

The LGIT News

Addressing the Needs of LGIT Members

Winter 2013

Tim's Corner

The leaves have fallen and Thanksgiving is over, which means we have published our CAFR and have held our Annual Meeting. I would like to thank those who attended the Annual Meeting. Our speaker, Jason Young, did a wonderful job and we received many compliments on his presentation. I hope to use some of the things I learned from Jason's presentation to provide even better service.

For those of you who did not attend, I thank you for your continued support and cordially invite you to next year's meeting. Although we have not set a date, it will likely be the last Thursday in October or the first Thursday in November. So please mark your calendars accordingly.

On another note, I would like to welcome Perryville to the LGIT property and liability program. Their membership became effective November 15. I would also like to

welcome Oakland and Sykesville to the Health Cooperative. Both are longtime members of LGIT's property and liability program and, as of December 1, they became the 15th and 16th members of the Cooperative.

Lastly, I am happy to inform you that effective January 1st, LGIT will provide Cyber Coverage at no cost. I want to stress, however, that this coverage is not automatic. You must complete the short 5 part questionnaire prepared by our partners at Risk Placement Services. This coverage is being provided by XL Insurance and works much like our equipment breakdown coverage. You report losses to our Claims Department, which then forwards the information to Risk Placement Services. Both first and third party coverages are provided, making this coverage even more comprehensive. Also, the coverage provides you with access to some of the best cyber liability specialists in the United States. Our main goal is to provide you with the best coverage available

and this product is just another example of how we are meeting your needs.

I wish you a joyous holiday season.

Tim Ailsworth
Executive Director, LGIT

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LGIT Director of Underwriting and Loss Control Retiring

I regret to announce that Hank Schomburg, our Director of Underwriting and Loss Control, is retiring at the end of the year. Hank has been with LGIT since 2000 and, since that time, has been an integral part of its success. Please join me in wishing Hank the best in his retirement.

From the Boardroom

The Board of Trustees met on Oct. 30, 2013 and took the following actions:

- The Board of Trustees approved the Local Government Insurance Trust's Combined Annual Financial Report (CAFR) for the fiscal years ended June 30, 2013 and June 30, 2012.
- The Board of Trustees approved the recommendation of the Underwriting Committee to provide a new Cyber Insurance Program through Risk Placement Services.

LGIT Salutes its Gold Star Members

75 LGIT members had no claims for FY 2013. We would like to acknowledge their effort to be claim free in 2013.

Town of Accident
City of Annapolis
Town of Barclay
Town of Barnesville
Town of Barton
Town of Betterton
Town of Brookeville
Town of Brookview
Town of Burkittsville
Cambridge Municipal Utilities Commission
Caroline County Library
Carroll County Public Library
Town of Chevy Chase View
Section 3 of the Village of Chevy Chase
Village of Chevy Chase, Sec. 5
Town of Church Creek
Town of Church Hill
Corporation of Clear Spring
Town of Colmar Manor
City of Cumberland
Town of Deer Park
Town of Eagle Harbor
Town of Edmonston
Town of Eldorado
Town of Emmitsburg
Town of Galestown
Town of Garrett Park
Town of Glen Echo
Town of Greensboro
Town of Hampstead
Town of Hancock
Town of Hebron
Town of Highland Beach
Town of Hillsboro



- The Board of Trustees approved the Risk Management Committee's recommendation for budget year 2015 that \$25,000 be used as a matching (50/50) grant program to help equip member vehicles with deer alert devices on a first come, first serve basis.
- The Board of Trustees approved the Risk Management Committee's recommendation for budget year 2015 that \$25,000 be used as a matching (50/50) grant program to help equip member law enforcement agencies with body camera devices on a first come, first served basis.

Howard Community College (self-insured excess)
Howard County Economic Development Authority
Howard County Housing Commission
Howard County Library
Howard County Mental Health Authority
Corporation of Keedysville
Kent County Public Library
Town of Kitzmiller
Town of Laytonsville
Town of Leonardtown
Local Government Insurance Trust
Town of Loch Lynn Heights
Town of Lonaconing
Town of Luke
Town of Mardela Springs
Village of Martin's Additions
Town of Maryland
Maryland Association of Counties
Maryland Municipal League
Mid-Shore Regional Council
Town of Millington
Town of New Market
Town of New Windsor
Town of North Brentwood
Village of North Chevy Chase
Northeast Maryland Waste Disposal Authority
Town of Pittsville
Town of Queen Anne
Town of Queenstown
Village of Rosmont
Town of Secretary
Town of Sharpsburg
Town of Sharptown
Somerset County Library System
Town of Sudlersville
Town of Trappe
Town of Upper Marlboro
Town of Vienna
Town of Washington Grove
Town of Williamsport
Worcester County Library

LGIT Board of Trustees

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County Attorney, Worcester County

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Sherri N. Butler
Director of Claims Services

Hank Schomburg
Director of Loss Control & Underwriting Services

Property and Liability Issues for Vacant Buildings

At a time when layoffs and foreclosures are widespread, vacant or partially vacant buildings are becoming increasingly common in urban and suburban communities. The risks and liabilities associated with owning a vacant building can be extensive. To ensure that local government owners of such properties are adequately protected, one must know the risks.

Potential Risks

In order to avoid costly losses, it is critically important to identify and address risk issues involving vacant buildings. A vacant building is an obvious target for thieves, trespassers and vandals. For example, the rising cost of copper has given rise to an increase in the theft of copper pipes from vacant buildings. In addition to any loss or property damage that may occur, keep in mind that a local government can be held liable for criminal acts or accidents that occur in vacant structures.

A vacant building is also susceptible to undetected damages, such as damage from fire, water, electrical explosions, wind, hail, or mold. A study by the National Fire Protection Association shows that approximately 31,000 fires occur every year in vacant buildings, costing \$642 million annually. Many of these fires were caused by small, undetected maintenance issues.

In some vacant buildings, there may also be environmental, hazards that a local government must be aware of. Buildings that were used to store chemicals or other potential pollutants pose the highest risks. Local governments must ensure that these materials are removed or securely stored. A local government may also be held liable for any hazardous materials

that contaminate groundwater or other nearby natural resources. Underground fuel tanks also present serious challenges. They should be frequently and carefully inspected by professionals.

How to Reduce These Risks Exposures

There are some simple steps that a local government can take to limit the risks and liabilities associated with vacant buildings.

Communication: Notify local police and fire officials when a building becomes vacant. Maintain an "occupied" appearance for the building. Advise utility companies of the vacancy. Talk with other property owners in the area and ask to be notified in the event of problems. Finally, contact LGIT to ensure the building is properly covered.

Weather: Plan for rain, winds, storms, and even hurricanes. Keep all doors, windows and vents closed to prevent damage from wind and rain. Maintain heat at 55 degrees to keep pipes from freezing.

Maintenance: Routinely check fire extinguishers and other fire protection equipment. All utilities not necessary for protection or security should be turned off (e.g., shut off the water heater and the supply line to the water heater.)

Supervision: Conduct frequent regular "walk throughs" of vacant buildings at different times of the day and note any changes. During walk throughs, survey the general conditions, including the exterior and interior of the building to note any signs of vandalism or trespassing.

Security: Secure all doors and accessible windows with deadbolt locks. If applicable, make sure security systems are operational. Ensure proper

lighting by installing exterior and interior motion and timed lighting. This will reduce trespassing and may prevent animal infestation. Maintain landscaping by cutting grass, removing leaves, or snow.

Protection from Environmental Risks:

Remove any debris or hazardous materials, including unnecessary combustibles, pollutants or chemicals to eliminate the potential for fire, leaks or contamination. Turn off electrical equipment. Remove all flammable liquid tanks.

Local governments can personalize their loss-control measures based on the type of risks they are experiencing. Are your losses weather-related? Do fires or water leakage pose the greatest risks to your vacant properties? Once you identify your primary risks, you will be able to develop a prioritized list of loss-control steps to address these reoccurring losses.

Conclusion

Vacant building losses are often difficult to resolve and/or settle. If, however, local governments take proactive measures, such as proper maintenance, security, and regular supervision of vacant buildings, they can minimize risks and help reduce costly losses.

Ellen P. Nudd
Underwriter, LGIT



Preventing Frozen Pipes

By Brent Escoubas, CSP, Vice President
Risk Control Consulting



Freezing weather often approaches unexpectedly and many organizations find themselves unprepared. Organizations with buildings located in a moderate climate are often more at risk of facing frozen pipes and water damage due to the lack of experience or attention given to cold weather preparation.

When water freezes, it expands up to ten percent in volume. It is important to note that fire sprinkler pipes tend to freeze before other water pipes because the water is not moving. When water freezes in a sprinkler pipe, it creates an obstruction that can make the system inoperable during a fire. As ice in the pipe expands, added pressure can cause the pipe to burst.

As freezing temperatures approach, the following guidelines will help organizations identify areas vulnerable to freezing conditions and provide tips for prevention of frozen pipes.

Prior to cold weather:

- Develop a water intrusion plan that includes winterization.
- Identify buildings, equipment, processes and piping (wet and dry) that are dependent upon heat (or above freezing temperatures) for safety and proper operation; this may include sprinkler piping, domestic water piping, sewer piping and any process that contains a liquid vulnerable to freezing.
- Minimize the exterior openings to all buildings, especially vacant buildings.
- Drain liquids from any idle equipment and piping where appropriate.

During Cold Weather:

- Monitor weather temperatures in vulnerable areas. Critical operations and areas should be monitored with low temperature alarms connected to a monitoring station.
- Close windows, vents and doors of buildings and insulate where possible. Tarps may be used to provide temporary wind breaks.
- Increase security rounds in areas that are susceptible to pipe freezing and water damage.
- Maintain an inside temperature above 40 degrees Fahrenheit. Place portable heaters in areas that may be subject to freezing. Conduct routine inspections of portable heaters.

NOTE: Fires often result from the misuse of temporary heaters. When purchasing or renting a temporary heater, the heater should carry the Underwriters Laboratories listed label. Temporary heaters also should have standard safety controls, such as high-temperature cut-outs, flame supervision, flame failure and preset safety regulators. Heaters must be placed away from combustible materials and operated according to manufactures instructions.

- In the event all efforts fail to keep a building heated and temperatures drop below 32 degrees Fahrenheit, it may be necessary to shut off and completely drain wet pipe fire sprinkler systems to prevent further damage. Any sprinkler system shut down must be done for the shortest possible duration and fire system impairment procedures must be followed.
- If pipes freeze, turn off the water supply and repair the damaged piping. If the frozen pipe is part of a fire sprinkler system, Fire Impairment Procedures should be implemented.
- Do not use open flames to thaw frozen pipes or other equipment.

Should you have further questions on cold weather preparation for your building, please do not hesitate to contact Alliant Risk Control Consulting at RiskControl@Alliant.com

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LGIT's 26th Annual Meeting Recap



One of the highlights of this year's annual meeting was outgoing Board of Trustees Chairman David J. Deutsch handing over the chairman's gavel to incoming Chairman John E. "Sonny" Bloxom. Mr. Deutsch will remain on the Board of Trustees after his 4 year tenure in the chairman's role.

Awards



Claims Committee Chair Dave Carey presents the Claims Award to Dan Baden, Treasurer, Town of University Park.



Risk Management Committee Chair Stewart Cumbo presents the Training Award to Lee Myers, Risk Manager, Kent County.



Risk Management Committee Chair Stewart Cumbo presents the Risk Management Award to Kay Harrison, City Office Manager, and Pat Haag, Deputy Clerk, City of Laurel.

LGIT Board of Trustees Elects New Member

Due to the resignation of David E. Carey, Town of Bel Air (David was recently appointed by Governor O'Malley to the Harford County District Court bench), Mike Bennett, Mayor, City of Aberdeen, has been elected by the LGIT Board of Trustees to serve out the remainder of Mr. Carey's term.



Additionally, Mr. Carey has been replaced as Board Vice-Chairman by John Miller, Burgess, Town of Middletown.

Thank You Sponsors

PLATINUM

Alliant Insurance
Belfor USA
Benecon
CIGNA Healthcare
CivicPlus
Crosswhite, Limbrick & Sinclair
Funk & Bolton, P.A.
Genesis
Karpinski, Colaresi & Karp, P.A.
Royal Plus, Inc.
SERVPRO
Tidewater Insurance Associates

GOLD

HCA Asset Management
ISO Services, Inc.
M & T Bank
National Vision Administrators, LLC
Niles, Barton & Wilmer, LLP

SILVER

Allegra Design+Print+Mail
Chesapeake Employers Insurance
Crawford & Company
Glicksman Consulting
Insurance Investigations, Inc.
Johns Eastern Company, Inc.
Legal Resources
Ralco Products
Rimkus Consulting Group, Inc.

LGIT Calendar

December

OFFICE CLOSED - Happy Holidays!

December 24 - December 25

Underwriting Committee Meeting

December 11, 2013, 12:00 PM @ LGIT, Hanover, MD

Risk Management Committee Meeting

December 18, 2013, 12:00 PM @ LGIT, Hanover, MD

January

Executive Committee Meeting

January 6, 2014, 10:30 AM @ LGIT, Hanover, MD

Board of Trustees Meeting

January 27, 2014, 10:30 AM @ MML, Annapolis, MD

Claims Committee Meeting

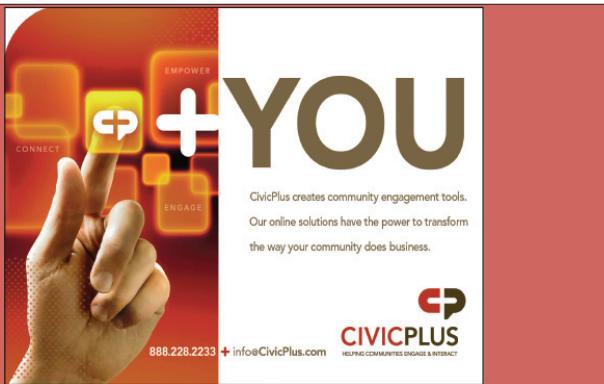
January 29, 2014, 10:00 AM @ LGIT, Hanover, MD

From the Employment Law Hotline (800.845.8055)

The Hotline is a component of the HR Compliance Portal and is a service available to Liability Program members. It provides up to 30 minutes of free legal advice per employment issue. This member service is provided by LGIT, with the professional assistance of Karpinski, Colaresi and Karp, P. A. We have selected for publication one inquiry of interest that was posed through the Hotline.

Question: A local government employee refuses to submit FMLA paperwork. The employee also refuses to provide appropriate documentation regarding his use of leave. The HR director is frustrated and needs guidance as to how to proceed.

Answer: The HR director should send the employee a certified letter advising that if the appropriate and necessary paperwork is not submitted by a date certain, the employee may be terminated.



General Information — 800.673.8231 or 443.561.1700

Online Registration — <http://www.lgit.org>

FAX Registration — Attn: Michelle Yannone, 443.561.1701

For up-to-date calendar information, go to www.lgit.org and click on Upcoming Events

Maryland Local Government Health Cooperative

Learn about a new alternative for health insurance coverage available only to Maryland local governments. Go to www.lgit.org and click Health Coop on the home page.

Join the growing number of Maryland Local Governments that have discovered the best option for their health insurance needs.

Current Cooperative Members

- City of Aberdeen
- Maryland Municipal League
- City of Brunswick
- Town of Middletown
- Town of Chesapeake Beach
- City of New Carrollton
- City of College Park
- Town of Oakland
- City of Gaithersburg
- Town of Port Deposit
- Town of Hampstead
- City of Sykesville
- Kent County
- Town of Upper Marlboro
- LGIT
- City of Westminster

Key Program Advantages

- You can choose your own plan design
- Your costs will be the same every month
- Modified Self-funding without the risk = opportunity to receive money back

More Information

For more information or to get a quote, contact Michele Keplinger, Member Services Associate at **800.673.8231**.

Member Portal Update

The feedback on the new Member Portal has been excellent. Members now have the capability to review and request changes to their policies online. Members can also request certificates, quotes, and loss run reports, as well as renew existing coverages. Need to make a claim or know the status of one? Just sign into the Member Portal. You can see if the claim is open or closed, whether or not it was paid, and, if so, in what amount. This saves our members valuable time.

The portal is constantly being enhanced and improved. Currently, the developers are working on an accounting module. Be on the lookout for this addition. Also, we have reduced the frequency of password changes. Let us know if you are still being required to change your password monthly. Over half of our members are currently utilizing the Member Portal. If you would like to access the portal but have not been trained, please contact Michele Keplinger at MicheleK@lgit.org to get on the schedule.



Quarterly update

Facts and statistics so that you can assess the impact that Enqiron is having on your business

**"the information
on the
HELPLINE is
very valuable"**

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STATISTICAL SUMMARY

Enqiron tracks utilization only in 5 proactive categories out of a possible 200+ touch points: 1) Question of the Month 2) Case Digest of the Month 3) HR Alert, or a specific 4) call and/or 5) email to an attorney. Currently we do not use website hits or policy downloads as part of the utilization statistics.

Currently, there are 182 active members with access to the HELPLINE. The below statistics show their activity for the last 12 months:

- **55%** have proactively utilized the services, which is over **11 times** the industry standard for value-add/risk management services
- With an average of **3.4** proactive requests per utilizing client, HELPLINE users have recorded a total of **345** touch points
- **198** people from the active enrolled organizations currently have access to HELPLINE services including the employment law attorneys via the toll-free number and/or via the web
- These **198** people receive monthly HR Express Updates and will also receive 4-6 HR Alerts throughout the year, which translates to over **3,100** annual risk management and marketing contacts even *before* proactive utilization

PROGRAM SUMMARY

03 2013

This section highlights high-level achievements in the program beyond the daily branding successes and strategic goals for the upcoming quarter.

- HELPLINE hosted a live webinar, "Social Media: You, Your Company and the NLRB", on August 11, 2013. Live attendees received one hour of HRCI continuing education credit, and clients can view the webinar from the HELPLINE website.
- Nicole Lopes and Michele Keplinger are working together on renewing LGIT members on 10/1. Once the new list has been processed, Nicole Lopes will work with the Relationship Management team on reaching out to new and renewal LGIT members to re-introduce them to the HELPLINE.

**"...the HELPLINE is a wonderful tool
that LGIT offers"**