



# APEI MEMBER QUARTERLY NEWSLETTER

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## BOARD APPROVES MEMBER DIVIDENDS, PREMIUM CREDITS

APEI members all recently received a surprise in the mail, a dividend from APEI. Due to exceptional investment returns and continuing positive claims development, the APEI Board of Directors recently faced the enviable task of deciding whether to reduce insurance prices for next year or issue dividend checks. The board elected to do both.



As a result, APEI mailed checks totaling almost \$700,000 to members in April. In addition, APEI will be allocating a similar amount toward a reduction in premium, which will result in an average reduction of five percent on each member's overall premium bill. Although changes in property values, payroll, and loss records all impact a member's rates, this "credit" will lower everyone's premium bill from what it would otherwise have been.

Although this is the first dividend issued by APEI, at last renewal a similar premium credit reduced each member's premium. Although it is impossible to predict the future, APEI's strong investment returns through this fiscal year, continuing positive claims records, and overall excellent financial health give us confidence that dividends and premium credits will become a regular and welcome addition to the APEI program.

PLEASE REPORT ALL KNOWN OR POTENTIAL CLAIMS IMMEDIATELY—IT'S CRITICAL TO HELP MINIMIZE YOUR LOSSES  
<http://www.akpei.com/>

**Contributors:**

- Scott Jordan, APEI Claims Manager
- Laurel Eriksen, APEI Deputy Director
- Amanda Goade, PreventionLink Project Manager
- Jeff Bush, APEI Executive Director



## PreventionLink™

### New Online Training Courses from PreventionLink

New online training courses have recently been released. School specific courses on Distracted Driving, Fire Prevention Safety, and Incident Investigation are now available.

PreventionLink courses generally take either 1/2 hour or 1 hour to complete. Any time an employee of an APEI member completes a PreventionLink course, the member receives a credit applied to its insurance renewal premium.

To view a complete list of PreventionLink courses, see <http://media.targetsafety.com/media/documents/catalog.pdf>.





## STAFF CHANGES AT APEI

### Barbara Thurston, Jodee Goldsberry & Brad Thompson Join Team



As an insurance pool, APEI is required to have its books reviewed regularly by a professional actuary. For the past several years APEI has contracted with **Barbara Thurston** to perform this service. Now, Barbara has agreed to join APEI as our Risk Administrator. She will continue to perform the company's actuarial analyses, assist in rating, and look for

ways to improve our database management systems.

**Jodee Goldsberry** recently joined the APEI Juneau team as an Administrative Assistant. Jodee has become our resident jack-of-all-trades, assisting in rating, claims, filing and general office management. Previously, Jodee worked with us for many years as the front office person at Merrill Lynch, our investment advisors.



Also coming soon to APEI will be **Brad Thompson**. Many readers may know Brad as the long-time state Director of the Division of Risk Management. Brad will be taking over for Scott Jordan as APEI's new Claims Manager. Scott, in a bit of an ironic twist, has accepted Brad's old position as

the state's Director of Risk Management. Brad will be coming on board with APEI in late June.

[www.akpei.com](http://www.akpei.com)

**For All Your Loss Control  
and Insurance Needs**

## Social Networking Guidelines

As Social Communities (MySpace, facebook, Twitter) become more common, adding "social computing guidelines" to an organization's personnel manual becomes important. Here are a few sample guidelines that members might want to consider to benefit both your organization and your employees.

### *Social Computing Guidelines*

- Employees are personally responsible for the content they publish on blogs, wikis or any other form of user-generated media. Be mindful that what you publish will be public for a long time; protect your privacy.
- Identify yourself—name and, when relevant, role at your place of business—when discussing your employer. Write in the first person, and make it clear that you are speaking for yourself and not on behalf of your employer.
- If you publish content to any website outside of your employer's website that has something to do with your work or employer, use a disclaimer such as, "The postings on this site are my own and don't necessarily represent [your employer's] positions, strategies or opinions."
- Respect copyright, fair use and financial disclosure laws.
- Never disclose your employer's or another's confidential or proprietary information. Ask permission to publish or report on conversations that might be meant to be private or internal to your employer.
- Don't cite or reference clients, partners or suppliers without their approval. When you do make a reference, where possible link back to the source.
- Respect your audience. Never use ethnic slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in your employer's workplace.
- Be aware of your association with your employer in online social networks. Ensure your profile and related content is consistent with how you wish to present yourself with colleagues and clients.
- Be the first to correct your own mistakes, and don't alter previous posts without indicating that you have done so.
- Try to add value. Provide worthwhile information and perspective. Your employer's name is best represented by its people and what you publish may reflect on your employer's name.

## APEI Successfully Defends Claims vs. Members



*Deniro v. Yukon Flats School District and APEI*, Alaska Supreme Court, March 31, 2010.

Kevin Deniro was a teacher in the Yukon Flats School District in the 2001-2002 school year. Deniro filed a worker's compensation claim, alleging he suffered carbon monoxide poisoning in the cabin he leased from the school district. Several examining doctors disputed his claim, some even finding that he likely fabricated the entire story.

It took almost five years for Deniro's claim to reach the Alaska Worker's Compensation Board, which denied his claim in 2007. His appeal to the Alaska Workers' Compensation Appeals Commission was denied, the commission finding that the Board's decision was supported by substantial evidence.

On March 31, 2010, the Alaska Supreme Court issued its Memorandum Opinion and Judgment upholding the Commission's decision. The Court specifically states: "The Commission correctly concluded substantial evidence in the record supported the Board's finding that Deniro had not proven his claim." Decision at 16.

### ***Estate of Brett Thompson v. Denali Borough School District***, Fairbanks Superior Court, February 10, 2010.

This case involved the tragic death of a high school student, Brett Thompson, who was killed when the car he was riding in rolled over. The boys in the car had left school, a closed campus, without permission to have a "smoke break." The school district was sued because it allegedly failed to keep the boys on campus. The court rejected this argument, holding that the school owed no duty to truant students over age 16. The court held that the school had no right to keep the students in school, since they were over age 16 and thus were not required to attend school under state law.

The case is important, because it essentially holds that for older children, schools are not responsible for their behavior when they are off campus and not engaged in a school sanctioned activity. However, the age of the student is important, and the court left open the possibility that younger students may be owed a duty by the schools not owed to older students.



## HOW TO SAVE PREMIUM DOLLARS *Sprinkler Inspections* *Pay Big Dividends*

It is well-documented that the single most effective way to prevent building fires, and hence large property losses, is through building sprinklers. But not only do they protect buildings and property, they also have been shown to save lives, by slowing the advance of a major fire and allowing occupants more time to escape.



Not only do sprinklers save lives and property, but they also can save APEI members on insurance premiums. APEI provides a premium credit, or reduction, for buildings that have sprinklers. In fact, the credit means that sprinklers in new construction will pay for themselves in just a few years.

State law in Alaska requires that building sprinklers be inspected annually by a certified inspector. In order to receive the sprinkler premium credit, APEI now requires that a copy of a current inspection be submitted with the insurance renewal application. So update your inspections if necessary, collect the sprinkler inspection certifications, and send them to APEI.

Contact APEI for a list of certified inspectors.

## **Dept. of Education Issues New Regulations on Valuation of Schools**

The Alaska Department of Education and Early Development has adopted regulations clarifying that "replacement cost" for school insurance "includes all costs associated with replacement of the facility including construction management, design, equipment, technology, district overhead, and art costs necessary to insure that the facility is fully operational at no additional cost to the district." 4 AAC 31.200(d). In addition, if a school building is damaged or destroyed, the department must be included in negotiations with the insurer. 4 AAC 31.200(e)

Alaska Public Entity  
Insurance

2233 Jordan Ave.  
Juneau, AK 99801

Phone: 907-523-9400; 877-586-2734  
Fax: 907-586-2008

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## Keep on Smiling

From the Desk of the Director, *Jeff Bush*



For many in the insurance biz, recent events are causing serious trepidation. First, the world had a volcano, whose name no one can pronounce, that shut down air traffic, and hence much commerce, for a week over much of Europe. Then, a tragic explosion on an oil rig in the Gulf of Mexico killed several workers and continues to pour thousands of gallons of oil into the sea, threatening the region's ecology and commerce.

Although neither of these events are likely to directly affect many Alaskans, we all can relate to them because of our own similar experiences. Ash from Mt. Redoubt has shut down Ted Stevens Airport several times, most recently last year, affecting air travel throughout the state. The grounding of the Exxon Valdez in March 1989 was, at least until now, the largest U.S. ecological disaster ever. For those of us who were here in 1989, the reports from the

Gulf of spreading oil, oiled beaches and wildlife, suffering tourism businesses, and grounded fishermen have a "déjà vu" air about them.

At this time of year, when we get to enjoy the wonders of spring in Alaska — long, warm, sunshine days; anticipation of fishing, hunting, hiking, or berry picking — we feel lucky to live in such a special land. This year, our blessings seem particularly great, as others suffer calamities we know and understand all too well.

For the record, the commercial disruptions in Europe and the losses in the Gulf will surely affect insurance costs for everyone, including Alaskans. But although I certainly empathize with those suffering elsewhere in the world, I, for one, can't help but smile at the warm sunshine streaming through my window.