

The LGIT News

Addressing the Needs of LGIT Members

Tim's Corner

Baseball season is here, and like the Orioles, LGIT is off to a fast start. We have a new and exciting coverage to offer our members this year and many great services. Our newest offering is drone coverage. LGIT has partnered with Aviation Systems Engineering Company (ASEC) to provide loss control and liability coverage to members that undergo a thorough underwriting and loss control process. Unlike commercial insurance carriers, which do very little in the areas of underwriting and loss control, LGIT will offer drone coverage at no cost on the condition that the member submits to the process. ASEC, which is a world class aviation consulting and testing company based in Lexington Park, MD, helped us develop the process. We believe the process will assist members that fly drones to fly them as safely as possible. For more information on this coverage, please contact Scott Soderstrom, Director of Underwriting. Other significant products available to you include the HR Compliance Portal and the Online Campus. These products are offered at no charge to assist you in operating your local government more efficiently. The HR Compliance Portal, which has been offered for five years, provides weekly updates of federal employment laws, an "HR Question and Answer of the Week", a policy builder which can assist in developing personnel policy, including

harassment policies. The Online Campus offers computer based training on topics such as workplace safety, policy liability, and employment issues.

Coverages offered to you at no additional charge also include Equipment Breakdown, Cyber Liability (subject to an approval process), 1 million dollars in excess liability, replacement cost for automobiles (if the vehicle is less than 3 years old and is a total loss), and the previously mentioned Drone Liability.

I ask that you please apply for a training grant. The Training Grant Program provides money for your entity to participate in training opportunities selected by you. Finally, the Law Enforcement Body Camera Grant Program provides a matching grant of up \$5000 per year.

These are just a few of the ways that LGIT is different from the competition. Remember, we were created solely to serve your insurance and risk management needs, and that remains our focus. Thank you for the opportunity to serve you.



Tim Ailsworth,
Executive Director, LGIT



Spring 2016

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This publication is designed to provide general information on the topics presented. It is distributed with the understanding that the publisher is not engaged in rendering legal or professional services. Although this publication is prepared by professionals, it should not be used as a substitute for professional services. If legal or other professional advice is required, the services of a professional should be sought.

From the Boardroom

The Board of Trustees met on March 14, 2016, and took the following actions:

- Approved the Underwriting Committee's recommendation to increase the Equitable Relief Endorsement limit to \$25,000.
- Approved the Underwriting Committee's recommendation to approve the recommended discretionary credit of \$250,000 for the Primary Liability Program and that the credit be used to fund the loss control credit program and also approve a discretionary credit of \$350,000 for the property program to be used to fund equipment breakdown and cyber liability coverages.
- Approved the Underwriting Committee's recommendation to continue funding the rate stabilization fund credit program for members of the primary liability pools.

Newest Additions to LGIT's Board of Trustees



Shelley L. Herman started working in local government in 2011. Shelley is now the County Administrator for Kent County. Immediately preceding employment with Kent County, she was the Finance Officer of the Town of Centreville. Shelley also served as a Circuit Rider/Town Manager to the Towns of Betterton, Barclay, and Henderson. She holds a B.S. from Salisbury University, and started her career in procurement and finance for Naval Air Systems Command and MPRI. While working with municipalities, Shelley served on MML's Legislative

Committee and Convention Planning Committee. She is currently serving on MACo's Legislative Committee.



Abigail McNinch, a 14-year resident of the Town of Denton, has served on the Town Council since 2013. She is currently the Mayor. She has been appointed to numerous boards including the Eastern Shore Association of Municipalities, the Denton Utility Commission, the Caroline County Library Board of Trustees, Downtown Denton Main Street, Human Resources Council, Caroline County Council of Arts, and Denton Elementary PTA.

As project manager for the Denton Development Corporation for five years, Abigail helped secure over \$1.5 million in grants for various local economic development projects (including the Chesapeake Culinary School and the Denton ArtsWay project). In 2010, in an effort to continue to promote the revitalization of the town, she opened a downtown retail shop, Joviality.

Abigail's educational background includes a Ph.D. in special education from the University of Maryland.

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FY17 Renewal Workshops



Town of Bel Air, Rockfield Manor



Tim Ailsworth, Executive Director, LGIT, presents the winner of the Fitbit drawing to Michael Krantz from the Town of Bel Air.



Charles County Government Building



Cambridge Yacht Club



Brent Klavon, Director of Commercial Drones with ASEC, gives his presentation to LGIT members attending the FY17 Workshop in Hanover.



LGIT Office, Hanover

Scope of Coverage Changes and Value Added Coverages for FY17

Thank you for renewing your coverage with LGIT. It is our pleasure to serve our member local governments. This article highlights the scope changes and renewal reminders for the FY17 coverage year. Please refer to your Scopes of Coverage for complete details. First, the renewal reminders.

1. FREE Cyber Insurance Program:

Legal mandates require that victims be notified when their information has been breached. This can be very costly and can require paying for credit monitoring services. Therefore, we are continuing to offer free cyber insurance for all members who enroll.

LGIT highly recommends this vital coverage. It provides property and liability coverage against hacking, breaching, and theft of personal identifiable information from computer systems. This coverage also includes forensics costs, business interruption, public relations, media liability, libel, slander, defamation, cyber extortion, network security liability, and fines and penalties imposed by government or the payment card industry.

Open enrollment is currently available for coverage effective July 1, 2016. Please go to <http://www.lgit.org/index.aspx?nid=747> to enroll by simply answering 5 questions. **Current cyber program members do not need to re-enroll.**

2. FREE Equipment Breakdown Coverage including State required inspections:

LGIT is providing this very important coverage with a \$10,000 deductible at no charge (FREE) for your covered buildings. Lower deductibles are available for additional premium. This coverage includes your State required inspections. Basically, this covers mechanical/electrical breakdown of your steam equipment, HVAC, telecommunication equipment, refrigeration equipment, compressors, other fired and unfired pressure vessels, water and sewer equipment, and lift and pump stations. Remember to notify LGIT of all new buildings and equipment for inspections.

3. FREE \$1,000,000 Limit of Excess Coverage:

LGIT is providing this important coverage at no charge (FREE) for the first \$1 million limit for all members in the Primary Liability Pool. Higher limits up to \$5 million are available for additional premium and are highly recommended. We recommend the \$5 million limit as the Local Government Tort Claims Act (LGTCA) does not cap federal constitutional or civil rights lawsuits against you filed in state or federal courts.

Your FY17 Scope of Coverage Changes are below.

Primary Liability Program

• Personal Injury Definition (p. 1-24)

Personal Injury includes wrongful invasion of the right of private occupancy in a room, dwelling or premises that the person occupies.

• Unlawful Gain Exclusion (p. 3-6)

The Trust will not provide coverage for a Claim based upon or attributed to Member gaining in fact any money, profit, advantage or remuneration to which it was not legally entitled. The Trust will defend Member in Lawsuits containing these allegations until there is a full and final adjudication of the Claim.

• Violation of Law Exclusion (p. 3-7)

The Trust will not provide coverage for a Claim arising from the intentional violation of any statute, ordinance or regulation committed by or with the knowledge and consent of Member. The Trust will defend Member in Lawsuits containing these allegations until there is a full and final adjudication of the Claim.

• Auto Physical Damage Limit of Liability (p. 4-17)

The most the Trust will pay for Loss in any one Accident is, for Owned Autos Only that are less than 3 years old, for total Loss, if not replaced, the actual cash value of the damaged or stolen property as of the time of the Loss.

- Valuation of Autos (p. 4-17)
- The age of an Auto is computed from the model year as determined by the original vehicle identification number.
- Defense Costs in Civil Cases Seeking Equitable Relief Endorsement (p. A-16)
- Subject to a maximum reimbursement of \$25,000 per case and a maximum annual aggregate reimbursement of \$50,000 for all cases, the Trust will reimburse Member for reasonable defense costs, including attorney fees, which are incurred by Member in civil cases involving Claims, demands or actions seeking relief or redress in any form other than money Damages. The Deductible Amount shown in the Declarations shall not apply to this endorsement.
- Unmanned Aircraft (Drones) Endorsement (p. A-40)

Subject to completing and accepting a supplemental Unmanned Aircraft Application, this optional coverage will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations and subject to any applicable Limit of Liability) that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage arising out of the ownership, maintenance, use (including operation and Loading or Unloading) or entrustment to others of Unmanned Aircraft owned or operated by or rented or loaned to Member in compliance with all applicable regulations promulgated by the Federal Aviation Administration. An Unmanned Aircraft is a pilotless Aircraft not designed to carry people.

The Trust also provides Personal and Advertising Injury Liability coverage, Law Enforcement Legal Liability (Wrongful Acts) coverage, and Public Officials Legal Liability (Errors and Omissions) coverage for Unmanned Aircraft.

Property Program

- Unmanned Aircraft (Drones) (pp. 12 and 33)

Coverage of Unmanned Aircraft (Drones) is subject to a Deductible of \$500 per Occurrence. Covered Property does not include Unmanned Aircraft (Drones).

- Valuation of Autos (p. 31)

The age of an Auto is computed from the model year as determined by the original vehicle identification number.

Scott Soderstrom CPCU, ARMP
Director, Underwriting Services



Disability Awareness Tips: Understanding the ADA

You all know of the Americans with Disabilities Act (ADA) passed in 1990. It is important, however, to constantly remind ourselves what the law covers and protects against. The ADA prohibits discrimination against people with disabilities in all areas of public life including: jobs, schools, transportation and all public and private places that are open to the general public. There are five sections, referred to in the law as "titles," that detail the rights of approximately 54 million Americans with disabilities.

Title I - Employment

- Designed to help people with disabilities access the same employment opportunities and benefits available to people without disabilities.
- Applies to employers with 15 or more employees.
- Requires employers to provide reasonable accommodations to qualified applicants or employees. A "reasonable accommodation" is a change that accommodates employees with disabilities without causing the employer "undue hardship" (too much difficulty or expense).
- Defines disability, establishes guidelines for the reasonable accommodation process, addresses medical examinations and inquiries, and defines "direct threat" when there is risk of substantial harm to the health or safety of the individual employee with a disability or others.
- Regulated and enforced by the U.S. Equal Employment Opportunity Commission.

Title II - Public Services: State and Local Government

- Prohibits discrimination on the basis of disability by "public entities," which are programs, services and activities operated by state and local governments.
- Requires public entities to make their programs, services and activities accessible to individuals with disabilities.
- Outlines requirements for self-evaluation and planning; making reasonable modifications to

policies, practices, and procedures where necessary to avoid discrimination; identifying architectural barriers; and communicating effectively with people with hearing, vision and speech disabilities.

- Regulated and enforced by the U.S. Department of Justice.

Title III - Public Accommodations and Services Operated by Private Entities

- Prohibits places of public accommodation from discriminating against individuals with disabilities. Public accommodations include privately-owned, leased or operated facilities like hotels, restaurants, retail merchants, doctor's offices, golf courses, private schools, day care centers, health clubs, sports stadiums, movie theaters, and so on.
- Sets the minimum standards for accessibility for alterations and new construction of commercial facilities and privately owned public accommodations. It also requires public accommodations to remove barriers in existing buildings where it is easy to do so without much difficulty or expense.
- Directs businesses to make "reasonable modifications" to their usual ways of doing things when serving people with disabilities.
- Requires that businesses take steps necessary to communicate effectively with customers with vision, hearing, and speech disabilities.
- Regulated and enforced by the U.S. Department of Justice.

Title IV – Telecommunications

- Requires telephone and Internet companies to provide a nationwide system of interstate and intrastate telecommunications relay services that allows individuals with hearing and speech disabilities to communicate over the telephone.
- Requires closed captioning of federally funded public service announcements.
- Regulated by the Federal Communication Commission.

Title V - Miscellaneous Provisions

- Contains a variety of provisions relating to the ADA as a whole, including its relationship to other laws, state immunity, its impact on insurance providers and benefits, prohibition against retaliation and coercion, illegal use of drugs, and attorney's fees.
- Provides a list of certain conditions that are not to be considered as disabilities

Transportation

- Public Transportation is offered by a state or local government and is covered by Title II of the ADA. Publicly funded transportation includes, but is not limited to, bus and passenger train (rail) service. Rail service includes subways (rapid rail), light rail, commuter rail, and Amtrak.

- If transportation is offered by a private company, it is covered by Title III. Privately funded transportation includes, but is not limited to, taxicabs, airport shuttles, intercity bus companies, such as Greyhound, and hotel-provided transportation.
- The U.S. Department of Transportation, Federal Transit Administration releases information, guidance and regulations on public transportation and the ADA.

For more information and resources on the ADA, please visit www.ada.gov

And LGIT publications:

<http://www.lgit.org/DocumentCenter/Home/View/546>

<http://www.lgit.org/DocumentCenter/Home/View/293>

LGIT would like to thank St. Mary's County for allowing us to use portions of their publications for this article.

Assembling an Accident Investigation Kit

It is important to be prepared for the possibility of an accident. The person responsible for investigations should have an accident investigation kit that is readily available when needed. A well-prepared accident investigation kit includes the materials to assist in protecting the site and gathering of information, along with clear instructions on the steps to take.

Your kit should include the following:

- Signs and barricade tape: Use "Caution" and "Danger" signs and tape to immediately mark off areas to protect others on the site and impound evidence to ensure it isn't inadvertently moved or tampered with. Be sure to provide a wide area around the actual incident site so that the investigation can proceed without interference.
- Camera: Take as many pictures as you can from as many angles and positions as possible. Based on the facts gathered, you may want to take simulated photos of where the individual was prior to the accident and or steps involved leading up to the accident. Many digital cameras have a video feature that can be very useful as well.
- Measuring devices: Accurate measurements will assist outside investigators, your LGIT claims staff, and/or consulting engineers that may be involved with the incident to develop more precise data.
- Gloves: Be sure your kit contains both leather gloves (protection from damaged equipment or sharp materials) and nitrile gloves (protection from blood borne pathogens).

- Sign-in sheet: Document the names of all the workers who are typically in the immediate area, and whether or not they were on site at the time of the incident.
- Witness forms and pencils: Obtain statements from witnesses while the incident is fresh in their minds. Remember at this point you are only collecting facts. You need each witness record/document exactly what he or she recalls and witnessed. Don't delay this process, even if workers are upset. You want to gather the information in a timely manner. Documenting witness statements before their memory begins to fade
- Digital voice recorder: You may find it easier to take statements from employees electronically and later transcribe your notes on paper.
- Other items: Your Kit should also include a flashlight with batteries, a pad of lined paper, a permanent marker (to identify objects or mark areas being photographed), and contact information for the appropriate municipal government personnel, LGIT, and any appropriate governmental agencies.

When serious incidents involve loss of life, third parties, and other catastrophic events, contact LGIT right away for guidance and support. Remember, if a serious incident occurs, protect the scene, particularly if it involves a fatality.

LGIT would like to thank the Alaska Municipal League Joint Insurance Association, the Safety Management Group, and the CNA Financial Corporation for allowing us to use portions of their publications regarding this topic.

LGIT Calendar

MAY

Policies ready for renewal in Member Portal

Early May 2016

LGIT Office Closed - Memorial Day

May 30, All Day

JUNE

Deadline for Renewal through Member Portal

Wednesday, June 22, 2016

Regional Defensive Driving Course-Kent County

June 22, 8:30 AM - 3:30 PM

MML Annual Convention

June 26, 2016—June 29, 2016

**LGIT's 29th Annual Meeting
October 27, 2016**



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

General Information — 800.673.8231 or 443.561.1700

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

FAX Registration — Attn: Michelle Yannone, 443.561.1701

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 recent inquiry of interest.

Question: A local government has salaried exempt employees who worked additional time as a result of inclement weather. The local government is considering giving them additional leave because they worked "above and beyond" the call of duty. Can the local government do this?

Answer: Yes. The local government could, but is not required to do so. If additional leave is granted, it should be made clear to the affected employees that this is being done based upon the extraordinary circumstances, and is not something that will be done on a routine basis.

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 Centreville
- Town of Chesapeake Beach
- Town of Chesapeake City
- Town of Chestertown
- City of College Park
- City of Cumberland
- City of Gaithersburg
- Town of Hampstead
- Kent County
- Kent County Library
- Local Government Insurance Trust
- Maryland Municipal League
- Town of Middletown
- City of New Carrollton
- Town of Oakland
- Town of Poolesville
- Town of Port Deposit
- Town of Sykesville
- Town of Upper Marlboro
- City of Westminster

Key Program Advantages

- Choose your own plan design
- 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.



Tim Ailsworth, LGIT's Executive Director, presents the Town of Elkton a \$4,000 grant award. This training grant was awarded for Defensive Driving Simulator training facilitated by Cecil County Community College.