

# LGIT

SERVING MARYLAND LOCAL GOVERNMENTS SINCE 1987

# NEWS

Fall 2009

Local Government Insurance Trust  
**LGIT**

Building Safer Tomorrows for Maryland Local Governments



## From the Boardroom...

The Board of Trustees met on May 20, 2009 and took the following actions:

- Approved the Underwriting Committee's recommendation that golf carts be covered as mobile equipment.
- Approved the Underwriting Committee's recommendation that LGIT offer golf course land as a standard and optional endorsement coverage
- Approved the Underwriting Committee's recommendation that the Auto Scope of Coverage be amended to provide limits up to the minimum limits of Auto Liability in those claims to which the "Household Exclusion" applies.
- Approved the Underwriting Committee's recommendation to extend coverage to audio, visual or data electronic equipment for law enforcement or emergency autos.
- Approved the Underwriting Committee's recommendation to provide 90 days reporting of all mobile equipment, including leased or borrowed mobile equipment.
- Approved the Underwriting Committee's recommendation that the prisoner endorsement premium be incorporated into the primary liability premium or billed annually for the amount of \$300 instead of the quarterly minimum premium of \$75.
- Approved Susan Keller, Commissioner from Frostburg, to fill a vacancy on the Board of Trustees.

The Board of Trustees met on June 18, 2009 and took the following actions:

- Approved the Underwriting Committee's recommendation to approve language to provide that coverage is continued for scheduled artificial turf under the Property Scope of Coverage.
- Approved the Underwriting Committee's recommendation for the language in the Scope of Coverage to clarify that the Auto Stated Value endorsement is limited to eligible auto codes.

- Approved the Executive Committee's recommendation to adopt the FY 2010 operating and capital budgets.
- Approved the Executive Committee's recommendation to fund a total of \$1 million into the rate stabilization accounts of the members of the Primary Liability Pool based on each member's proportionate share of the return of capital. Such funds may be used at the member's discretion as a premium credit not to exceed 40% of the balance of the account.

## LGIT Trustees Election

The following were elected by the membership to a three-year term on the Board of Trustees commencing July 1, 2009: David Carey, Commissioner, Town of Bel Air; John Miller, Burgess, Town of Middletown; Gary Mullich, Director of General Services, Garrett County and Wilson Parran, President, County Commissioners, Calvert County.

## STAFF WELLNESS PROGRAM

LGIT staff kicked off the fourth year of our award-winning Staff Wellness Program with a lunchtime Balance Ball Fitness class. The class includes cardio and strength training through the use of fitness bands. Using a fitness ball helps to strengthen core muscles while improving balance, burning calories and fat and building physical strength. Our annual Health Fair is scheduled for September, where employees can take advantage of blood pressure screenings, cholesterol checks, flexibility measurement, recovery heart rate, BMI, bone density testing and a Wellness Profile. Employees can also receive a ten-minute massage, a free fitness calendar, and be entered into a drawing for a Visa spending card — all just for participating in the event.

If you would like more information about how to start a Wellness Program in your workplace, please give Marsha Carpenter or Sandy Tedrow a call at 1-800-673-8231. We would love to share our American Heart Association award-winning program with you!

### Save the Date...

**Mark Your Calendars for  
LGIT's 22nd Annual Meeting**

**Thursday,  
November 19, 2009**

**Sheraton Annapolis Hotel  
Annapolis, Maryland**



7225 Parkway Drive, Hanover, MD 21076 | PH 443.561.1700 | TF 800.673.8231 | FX 443.561.1701 | [www.lgit.org](http://www.lgit.org)

LGIT's 22nd Annual Meeting

**Health is Wealth!**

**Employee Wellness  
Boosts Your Bottom Line**

*Budget tight? Need to save money? Want to keep morale high?  
Don't miss this opportunity! Learn how to SAVE money AND increase  
workplace well being for yourself, employees, staff and the bottom line!*

**FOCUS THIS ISSUE**

**Seasonal Alert!**  
Avoiding Deer Collisions

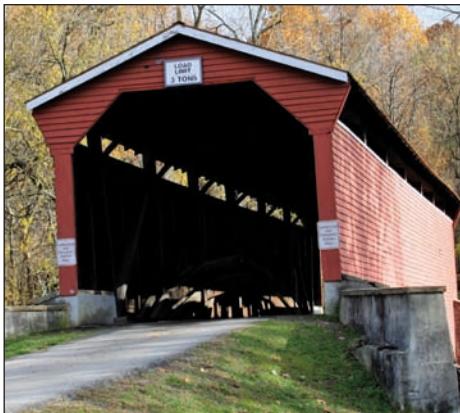
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**Medicare's Mandatory Insurer Reporting Requirements**

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**On The Cover**

Covered bridge over Big Elk Creek in Fair Hill Preserve, Cecil County, Maryland.

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**LGIT Board of Trustees**

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Information Services  
Hank Schomburg  
Director of Loss Control &  
Underwriting Services  
Sherri N. Butler  
Director of Claims Services  
John F. Breads, Jr.  
Director of Legal Services  
Arlene Courtney  
Manager, Support Services

# Seasonal Alert!

## Avoiding Deer Collisions

The Insurance Institute for Highway Safety estimates that last year there were over 1.5 million deer-to-vehicle collisions which equaled a total of \$1.1 billion in physical damages and 180 human deaths. Annually for LGIT there are 170 claims of this type totaling nearly \$300,000 in damages. Often law enforcement personnel drive the vehicles involved in this type of collision. Fortunately, there are some simple things all of us can do while driving to avoid or prevent a collision with a deer.

Stay alert! The best way to spot a deer is to look for movement on the side of the road. Most often, deer are most active at dawn and dusk. When driving conditions allow, travel with your vehicle's high beams on to look for reflection from the deer's eyes. Remember that deer frequently travel in herds; missing one deer doesn't mean that another isn't nearby. The most likely time of the year to strike a deer is during the hunting or mating season, between October and December.

If you are faced with a deer collision, there are a few important points to remember. The most important is to turn your vehicle to the right and not to the left. If you must pull out of your lane to avoid a collision, turn your vehicle to the right as far as needed, off the road if necessary. Never pull into the opposite lane, as this could lead to a head-on collision with another vehicle,

which is likely to be worse than hitting the deer itself. Remember to travel at a speed that is appropriate to the area and the conditions; the slower you are traveling, the more time and options you have. If you must leave the road, do so by simply guiding the car off the road, avoiding sudden and forceful actions. If possible, try to gently guide the car back onto the road. Slamming on the gas or the brakes when turning off or back onto the road can be more dangerous than simply guiding the car where you intend for it to go. Always watch where you are going instead of watching the animal, because that might cause you to steer towards the deer. If you must hit something when you turn off the road, try to hit it off center of the vehicle with a glancing blow; every inch off-center will greatly decrease the amount of damage and the potential for driver and passenger injury.

If a collision with a deer cannot be avoided and the deer is struck, there are a few simple guidelines to follow. Immediately inspect the damage to the vehicle and, if possible, move the vehicle off of the road. Make sure your hazard lights are on. If the vehicle is immobile, be sure to set up the correct traffic devices such as fluorescent triangles or flares. Never attempt to touch or move the deer. Remember that deer are wild animals that carry diseases, and when injured, are likely to try to defend themselves.

If you must travel through areas known to have a large deer population, slow down, stay alert and stay safe!

The following table shows how to best minimize damages:

Techniques to avoid deer collisions	If you strike a deer
<ul style="list-style-type: none"><li>▶ Travel at the posted speed limit.</li><li>▶ Stay alert.</li><li>▶ Be aware of posted deer crossings and where forested or agricultural areas meet the roadway.</li><li>▶ Use simple scanning techniques while driving, looking at both sides of the road and keeping your eyes moving.</li><li>▶ Look for deer especially at dawn and dusk and the hours shortly before and after dawn and dusk.</li></ul>	<ul style="list-style-type: none"><li>▶ Move the vehicle to a safe location off the road.</li><li>▶ Make sure your hazard lights are on.</li><li>▶ Inspect the vehicle for damage.</li><li>▶ Put out flares or reflective warning devices to warn other drivers of your damaged vehicle.</li><li>▶ Make note of important information for your insurer.</li><li>▶ Report the event as soon as possible.</li></ul>

# Loss Control Premium Credit Survey Summary

## Response to survey

The Board authorized \$300,000 in fiscal year 2009 to be distributed to those members who successfully complied with the risk management survey questions. 87 trust members responded to the Loss Control Premium Credit Survey; this included the full range of membership size, from the smallest to the largest local governments. All 87 respondents received a credit of 5% of their Primary Liability premium for the fiscal 2010 renewal.

## Survey description

The survey was specifically directed to participants in the Primary Liability Programs and included questions for General Liability, Automobile Liability, Public Officials Liability and Law Enforcement Liability. The survey was designed in such a way that would not penalize a member if that member did not carry one of the coverages. For example, if a member had no Law Enforcement Liability coverage, the member did not have to address those questions. Once the survey was distributed, those who did not participate in the survey were sent a reminder to complete the survey.

## Survey Benefits and Lessons Learned

LGIT has benefitted from this program in ways that we originally did not anticipate. For example, for those members who answered "no" to compliance to a specific element of the survey, Loss Control directed attention to resources for the benefit of the members needing assistance by means of hyperlinks. These were, for example, a safety program/committee, a personnel policy, and sections of the Risk Management Manual, to the training available with the "on demand series", to Risk Management Bulletins, guidelines, and references to the library holdings. All of these are available electronically via our website. This resulted in an "added" value service and a way of rewarding members practicing good risk management techniques.

## Thank you

We appreciated the time taken by each member to complete the survey. We are very grateful for the heavy response of greater than 50%.



Vance Petrella  
Manager, Loss Control Services

## LGIT Attends MACo Annual Summer Conference

County officials stopped by the LGIT booth to chat with Executive Director Jon Burrell and LGIT staff. While at the conference, LGIT continued to promote the new Health Benefits Cooperative Program through its partnership with the Benecon Group.

The annual conference draws nearly 3,000 local, state and federal government official attendees and their families. More than 80 speakers from the public and private sectors are featured in more than 20 continuing education sessions especially geared towards county elected officials.



Photo above: Commissioner Wayne Tome of Cecil County. Photo right: Council President Bill Nichols of Dorchester County.



Raffle winner, Assistant Director, Human Resources,  
Sherry A. Bratton of Caroline County.



Left to right: County Administrator Sam Boston and Commissioner Paul Ward of Somerset County.



## MEDICARE'S MANDATORY INSURER REPORTING REQUIREMENTS

**E**nacted in 2007, the Medicare, Medicaid, and SCHIP Extension Act (MMSEA) requires group health plans, liability insurers, self-insurers, no-fault insurers, and workers' compensation insurers to report detailed information to the Centers for Medicare & Medicaid Services (CMS) about payments made to Medicare beneficiaries. These mandatory reporting requirements will allow CMS to coordinate benefits paid to individuals receiving Medicare or Medicaid benefits. Essentially, CMS will stop making payments when another entity is responsible for medical costs and actively seek recovery from the insurer of any payments Medicare has made.

Group Health Plans began complying with MMSEA reporting requirements in 2009. MMSEA will require liability insurers, including self-insureds, to report to CMS on a quarterly basis all settlements, awards, judgments, and no-fault (PIP/Medical Expense) payments made to a Medicare beneficiary after January 1, 2010. The civil penalty for failing to comply with MMSEA reporting requirements is \$1,000 per day, per claim.

Previously, liability insurers complied with Medicare Coordination of Benefits requirements by requiring the injured party or his attorney to protect any Medicare lien that applied to a claim settlement. The new mandatory reporting requirements now

require the liability insurer to identify if a claimant is entitled to Medicare benefits and to report information about the beneficiary and any payment of settlement to CMS.

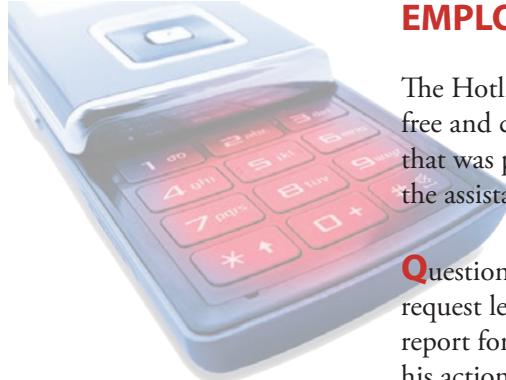
Because LGIT's agreement with our members allows LGIT to settle claims on behalf of our members without their approval, under MMSEA regulations LGIT is the designated Responsible Reporting Entity (RRE) for all LGIT members. Therefore, LGIT members can be assured that LGIT will comply with the MMSEA mandatory reporting requirements on their behalf.

The significant challenge presented by MMSEA is how to determine if a claimant (including an individual with an unresolved claim) is entitled to receive Medicare benefits, SSI disability benefits or benefits paid to individuals in end-stage renal disease. LGIT has implemented procedures to capture claimant data for each bodily injury claim presented against a LGIT member. This data will be submitted to CMS for verification of the medicare status of each claimant.



Sherri N. Butler  
Director, Claims Services

## EMPLOYMENT LAW HOTLINE

A 3D rendering of a flip phone, showing its keypad and screen. It is light blue with a dark blue flip cover.

The Hotline, a phone service available to Liability Program members, provides up to 30 minutes of free and confidential legal advice on employment matters. We have selected one inquiry of interest that was posed through the Hotline to print here. This member service is provided by LGIT, with the assistance of attorneys Daniel Karp and Kevin Karpinski.

**Q**uestion – There is an employee who has been suspended for failing to follow proper procedures to request leave; he subsequently asked for leave and then withdrew the request. He has now refused to report for work, ostensibly because there are work place hazards. Can the employee be terminated for his actions?

**A**nswer – The employee may file a complaint with OSHA or MOSHA, or some other agency, and it is conceivable that he may lawfully refuse to perform a specific task if it is unreasonably dangerous and not within the scope of his normal duties. However, he cannot simply refuse to come to work on this basis. He may be terminated, as long as it is done consistently with the local government's personnel rules and regulations.

**Call Before You Act!**

**800.845.8055**

## LGIT Unveils New Health Benefits Cooperative at Annual MML Conference

In June, Executive Director Jon Burrell and staff members from the underwriting, claims, and legal departments attended the annual Maryland Municipal League Conference in Ocean City. The convention theme, Getting Green Together, recognized the importance of developing and implementing “green” initiatives to help preserve our natural resources and improve our communities.

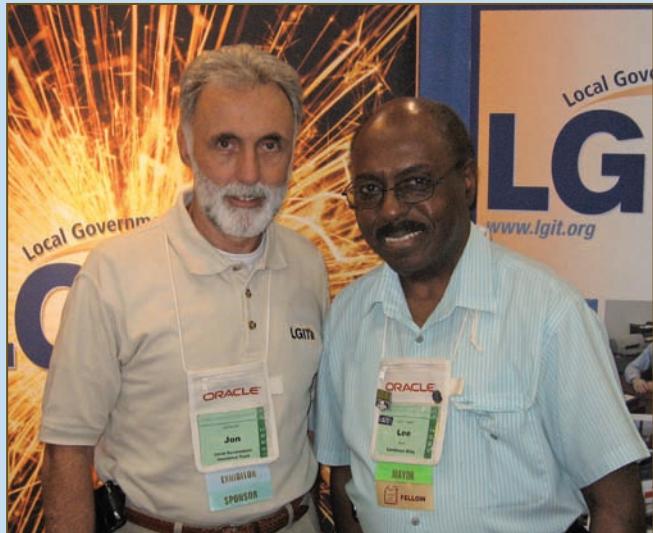


Photo left to right: Benecon representatives Al Loomis, Robin Richardson, and Fred Bean.

At the convention, LGIT shared an exhibitors booth with BENECON Benefits and Consulting Group, a firm that specializes in employee health benefits through group purchasing. LGIT is working with BENECON to create a health benefits cooperative for local governments. Members who visited the LGIT/BENECON booth spoke with LGIT staff regarding a wide range of risk management, claims and legal matters, as well as member benefits and training opportunities. They also spoke with representatives from BENECON regarding the benefits associated with local governments joining a health care cooperative and its efforts to create such a cooperative here in Maryland.

In addition to interacting with members at the exhibit booth, LGIT staff also played key roles as presenters at several workshops presented at the Conference. LGIT staff presented at workshops dealing with employee wellness programs, the basics of risk management, and public official liability. Each class was well-attended and well-received.

Visitors to LGIT's Booth. Top photo left to right: Karen and John D. Miller, Burgess of Middletown. Middle photo: Mayor Lee P. Walker of Landover Hills. Bottom photo: Mayor Andrea McCutcheon of Forest Heights.



# Training & Seminar Class Schedule

Fall 2009

## September

### NSC Defensive Driving Course

Caroline County, Denton Community Center  
Thursday, September 10, 2009  
8:30 a.m. - 3:30 p.m.

### NSC Defensive Driving Course

Cecil County, County Administration Building (Elk Room)  
Thursday, September 17, 2009  
8:30 a.m. - 3:30 p.m.

### NSC Defensive Driving Course

City of Havre de Grace, Community Center  
Tuesday, September 22, 2009  
8:30 a.m. - 3:30 p.m.

## October

### Three-part Supervisors Training

Ocean City, Maryland - TBA

## Training & Seminar Class Registration

800-673-8231 or (general information)  
443-561-1700

<http://www.lgit.org/training/registration.htm> (online registration)

443-561-1701 (FAX registration forms to  
Attn: Michelle Yannone)

## New Materials in LGIT's Loss Control Resource Library

### Harassment & Discrimination:

#### Promoting Respect and Preventing Discrimination Management Edition

This program is designed to help managers understand that harassment can take many forms and that each is a form of discrimination.

### Harassment & Discrimination:

#### Promoting Respect and Preventing Discrimination Employee Edition

Training employees to prevent workplace discrimination and harassment is essential. Not only can workplace discrimination and harassment affect employee productivity, it can divert resources from the company's real business. Improper conduct can also lead to company liability for workplace discrimination and harassment.

### Managing the Anger to Prevent the Violence

This DVD approaches the issue of workplace violence by providing excellent training in anger management.

### Harassment Is

Harassment represents one of the most destructive workplace issues faced by public and private employers today. It is important to train all personnel to recognize the various forms that harassment may take and implement measures to prevent it in your organization.

### Drug Free Workplace: Supervisor Edition

This program is designed to help you gain a clearer understanding of a manager's responsibility regarding enforcing and maintaining a drug-free workplace.

### It's About Respect: Recognizing Harassment in a Diverse Workplace

This DVD features a new program which will raise awareness regarding harassment and explain the do's and don'ts of creating a respectful workplace for everyone.

### Government Ethics

This DVD examines the ethical principles common to all government codes of ethics. Through realistic situations, new employees learn the ethical practices expected of them and experienced employees are questioned about how well they are still meeting those expectations.

### Driving Distractions of the Everyday Driver

This DVD addresses the types of distractions that drivers in everyday traffic will encounter and how to handle those driving situations.

### Defensive Driving: When Good Weather Goes Bad

When unpredictable and bad weather hits, it often brings different dangers and hazards to your everyday driving conditions. In this film we discuss the dangers, preventative measures, and safety tips you will need when dealing with the elements.

### Ladder Safety

This program shows that because ladders are so common, many employees take them for granted and don't take the appropriate precautions when using them. Ladders are one of the most commonly used pieces of equipment in almost any work environment, and can also prove to be one of the most dangerous when improperly used.

All new additions to the library are in DVD format. If you are interested in these or other resources in our Loss Control Resource Library, click on <http://www.lgit.org/training/LCRLibrary.htm> for more information.

## Town of Bel Air Receives LGIT Training Grant



Town of Bel Air Humans Resources Director, Joyce Oliver and Chairman Robert M. Preston accepts a LGIT grant on behalf of the Town for Supervisor Training through Harford Community College.