

The LGIT News

Addressing the Needs of LGIT Members

Spring 2014

LGIT's FY 2015 Regional Workshops

The FY 2015 renewal season is rapidly approaching.

Are you getting the most out of your membership?

The LGIT Underwriting Department is currently updating and compiling important information concerning members' renewals. This information includes beneficial changes to the Scopes of Coverage, updates to renewal applications, and other information that will assist in completing the renewal process quickly and accurately. We encourage members to complete their renewals on-line via the Member Portal.

We also encourage all members to take full advantage of our Regional Workshops, which are only offered once per year. These Workshops focus on changes to Scopes of Coverage, new property and liability coverages, credits, new policy year rates and the Maryland Local Government Health Cooperative. We also will provide updated information on programs and services available to LGIT members, including information on new cyber coverage.

Workshops will be offered regionally throughout the State on the following dates:

- **Cambridge Yacht Club** - March 18, 2014
- **LGIT Office, Hanover** - March 19, 2014
- **La Plata Town Hall** - March 20, 2014
- **Elkton Town Hall** - April 3, 2014
- **La Vale Best Western** - April 8, 2014

All Workshops run from 9 a.m. to 2 p.m. with lunch provided.

The LGIT Staff will be on hand to answer any policy and coverage questions you may have. Reserve your seat now! Visit www.lgit.org to register and download the brochure.

AN IMPORTANT REMINDER

Since members are gathering renewal information, this is an excellent time to review and revise vehicle and property schedules, including future FY15 property and auto acquisitions, completed capital projects, and counts for additional law enforcement officers and other employees.

**Please plan on
attending one of LGIT's
Regional Workshops.**



Tim’s Corner

I am pleased to announce that LGIT’s overall rates are increasing by only 1.5%, which is significantly less than the increases many of our members incurred last year. Last year’s increase resulted from increased claims activity in both the primary liability and property pools. Our equity decreased from 49 million to a little over 46 million, and, as a result we had to increase rates. Even though equity decreased by 3 million dollars, our actuary still opines that LGIT is in fantastic shape.

The indicated rate changes for the entire pool for FY15 are as follows:

a. General Liability	+16.0%
b. Auto Liability	-28.2%
c. Public Officials	+16.7%
d. Law Enforc. Liability	+20.1%
e. Auto Phys. Damage	-20.0%
Overall Primary Liab. Pool	+2.2%
Property	+.04%
Overall Change in Funding	+1.6%

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This year’s increase is driven by increased claims costs in law enforcement, general and public officials’ liability. Law enforcement officers are being sued more often, and there are many claims with, and without merit.

That is one reason why LGIT is sponsoring the body camera program this year. We believe, and there is some evidence to support the conclusion that police equipped with cameras will act more professionally, and potential claimants will be less likely to sue if they are aware that they are being recorded.

The increase in public officials’ coverage is being driven by employment discrimination cases. LGIT provides Harassment Training and we are developing a program on the Family Medical Leave Act, the American with Disabilities Act and the Fair Labor Standards Act. This training should help us reduce costs in that area.

Finally, our increase in general liability is being driven by sewer back-up claims. We find that many of our members do not have an inspection program or a periodic clean out program for “hot spots”. Our Loss Control Department is more than happy to assist you in developing a sewer maintenance program.

The good news is we are doing much better with our automobiles. Both our Auto Liability and Auto Physical Damages rates are decreasing significantly. Hopefully, members will continue to follow the rules of the road.

In conclusion, while we had a lot of snow this winter, we did not have a major storm, such as the one in 2010. As a result, we have not had many serious property claims. Consequently, your property rate is increasing by only a small amount.

We appreciate your continued support. We understand you have a choice of insurers, and we greatly appreciate your loyalty.

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LGIT Cyber Insurance Program

Effective January 1, 2014, LGIT introduced the new Cyber Insurance Program through Arthur Gallagher Risk Placement Services. This is a value added program at no cost to our members, and 100 members have signed up to date.

The program provides both the insurance and loss control services to prevent or reduce out of pocket expenses arising from cyber losses. Basically, cyber losses are unauthorized breaches in a computer (cyber) system in which private information is accessed. This can be very costly, especially where State law requires notifying every person affected by a cyber security breach of their private information.

LGIT's Cyber Insurance Program provides both property and liability coverages up to a limit of \$500,000, subject to a \$25,000 deductible (\$50,000 deductible for members with a population greater than 30,000).

LGIT will cover the first \$25,000 after the member's property or liability deductible is met. Non Cyber Insurance Program members will still have coverage, but only to a limit of \$25,000, after their property or liability deductible is met.

The property or first-party coverages include Extortion Threat, Crisis Management Expenses, Business Interruption, Privacy Notification Costs, Privacy Regulatory Defense & Penalties and Payment Card Industry Fines. The liability or third-party coverages include Media Communications Liability, Network Security Liability and Privacy Liability. A coverage overview is provided below.

This program also includes loss control services. These services include Risk Manager Tools to help manage cyber risks, such as: self assessment and state breach notification laws; incident roadmaps; steps to take after a breach; a learning center for best practices; white papers and webinars; and a news center with industry links. These services can be accessed via the eRisk Hub at <http://www.eriskhub.com/xl.php>. **Access code is 10448.**



If you have any questions or would like to join the new LGIT Cyber Insurance program, please contact us.

Scott Soderstrom CPCU, ARMP
Director, Underwriting Services

Coverage Overview Note: This is not a guarantee of coverage	Key Coverages	Per Claim Limit
Privacy Liability Covers allegations of privacy injury as a result of unauthorized release or misuse of personally identifiable information by you or a 3rd party and actual or alleged violation of a privacy law.	<ul style="list-style-type: none"> Includes privacy breach by cloud svc providers/vendors 	\$500,000
Network Security Liability Covers liability associated with your errors that cause a network breach or prevents a 3rd party who is authorized to do so from gaining access to a computer system.	<ul style="list-style-type: none"> Transmission of virus Transmission of malicious code Denial of Service 	\$500,000
Media Communications Liability Covers liability associated with allegations of personal injury (ie: libel, slander, defamation) in media communications.	<ul style="list-style-type: none"> Extends coverage to a public entity's social media activities 	\$500,000
Privacy Notification Costs/Crisis Management Costs Costs to notify customers/citizens of a data breach, costs to hire IT forensics experts, public relations consultants, implement credit monitoring and identity restoration services resulting from your obligation to comply with a privacy law.	<ul style="list-style-type: none"> Customer notification Credit monitoring services PR expenses Advertising expenses IT forensics expenses 	\$500,000 for Privacy Notification; \$500,000 for Crisis Management
Cyber Extortion Damages Monies paid for purposes of ending an extortion threat to avoid corruption or damage to your computer system or website.	<ul style="list-style-type: none"> Extortion monies Additional expenditure 	\$500,000
Privacy Regulatory Defense & Penalties Costs for an organization defending itself against regulatory actions and resulting fines and penalties following a breach of privacy regulations.	<ul style="list-style-type: none"> Costs of defense Fines and penalties 	\$500,000
PCI (Payment Card Industry) Fines Coverage for Payment Card Industry fines or penalties assessed by the Payment Card Industry (PCI) Security Standards Counsel as a result of a breach of cardholder data found to be in violation of the Payment Card Industry Data Security Standard (PCI-DSS).	<ul style="list-style-type: none"> Credit card association includes Visa, MasterCard, AmEx, Discover and JCB 	\$250,000

Public Entity Liability Exposure for Sports Related Concussive Injuries

Over the last two years, there has been a significant increase in public awareness concerning the possible long-term consequences resulting from concussions sustained during sporting activities. Both professional and collegiate football have received the most notoriety. However, the rates of concussive injury in other sports, such as soccer, hockey, and gymnastics is as high or even higher. Many of our municipal and county members sponsor or provide venues for these types of athletic activities, and there has been a growing concern as to the quickly changing liability landscape.



Negligence is the most common basis of legal liability for public entities and their employees. Negligence claims in which concussive injury are on the rise. Negligence lawsuits are limited only by the creativity of the plaintiffs' attorneys filing them. Examples include allegations that the public entity:

- had no concussion protocol or an inadequate protocol
- did not follow its protocol
- provided inadequate safety equipment
- provided inadequate training to athletes
- lacked informed consent that the risk of concussion was adequately disclosed
- failed to inform participants of the extent of concussive injury and its symptoms
- failed to maintain control of athletic contacts
- failed to refer the injured to medical providers
- negligently trained or supervised coaches, trainers and referees

The other and perhaps even more common liability for public entities is premises liability. In these cases, liability does not arise from actions of individuals, but rather from a dangerous condition on the field, arena, or other area where activities are engaged in. Examples of dangerous conditions include: fences, barriers, bleachers, unpadded goalposts, and even unusually hard artificial or uneven surfaces.

Appropriate risk management in this area is especially challenging, and, with information rapidly evolving, programs will need to be frequently reviewed and updated. With that in mind, here are some basic considerations to help our members minimize their exposure to concussion claims:

- Know and follow State law related to concussive injuries.
- Be aware of and follow the required or recommended procedures of any league, association, or governing sports body in which you participate or are a member. Lawyers will use these guidelines to establish the standard of care and will cite any failure to adhere to them as a breach of duty.
- Pay as much attention to the concussion risk for female athletes as for male athletes. Female athletes are more susceptible to concussions and can take longer to recover. In addition, there is evidence that female athletes are more likely than males to return to play before they have fully recovered.
- Training is vital. All coaches, trainers, medical staff and referees—not just those involved with traditional male contact sports—should be required to take concussion awareness training courses.
- All participants (and their parents or guardians, in the case of minors) should read and sign liability waivers that fully disclose the risk of concussions. How much legal protection these will provide varies by state. At a minimum, they serve the important purpose of raising awareness of participants and parents or guardians. Each public entity should consult with counsel versed in this area to be sure they are obtaining the maximum legal protection.
- Be sure that all equipment and facilities are well maintained in order to minimize the risk of concussions. The costs of field and equipment maintenance creates a significant burden for a cash-strapped public entities. This is no reason to neglect them.

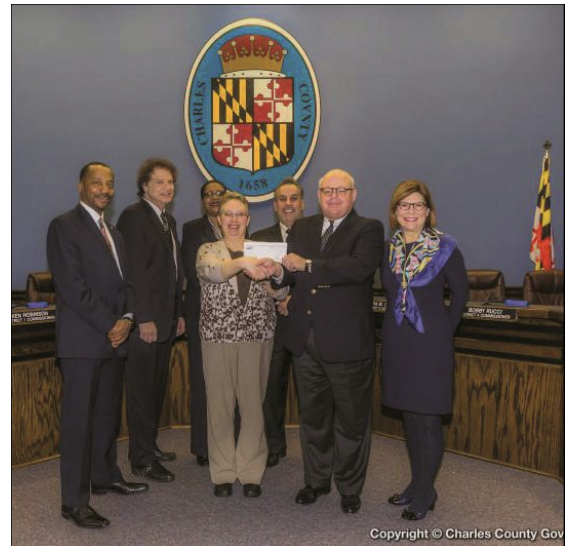
- Provide proper equipment.
- Consider conducting an inventory of government sponsored or supported activities that could lead to concussion claims. While contact team sports are an obvious choice, don't ignore other activities, such as cheerleading. There are other, even less obvious governmental activities that still expose participants to concussions. These include renting or making athletic fields available for use by community organizations, intramural or club sports, or summer camps. Intramural and club sports may pose a particular challenge. These activities tend to have limited or lax oversight. For example, it would be unusual for trained medical personnel to be on hand during most intramural games.

While there will undoubtedly be more information and data available on concussive injuries in the coming years, it is important for our members to take this issue seriously and adhere to the information outlined above.

Information in this article are excerpts used with permission from the July 2013 issue of Genesis Insights "Sports-Related Concussions-A Q&A for schools and other public entities" by Martin G. Hacala. To access the complete article go to: <http://www.genesisinsurance.com/assets/pdfs/In%20the%20News/Insights20137-5.pdf>

Commissioners Receive Local Government Insurance Trust Training Grant

On Tuesday, February 4, the Charles County Commissioners received a \$3,500 grant award from LGIT. The event is pictured below. This training grant was awarded to support safety driver training and will be used for the Charles County Government Truck Rodeo.



Pictured, left to right: Commissioner Vice President Reuben B. Collins, II (District 3); Commissioner Ken Robinson (District 1); Commissioner Debra M. Davis, Esq. (District 2); Joane Gulvas (Safety Officer); Commissioner Bobby Rucci (District 4); Tim Ailsworth (LGIT); and Commissioner President Candice Quinn Kelly.

DID YOU KNOW???

STATISTICS ON YOUTH SPORTS SAFETY

- There were 120 sports-related deaths of young athletes in 2008-2009; 50 in 2010; and 40 in 2011.
- Approximately 8,000 children are treated in emergency rooms each day for sports-related injuries.
- Children aged 15-17 experience the highest number of emergency room visits for sports-related injuries.
- Rates of sports-related injury visits to emergency rooms were highest in rural areas.
- There are three times as many catastrophic football injuries among high school athletes as college athletes.
- History of injury is often a risk factor for future injury, making prevention critical.
- Sixty-two percent of organized sports-related injuries occur during practices.

LGIT Congratulates

Congratulations to the following LGIT Members for their loss control and safety efforts:

City of New Carrollton – for the work of their safety committee and quick response to LGIT loss control recommendations.

Wicomico County – For their outstanding support hosting multiple training events including: Supervisory and Reasonable Suspicion training.

Carroll County and Charles County - for conducting Snow Rodeos helping their public works and road crews hone their winter driving skills.

LGIT Calendar

March

Policy Year 2015 Regional Workshop - City of Cambridge

March 18, 9:00 AM - 2:00 PM @ Cambridge Yacht Club
Lunch will be provided.

Policy Year 2015 Regional Workshop - Hanover, LGIT Office

March 19, 9:00 AM - 2:00 PM @ 7225 Parkway Drive
Lunch will be provided.

Policy Year 2015 Regional Workshop - Town of La Plata

March 20, 9:00 AM - 2:00 PM @ Town Hall
Lunch will be provided.

April

Policy Year 2015 Regional Workshop - Town of Elkton

April 3, 9:00 AM - 2:00 PM @ Elkton Municipal Building
Lunch will be provided.

Policy Year 2015 Regional Workshop - La Vale

April 8, 9:00 AM - 2:00 PM @ Braddock Best Western
Lunch will be provided.

Supervisory Training - Garrett Co., April 9, 2014

Reasonable Suspicion - Garrett Co., April 10, 2014

Harassment in the Workplace - Garrett Co., April 10, 2014

Regional DDC - Calvert Co., Prince Frederick, April 24, 2014

Regional DDC - Calvert Co., Prince Frederick, April 25, 2014

May

Regional DDC - Carroll Co., New Windsor Library, May 15, 2014

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 former employee makes a request that his personnel records, including background information, be supplied to support his workers' compensation and/or retirement benefits claims. Can that information be released?

Answer: YES, the information can be released. However the local government should require the former employee to execute a release expressly authorizing the release of the information to specified third-parties.

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
- City of Brunswick
- Town of Chesapeake Beach
- Town of Chesapeake City
- City of College Park
- City of Cumberland (as of 7/1/14)
- City of Gaithersburg
- Town of Hampstead
- Kent County
- LGIT
- Maryland Municipal League
- Town of Middletown
- City of New Carrollton
- Town of Oakland
- Town of Port Deposit
- Town of Sykesville
- Town of Upper Marlboro
- 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 Specialist at 800.673.8231.

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Quarterly update

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

**“I am grateful
that this is part
of the service
and hope it
continues”**

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STATISTICAL SUMMARY

Enquiron 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 179 active members with access to the HELPLINE. The below statistics show their activity for the last 12 months:

- **72%** have proactively utilized the services, which is over **14 times** the industry standard for value-add/risk management services
- With an average of **3.2** proactive requests per utilizing client, HELPLINE users have recorded a total of **412** touch points
- **206** 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 **206** people receive monthly HR Express Updates and will also receive 4-6 HR Alerts throughout the year, which translates to over **3,200** annual risk management and marketing contacts even *before* proactive utilization

FEEDBACK

TESTIMONIALS FROM MEMBERS

Testimonials are collected during the Relationship Management process, through our marketing website, and from general feedback.

“The service is fantastic. I really like the HR resources because of the ability to print out human resources forms and labor law posters. We are always buying new posters to stay up to date, but this will make getting posters so much cheaper, easier, and faster.”

— **Jan Gorely, Administrative Assistant, Somerset County Library System, Princess Anne MD, 7 employees, Libraries**

“The service is user friendly and provides good information. The HELPLINE can be helpful in providing answers to HR questions I may have or in providing answers to questions I may not have yet encountered, but might in the future (ie. the stories on recent judgments, etc). We have had to use the LGIT attorneys a few times and that has been very helpful. I am grateful that this is part of the service and hope it continues.”

— **Town Manager, MD, 4 employees, General Government, NEC**



PROGRAM SUMMARY

Q4 2013

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

- Enquiron hosted an “Anatomy of a Data Breach” webinar on November 12, 2013. Employers were invited to attend this event live, and enrolled members can now view this session from the HELPLINE site.
- Enquiron started an Enquiron Insights Monthly Newsletter to provide brokers and agents with more client-facing information. This newsletter will continue to be enhanced and improved in 2014.

“The service is user friendly and provides good information.”