

LGIT NEWS



**Spring
2001**

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

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**64 Years'
Valuable
Service!**



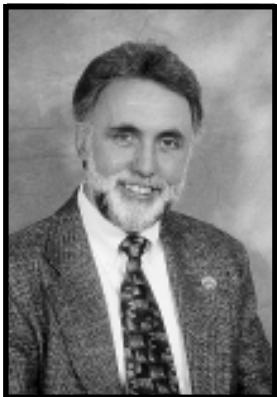
Shown above with Executive Director Jon C. Burrell (center) are the LGIT staff members with the most years of service to the Trust. Pictured left to right are:

- Arlene Courtney, Manager, Support Services (12 years),
- Doris Houk, Accountant, Financial Services (11 years),
- Linda Mendelson, Secretary,

- Support Staff (11 years),
Cathy Shelley, Sr. Administrative Assistant, Support Staff (10 years),
- Margo Lucey, Media Assistant, Support Staff (10 years), and
- Vance J. Petrella, Loss Control Manager, Liability & Property (10 years).



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It's Numbers Time!

It's spring, or so we're told. Around here, spring means, among other things, "numbers." Pursuant to state law, local government budgets must be enacted every year by the magic date of June 30. As budget-

crunching time moves closer to that date, we too are crunching premium rerate numbers in order to give them to you with as much lead time as possible to fit them into your budget-preparation cycle.

The Trust's actuaries – people who live by/create numbers based on a series of variables, including such things as loss experience – have almost completed their recommendation that will be presented to a joint meeting of the Trust's Underwriting and Finance Committees. At that meeting, the joint committees will develop a recommendation to present to the LGIT Board. The Board of Trustees will then review, discuss and act on the proposal, the outcome of which will be new rates for the property/liability pool membership for fiscal year 2002.

A similar process occurs with our Health Pool: the Health Benefits Committee reviews recommendations from our partner, CareFirst-Blue Cross, and offers a recommendation to the LGIT Board. The Board then acts on recommendations for new rates affecting our medical, dental, life, and disability programs.

We plan to have this information out by the time you receive this newsletter, which should give you almost three months to incorporate it into your budget plan for the coming year. The Trust, therefore, fits its rerating period to your budget preparation cycle early in the budget-development process so you can have the firm numbers you need from the Trust. We also track your fiscal year so that Trust rates are effective for the entire year, beginning July 1. **We're sensitive to your budget cycle, so we try to plan and assist accordingly.**

In doing our numbers, we keep hearing about the "hardening" (higher priced) market out in the insurance world. I am hopeful that the Trust will not fall victim to that market, and that the Trust numbers that you look at will be kind to your budget. But keep in mind that, with the changes we made last year in our rating structure, most of what drives the new numbers will be based on

the kind of year your entity had in terms of losses or claims. **Fewer Losses/Claims = Lower Numbers.**

Anyway, here's to Spring (and to staying out of court)!!!

*Jon C. Burrell
Executive Director*



From the Boardroom

The Board of Trustees met on January 29, 2001, at the MACo office in Annapolis, Maryland, and took the following actions:

- Approved rescinding the Strategic Planning Committee and made this a function of the Board.
- Approved amendments to the Trust Agreement as submitted by Trust counsel and amended by the Board.
- Approved the Risk Management Committee's recommendation to amend the committee charter.
- Approved that a substantial portion of future Board Retreats be dedicated to envisioning the future of the Trust.
- Ratified the membership of the Town of Forest Heights in the Trust's Property and Liability pools.

Trust Welcomes New Members to Its Pools

We're pleased to announce that the **Town of Forest Heights, Town of Oakland, and Town of Clear Spring** joined the Trust's Property and Liability Pools effective January 22 and 31 and March 15, 2001, respectively.



*Nancy B. Sulborski
Executive Secretary*

Claims Update . . .



The warmer weather of spring will cause citizens to head toward their local parks. Consequently, local government public works departments must turn their attention from plowing snow to the maintenance of park and recreational facilities. Diligent maintenance will protect citizens from hazards associated with the use of these facilities and help insulate you from claims. Examples of "rec and park" claims our members have been confronted with include trip-and-falls on walking trails, injuries caused by falling tree limbs, injuries and property damage associated with flying baseballs, and injuries to children participating in after-school care or summer playground programs.

Fortunately, Maryland courts have traditionally held that maintenance of public parks and recreational facilities are "governmental functions" rather than "proprietary functions." Therefore, local governments are immune from suit in Maryland for claims that arise from the operation of their recreation programs and facilities.

Baltimore v. State, ex rel. Blueford, 173 Md. 267 (1937). However, **immunity applies only to the local government and not to individual employees of the local government**. Plaintiff attorneys have discovered that by naming individual employees of a local government in lawsuits and claiming that their client sustained damages as a result of the alleged negligence of an employee, they can circumvent the longstanding governmental immunity associated with public recreational activities. This means that a failure to properly maintain recreational facilities can lead to a lawsuit directly against your employee. Furthermore, be aware that park driveways and pedestrian paths which are contiguous to streets and pathways not incorporated within park boundaries may be considered an extension of public thoroughfares. Therefore, maintenance of those roads and footways may be considered proprietary functions, which are not protected by immunity. *Higgins v. Rockville*, 86 Md. App. 670 (1991). This is especially true of municipal parks, which are surrounded by streets

and sidewalks that facilitate pedestrian or vehicle traffic through or across the park. In order to avoid being a defendant in a lawsuit, it is important to take the following steps:

- Establish an inspection and maintenance schedule for park and recreational facilities as well as equipment
- Adhere to the schedule and make repairs in a timely manner
- Keep records of inspections and repairs
- Keep a log of citizen complaints and the date and manner in which repairs are made
- Clean public park areas of trash and litter
- Replace aging equipment
- Fill in ruts or potholes that may appear in playing fields and pedestrian walkways
- Remove tripping hazards such as tree roots from walkways
- Remove debris such as glass and metal objects from playing fields
- Maintain vehicle roadways and post appropriate road signage
- Trim trees, bushes, and hedges of dead and decaying branches, especially those that overhang pedestrian walkways
- Install and maintain adequate lighting around trails and parking areas
- Locate playing fields a safe distance from pathways and parking areas
- Post park safety rules and regulations
- Maintain adequate lifeguard staff and on-water supervision for recreational boating and/or swimming facilities

For more detailed information regarding park and facility maintenance, please review the LGIT Risk Management Manual - Module 5, which may be accessed through the LGIT website under "Publications." Parks and recreational facilities are the jewels of our local governments; let's keep them claim-free.



Erik S. Walter, Esquire
Claims Analyst



Safety Update . . .

Passing and Being Passed

One of the most common causes of deadly head-on collisions is improper passing. Before undertaking any pass, ask

yourself, "Is this pass really necessary? Is it safe?" The majority of passes don't save enough time to be worth the risk. If you must pass another vehicle, follow these safety tips.

■ Before Passing

When getting ready to pass another car, maintain a safe following distance. Intending to pass is no excuse for tailgating. The other car could still stop at any time. And the closer you are to the vehicle you want to pass, the harder it is to see what's in front of it.

Before passing, signal left. Scan the road ahead and behind continually. Check your blind spots, those areas directly behind or on either side of you that you cannot see in your mirrors, by turning your head and looking over your shoulders. Make sure nobody is trying to pass you. If there is any doubt about oncoming traffic, wait!

■ Moving into the Left Lane

On a two-lane road, moving into the oncoming traffic lane is the most dangerous part of passing. In 55-mile-per-hour traffic, you and oncoming vehicles are approaching each other at an effective speed of 110 miles per hour. It takes a full mile to complete a pass at this speed. After moving left, increase your speed to pass, giving the vehicle plenty of room. You should not pass if you have to exceed the legal speed limit to do so. Signal right to begin moving into the right lane in front of the passed car.

■ Completing the Pass

It's safe to return to your driving lane when you can see the pavement in front of the vehicle you've passed in your rearview mirror. Move to the right and turn off your turn signal. But first, check your blind spots by turning your head. This is important in a multi-lane road where another car may be moving into the lane from the right, or in a situation where the car being passed is nearly stopped, and another car may be coming onto the road in front of it.

■ When Not to Pass

Remember that it is illegal to pass a stopped school bus with its signals on. Other areas where it is unsafe or illegal to pass include:

- No-passing zones
- School zones
- Curves with passing restrictions
- Any road with a solid line in the middle
- Within 100 feet of the crest of a hill.

It is also illegal in most cases to pass where there are:

- Railroad crossings
- Intersections
- Tunnels
- Bridges
- Within 100 feet of these areas.

■ Being Passed

If someone is passing you, maintain your speed or slow down if necessary to allow the vehicle to pass safely. Never speed up to prevent someone from passing you. If you are driving more slowly than the flow of traffic, find a safe place to pull off the road and let vehicles pass by. You will be safer and more relaxed without a string of cars behind you.

How many times have you passed a vehicle simply because it's in front of you? Passing on a two-lane road is a difficult and dangerous maneuver that usually cuts only a few seconds off your trip. You'll relax and enjoy your drive more if you decide to pass only when it is absolutely necessary and completely safe.

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*Vance J. Petrella, Esq., Ph.D.
Manager, Loss Control Services*



Tip of the Month

Public Information

In response to concerns raised last fall by an audit of Maryland public record access which was conducted by 19 newspapers, the Office of the Attorney General has issued two publications: [Responding to Requests Under the Maryland Public Information Act: A Suggested Process](#) (November 2000) and the [Public Information Act Manual](#) (8th ed. December 2000). You may download each of these publications for **free** at www.oag.state.md.us.

Scopes

Property and Liability Update: Building Up Coverages

Because construction is typically a high hazard risk, contractors usually obtain their own Builders Risk insurance. However, at the request of some of our members, LGIT will offer a new coverage feature effective July 1 to the Property Scope for buildings under construction. The coverage is currently provided under the Builders Risk Endorsement, which will be transferred to the standard coverage called New Construction, Additions and Alterations. This is a coverage feature where *members*, rather than the *contractor*, choose to cover the buildings under construction.

Since it is rare that buildings are constructed on time, delayed-opening extra expenses often are incurred. Therefore, we will be broadening coverage to include these extra *soft costs* that most Builders Risk policies exclude. Soft costs are extra expenses (other than material and labor) such as advertising, legal, interest charges, and administrative costs.

The standard limit is \$1 million with higher limits available for larger projects. Whether the project is beneath the standard limit or not, reporting it will still be necessary so that we can add it to your Building Schedule. Additional optional deductibles will be available, other than your standard property deductible.

Another reason for reporting the construction project is so we can provide the risk management services to prevent or reduce losses that may occur. Some of the risk management concerns will address contract review; certificates of insurance; other insurance; loss control for fire, wind, collapse, and hot work, etc. Please refer to your LGIT Risk Management Manual, Module 9 - Property Perils, Appendix A: Builders Risk for more information or feel free to contact us.



Scott Soderstrom CPCU, ARM-P
Underwriting Manager

Health Benefits Update . . .

Wellness Tips from the LGIT Employee Assistance Program (EAP) Administrator, Magellan Health Services

Elder Care

Many adults today face difficult decisions about elder care. Providing care for an older adult and adjusting to the emotional, physical and financial changes related to aging are difficult. But by learning about the different living arrangements, legal issues and available health care options, you can make informed decisions that are best suited for your situation.



■ Living Arrangements

A variety of arrangements are available for the elderly, such as retirement communities, senior citizen housing, nursing care facilities, and custodial care facilities.

■ Legal Considerations

Supporting an older person's independence while protecting his or her financial resources may require consultation with an attorney. An attorney can provide information when you are considering a change in assets or financial responsibility.

■ Health Care Options

The expense of healthcare is a major concern for many older people. Lots of healthcare insurance plans are available, such as Medicare, Medigap, Medicaid, and Long-Term Care Insurance. Since terms and coverage can be confusing, research your options carefully. Facing decisions about elder care, either for yourself or for an older family member, isn't easy. But making informed decisions will help make the transition smoother.

If you have questions about the LGIT Long-Term Care or EAP plans, please contact a member of the LGIT Health Benefits Services staff and we will be happy to provide you with information on these options. If you are already enrolled in our EAP plan and would like more help with Elder Care issues, remember, an EAP counselor is available 24 hours a day to provide confidential assistance at no cost to your employees and their family members.

Mary E. Balducci
Director
Health Benefits Services



Sewer Back-Up Notes

In fiscal year 2000, sewer back-up claims received by LGIT doubled from the two previous years. Unfortunately, fiscal year 2001 appears to be well on its way to exceeding last year's record. Help us protect your interests by remembering the following:

- Report back-ups, regardless of severity, to your assigned adjuster ***promptly***. Claims that appear small often have the potential of generating large damages.
- Prompt notification will allow LGIT to handle the negotiations with the claimant. This will protect you from a sometimes-angry confrontation with the citizen.
- Back-ups are not always the fault of the local government. If your employee agrees to pay a back-up claim prior to reporting it to LGIT, we may lose a potential legal defense to the claim.
- Homeowners may purchase back-up coverage through their homeowner's insurance. Educate your citizens that they may protect themselves with this inexpensive coverage.
- Don't make promises you don't have to keep. If the local government is at fault for the back-up, claimants are owed the *Actual Cash Value (ACV)*, not *Replacement Cost (RC)*, for their damaged items. The *ACV* is what something is worth in its used condition, while *RC* is what it costs to replace a used item with something new that is similar. The difference between the two can be substantial. Let your assigned adjuster handle the damage inspection.



(During the last round of safety grant awards, Executive Director Jon C. Burrell presented a check to Laura Sarno, Parks General Page Supervisor, Public Works Department, City of Gaithersburg)



The Hotline is a phone service available to members of the Liability Program that provides up to 30 minutes of free legal advice on employment matters. We have selected for printing an inquiry from the last few months that was posed through the Hot-line. This member service is provided by LGIT, with the assistance of Daniel Karp, Esquire.

Question

Is compensation due an employee who is required to remain on call, via a pager, but who does not actually work?

Answer

Normally, no, unless the employee had to respond to so many pages (i.e., returning phone calls) that it substantially affected his other activities.

Mark Your Calendars!

The date, time and place of our 14th Annual Meeting has been firmed up. It will be held at the Radisson Hotel (formerly the Holiday Inn) in Annapolis, Maryland, on Monday, **November 19, 2001**, starting at 10:00 a.m.



Managing Work Stress

Practical Suggestions

Pressure at work, worry about a sick child, not enough time: many things can cause stress on the job. There are many *positive* ways to deal with *negative* stress. This article will give you some suggestions you may find helpful.

■ Identify Stress

What is stress? Simply, it is when you are asked to respond to any person or event. Stress is neither good nor bad. As a matter of fact, if your life had no stress, it would mean no one and nothing was asking you to respond. You would hardly be living at all!

These are examples of on-the-job stress: trouble with a coworker; worry about layoffs; the excitement of a promotion.

You can learn to handle stresses related to your job. First, write them down in a few words: "new job, lots of changes;" "long commute;" "kids have to wait for dinner."

Don't be surprised if your list is long. Most people who work must juggle many parts of their lives. This in itself can be stressful.

■ Identify Responses

Next to each stress, write down a few ways you usually deal with it: "watch TV when I get home;" "listen to radio during traffic jams;" "have older child fix snacks for the little ones."

When you're done, look over your list. Place a check mark next to the responses that don't work well or are not good for your body.

■ New Responses

You can come up with ideas for new ways to respond. You might ask a family member or friend to help you with this part.

Go through all your checked responses and brainstorm some new responses. "Brainstorm" means think up ideas without deciding whether they are good or not. The more ideas you come up with, the more chances there are that you will come up with a good one.

Try to come up with at least three ideas for each stressful situation. For example, let's say the stress is time pressure: you never have enough time to get your work done. A list of brainstorm responses might be: (1) get to work earlier; (2) make a list of what things are most important to do first; (3) figure out what my "time wasters" are.

Once you have all your ideas, go through them. Pick one or two that might help you experience less stress related to work. Commit yourself to starting them all within two weeks.

■ Helpful Hints

These extra hints can help you manage your stress at work.

Find Healthy Ways to Relax after a Stressful Day

- (1) When you are tense or angry, take five deep breaths and release each slowly.
- (2) Avoid unhealthy ways of relaxing. Alcohol, drugs, cigarettes, and overeating add to your stress level in the long run.
- (3) These can be signs of *distress*: headaches, stomach aches, drinking alcohol every day (including beer), frequent tense or angry feelings.

If you show signs of distress, you may want to see a counselor. He or she can help you change the way you respond to the stresses in your life.

Everyone has some stress on and off the job. Think about how you respond to your stresses. It can help you manage them better.

**Got a P&L Claim?
Contact Us at
www.lgit.org
or 800-673-8231**



Claims & Legal Services

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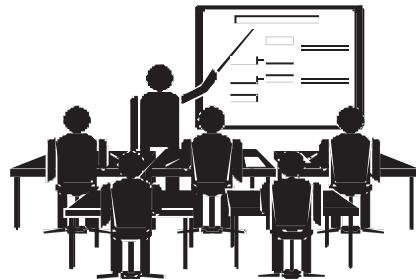
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Three FY 2001 Training Sessions Remaining

The seminars described below are designed to address the concerns and needs of our members. Seminar dates, topics and locations are subject to change. Individual brochures and registration forms will be mailed approximately five weeks prior to each session. If interested, call Charlene at 410-312-0880.

Understanding Employment Issues

April 25, 2001 - Eastern Shore

This training session covers basics of employment law and employment-related liability as they relate to elected officials and local governments. It (1) explains what to do if an employment-related claim is filed, (2) discusses key employment-related questions that have been asked by local governments on the LGIT Employment Law Hotline, and (3) includes case studies. *Approved by the Academy for Excellence in Local Governance.*

Emergency Vehicle Operations (EVO) Driver Training

May 14-16, 2001 - Sykesville, MD

This 3-day in-service training course is designed for law enforcement personnel with prior training in emergency vehicle operations and features lecture presentation and practical exercises to enhance previously taught skills. This is a Maryland Police and Corrections Training Commission (MPCTC) course approved for 24 hours of in-service credit. *Co-sponsored by the MD Police and Corrections Training Commission.*

Police Vehicular Pursuit and Civil Liability

May 23, 2001 - Hagerstown, MD

This program is designed to (1) raise awareness of civil liability issues generated by police pursuits, (2) discuss policy and training issues related to questions of liability, (3) compare the approaches utilized by member agencies and others, and (4) achieve a balance between effective law enforcement and public safety. *Sponsored by the LGIT Claims Department.*

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