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Maryland Association of Counties

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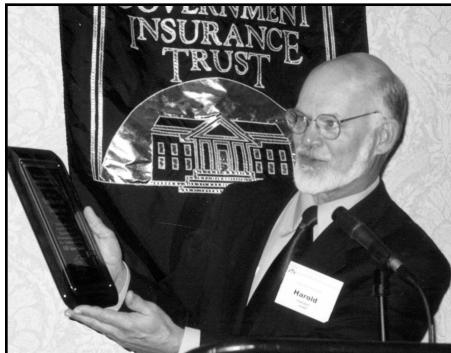
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Town of Middletown

AGRIP Advisory Standards Recognition



(Harold Pumford, President, Association of Governmental Risk Pools, presents LGIT with AGRIP's prestigious award for complying with their 2002-2005 Advisory Standards.)

The Advisory Standards Recognition Program sponsored by the Association of Governmental Risk Pools was developed to encourage and promote compliance with AGRIP's Advisory Standards. The standards cover ten areas of pool management:

1. Government regulations
2. Governing documents
3. Staff and service providers
4. Member services
5. Coverages
6. Funding
7. Financial management
8. Claims management
9. Professional development
10. Organizational planning

The recognition acknowledges that the recipient has demonstrated general compliance with the rigorous operational practices and documentation recommended by AGRIP.

Christmas Just Keeps On Going . . .

... Terrorism Act Enacted; Renewal Workshops and Applications; Land Use and Zoning Risk Management Module; Winter Snow and Freezing!

President George Bush unwrapped a tremendous gift to all local governments with the signing of The Terrorism Risk Insurance Act of 2002 which states that terrorism coverage must be provided and will be backed by the federal government. Therefore, our first gift of the season to members is that we expect to offer terrorism coverage for the 7/1/03 renewals.

The second gift from LGIT will be the Renewal Workshops/Applications throughout February. With the passage of the above law and numerous coverage changes, we urge you not to miss these workshops. Discussion will be more than just providing tentative renewal rates.

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When Is It a "Happy" New Year?

In the last newsletter, I mentioned problems regarding the cost of health care in general and the Trust Health Pool specifically.

The LGIT Board met during their Annual Retreat Workshop to further address these problems and, as a result, they approved a **"Future Cost Reduction Plan"** that includes the following factors:

- Start minimally with the market trend to increase rates in Trust medical plans;
- Consider targeting annually the deficit via the annual rate adjustment;
- Provide pool members with cost shifting ideas for their employees;
- Implement a 5-tier drug plan with "Lifestyle Drugs" to be given highest co-pay amounts or paid 100% by the member;
- Increase prescription drug co-pays in order to promote employee cost shifting and provide incentives to those who use generics;
- Convert to a "Mandatory Generic" prescription plan.

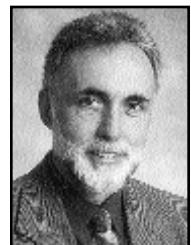
In adopting this plan, the Board believes that it will gradually reduce the current deficit and help prevent further Health Pool deficits.

The Board also made a major decision regarding the deficit problem, should the above Future Cost Reduction Plan not succeed. They adopted a plan that creates an assessment methodology which is consistent with the LGIT Trust Agreement. It provides that the current deficit be addressed via an assessment charge to those who were members of the Health Pool in fiscal years 2001 and 2002. Members would be put on notice of the possible assessment. The notice would provide a financial obligation to LGIT from the member in the amount of each member's assessment. The Board could call for the member to meet the obligation, but not before FY 04. The member could opt to meet this obligation over a period of three years or longer, if the member requested a "hardship" extension. The obligation immediately would become payable in full, with a member's withdrawal from the Health Pool.

By the time this newsletter goes to press, each member of the Health Pool should have received the Notice of Obligation by mail.

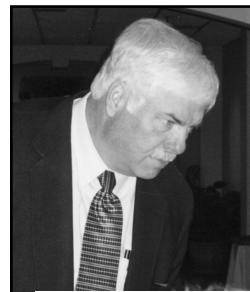
We are hopeful that this option won't have to be exercised, but the deficit situation in the Health Pool demands that the Trust maintain its fiduciary role to the members and ensure that all our pools remain solvent.

What a way to start the New Year . . .

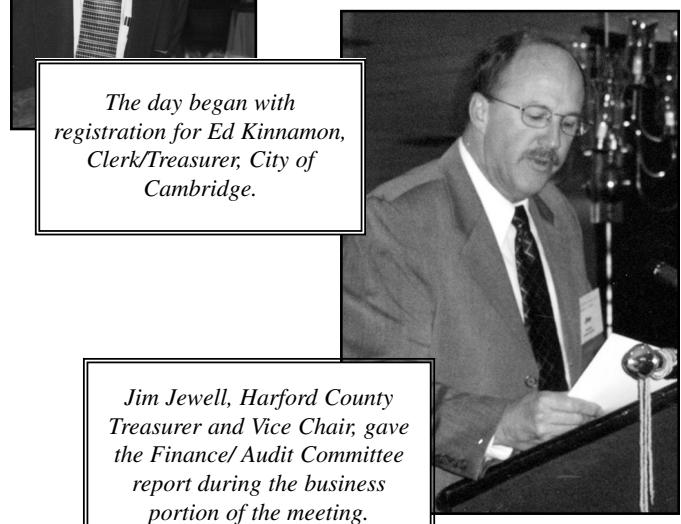


*Jon C. Burrell
Executive Director*

LGIT Celebrates 15 Years of Service to Members



The day began with registration for Ed Kinnaman, Clerk/Treasurer, City of Cambridge.



Jim Jewell, Harford County Treasurer and Vice Chair, gave the Finance/Audit Committee report during the business portion of the meeting.



LGIT unveiled its new logo at the Annual Meeting.

From the Board Room



The Board of Trustees met on October 25, 2002, at their Annual Workshop in Cambridge, Maryland, and took the following actions:

- Approved an FY 2004 Health Benefits Deficit Reduction Plan;
- Approved an Assessment Methodology to address the deficit problem in the Health Pool;
- Approved the FY 2001 and 2002 Combined Annual Financial Report.

The Board met on November 18, 2002, following the Annual Meeting in Annapolis, Maryland, and took the following actions:

- Approved increases in reserves or settlements of claims;
- Approved Scope of Coverage changes including: adding secondary employment liability and off duty as an endorsement option; deleting the Special Deductible Endorsement; transferring the non-owned and hired auto liability endorsement to the Primary Liability coverage; adding an appraisal condition clause to the Property Scope of Coverage; adding a Skateboard and BMX Bike Endorsement Rate to a gas rate of \$350 per ramp; and approving the Skateboard and BMX Bike Exclusion Exemption Endorsement;
- Approved the Nominating Committee recommendation for the slate of officers for the Board to include Raquel Sanudo, Chairman; Gary Mullich, Vice Chairman; and Barrie Tilghman, Secretary.

The Board also received a presentation from Ed Gilliss, County Attorney, Baltimore County, concerning a fire claim for the Randallstown Library.

*Nancy Sulborski,
Executive Secretary*



Annual Meeting Pictorial

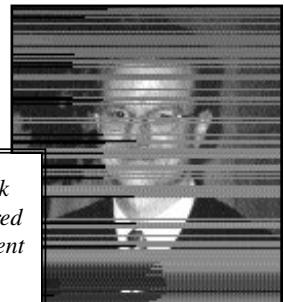
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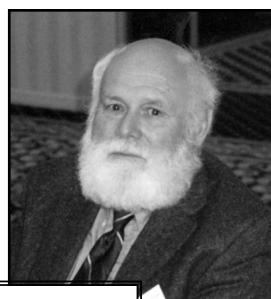
Queen Anne's County was well represented at the meeting by Joe Zimmerman, Finance Director, and George O'Donnell, President, County Commissioners and LGIT Board Member.



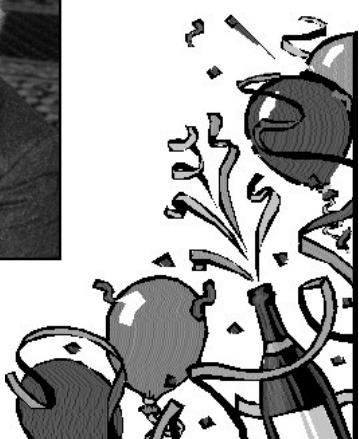
Mr. Cory Easton, Sales Director, Express Scripts, led the informational Health Benefits workshop on "Strategies for Managing Pharmaceutical Costs."



Mr. Peter Erndwein from ECS Risk Control, Inc., Underwriting's featured speaker, covered the topic of "Current Issues in Risk Management and Underwriting."



Sam Pierce, Mayor of New Windsor, was among the many attendees.

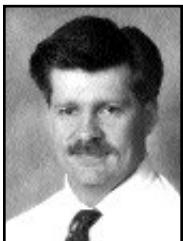


Major coverage changes include Police Secondary Employment (to be optional coverage that must be requested), Auto Liability and Skateboard/BMX. Additionally, these workshops will present a basic Insurance 101 overview of all your property and liability coverages. This will benefit both new and old members to the public entity risk management field.

The Land Use and Zoning Risk Management Module is our third gift to our members. This module identifies the main type of lawsuits expected and provides zoning loss control measures. Additionally, the module will provide a segment on zoning basics and describe why the issue is so controversial and hazardous. We believe implementing the zoning and land use loss control measures in this module should further increase the protection of your assets from threat of lawsuits.

Last, but not least, is our gift reminder to prepare your property for the winter season. Freezing weather and heavy snow loads can cause collapse, water damage, and plumbing/sprinkler pipes to burst from loss of heat (have backup generators and alternative heating). Liability risk management for the winter may include reviewing mutual aid agreements, emergency services policies and training rehearsals; preventing utility interruption; and clearing government building outdoor steps and sidewalks to prevent slip and falls. Please review your LGIT Risk Management Manual for more details. As always, feel free to call us.

*Scott Soderstrom, CPCU, ARM-P
Underwriting Manager*



Annual Meeting Pictorial

(Continued)



*(Board members Nelson Bolender, Cecil County;
Marie Rameika, Town of Church Hill; and
George O'Donnell, Queen Anne's County;
take a break in the business meeting.)*

2002 Risk Management Award for Excellence



(Lee Myers, Safety Coordinator; T. Edward Robinson, County Administrator; and Susanne Hayman, Human Resources Director; graciously accept the Loss Control and Underwriting Risk Management Award on behalf of Kent County.)

The Loss Control and Underwriting staff selected **Kent County** to receive the Trust's Loss Prevention Award for FY 2002. The criteria for making the selection included:

- Complying with LGIT loss control recommendations;
- Conducting self-inspections to minimize exposures;
- Attending seminars;
- Frequently asking for loss control assistance on risk management issues, including seeking help from LGIT's Claims Department;
- Continuing to update policy and procedures;
- Holding periodic risk management safety program meetings;
- Hosting a variety of risk management training seminars; and
- Showing an outstanding proactive dedication/commitment to managing risk.

*Hank Schomburg, Director
Loss Control & Underwriting*



2002 Health Benefits Award for Excellence



(Dan Baden - Recipient of the 2002 Health Benefits Award for Excellence.)

The Health Benefits award is given to a Health Pool member for "demonstrating its excellence in administering the Health Service Plans, taking proactive and/or creative approaches to its employee benefits program, and consistently displaying a spirit of cooperation and teamwork."

This year's 2002 winner is . . . **Dan Baden**. Dan Baden is the Treasurer for Colmar Manor, University Park and District Heights. Even though each of these groups is small, combined they have almost all the products offered through LGIT, and balancing all these benefits has got to be a handful for Dan.

This past year, Dan was able to standardize the medical plan offerings for University Park and Colmar Manor. He monitors all three locations, is our primary contact with each group, and handles all claims issues for the employees. He has organized several enrollment and education meetings with the combined groups during lunch and provided meals for them, thus ensuring a high attendance and limited time missed from work. He is a pleasure to work with, and there is a real sense of "partnership" between Dan Baden, Colmar Manor, University Park, District Heights and LGIT's benefits staff regarding the administration of the health programs.

Marsha Dixon
Account Representative



This year's annual Award for Excellence in Claims is awarded to the

City of Taneytown. The City has consistently reported claims promptly and provided pertinent information and documentation enabling the Claims Department to investigate and determine liability in a timely manner.

Due to the increasing number of claims facing local governments, LGIT's Claims Department greatly relies on our members to provide reports, information, and technical assistance during the investigative process. In addition, a working partnership with our members facilitates our claims examiners' ability to properly investigate claims; this often requires personal contact with our members' officials and employees in order to obtain the follow-up factual and specialized expert information necessary to make appropriate liability determinations. We greatly appreciate that all of our members respond quickly to LGIT's inquiries.



We congratulate the City of Taneytown and its employees. We appreciate their efficiency in claims reporting and their excellent cooperation and assistance with the investigation of claims.

Dorie Schwartz, Claims Examiner

Annual Meeting Pictorial

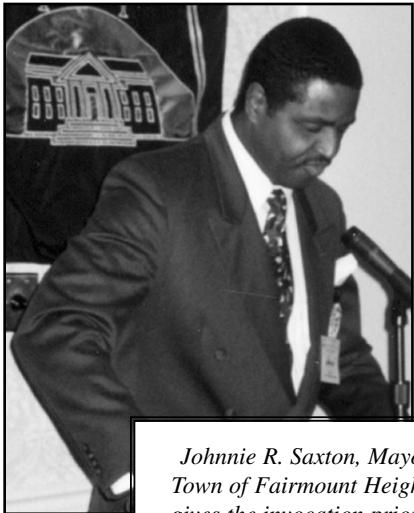
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(Richard Colaresi, Attorney-at-Law, and Marie Rameika, LGIT Board Member, take part in a mock trial presented by the Claims & Legal Department staged to inform members about Public Official Liability.)

Annual Meeting Pictorial

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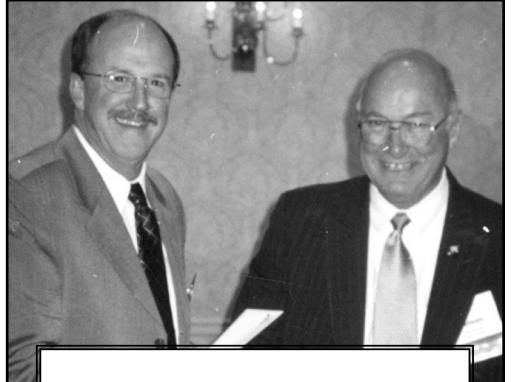
Johnnie R. Saxton, Mayor, Town of Fairmount Heights, gives the invocation prior to the Awards Luncheon.



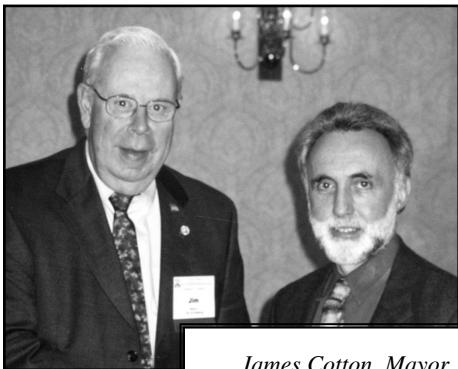
Some of the many members at the Awards Luncheon.



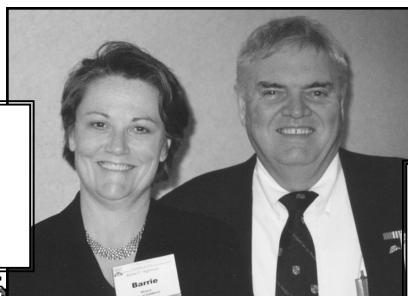
15 Years of Service



Jim Jewel, Harford County Treasurer, and Nelson Bolender, Commissioner, Cecil County and LGIT Board Member, exchange greetings while waiting for the Claims and Health Benefits workshops to begin.



James Cotton, Mayor, City of Frostburg, is congratulated by Jon Burrell, for winning one of the many door prizes.



Board Members, Barrie Tilghman, Mayor, City of Salisbury, Board Secretary; and Tom Dillingham, Commissioner, Town of Poolesville; take a break during the Annual Meeting.



Tom Carter, Clerk/Treasurer, Town of Somerset, took notes during one of the workshops at the Annual Meeting.



(Jon Burrell, Executive Director; Raquel Sanudo, Chairman, Board of Directors; and Johnnie Saxton, Mayor, Town of Fairmount Heights; at the Annual Meeting Awards Luncheon.

Employment Law Hotline

Shovel Snow the Right Way

Here are some tips from the National Safety Council on how to shovel the **safe** way:

- Dress warmly. Wear a turtleneck sweater, cap, scarf, face protection, mittens, warm socks and waterproof boots.
- Take it slow! Shoveling can raise your heart rate and blood pressure; pace yourself.
- Stretch out and warm up beforehand.
- Don't put your health at risk. If you have a history of heart problems, get your doctor's permission before heading outside to shovel.
- Shovel only fresh snow. It is much easier to handle than the wet, packed-down variety.
- Don't pick up too much snow at once.
- Lift with the legs, not your back. This will put less stress on your lower back. When you lift properly, your shoulders, torso and thighs will do the work for you.
- Don't work to the point of exhaustion. If you run out of breath, take a break. If you feel tightness in your chest, stop immediately and head back indoors.
- If you can afford it, hire someone to shovel the snow from your walkway or driveway for you! No one ever got hurt that way!

*Reprinted from the
National Safety Council's
"Family Safety & Health" Magazine*

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 one interesting inquiry that was posed through the Hotline. This service is provided with the assistance of Daniel Karp, Esquire.



Q: Can the Town terminate a probationary police officer who has been the subject of numerous citizen complaints about rudeness and unprofessional behavior, and who has been insubordinate to the Chief and the Deputy Chief?

A: Yes. Because the officer is a probationary employee and none of the complaints allege brutality, the Law Enforcement Officers Bill of Rights (LEOBR) is not applicable and the officer can be terminated at will.

Space Heater Safety

Space heaters are the leading cause of home fires from December through February - but such disasters can be prevented with a few simple precautions:

- When buying a new unit, make sure it carries the mark of a nationally recognized testing laboratory. Be sure a qualified technician installs the unit or checks that it has been installed properly.
- Keep space heaters at least 3 feet (or 1 meter) from anything that can burn.
- When buying heaters, choose devices with automatic shutoff features.
- Make sure any gas-fueled heating device is adequately ventilated.
- If you use a wood or coal stove or a fireplace, have a professional inspect your chimney, chimney connector, and other related equipment every year. Have it cleaned as often as the inspections indicate.

For more information, visit the National Fire Protection Association's Website at www.nfpa.org.

Training in 2003

January

Fast & Fatal, Snap & Strap

Law Enforcement Agencies
Location: Cambridge Police
Department
1/14/03

February

Fast & Fatal, Snap & Strap

Law Enforcement Agencies
Location: TBD
2/11/03

Renewal Workshops

Frostburg	- 2/12/03
LGIT	- 2/14/03
Greenbelt	- 2/19/03
Cambridge	
Yacht Club	- 2/21/03
Harford County	- 2/26/03
Caroline County	- 2/28/03

What is LGIT?

Location: TBD

March

Fast & Fatal, Snap & Strap

Law Enforcement Agencies
Location: TBD
3/4/03

Fast & Fatal, Snap & Strap

Law Enforcement Agencies
Location: TBD
3/11/03

Basics of Risk Management

Location: TBD

Claims 101

Location: TBD

Employment Issues

Location: TBD

Incident Management

Location: TBD

Sewer Backups

Location: TBD

April

Fast & Fatal, Snap & Strap

Law Enforcement Agencies
Location: TBD
4/8/03

May

Emergency Vehicle

Operator SUV

MPCTC
Location: Carroll County
5/28/03

June

Emergency Vehicle

Operator

MPCTC
Location: Carroll County
6/2/03 - 6/4/03

For more information
call Jennifer Bates at
1-800-673-8231 or
410-312-0880. If you
prefer to use e-mail,
you may contact her
at JenniferB@lgit.org.



Jennifer Bates
Loss Control and
Training Coordinator

Annual Meeting Pictorial

(Continued)



Denise Weist, Risk Management Analyst for Howard County, shows her exuberance at winning a door prize.



Nancy Sulborski, Executive Secretary, was honored with a dozen roses by the LGIT Board of Directors for her 19 years of service to MML and LGIT. Nancy will be retiring in July 2003.

The LGIT News

A quarterly newsletter free to all members and affiliates of the Local Government Insurance Trust, Columbia, MD.

Read this issue and past issues of the LGIT News on-line at www.lgit.org.

1-410-312-0880 / 1-800-673-8231