

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.



Shrinking and Growing

There is some great news for the Trust as we enter fiscal year 2001. The Board of Trustees decreased the rates for our primary and excess liability pools by an average of 7.4% for the members of these pools. Similarly, even though

building costs continue to rise, the rates for the Property Pool will remain the same in FY 2001. This is good news for the members of these pools, and the effect overall will be a savings of about \$1 million for the year.

A review of the membership roster of the Trust over the past 3 years shows that Trust membership has grown by 29 local government participants in the various pools, with the health pool alone having grown by about 17%. We now have 171 member participants in the Trust, with 70 entities in the Health Pool. New membership growth this year can be attributed to at least two factors: active marketing of the Trust and the new pricing structure approved by the Board in the Spring that places greater emphasis on the loss experience of the individual entity.

The impact of the Trust's using an entity's own loss experience puts the responsibility for the entity's future premium re-ratings in its own hands. Thus, the entity's destiny for future rate adjustments will depend to a greater extent on the quality of its risk management efforts. Fewer losses should translate into lower rate adjustments.

With assets exceeding \$50 million, your Trust is looking pretty good as we enter the new millennium.

*Jon C. Burrell
Executive Director*

FY 2001 Training Calendar

2000

Jul 19	Defensive Driving Course	LGIT
Aug 23	Risk Management for Public Entities	Central MD
Sep 20	Health Benefits Wellness Workshop	Annapolis
Oct 18-19	Public Officials Symposium	Columbia
Nov 8	Police Vehicular Pursuit and Civil Liability	Columbia
Nov 15	Preventing Property Losses	Columbia

2001

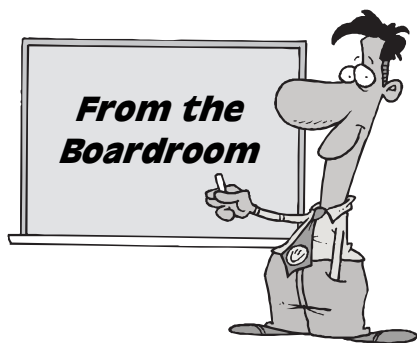
Jan 17	Defensive Driving Course	LGIT
Feb 7	Renewal Workshop	Upper Shore
Feb 9	Renewal Workshop	Lower Shore
Feb 12	Renewal Workshop	Western MD
Feb 14	Renewal Workshop	Central MD
Feb 16	Renewal Workshop	Southern MD
Feb 21	Renewal Workshop	LGIT
Mar 14	Summer Theme Seminar	Columbia
Apr 25	Understanding Employment Statutes	Columbia
May 14-16	EVO Driver Training Course	Sykesville

These seminars are designed to address the concerns and needs expressed by our members. Most seminars will be offered at no charge or will be subsidized by LGIT as a benefit to our members.

Seminar dates, topics and locations are subject to change. Individual brochures and registration forms

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Administrative News



The Board of Trustees met on March 27, 2000, by teleconference and took the following actions:

- Approved the FY 2001 Medical Rates as proposed by the Health Benefits Committee.
- Approved the FY 2001 Dental Rates as proposed by the Health Benefits Committee.
- Approved the Health Benefits Committee's recommendation to offer the CareFirst "Select Vision Plan," to renew the Vision Service Plan with alternate plan options, and to reduce LGIT's administrative fee.
- Approved the Health Benefits Committee's recommendation that there be no rate change to the life insurance rates.
- Approved the Health Benefits Committee's recommendation to deny adding the "Domestic Partner" endorsement.

The Board of Trustees met on May 3, 2000, at the LGIT office and took the following actions:

- Approved the Underwriting Committee's recommendation to increase the renewal pre-

mium for the FY 2001 Equipment Breakdown coverage. The Board also approved that the Trust would pay 50% of the reinsurer's increase and that the remaining 50% would be split proportionally among the members in the Equipment Breakdown program based on the number of objects inspected biannually at the member's site.

- Approved the Claims Committee's recommendation that, in a City of Salisbury case, the expense and loss reserve be increased, and that the Claims Department be given settlement authority up to a certain dollar amount.

The Board of Trustees met on June 7, 2000, at the LGIT office and took the following actions:

- Approved the Board of Trustees and Executive Committee Meeting Calendar for FY 2001.
- Approved the Claims Committee's recommendation that, in a Town of Leonardtown case, the expense reserves be increased to cover summary judgment and possible trial.
- Approved the Claims Committee's recommendation that, in a Town of Chestertown case, the expense reserves be increased and authority be granted to pay up to a certain amount in defense costs to settle the case.
- Approved the Claims Committee's recommendation that, in a City of Glenarden case, the loss reserves be increased.

- Approved the Executive Committee's recommendation that, due to the few number of members in the STA Drug and Alcohol Testing Program, management advise the current members of the Trust's intent to terminate the program.
- Adopted FY 2001 Budget.



Trust Welcomes New Members

We're pleased to announce that the:

Town of Brookview has joined the Trust's Primary Liability Program effective April 4, 2000;

Town of Eldorado joined the Trust's Primary and Property Programs effective May 27, 2000;

St. Clement's Island Potomac River Museum (sponsored by St. Mary's County) joined the Primary Liability Program effective May 1, 2000;

Town of Centreville returns to the Trust by joining the Health Program effective July 1, 2000;

Town of Manchester joined the Health Program effective March 1, 2000;

Washington County joined the Property Program effective July 1, 2000;

Town of Westernport joined the Primary Liability and Property Programs effective July 1, 2000; and the

Town of Elkton returned to the Primary Liability Program and added the Property Program effective July 1, 2000.

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Current LGIT Members New to Health Pool

Effective Date	Member
2/01/00	Town of Chesapeake City
3/01/00	Town of Brunswick
4/01/00	Town of Boonsboro
7/01/00	Town of Chestertown Town of Federalsburg Town of Greensboro Town of Kensington Town of Mount Rainier Town of New Market St. Mary's Metropolitan Commission (Sponsored by St. Mary's County)

Board Members Elected

The following Board members were elected by the membership to fill a two-year term on the Board of Trustees:

Thomas B. Dillingham, Jr.,
Commissioner,
Town of Poolsville;

F. Gary Mullich,
Director of General Services,
Garrett County;

J. Thomas Routzahn, Jr.,
Insurance Risk Manager,
Town of Middletown; and

George M. O'Donnell,
President of the Board of County Commissioners,
Queen Anne's County.

Committee Appointments

The ***Strategic Planning Committee*** was re-organized as of June 2000 and Trust Chairman Raquel Sanudo appointed the following members:

F. Gary Mullich, Chairman,
Director of General Services,
Garrett County;

David S. Bliden,
Executive Director,
Maryland Association of Counties;

James M. Decker,
Commissioner,
Town of Bel Air;

Thomas B. Dillingham, Jr.,
Commissioner,
Town of Poolsville;

Scott A. Hancock,
Executive Director,
Maryland Municipal League;

Robert R. Hagans, Jr.,
Director of Finance,
Prince George's County;

Jay A. Jacobs,
Mayor,
Town of Rock Hall;

Douglas R. Miller,
Town Manager,
Town of La Plata;

Scott R. Wilson,
Councilman,
City of Hyattsville; and

Paul L. Wright,
Chief of Risk Management,
Charles County.



*Nancy Sulborski
Executive Secretary*

Coming Soon!

LGIT's 13th Annual Meeting

November 20, 2000

10:00 a.m. - 2:00 p.m.

Sheraton Barcelo Hotel

(formerly the Wyndham Garden Hotel)

Annapolis, Maryland

More Info Next Issue

Safety

What's Your Safety Score?

Safe Habits Are Easy to Learn



We all try to be safety conscious, but at times we find excuses for not acting safely, both on and off the job. This quick “quiz” can help you identify some common safety practices, and may help you find areas that you can improve. Take a few minutes to find out your safety score. (Circle the answer you think best describes your own practices.)

Safe Attitudes

1. I stay focused on the task at hand.
usually once in a while never
2. When I'm angry, I take a “time out” before going back to a possibly dangerous task.
usually once in a while never
3. When I see a situation that might be dangerous, I report it.
usually once in a while never
4. When I take a safety class, I ask questions and pay attention.
usually once in a while never
5. When I know a co-worker is taking drugs or drinking, I let my supervisor know.
usually once in a while never
6. I come to work in a good state of mind.
usually once in a while never
7. I relax without alcohol or drugs.
usually once in a while never
8. I'm careful to put out matches, cigarettes, or fires completely.
usually once in a while never

Safe Conditions

1. When the proper safety equipment is not available, I let my supervisor know right away
usually once in a while never
2. I inspect the area and machines I'm responsible for.
usually once in a while never
3. I make sure electrical cables and wires are in good condition.
usually once in a while never
4. When I see a condition that might be dangerous, I take care of it myself or report it right away.
usually once in a while never
5. I know the hazards of my job, and I don't begin until I've taken all necessary precautions.
usually once in a while never
6. In winter, I carry chains, salt, or sand in my car in case of snow.
usually once in a while never
7. I disconnect plug from outlets by pulling on the plug, not the wire.
usually once in a while never

Safe Practices

1. I wait until after work to let off steam in “horseplay.”
usually once in a while never
2. I read labels before using chemicals.
usually once in a while never
3. I use the right equipment, even when it takes longer.
usually once in a while never
4. When I see a spill, I clean it up.
usually once in a while never
5. When I start a new job, I ask questions to make sure I understand how to do it right.
usually once in a while never
6. I come to work well-rested and awake.
usually once in a while never

7. My workshop and home are equipped with a fire extinguisher.
yes no
8. Emergency police, medical and fire numbers are posted where all can easily find them.
yes no

Scoring

Give yourself 3 points for each “usually” or “yes,” 2 points for each “once in a while,” and 1 point for each “never” or “no.”

Over 58 points: Excellent

Excellent attitude, habits, and a bright, safe future.

47-58: Good

Select 5 areas for improvement and try to change your “once in a while” to “usually.”

36-46: Lucky

You're lucky if you've never been in an accident. Work on changing your “once in a while” or “nevers” to usually.

Under 36: Time Bomb!

You are an accident waiting to happen. Better start work on 5 dangerous habits today!



Richard A. Furst
Sr. Loss Control Manager



Health Benefits' Latest Acquisition



(Nicole Molitor with Executive Director Jon C. Burrell and Health Benefits Director Mary E. Balducci.)

Nicole Molitor, LGIT's new intern from the U of MD, is a senior marketing major with career aspirations in either human resources or promotional management. Born in Florissant, Missouri, and currently residing in Ellicott City, Nicole attended Mount Hebron High School in Howard County. She is an avid swimmer and plays on a championship intramural soccer team at college.



Risk Management Seminar

Risk Management for Public Entities

August 23, 2000
9:00 a.m. to 12 p.m.
Gateway Building
Columbia, Maryland

The objective of this workshop is to create an awareness that local government activities are subject to risks of loss that can be controlled with a little effort. Attendees will learn the five steps of risk management and how to motivate their entity to begin controlling risks.

This workshop provides:

- an overview of risk management
- description of the needs and benefits of risk management in public entities
- steps for identifying and controlling loss exposures
- loss exposures common to public entities
- identification tools to identify hazards
- what to look for during safety inspections

If you are interested in attending, please call Charlene Shearer, Staff Associate, at 1-800-673-8231 or 410-312-0880. Questions pertaining to the *content* of this seminar should be directed to Pamela S. Morrison at the same numbers.



Claims Update

The Cap Does Not Apply to Local Governments; Notice Does (For Now)

On June 6, 2000, the Court of Appeals issued two opinions that significantly impact the Local Government Tort Claims Act (LGTCa). In a surprise decision, the state's highest court held that the \$200,000 per claimant and \$500,000 per occurrence liability cap on damages applies only to lawsuits filed against government employees and not to suits where the government itself is a defendant. *Housing Authority of Baltimore City v. Crystal Bennett*, CA No. 96, September Term, 1998.

Crystal Bennett suffered lead poisoning when she lived with her grandmother in a home owned and managed by the Housing Authority of Baltimore City. Bennett's grandmother had repeatedly complained to the Housing Authority about flaking and chipping lead-based paint in the home. After a jury awarded Ms. Bennett \$630,000, the Housing Authority appealed to the Court of Special Appeals and argued that its liability should be limited to the LGTCa cap or the limit of liability of any insurance coverage. The Court of Special Appeals affirmed the Circuit Court judgment and the Court of Appeals agreed to hear the case to determine if the cap applied to a local government such as the Housing Authority.

Although not involved in the underlying case, the Trust funded an amicus brief and argued that the General Assembly intended the tort cap to apply to local governments as well as governmental employees. However, the Court held that the liability limitations portion of the LGTCa (§5-303) does not contain a specific reference to "actions or judgments directly against local governments." By contrast, the Court noted that §5-304 of the LGTCa, the notice provision of the act, does contain a specific reference to local governments.

Although this decision does not affect immunities that protect local governments from liability for governmental functions, it may increase exposure in claims that involve 1) proprietary functions; 2) exceptions to immunity such as nuisance actions or street and sidewalk maintenance; and 3) violations of the Maryland Declaration of Rights. The claims department is presently reviewing all litigated claims

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to analyze increased exposure associated with this disappointing decision.

The Court's second ruling issued on June 6th upheld the enforceability of the notice provisions of §5-304 of the LGTCA. In *Williams v. Maynard*, CA No. 132, September Term, 1998, the Court held that if a plaintiff fails to provide notice of a claim to a local government as required by the LGTCA, a lawsuit may be properly dismissed. In *Williams*, the plaintiff failed to give proper notice to the county prior to filing suit in a motor vehicle claim. The case was properly dismissed by the Circuit Court when the defendant moved to dismiss the suit because the plaintiff had failed to comply with §5-304 of the LGTCA. However, the Court did note that it may be appropriate to review this notice matter further.

Obviously, the full impact of these decisions is unknown; however, we do know that at this time the LGTCA tort cap will not apply to suits filed against governmental entities. Please note that the majority of our member litigation involves federal causes of action as well as state law claims. The LGTCA cap has never applied to federal claims. These rulings do emphasize the need to



Erik Walter
Claims Analyst

review the insurance coverage for your local government and commit to a program of aggressive loss control.



Employment Law Hotline

The Employment Law 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 some interesting inquiries that were recently posed through the Hotline. This member service is provided by LGIT, with the assistance of Daniel Karp, Esquire.

Should compensatory time be calculated on an hourly basis or at one-and-a-half times the hours worked?

Pursuant to 29 U.S.C. § 207(o), compensatory time is calculated at a rate of not less than one-and-a-half hours for each hour of employment for which over time compensation is required.

Is an employer required to offer light duty for police officers under the Americans with Disabilities Act?

No. The ADA does not require light duty. However, if a good employee needs to be placed on light duty for a reasonable period of time, consider doing so. Also, if other similarly-situated employees have been granted light duty, the policy must be applied to *all* employees.



(Dorothy Tippens, Counselor, Town of Washington Grove, is presented a Safety Grant by Executive Director Jon C. Burrell.)

New People

We are happy to announce that we continue to grow, staff-wise. Meet our latest addition!



Dorie Schwartz Claims Examiner

Dorie has over five years of claims experience. Prior to joining the LGIT Claims Services Department, she was a claims adjuster with Montgomery Mutual Insurance Company in Sandy Spring, Maryland. Dorie handles auto and general liability, auto physical, property and boiler and machinery non-litigated claims.

Wellness Workshop

September 20, 2000
Columbia, Maryland

Program Highlights

- Discuss the importance of preventive screenings
- Review wellness initiatives and resources
- Provide ideas on setting up a worksite-wellness plan
- Receive "firsthand" wellness/early cancer detection advice from a survivor.

For more information, call Mary Balducci, Health Director, at 410-312-0880.

Health Benefits

Making It a Safe Summer

It's mid-summer already, and the extreme Maryland heat is upon us in all its intensity! This is the time of year for relaxation and fun in the sun, but it is also very important to be aware of the possible health concerns that can arise during this time of year and to know how to treat these conditions.

■ Sunburn

Sunburn is an inflammation of the skin that follows over-exposure to the sun, sun lamps, etc.

Signs and Symptoms

- Red, swollen, painful and sometimes blistered skin
- Fever
- Tanning or peeling of skin after recovery

Prevention of Sunburn

- Avoid exposure to sun between noon and 3:00 p.m.
- Use a sun block with an SPF greater than 15 and reapply after swimming or sweating
- Avoid wearing bright colors or white; this will reflect sun onto your face, increasing risk of burn

Treatment

- Cool moist compresses on the skin can reduce heat and pain
- Cold cream or baby lotion adds moisture to the skin
- Soaking in a cool oatmeal bath (Aveeno) or baking soda may

- soothe the skin
- Use Aspirin or Tylenol for pain and fever reduction

■ Heat Exhaustion

Heat exhaustion takes time to develop. Fluids and salt are vital for health, but these are lost if we sweat a lot during exercise or other strenuous activities. It is very



- Wear light, loose-fitting clothing, such as cotton, so sweat can evaporate
- Drink lots of liquids to replace the fluids you lose from sweating
- Do not drink alcohol or beverages with caffeine, as they speed up fluid loss
- If you feel very hot, try to cool off. Open a window, use a fan or turn on an air conditioner

One last important thing to keep in mind is that the Trust Health Pool staff are here for you and your employees should these, or any additional, health issues occur. We wish you a safe and healthy summer!!

*Mary Balducci, Director
Sylvia Newsome, Account Rep.
Marsha Dixon, Customer Service Rep
Nicole Molitor, Health Intern*

important to drink lots of liquids before, during and after exercise, especially in hot weather.

Signs and Symptoms

- Cool, clammy, pale skin
- Sweating
- Dry mouth
- Fatigue, weakness, or dizziness

Prevention of Heat Exhaustion

- Take caution when you must be in the sun
- At the first signs of heat exhaustion, get out of the sun
- Do not exercise vigorously during the hottest times of the day



Congratulations to **Scott Soderstrom**, CPCU, ARM, Manager, Property Services for completing the national Risk Management for Public Entities (RMPE) course!

The RMPE focuses on municipal, public officials and police liabilities; property and liability insurance; and risk management concerns.

will be mailed approximately five weeks prior to each session. If you would like to be added to our mailing list or have questions or comments, please feel free to contact:

*Pamela S. Morrison, ARM - Manager
Risk Management & Training Services
1-800-673-8231*



A Date to Remember!

LGIT's 13th Annual Meeting

November 20, 2000

10:00 a.m. - 2:00 p.m.

Sheraton Barcelo Hotel

(formerly the Wyndham Garden Hotel)

Annapolis, Maryland

More Info Next Issue

The LGIT News

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