Wise Words
WE INSURE STATE EQUITY

State of Alabama • Department of Finance • Division of Risk Management September 2009

PLEASE CIRCULATE

Equipment Maintenance Program Continues to Save State Dollars

The State of Alabama's Equipment Maintenance Program (EMP), which is administered by The Remi Group, continues to save the State over 1 million dollars annually. The EMP has been a successful program since the start of FY01 and over 75 State agencies/departments participate in the program. The Remi Group is also working with school systems and colleges across the State to join in the EMP. Any State affiliated entity can participate in the EMP and receive all benefits other participants receive.

The EMP is designed to take the place of vendor's annual maintenance contracts on electronic equipment. Participants of the program are given an immediate 25% discount off the vendor annual maintenance contract cost – this is a guaranteed 25% reduction in equipment maintenance expenditures!

Under the EMP there is no annual contract in place with a particular vendor so you have the freedom to choose what vendor services your equipment. You call your vendor of choice when your equipment needs service, the vendor services your equipment and invoices The Remi Group, and Remi pays the vendor – it's that simple!

The Remi Group's online reporting system, Remionline, captures all information relating to your covered equipment and is available for you to view at any time. This gives you a maintenance history for all your equipment – something usually not provided with a maintenance contract.

25% savings, freedom to choose your vendor, ability to analyze your equipments' performance and many other program features are available to you. If you don't participate now, start taking advantage of this program today. Call The Remi Group for additional information and to get your entity on board. A 25% reduction in maintenance expenditures can generate a large savings which is more important than ever in these hard economic times. The State's EMP has an on-site program coordinator located in Montgomery. She can tell you how to start saving today.

For more information contact:
Nancy Dodd – State of Alabama EMP On-Site Program Coordinator
334-353-8751
NDodd@TheRemiGroup.com
Or visit the portion of Risk Management's website devoted to the EMP at:
http://www.riskmgt.alabama.gov/RM/EquipMaint.aspx

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ELECTRONIC DATA PROCESSING COVERAGE (EDP)

The State Insurance Fund (SIF) has established the EDP coverage to protect your computer equipment, data and media from a variety of losses. This endorsement provides broad coverage which includes extra expense and business income protection. Extra expense will cover extra expenses necessary to continue your computer operations. Business income will cover loss of business income resulting from the interruption of your computer operation.

The SIF will cover computer equipment you own, rent, or for which you are legally responsible. Computer Equipment is defined as a network of machine components capable of accepting information, processing it according to plan and producing the desired result. The SIF will pay the cost of repairing or replacing the computer equipment at replacement cost (RCV) without deduction for depreciation.

Property covered also includes:

- Air conditioning, fire protection equipment and electrical equipment used exclusively in your computer operation
- Data and media that you legally own and for which you are responsible

Property not covered includes:

- Data or media which cannot be replaced with others of the same kind, unless insured for a specific amount

Additionally, losses covered by the SIF include burglary and mechanical/electrical breakdown. The building where the loss occurs must have been locked and must have physical evidence of forced entry on the exterior of the building for burglary to apply. In order to be covered for mechanical/electrical breakdown, the cause of the electrical damage or mechanical breakdown or malfunction of your computer equipment must occur within your building or within 1,000 feet of it.

Deductible(s)

$5000 – Losses resulting from breakdown, errors in design, use of faulty material, corrosion, rust, dampness, or dryness of atmosphere, or extremes of temperature, and theft

$1,000 – Loss caused by burglary and all other losses

Equipment Maintenance *Continued from page 1*

What type of equipment does the program cover?
Typical groups of equipment covered under the State's EMP are: general office, IT, Communication, Security, Mailroom, Lab, and Healthcare; however many more types can be covered. Visit www.theremigroup.com for additional listings of eligible equipment.

FINANCIAL SUCCESS IN A STRUGGLING ECONOMY

With the struggling economy making headlines daily, more and more Americans are looking for ways to be smart when spending their money while saving for unexpected emergencies. If you, like many others, are feeling the crunch, you may want to take a look at your daily finances.

The world of finance can be confusing to navigate. However, employees and family members of agencies participating in the State of Alabama Employee Assistance Program (SEAP), have valuable online work/life resources containing information including banking, budgeting, auto financing, insurance, investing and much more. The online resources provide a smart way to learn how to achieve financial peace.

With the housing market downturn, high gas prices, and increasing food costs, the work of budgeting is made easier with the articles, forms, and calculators, including student budgeting, college planning, debt consolidation and savings. In the "Avoid Overspending" section of the website, a Daily Expenses form can be printed that allows expenses for each week to be recorded daily. Families can take part in budgeting together by adding a picture of a goal that your family has, such as eating out at a favorite restaurant, a trip, or needed household item, and post to the refrigerator.

Encourage each family member to record all money spent each day. Children as young as five can participate in this activity. Tally at the end of the week and review. Ask each family member to report on how satisfied they are with how they spent money. Compare Daily Expense forms from week-to-week to see if satisfaction is improving and goals are being met.

Analyzing which expenses are important and identifying expenses that are impulse buys or trivial purchases can help with managing money rather than money managing the family.

In addition to financial management, the website also contains articles, videos, forms, and assessments on topics such as stress management, wellness, and personal growth. The website can be accessed at www.bhs-inc.personaladvantage.com with the password DORM.

PLEASE REPORT INCIDENTS

The General Liability Trust Fund ("GLTF") pays to defend state employees when they are sued for acts arising from the performance of official duties. However, it is very important that we know about incidents before they reach the lawsuit stage. Depending on the circumstances, it may be possible to settle the matter in a more satisfactory and cost-effective way before the complaining party "lawyers up."

Please notify Risk Management immediately of any incident that possibly could lead to a lawsuit against an employee or agent of the state. Examples of incidents include:

- An injury to a person who is in the custody of the state;
- A serious employment dispute such as an EEOC complaint;
- A report of possible sexual harassment;
- A complaint by a member of the public about an encounter with an employee.

Don't worry that an incident may seem too minor to report. In our litigious society you can never predict what may end up in court. Call Jerry Carpenter or Hank Draughon at 334-223-6120.

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HURRICANE LOSS MITIGATION CONFERENCE

The Division of Risk Management held a Hurricane Mitigation Conference on June 24th at the Five Rivers Delta Resource Center in Spanish Fort, Alabama. The conference was hosted by Palomar Insurance Corporation.

The following topics were discussed:

	Presenter
Insurance Considerations	Jim Ridling, Insurance Commissioner
Hazard Mitigation Grant Program	Debbie Peery, Mitigation Coordinator AEMA
Evacuation & Sheltering	Ronnie Adair, Asst. Director Mobile Co. EMA
Evacuation & Sheltering	Leigh Anne Ryals, Director Baldwin Co. EMA
Electrical Power Considerations	Steve Flynn, Alabama Power
Communication Considerations	Michel Smith, Southern LINC
Communication Considerations	Steve Schuler, AT&T
Hurricane Loss Cleanup	Russell Fountain, BELFOR USA

The majority of facility related damage from a hurricane can be minimized or prevented. This effort saves the State a large amount of reconstruction expense and enables operational continuity for critical agencies.

Risk Management would like to thank all of the presenters and attendees for helping make the conference a success.