Loss Prevention and Loss Control for the NMSU System

Dr. Katrina Doolittle, Executive Director
Environmental Health Safety & Risk Management

University Administrative Council          March 12, 2019

BE BOLD. Shape the Future.
What do we do?

• LPLC Committee reviews loss claim reports, trends and recommends improvement actions

• LPLC rule 1.6.2.9 NMAC requires quarterly meetings with regular loss analysis with a regular review of loss trends and explanation to management
  • Today we will review:
    • Trend for Property & Casualty losses for NMSU
    • Trend for Worker Compensation losses for NMSU
    • EHS&RM compliance efforts / risk avoidance
# NMSU Loss Prevention Loss Control Committee

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Current Incumbent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director, Environmental Health Safety &amp; Risk Management</td>
<td>Katrina D. Doolittle (co-coordinator)</td>
</tr>
<tr>
<td>NMSU Fire Chief</td>
<td>Johnny Carrillo (co-coordinator)</td>
</tr>
<tr>
<td>Associate Vice President for Facilities</td>
<td>Glen Haubold</td>
</tr>
<tr>
<td>NMSU Police Chief</td>
<td>Stephen A. Lopez</td>
</tr>
<tr>
<td>Executive Director of Health and Wellness</td>
<td>Lori McKee</td>
</tr>
<tr>
<td>Executive Director of Institutional Equity/EEO</td>
<td>Laura Castille *Recommended change</td>
</tr>
<tr>
<td>Assistant Vice President for Human Resource Services</td>
<td>Gena Jones</td>
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<tr>
<td>General Counsel</td>
<td>Scott Field, Andrea Walker *Recommended change</td>
</tr>
<tr>
<td>Vice President Research</td>
<td>Luis Cifuentes</td>
</tr>
<tr>
<td>Assistant Vice President for Auxiliaries</td>
<td>Steven Bettner</td>
</tr>
<tr>
<td>Academic Department Head for Geology</td>
<td>Rani Alexander *New</td>
</tr>
<tr>
<td>Division Dean for DACC Health Sciences</td>
<td>Josefina Carmona *New</td>
</tr>
</tbody>
</table>
Why we do it...

• State RMD Periodic audits require a score minimum of 80%
• **NMSU passed audit in 2015 and 2016 with 98%**.

• Rule 1.6.2.9 NMAC gives authority to the Risk Management Director to authorize up to a 40% increase in agency insurance premiums.

  NMSU’s insurance premiums total *FY 18*  $4,996,100
  NMSU’s insurance premiums total *FY 19*  $5,228,939
Property and Casualty Loss
Fiscal Year 2011 through FY2018
Report Date 1/1/19

469 claims filed FY 2011 through FY 2018 totaled $8,236,242

Coverage types:
- Aircraft Hull Damage
- Aircraft Liability
- Auto Liability
- Auto Physical Damage
- Civil Rights
- Fine Arts
- General Liability
- Law Enforcement
- Medical Malpractice
- Property
Property and Casualty Loss
By Coverage Type

TOTAL PROPERTY PTD
FY11-FY18

TOTAL CIVIL RIGHTS PTD
FY11-FY18

TOTAL GENERAL LIABILITY PTD
FY11-FY18

TOTAL AUTO LIABILITY PTD
FY11-FY18

TOTAL AUTO PHYSICAL DAMAGE
PTD
FY11-FY18

MEDICAL MALPRACTICE PTD
FY11 - FY18
Property and Casualty Loss

5 Year PAC Total at End of Respective Fiscal Year

- **Property**: Total - June 30, 2017 = $1,527,745, Total - June 30, 2018 = $2,185,304
- **General Liability**: Total - June 30, 2017 = $685,707, Total - June 30, 2018 = $794,063
- **Civil Rights**: Total - June 30, 2017 = $1,150,572, Total - June 30, 2018 = $1,439,033
- **Auto Physical Damage**: Total - June 30, 2017 = $373,396, Total - June 30, 2018 = $375,161
- **Auto Liability**: Total - June 30, 2017 = $423,172, Total - June 30, 2018 = $498,879

Grand total 5 years of expense:
- FY13-FY17 = $5,299,203
- FY14-FY18 = $4,140,591

Avoidance = $1,158,612
22% saved compared to previous 5 years
Property and Casualty Loss
Report Date 1/1/19

Fiscal Year 2019 –
• In first 6 months, 19 claims totaling $37,816.
• General liability was the majority of the claims submitted (7 of 19).
• There was $15,000 in auto physical damage due to hail storm in Albuquerque.
• 3 pending property claims.
Fiscal Year 2018

- 56 claims totaling $204,206.
- General liability was the majority of the claims submitted; however, property had the highest total PTD.
- Single Phase Power Outage Claim has not been processed and potentially greater than $500,000. -potential excess coverage need.
- Property Damage – Flooding, water heater leaked ($126,796; $78,684 is Knox Hall)
- 15 open claims, and 41 closed.
Property and Casualty Loss

Report Date 1/1/19

Fiscal Year 2017

- 35 claims totaling $337,875.
- General liability had new indemnity payment of $130,000 since August 2018 (3rd party personal injury, fall from broken chair).
- 7 open claims (all liability)
- 28 claims closed
- Larger Property Damage:
  - Wind damage = $17,304
  - Hail damage = $35,197
  - Flood damage = $24,820
Property and Casualty Loss

FY18 Flood Loss
Knox Hall Bat Suspect
Property and Casualty Loss

Premium Expense

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>$924,881</td>
<td>$927,030</td>
<td>$1,043,555</td>
<td>$1,276,781</td>
<td>$1,194,926</td>
<td>$946,600</td>
<td>$1,381,200</td>
<td>$1,310,300</td>
<td>$1,546,912</td>
<td>$1,315,285</td>
<td>$1,627,405</td>
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<tr>
<td>$1,137,626</td>
<td>$999,515</td>
<td>$648,666</td>
<td>$1,699,163</td>
<td>$1,421,125</td>
<td>$1,288,000</td>
<td>$880,100</td>
<td>$1,132,400</td>
<td>$1,405,183</td>
<td>$1,477,369</td>
<td>$1,422,743</td>
</tr>
</tbody>
</table>
Avoidance Initiatives

• Jett Hall remodel (2 fires, several flooding incidents)
• Capital outlay process for replacement of aging infrastructure
  - Tunnel
• Mandatory compliance training on civil rights, FMLA, and loss control
• Notice of Incident reports – best defense
• Quick corrective actions to reduce general liability
Worker Compensation Loss

Total claims paid to date include costs for indemnity, medical expense, and legal payments. Total claims expense for FY11- FY18 were $8,151,431.

Year to date for FY18

- Medical $336,217, 84%
- Indemnity $51,640, 13%
- Expense $6,550, 2%
- Legal $4,326, 1%

Indemnity payments can extend past the closure of the claim and is based on the MMI (maximum medical improvement) and disability impairment of the injury but may include medical, expenses, and legal.
Listed below are the injury types with the highest treatment costs for FY 2018. These six categories account for 92% of injury costs.

<table>
<thead>
<tr>
<th>Injury Type</th>
<th>Cost</th>
<th>% of Total Injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contusion</td>
<td>$187,165</td>
<td>35%</td>
</tr>
<tr>
<td>Strain</td>
<td>$109,412</td>
<td>25%</td>
</tr>
<tr>
<td>Laceration</td>
<td>$10,054</td>
<td>15%</td>
</tr>
<tr>
<td>Vision</td>
<td>$5,937</td>
<td>6%</td>
</tr>
<tr>
<td>Puncture</td>
<td>$1,641</td>
<td>5%</td>
</tr>
<tr>
<td>Fracture</td>
<td>$55,741</td>
<td>5%</td>
</tr>
</tbody>
</table>

*The highest claim to date for FY 2018 is $33,000 for a Contusion. The highest claim for FY 2017 was $95,011 for a Contusion.*
Worker Compensation Loss

Average number of employees in 2017 = 6668

NMSU Work Related Injuries & Illnesses
OSHA Recordable Claims (LT+WR+other cases)

LT = Lost Time
(days away from work)

WR = Work Restrictions
## Worker Compensation Loss

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases with lost time (LT)</th>
<th>Cases with work restriction (WR)</th>
<th>Other recordable cases</th>
<th>Total OSHA Recordable Claims (LT+WR+other cases)</th>
<th>Days of LT</th>
<th>Days of WR</th>
<th>Total hours worked</th>
<th>OSHA Incidence Rate is also TRC</th>
<th>OSHA Lost Time Case Rate</th>
<th>OSHA Severity Rate</th>
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</thead>
<tbody>
<tr>
<td>2003</td>
<td>58</td>
<td>28</td>
<td>117</td>
<td>203</td>
<td>1367</td>
<td>1509</td>
<td>9,200,940</td>
<td>4.41</td>
<td>1.26</td>
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<td>2004</td>
<td>81</td>
<td>81</td>
<td>89</td>
<td>251</td>
<td>1961</td>
<td>4489</td>
<td>9,478,080</td>
<td>5.30</td>
<td>1.71</td>
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<tr>
<td>2005</td>
<td>69</td>
<td>58</td>
<td>90</td>
<td>217</td>
<td>2167</td>
<td>4515</td>
<td>10,000,664</td>
<td>4.34</td>
<td>1.38</td>
<td>43.34</td>
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<tr>
<td>2006</td>
<td>75</td>
<td>56</td>
<td>123</td>
<td>254</td>
<td>2250</td>
<td>4701</td>
<td>10,881,504</td>
<td>4.67</td>
<td>1.38</td>
<td>41.35</td>
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<td>2007</td>
<td>45</td>
<td>63</td>
<td>108</td>
<td>216</td>
<td>1130</td>
<td>3350</td>
<td>11,023,815</td>
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<td>39</td>
<td>86</td>
<td>154</td>
<td>1448</td>
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<td>11,242,624</td>
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<td>2011</td>
<td>40</td>
<td>14</td>
<td>66</td>
<td>120</td>
<td>1360</td>
<td>718</td>
<td>10,633,248</td>
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<td>25.58</td>
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<tr>
<td>2012</td>
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<td>6</td>
<td>72</td>
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<tr>
<td>2013</td>
<td>33</td>
<td>29</td>
<td>58</td>
<td>120</td>
<td>785</td>
<td>1567</td>
<td>10,109,358</td>
<td>2.37</td>
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<tr>
<td>2014</td>
<td>38</td>
<td>34</td>
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<td>955</td>
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<td>0.76</td>
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<tr>
<td>2015</td>
<td>39</td>
<td>33</td>
<td>47</td>
<td>116</td>
<td>932</td>
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<td>9,657,649</td>
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<td>0.79</td>
<td>19.30</td>
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<tr>
<td>2016</td>
<td>23</td>
<td>56</td>
<td>34</td>
<td>113</td>
<td>668</td>
<td>3154</td>
<td>9,383,927</td>
<td>2.41</td>
<td>0.49</td>
<td>14.24</td>
</tr>
<tr>
<td>2017</td>
<td>28</td>
<td>40</td>
<td>36</td>
<td>104</td>
<td>699</td>
<td>1940</td>
<td>9,084,012</td>
<td>2.29</td>
<td>0.62</td>
<td>15.39</td>
</tr>
<tr>
<td>2018</td>
<td>27</td>
<td>18</td>
<td>25</td>
<td>70</td>
<td>611</td>
<td>1061</td>
<td>8,950,644</td>
<td>1.56</td>
<td>0.60</td>
<td>13.65</td>
</tr>
</tbody>
</table>

Lost time case rate = (Total # OSHA recordable claims involving days of LT * 200,000) / Total # hours worked

Severity rate = (Total # lost work days * 200,000) / Total # hours worked

March 2019 UAC Materials
Worker Compensation Premium Trend

Past 10 years saved total of $562,000 in premium reduction
Worker Compensation Loss

Avoidance Initiatives

• Supervisor incident investigation report – 84%
• Follow up by EHS&RM
• Focus on return to work program = less lost work days
• Prevention of adverse incidents through safety training
  • annual compliance training, culture of safety
Environmental Compliance Risk

- Environmental compliance
- Unfunded mandates
- Increased Regulatory Enforcement

- Hazardous waste penalties
  - 2016 UNM 2016 $103,000 + 2 determined separately
  - 2016 Texas Universities $144,000
  - 2016 Oregon Universities $275,000
  - 2017 New Mexico State University $18,510

Information on NMD’s March 23-24, 2016 RCRA inspection at UNM is on the web in KROE News’ July 19 report from the Albuquerque TV station. The video of the newscast noted UNM’s potential $3 million fine for the 30 noted violations.

Environmental Enforcement Actions Grow in 2016
EPA enforcement actions resulted in $13.7 billion dollars in fines to U.S. companies during fiscal year 2016. This amount is nearly double what was levied in 2015, when enforcement actions cost companies nearly $7 billion dollars.
EHS&RM = Mitigating Compliance Risk

External Regulatory Agency Inspections
Facilitated Through NMSU EHS&RM

Only one penalty paid since 1993

- FAA
- FBI
- EPA
- CLC Wastewater
- NMDA
- NMED Air Quality
- NMED Drinking Water
- NMED HazWaste
- NMED Radiation
- NMED Solid Waste
- NM OSHA
- NRC
- State Risk Management
# EHS&RM = Mitigating Compliance Risk

## 2018 - EH&S Compliance Reporting to External Agencies

<table>
<thead>
<tr>
<th>Regulatory Agency</th>
<th>Reports Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of LC- Utilities</td>
<td>5</td>
</tr>
<tr>
<td>NM Dept Homeland Security &amp; EM</td>
<td>1</td>
</tr>
<tr>
<td>NM Occupational Health Safety Bureau</td>
<td>11</td>
</tr>
<tr>
<td>NM Worker’s Comp Administration</td>
<td>1</td>
</tr>
<tr>
<td>NM Risk Management Division</td>
<td>4</td>
</tr>
<tr>
<td>NMED Air Quality Bureau</td>
<td>20</td>
</tr>
<tr>
<td>NMED Drinking Water Bureau</td>
<td>13</td>
</tr>
<tr>
<td>NMED Groundwater Quality Bureau</td>
<td>1</td>
</tr>
<tr>
<td>NMED Hazardous Waste Bureau</td>
<td>4</td>
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<tr>
<td>NMED Radiation Control Bureau</td>
<td>5</td>
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<tr>
<td>NMED Solid Waste Bureau</td>
<td>19</td>
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<tr>
<td>NMED Surface Water Bureau</td>
<td>1</td>
</tr>
<tr>
<td>OSHA</td>
<td>2</td>
</tr>
<tr>
<td>Rocky Mountain Low Level Radioactive Waste Board</td>
<td>1</td>
</tr>
<tr>
<td>US EPA Region 6</td>
<td>1</td>
</tr>
<tr>
<td>Washington State - Office of Radiation Protection</td>
<td>1</td>
</tr>
</tbody>
</table>

| Total Reports Submitted                                | 90                |
EHS&RM = Mitigating Risk

- Risk working groups
- Education and awareness
- Supplemental insurance for higher risk exposures
- Implement process improvements
  - Acknowledgement of risk form
  - Student shop safety program - Academic and Chartered organizations
  - Risk survey – organized and risk owners
  - Accounting check
    - Identified $60,000 of duplicate invoicing – did not pay
    - Identified $30,000 in unpaid expenses – we recovered
EHS&RM = Mitigating Risk
Comments and Suggestions?

Loss Prevention
Loss Control
Co-Coordinators

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