

A Publication
Dedicated to Risk
Management in
Montana State
Government and
Higher Education

Summer 2012

Risk Matters

Department of Administration

RMTD



RISK MANAGEMENT AND TORT DEFENSE DIVISION

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Fires, Wildfires, and State Insurance!



Living in Montana means enjoying the solitude of fishing mountain streams, hiking vast wilderness areas, enjoying wildlife, and camping.

State agencies and universities own and/or maintain vital properties in many of these beautiful and pristine 'fire corridors'. Recent fires at state properties serve as stark reminders that fire season came early this year and it's not over yet!

State agencies and universities are, therefore, reminded to take appropriate fire precautions in order to protect vital state assets and natural resources.

In June 2012, the Bear Trap 2 fire was started by fireworks and burned 15 miles of fence at a Montana State University property (below). Damages are estimated at \$150,000.



A recent fire in Libby (below), was started when an incendiary device was thrown into a leased state office building through an air conditioning unit. Damages are estimated at \$25,000.



In 2006, an electrical malfunction at the Agricultural Research Station near Red Bluff (below) resulted in the destruction of several university properties and facilities.



If your state/university property is damaged or destroyed by fire, the Risk Management & Tort Defense Division (RMTD) stands ready to assist you with a comprehensive plan of insurance protection.

Insurance does not cover land, crops, or animals. Call us at (406) 444-2421 if you have additional questions.

Recent Data Breaches Emphasize the Need for Better Information Security

Two data breaches have occurred in the past 6 months. The first occurred when a hard drive with personal information was stolen from a state contractor's business. The second breach happened when the name and social security number of a third party were inadvertently re-

leased with training material by a state agency. Both breaches were very small (< 10 names) and the affected parties were notified by mail, offered credit monitoring, and given access to identity theft resources by the state's insurance carrier.

Loss Mitigation Grants and Cyber Security

RMTD is looking for ways to assist state agencies/universities to win the fight against cyber/information security breaches.

In FY 2010, the division assisted the State Information Technology Services Division (SITSD) in the purchase of data security software through a loss mitigation grant award of \$27,300.



The grant allowed SITSD to purchase software that looked for accidental or intentional backdoors (i.e. bypasses of system security). The software can examine new computer programs, detect security flaws added during updates, and identify websites that may introduce system vulnerabilities.

According to SITSD, the proliferation of mobile devices (smart phones and tablets) and applications is the latest problem. Unauthorized access of private, non-public information may arise from failure to implement appropriate mobile device security measures.



RMTD recently funded a grant of \$60,000 to allow SITSD to purchase a Mobile Device Management (MDM) tool.

MDM technology allows managers to oversee the operation of cell phones and tablets used to access secure data as easily as they have been able to manage desktop computers.

According to Lynne Pizzini, SITSD's Information System Security Officer, the MDM tool will be compatible with all mobile device operating platforms and applications and will be able to function through multiple service providers.

MDM can be implemented directly over the air to target mobile devices that access electronic data and it can add or remove devices from the system as well.

To learn more about how to obtain a loss mitigation grant for cyber security measures go to <http://rmtd.mt.gov/safetylosscontrol/lossmitigationgrants.mcp.x>.

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NOTARYMINDERS!

Table 1

By way of reminder, state law requires all state and university notaries to purchase a 4 year notary bond with a value of \$10,000. The bond protects the public from a notary's failure to correctly validate the identity of someone.

The Risk Management & Tort Defense Division is pleased to offer a low cost notary bond alternative for notaries with new commissions or expiring bonds. Your notary may obtain a bond through the state's insurance broker, Alliant Insurance Services, at very competitive rates provided in Table 1 (next column).

Since the notary bond protects the public, not the notary, it is recommended that each notary obtain at least \$10,000 in additional errors & omissions coverage.

To apply for notary bond coverage, please complete the notary bond application found on our website at <http://rmtd.mt.gov/insurance/notarybond.asp>.

4 Year Notary Bond of \$10,000 = \$40	
(Additional Recommended)	
Errors & Omissions	
\$10,000.....	\$52
\$15,000.....	\$65
\$25,000.....	\$78
\$50,000.....	\$156
\$100,000.....	\$312

For additional information about how to become a notary or to renew your notary commission, please visit the Secretary of State's website at http://sos.mt.gov/notary/Become_Notary.asp.

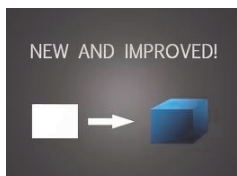


PCIIS End User Training

The state Property/Casualty Insurance Information System (PCIIS) was developed by the Risk Management & Tort Defense Division to assist state agencies/universities to report their insurable assets.

Through web-based reporting tools, state agencies/universities may enter new assets, update existing assets, and/or review historical insurance information.

We are pleased to report that PCIIS has been updated to employ a java-based user interface and simpler navigational tools.



The new and improved PCIIS also incorporates new reporting tools which will allow end users to download data directly to folders for review, retrieval, and custom queries.



PCIIS users will no longer have to log in separately for each and every sub-entity. Rather, they will have access to all sub-entities once they are in the system.

During May of 2012, the division invited its 'super users' (i.e., those agencies who own and/or report the most assets) to help us test the new PCIIS prototype.

We received many good suggestions, we listened to your feedback, and we have incorporated numerous changes in the final model.

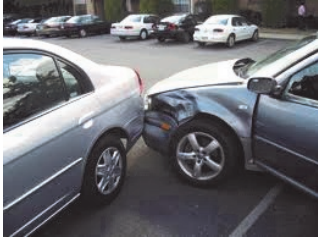
Now we're pleased to provide training to our exposure reporting contacts (i.e., end users) on the following dates and times:

- [08/21/2012](#) 9:00 a.m. - 12:00 p.m.
- [08/21/2012](#) 1:00 p.m. - 4:00 p.m.
- [08/23/2012](#) 9:00 a.m. - 12:00 p.m.
- [08/23/2012](#) 1:00 p.m. - 4:00 p.m.

For a list of training locations or to register, please visit our website at http://rmtdweb.doa.mt.gov/rmtd/RMTD_CTIS_TRAINING.training_list.



Inattentive Driving!



Based on the frequency of auto claims, state employees are doing a pretty good job staying out of trouble on the road.

In each of the previous eight fiscal years, the number of auto claims per 100 state vehicles dropped compared to the prior year.



During FY 2012, there were 146 claims against state agencies for damage to other people's vehicles (liability) and 200 claims for damage to state-owned vehicles (comprehensive and collision).

Let's take a look at what causes these claims! Remember, not every claim is the result of a crash.

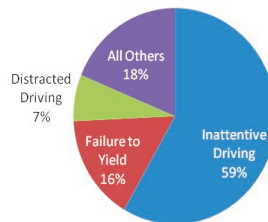
In fact, over half of auto liability claims made by citizens are not due to crashes, but to alleged negligence for failure to maintain highways, misuse of vehicle equipment, or rock damage caused by a state snowplow.

If we eliminate these claims, we are left with 69 claims that are the result of crashes. Over half of those crash-related claims have the same cause: *inattentive driving or distracted driving!*

By our definition, *inattentive driving* means a driver who falls asleep at the wheel or isn't paying attention to what's going on around them.

Distracted driving means a state driver who is doing something else while driving such as using a cell phone, eating, or drinking coffee.

FY-12 Auto Liability Claims



So, what's the best way to avoid a crash? Pay attention!

Constantly watch for hazards, reduce your speed, imagine what could go wrong before it actually happens, and follow the traffic laws.

In short, be careful out there!



'DoR'isk Right!

The acronym 'DoR' is frequently used in reference to the Department of Revenue.

However, the acronym could also be used to describe the Department of Revenue's approach to risk management 'DoR'isk Right!

What does it mean to Do Risk Right?

1. *Attitude* - Losses don't just happen, they are caused and can be prevented. The Department of Revenue is one of the most pro-active agencies when it comes to training and loss prevention activity. For example, most drivers are required to take 'defensive driving' every three years.
2. *Accountability* - It begins with support from Director Bucks and trickles down through management to employees. EVERYONE is expected to be safe and 'prevention oriented'.
3. *Empowerment* - Sandy Lang, Director of Safety and Risk Management, has been given tools and resources that empower her to establish comprehensive and effective risk management and continuity of operations processes.

In brief, the Department of Revenue is a success story from our point of view.

Both the frequency and the severity of auto and property losses continues to decline.

We congratulate the Department of Revenue and wish them continued success!



Risk Management Network

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Alternative accessible formats of this newsletter will be provided on request. Persons who need an alternative format should contact the Risk Management & Tort Defense Division, Department of Administration, 1625 11th Ave., Helena, Montana 59620-0124. Phone: (406) 444-2421. Those using a TTY may call through the Montana Relay Service at 711.

Visit our website at <http://rmtd.mt.gov/default.mcp.x>.



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