

# LGIT

SERVING MARYLAND LOCAL GOVERNMENTS SINCE 1967

# NEWS

April - 2004



The Local Government Trust will provide coverage and risk management services at state and competitive rates through an organization that is owned and managed by its local government members.

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## It Must Be Spring . . . It's Renewal Time!

**S**pring is almost here and while you're working on your budgets, we're trying to pull the numbers together to provide you the rate information you need for those line items in your budget. July is just around the corner and we want to be sure we have the numbers you need for your budget long before July gets here.

**U**nfortunately this year continues to suffer the fallout from the 9/11 catastrophe in that our reinsurers demand from us specific and minute information about exposures almost up to the last minute thus stretching out an already time consuming process. It becomes a real challenge in terms of getting those numbers out to you in a timely manner. The Trust buys reinsurance from the market to add extra layers of protection for the Trust's property and liability coverage. This reinsurance cost is one of the factors that goes into our rate determination for the coming year. We hope to have available this information when we do our 7th annual regional round of Renewal Workshops in April.

**I**n the health area we are working with our consultant to restructure our program in order to offer the kinds of medical care options that are affordable and that you have requested. While numbers are not yet available, we are shooting to have some numbers available within the next few weeks. We hope to discuss the new

changes to the health program at some regional/member visits in the late spring. We are still trying to improve the coverage whenever possible, while keeping an eye on the costs.

**S**tay tuned. More information will come out on this as we move into the spring.

(See Renewal Workshops Schedule on Back Page.)



**Jon C. Burrell**  
Executive Director

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## Employment Law Hotline

The Hotline is a phone service available to Liability Program members that provides up to 30 minutes of free legal advice on employment matters. We have selected to print two interesting inquiries that were posed through the Hotline. This member service is provided by LGIT, with the assistance of Daniel Karp, Esquire.

### Question

**Is there any impropriety in asking, as part of an employment application, whether the prospective employee has been convicted of a crime?**

### Answer

No. The proper question would be whether the individual has been convicted of a crime, since his or her eighteenth birthday, other than for a minor traffic offense.

### Question

**Is there any problem in having background checks done by an independent contractor, and should prospective employees be advised that such a check would be made?**

### Answer

There is no prohibition on using a third-party to conduct background checks. While there is no requirement that a prospective employee be advised in advance that a background check will be made, the individual should sign a release with respect to criminal history information, as part of the application process. This will not only facilitate the third-party in obtaining information, but will also advise the prospective employee, at least implicitly, that a background check may be done.

## Maryland Department of Environment



## Supplemental Assistance Program For Sewage Facilities

Based on LGIT's Primary Liability loss experience for the past five years, it seems likely that there are a number of local governments with sewage treatment system problems in practically all regions of the State. This presents itself as a significant cost to the local governments as well as the homeowners. These faulty systems have caused an increase in frequency and severity of LGIT's sewer back-up claims.

The Maryland Department of Environment Supplemental Assistance Program for Sewage Facilities provides grant assistance to local governments for planning design, and construction of needed wastewater facilities. This program helps to fund projects that address public health or water quality problems and where the ability of the grantee to pay for the needed improvements is usually limited. Funds are targeted to: waste water treatment plant upgrades, connection of failing septic systems in older established communities to public sewers, combined sewer overflow abatement, rehabilitation of existing sewers and conveyance systems including pumping stations.

### Funding

- Grants are typically used in conjunction with other State and federal funding sources.
- Program funds up to 100% of eligible project cost, with participation by the grantee at a level determined to be affordable.
- The applicant may be offered a combination State grant and State

Water Quality Revolving Loan based on the level of affordability.

- Funds are provided on a reimbursable basis after a payment request is made for eligible project costs.
- The size of the project is not a factor in determining grant funding.

## Eligibility and Selection

- Any local government entity in Maryland is eligible for funding.
- Project must be eligible under the Clean Water Act.
- Project must conform to Maryland Priority Places Executive Order and be located in a Priority Funding Area.
- Project must be consistent with the County Water and Sewer Funding.

## Project Selection Criteria

- Rating and ranking the project is based on the Integrated Project Priority System (IPPS).
- Severity of the existing water quality or public health problem.
- Financial capability of the applicant.
- Cost-effectiveness of the proposed solution.
- Proposed project benefits.
- Readiness to proceed.
- Previous efforts by applicant to correct the problem.
- Availability of funds.

The solicitation of pre-application packages for financial assistance is the first step in the capital program development. This information can be obtained by calling the Capital Planning Coordinator at 410-537-3722. Additional information on Priority Places and Priority Funding Areas can be found on the Maryland Office of Planning's web site at [www.mdp-state.md.us](http://www.mdp-state.md.us).



Ellen Nudd, Underwriter  
Loss Control & Underwriting Services

## Feeling Stressed and Over-Extended?

### Balancing Home & Work

Is your laundry basket as full as your "in" basket? Many of us today are struggling to balance full-time jobs with full-time responsibilities at home. Meeting the demands of an increasingly complex world means developing strategies for maintaining balance in our lives. Following are some practical tips for balancing home and work.

### Prioritize

Determine what tasks you need to accomplish, then rank them according to importance. Consider your own needs, as well as those of loved ones. If you must work on a Saturday, for example, you might plan a recreational activity with your family or friends for Sunday.

### Establish Realistic Goals

Be flexible and realistic in planning your schedule. Focus on things you know you can accomplish. At the same time, learn to expect the unexpected. Have a plan for dealing with those surprise visits from relatives and unannounced meetings at work. By taking steps like these, you'll be better prepared to handle life's challenges.

### Be Efficient

Develop ways to work smarter at home and at work, and encourage others in your household to save time as well. Combining or consolidating tasks may be more effective than trying to squeeze as many tasks as possible into the least amount of time.

### Think Positively

Look on the bright side and try to have a sense of humor. While everyone feels sad, angry or frustrated sometimes, laughing can help ease difficult situations.

### Getting Help

Talk with someone you can trust, such as a doctor or nurse, local mental health professional or member of the clergy. Also, check with your Human Resources Department to see if you are currently enrolled in an Employee Assistance Program and/or what mental health benefits are currently covered through your medical insurance.

The above information was found on the Magellan Behavioral Health website. LGIT has partnered with Magellan to offer an Employee Assistance Program (EAP) to all interested LGIT's members. This is a confidential assessment, counseling and referral program designed to address personal and workplace problems. EAP is designed to encourage early intervention and resolution of employees' personal and workplace problems. If you currently offer EAP to your employees, please encourage them to take advantage of this service.

If this is a benefit not currently offered and you are interested in learning more about the EAP, please contact either Lisa Hazelton or Marsha Dixon at LGIT. We will be glad to provide you with additional information or a quote. This is a very valuable program that is a relatively inexpensive way to provide your employees with a meaningful/helpful benefit. If you are currently enrolled in EAP and are interested in scheduling a meeting with your employees to review this benefit, please contact Lisa or Marsha.



Marsha Dixon  
Account Representative - Health Benefits Services

## Red, Hot, Give-Aways



### Three Items Up for Grabs!

LGIT is sacrificing **two dark wood executive desks** (72" x 36") each with 5 single drawers and 1 double file drawer and **one dry erase board** (72" x 48").

### All Three Pieces Must Go!

Any or all pieces are available to the first person who calls and registers his/her interest. Items must be removed from LGIT premises by Thursday, April 29, 2004. Small pickup will carry one desk.

If interested, please call Arlene Courtney, Manager of Support Services, at 1-800-673-8231 or 410-312-0880.



Arlene P. Courtney  
Manager  
Support Services

## Claims in Review

A review of the '03 calendar year reveals that our members' total reported claims have increased by 36% above last year. Excluding claims related to last year's extraordinary snowfall and Hurricane Isabel, the 2003 claims count still comes in at 30% above calendar year 2002 reported claims. Previous years averaged an increase of 9.75%. Where are the problem areas?

### Percent of Increase in Claims by Line of Coverage

|                   | 2002 | 2003 | % of Increase |
|-------------------|------|------|---------------|
| Auto Liability    | 353  | 485  | 37%           |
| Auto Physical     | 386  | 431  | 12%           |
| General Liability | 476  | 654  | 37%           |
| Public Official   | 88   | 124  | 41%           |
| Police Legal      | 93   | 96   | 3%            |
| Property          | 88   | 158  | 80%           |

General liability claims continue to rise and are as diverse and creative as our claimants' imaginations. This year, however, the largest increases are attributed to sewer discharge (69%) and falling tree limb (321%) claims. Public Official claims have seen the greatest increase of 41%; employee discrimination and termination claims jumped from 20 claims filed in 2002 to 35 claims for the '03 calendar year. Although police related claims increased very modestly, within that category, pro se inmate detention center lawsuits alleging lack of medical care rose from 8 to 28 claims.

Despite the dramatic increase in claims reporting, the Claims Services Department is committed to providing our members with prompt, fair and efficient delivery of claims related services. Recently, we have employed a temporary employee, Erica Underwood, who will be assisting our members with automobile property damage related claims. Erica has extensive experience with Progressive Insurance and we are confident that this will ensure that our members' vehicle claims are addressed in a priority manner. In addition, we are contemplating an enhancement to our claims software, which will allow members to file claims on-line. As our claims increase, we anticipate that this will increase our efficiency in the delivery of claims services to our members.



*Sherri N. Butler  
Director, Claims Services*

## Upcoming LGIT Renewal Workshops

LGIT invites member employees and public officials to take advantage of free, member renewal workshops offered near them. Topics to be addressed include FY 2004 coverage changes, renewal application changes, bonds/crime coverage, property value reporting, environmental insurance, training programs and grants, and LGIT's Loss Control Report Card. Workshops take place from 10:00 a.m. to 12:00 p.m. with lunch to follow.

### Workshops Schedule

- 4/07/04 Western MD  
(*Frostburg Public Library*)
- 4/15/04 Central MD  
(*LGIT Offices, Columbia*)
- 4/23/04 Northeast MD  
(*Chesapeake City Town Hall*)
- 4/28/04 Eastern Shore  
(*Cambridge Yacht Club*)

## PESA Summer Conference

The next Public Employees Safety Association meeting will be July 21 from 8:30 a.m. to 2:30 p.m. at the State Highway Administration (SHA) in Hanover, Maryland, and will cover a variety of fleet management issues. For more information, contact Dick Furst at 1-800-673-8231.

## Online Property Survey Seminars

Dick Furst, Sr. Loss Control Manager, will be presenting an online property survey seminar on May 18th and 20th from 10:00 to 11:00 a.m. The purpose of the training will be to guide members through the property profile survey in an effort to obtain realistic property valuation data. All that is needed to attend is an Internet connection.

To register for the workshops or online seminars, print and fax the completed seminar registration form available on the Training & Seminars page at [www.lgit.org](http://www.lgit.org). Fax to Charlene Shearer, Staff Associate, at 410-312-0993.

For additional information, contact Patrick Hancock, Loss Control Training Coordinator at [phancock@lgit.org](mailto:phancock@lgit.org) or 1-800-673-8231.



*Patrick Hancock, ARM  
Loss Control Training Coordinator  
Loss Control & Underwriting Services*



*The LGIT NEWS is a quarterly publication and is available free to all members and affiliates of the Local Government Insurance Trust, Columbia, Maryland. You can access this issue and past issues of the LGIT NEWS on-line at [www.lgit.org](http://www.lgit.org). • 410.312.0993 | 1.800.673.8231*

