equipment
- Safety guards in Place

MATERIAL STORAGE

- Haz./Flammable material stored properly
- MSDS maintained for all chemicals used
- Proper ventilation

EQUIPMENT & MAINTENANCE DOCUMENTATION LOG

Month/Year _____

Equipment	Repairs/Maintenance Performed	Date	Initials
Generator	Inspect battery, Check gas, run for 10 min	12/15/2003	
Furnace	replace filter	12/15/2003	
Fire system	Inspect pressure valve	12/29/2003	
Bike #1268	Brake cable replaced	12/18/2003	
Moped 44237	Front tire replaces	12/22/2003	
Auto Belay	Cable replaced per manufacturer specs	12/2/2003	
Safety Harness #1	inspected, no problems	12/27/2003	
Safety Harness #2	inspected, no problems	12/27/2003	
Safety Harness #3	inspected, no problems	12/27/2003	
This form is available on-line at Primeis.com			