



# Risk Management Solutions

A QUARTERLY NEWSLETTER OF THE ALABAMA MUNICIPAL INSURANCE CORPORATION  
AND THE MUNICIPAL WORKERS COMPENSATION FUND, INC.

SUMMER 2009

## Boilers, Pressure Vessels and Equipment Breakdown Coverage

Will Strength, ARM-P, Loss Control Representative, AMIC/MWCF

**W**hat is equipment breakdown coverage? Basically it's just a new name for boiler and machinery coverage. Who needs equipment breakdown coverage? Should your organization have this coverage even you don't have a boiler or large machinery? The answer is most likely yes.

Standard property policies exclude the explosion of steam boilers and equipment breakdown. Equipment breakdown policies eliminate coverage gaps in standard property policies and can protect an insured against the effects of catastrophic property loss, such as steam boiler explosion or costly breakdown of machinery or equipment. It's important to keep in mind that equipment breakdown coverage encompasses much more than boilers and pressure vessels. The coverage also includes:

- Mechanical equipment such as blowers, fans, turbines, compressors, refrigeration equipment and various pumps.
- Electrical equipment such as transformers, electric motors, cables, switchboards and distribution panels.
- Boilers, pressure vessels, sterilizers, vulcanizers and cookers.

Boilers and pressure vessels can be very dangerous – even deadly – when improperly installed or not well maintained. For that very reason the State of Alabama has enacted the Boiler and Pressure Vessel Safety Act which *requires* all boilers and pressure vessels to be registered and inspected. Once inspected and approved, an inspection certificate is given and must be maintained every one



to three years depending on the boiler type. The act also requires all organizations to obtain a permit before installing a boiler or pressure vessel.

So, what exactly is considered a boiler? Does your organization have a boiler or does it have a water heater? How often do boilers need to be inspected? These are all very good questions and are answered in the Boiler and Pressure Vessel Safety Act (Act No. 2000-315). A boiler is defined by the act as:

“a closed vessel in which water or other liquid is heated, steam or vapor is generated, or steam is superheated, or in which any combination of these functions is accomplished, under pressure or vacuum, for use externally to itself, by the direct application of energy from the combustion of fuels or from electrical, solar, or nuclear energy.”

The definition of a boiler could lead you to believe your organization's water heater could possibly be a boiler and need inspection. However, unless your water heater has a capacity of 120 gallons, heat input of 200,000 BTU per hour or water temperature of 210 degrees F, it is still considered a water heater. The aforementioned definition and exclusions are only a small sample of what can be found in the Boiler and Pressure Vessel Safety Act.

The Act provides abundant information to further define boilers and pressure vessels. It also details what pressure vessels and boilers are excluded. To further understand what requires an inspection or what is exempt from inspection, please visit the Alabama Department of Labor, Boiler and Pressure Vessel Safety Division's website at [www.alalabor.state.al.us/new\\_boiler](http://www.alalabor.state.al.us/new_boiler). ■



# Motor Vehicle Records – An Essential Risk Management Tool

Myra Forrest, ARM, ALCM, CSP, Safety Consultant, AMIC/MWCF

An essential part of a risk management and safety program for public entities will include policies and procedures involving vehicles. Public entities encompass a wide variety of vehicle types and driving skill sets among personnel. Because vehicle accidents are a source of automobile and workers compensation losses for public entities, controlling these losses is essential and can be minimized and controlled through appropriate driver selection.

Establishing performance standards that reflect the experience, knowledge and skills necessary to perform driving responsibilities enables public entities to select and maintain the right person for the job. Because an individual's driving record is a good indicator of future performance, it is an essential risk management tool to review each employee's driving history. The motor vehicle record (MVR) is data pertaining to the driving history of an individual. Data found on an MVR contains four basic pieces of information:

- 1) Driver license status – this depicts the type or class of license issued, what type of vehicles can be operated and any special conditions or restrictions placed upon the licensee.
- 2) Convictions of traffic violations and accident involvement. Fault is not shown on the record.
- 3) Administrative actions, adjudications and withdrawals – restrictive actions such as license suspensions, revocations, disqualification or a withdrawal taken against the licensee's driving privileges by a court of law or the motor vehicle record department of the governing state.
- 4) Personal information about the driver – address, license number, CDL status, etc.

Examining motor vehicle records during the hiring process and on a regular basis for all employees and volunteers involved in driving for the public entity is an essential activity in a comprehensive risk management program. It is important to examine each driver's history carefully and consistently as a routine part of the screening, background investigation and hiring process. Drivers with histories of traffic violations or accidents should be thoroughly evaluated. AMIC recommends that its insured members obtain and review MVRs for all potential employees during the hiring process and, at a minimum, every three (3) years for current employees and volunteers. **Individuals with poor driving records should not be permitted to operate public entity vehicles.**

The following is a partial list of conditions or convictions that should cause immediate concern:

- Two at fault accidents in the past three (3) years, or
- Two incidents in the past three (3) years as a result of which the individual was found responsible for committing civil infractions while operating a motor vehicle, or
- In the past three (3) years a combination of one (1) at fault accident and one (1) incident as a result of which the individual was found responsible for committing a civil infraction, or
- Operating under the influence of alcohol or drugs, or
- Failure to stop or report an accident, or
- Negligent homicide, manslaughter, assaults involving the operation of a motor vehicle, or
- Driving on a suspended or revoked license.

Check that each employee or candidate for hire possesses or can obtain any special license endorsements required by law. (For example, a Commercial Driver's License (CDL) – for the type(s) of vehicle the employee will operate in the performance of his/her duties.)

To check a driver's record, submit a written request on your entity's letterhead to the Alabama Department of Public Safety. Your letter should provide the candidate's name, license number and date of birth. The Social

Security number can be sent in lieu of the driver's license number, however, the driver's license number is preferred. Include a check in the amount of \$5.75 for each MVR. Submit your request to:

Alabama Department of Public Safety  
Drivers' License Division  
Attn: Becky Weldon  
P. O. Box 1471  
Montgomery, AL 36102-1471  
Tel: (334) 242-4433

You may also access information and forms from the Alabama Department of Public Safety's website at [www.dps.state.al.us/driverLicense](http://www.dps.state.al.us/driverLicense). For those in or near the Montgomery area, you can go directly to the Alabama Department of Public Safety building located at 502 Washington Avenue to obtain a copy of the MVR. You will need to provide full name, driver's license number and date of birth.

For other loss control and risk management references concerning automobile and driver safety, please see the references provided through our online loss control resources at [www.amicentral.org](http://www.amicentral.org). ■

## HOT TOPIC!

### Can Fire Extinguishers Make A Difference?

Fire is one of the leading causes of property damage and along with it, serious injury and/or death. Something as simple as a small, five-pound dry chemical fire extinguisher can be a life saver in an emergency. Portable fire extinguishers can make the difference between an inconvenience and a complete loss; life and death. Fire extinguishers are not expensive and do not require a lot of storage space. However, they do require that you know how to use one properly and that they be inspected every year to ensure they are still serviceable.

Fire extinguishers come in many different sizes and configurations. The type of extinguisher model will be determined by what you intend to protect. For instance, in a garage or in a shop, a five-pound, dry-chem ABC extinguisher is better suited for fires that can start from ignited fuels, oils and other flammable liquids such as cleaners and solvents. This extinguisher is also rated for fires fueled by wood and paper products as well as should the trash can catch on fire from a hot spark or poorly disposed smoking materials.

Portable fire extinguishers are also very smart accessories to keep in your city vehicle, be it a car, truck or boat. Engine fires can quickly engulf a vehicle and render it a total loss. In environments where the powder from a dry-chem extinguisher may itself cause damage to items such as computers, video games and electronics, a gaseous extinguisher filled with CO<sub>2</sub> (carbon dioxide) will put out small fires without leaving residual residue.

The choice of which type of extinguisher should not be taken lightly. Carefully determine what it is you want to protect and where it will be stored.

Fire extinguishers are an inexpensive insurance policy you hope you'll never need. But if you do, you'll be very glad it's there. Take the time to learn about fire extinguishers, the various types and how they are used. The life (or property) you save may be your own.

For information on fire extinguishers contact your local Fire Department or call Todd McCarley, Loss Control Representative, Alabama League of Municipalities, at 334-262-2566.

# Loss Control Department Provides Valuable Services



Loss Control Representatives Richard Buttenshaw, Myra Forrest, Will Strength and Todd McCarley work with AMIC/MWCF members throughout the state.

- On-site Risk Management with follow-up reports and recommendations
- Specialized Law Enforcement Risk Control
- Loss Analysis and Trending
- Annual state-wide Loss Control seminars
- Newsletters and Bulletins
- Technical Resources
- Employment Practices Law Hotline
- Proactive Driver Training (SkidCar)
- Firearms Training System (FATS)
- Video Library
- [www.amicentral.org](http://www.amicentral.org)
- [www.alalm.org/MWCF/MWCF.html](http://www.alalm.org/MWCF/MWCF.html)

## Defining Moment

### *Are you considering temporary summer employees?*

With the summer season upon us, many organizations and businesses will begin the annual process of hiring part-time employees such as lifeguards, maintenance workers and grounds keepers. A majority of these workers are students, out of school for the summer, whose employment raises concerns and questions regarding applicable laws and insurance issues.

Workers' compensation insurance has no age limit for these employees and coverage for them is immediate upon hiring as long as they are paid through the regular payroll; are considered employees; and will be given a W-2 Form at the end of the year rather than a 1099 Form like sub-contracted employees. **You must notify Carla Thienpont at Millennium Risk Managers, LLC at 1-888-736-0210 to double check summer employees' coverage.**

Does a minor (under 18 years of age) need a work permit? How many hours can they work? What jobs can they do? All good questions. To answer these questions, it is essential that you consult and follow the Alabama Child Labor Laws for workers under 18 years of age. You may contact the Alabama Child Labor Office in Montgomery, AL by calling **1-334-242-3460** for more information, or visiting their website at: [www.alalabor.alabama.gov/CHILD\\_LABOR.htm](http://www.alalabor.alabama.gov/CHILD_LABOR.htm)

What about training temporary employees? Never assume they know how to perform even the simplest of jobs. It maybe simple to you, but temporary employees are generally younger in age and have less work experience. Consequently, they statistically get injured more frequently than seasoned workers. Do they need training? *Absolutely!* For more information see "Training Considerations for Seasonal Employees" in the Spring 2005 issue of our *Risk Management Solutions* newsletter at: [www.amicentral.org/Loss%20Control/newsletter/newsletter.html](http://www.amicentral.org/Loss%20Control/newsletter/newsletter.html)



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## 2009 SKIDCAR SCHEDULE

*Dates/locations subject to change.*

<b>NE Law Enforcement Academy</b>	<b>July 7-17</b>
<b>Decatur</b>	<b>Aug. 4-14</b>
<b>Gardendale</b>	<b>Sept. 8-18</b>
<b>Mobile (FULL)</b>	<b>Sept. 29-Oct. 9</b>
<b>Orange Beach</b>	<b>Nov. 3-13</b>
<b>Montgomery</b>	<b>Dec. 1-11</b>



*For more information, contact  
 Donna Wagner at 334-262-2566.*



### Popular Summer Safety DVDs

- 5.053 Landscaping Equipment: Safety and Maintenance
- 7.029 Outdoor Safety: Critters and Plants
- 7.067 Responding to Bites and Stings
- 7.079 Tree Trimming Safety
- 7.080 Chainsaw Safety
- 7.083 Inspecting Playgrounds for Safety
- 7.084 Softball & Baseball Field Maintenance & Safety
- 7.089 Working Safely in Hot Environments
- 7.097 Heat Stress: Staying Healthy, Working Safely
- 7.105 Groundskeeping Safety: Dealing with Bugs & Critters
- 7.106 Groundskeeping Safety: Be A Pro!
- 7.107 Heat Stress for Public Employees: Seeing Red
- 7.108 Protecting Your Feet: Learning Your ABC's
- 7.109 Working Safely in Cold Weather
- 7.110 A Practical Approach to Ladder Safety
- 7.111 Back Injury Prevention for Public Entities (TML)

**Call, FAX or e-mail your Video/DVD request to Rachel Wagner at:  
 334-262-2566; rachelw@alalm.org; or FAX at 334-263-0200.**

## ATTENTION!

**For step-by-step instructions on filing  
 work comp claims, visit:**

**[www.alalm.org/MWCF/claimreporting.html](http://www.alalm.org/MWCF/claimreporting.html)**

### EMPLOYMENT PRACTICES LAW HOTLINE

# 1-800-864-5324

Through a toll-free Employment Practices Law Hotline, members can be in direct contact with an attorney specializing in employment-related issues. When faced with a potential employment situation, the hotline provides a no-cost, 30 minute consultation.