



SPRINGTIME CONSTRUCTION REMINDER

Hurrah! Spring is here. New buildings, additions, and renovation projects often grow at this time of the year although we usually think of growing flowers and vegetables in the spring!

If your public entity will be engaged in a building project this spring or anytime, an important part of planning your project is to ensure there is appropriate insurance coverage. Of course, you have property coverage for your existing building but remember that this coverage:

- * Is limited to the amount shown on the property schedule for the existing building;
- * Does not cover the additional value of renovations or additions to the building;
- * Probably provides coverage for newly acquired or constructed buildings for 60 days for an amount that may or may not be adequate for your project.

Builders Risk insurance is an important component of any construction project. This type of insurance provides property coverage for the value of new construction or for the increased value of additions or renovations.

A Builders Risk policy is usually in force only for the length of time that it takes to complete the construction project. It is then necessary to add the building, for its completed value, to your regular insurance policy.

There are, typically, two methods of obtaining this coverage. A public entity may require the contractor to purchase a Builders Risk policy on behalf of the public entity. This is often a part of the construction contract. Or, a public entity may choose to purchase the coverage on its own behalf.

If you participate in MMA's Property & Casualty Pool, a phone call to the Underwriting Department is usually all that is necessary to add Builders Risk coverage for your construction project. If you have commercial insurance, you need to contact your insurance agent for assistance. There is no sure way for either MMA or a commercial insurance agent to know that you are planning a construction project and remind you to be sure that it is properly insured. This responsibility is yours.



THE PROPERTY AND CASUALTY CLAIM REPORTING FORM IS NOW ON LINE!



*Learn How to Report
On the WEB,
It's Fast, Easy and Accurate!*

You may now report your claims to the MMA Claims Department via the Internet. The Claim Reporting Form is available on the MMA Website. It is fast, accurate, and secure.

To register, please visit the MMA Website at <http://www.memun.org>, and click on the Property and Casualty On-line Claim Reporting Form on the right hand side of the web page. You will find complete instructions for registering and reporting claims.

If you have already registered for our secured sites, please update your user name and password by following the above steps. Once registered you will receive confirmation of your registration and account activation.

Have questions? Need assistance? Please call Tracie Anair at 207-626-5583 or 800-590-5583.

The Municipal Risk Manager

The Municipal Risk Manager is published seasonally to inform you of developments in municipal risk management which may be of interest to you in your daily business activities. The information in these articles is general in nature and should not be considered advice for any specific risk management or legal question; you should consult with legal counsel or other qualified professional of your own choice.

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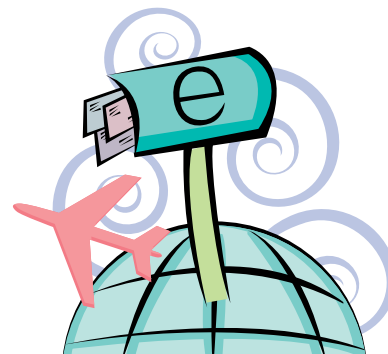
Save Time, Avoid the Fine: File Your Workers' Compensation First Report On-Line



Send your First Report of Injury on-line to MMA and avoid the risk of penalties for late reporting. When we receive your Internet transmitted First Report of Injury within seven (7) days of your receiving notice or having knowledge of the lost time work injury, we will file it with the Workers' Compensation Board immediately to meet the seven day reporting requirement.

Of course, MMA will also file First Reports of Injury received after the seventh day, however, this is considered late notice and the Workers' Compensation Board may impose a penalty of \$100 on your organization.

If you are not sure how to transmit a First Report of Injury on-line, we can help. Please call MMA's Workers' Compensation Claims Department at 626-5583, or 1-800-590-5583, Extension 247 and Tracie Anair will be happy to help you.





INDEMNITY AGREEMENTS HOLD HARMLESS CLAUSES

Public entities, of necessity, enter into many contracts in the course of their operations. There may be contracts for services such as snow plowing and road maintenance or the annual audit of the books. There may be lease contracts either to obtain space for the entity's use or to allow others to use space owned by the entity. In addition, there may be interlocal agreements between public entities for mutual assistance in providing emergency services. Crafting each contract the public entity controls is not always an easy task and reviewing the contracts presented to the public entity by others may be even more daunting. Of course, having an attorney retained by the public entity review each contract prior to signing by public officials is recommended.

It is important that contract language include protection for the public entity. Public officials need to be careful not to sign contracts that breach the protection offered their entity by the Maine Tort Claims Act or that may transfer liability for the actions of others onto the entity inappropriately. Just because the public entity signs a contract accepting liability does not mean that the entity's insurance coverage will protect them for that exposure. It is wise to check with the public entity's insurance carrier, or with MMA's Risk Management Services for those participating in MMA's Property & Casualty Pool, to determine how signing a contract that transfers liability to the public entity will affect the insurance coverage. One way to protect the public entity is to include indemnification and hold harmless language in favor of the public entity as part of your contracts.

Typical language may sound like the following, which is taken from the sample contract included in MMA's Roads Manual.

INDEMNIFICATION AND HOLD HARMLESS: You agree to defend, indemnify and hold the Public Entity and its officers, employees and agents harmless from any claims for death, personal injury, property damage or other loss resulting from your acts or omissions in the performance of this Contract. In the event that such a claim is made against us, you will pay any legal fees incurred to defend us, and you will pay any amount (indemnify) for which we are held liable.

Or you may use language similar to the following, which is taken from an actual lease contract used by a Maine public entity.

LESSEE SHALL INDEMNIFY: Lessee will indemnify, defend, and hold harmless Public Entity and its officers, directors, employees and subcontractors from (i) any costs, expenses, liabilities, (including costs, expenses, or liability of third party and attorney's fees) for bodily injury (including death), damage to tangible property, or regulatory noncompliance, or (ii) any fines or penalties for any and all violations of applicable laws of which in the case of (i) and (ii) are caused by or arise from Lessee's breach of this Agreement or the negligent or willful acts or omissions of Lessee or its agents, employees or subcontractors.

NOT RESPONSIBLE FOR LESSEE NEGLIGENCE: The Public Entity will not be responsible for any portion of loss, damage, or liability arising from contributing negligent acts by Lessee, Lessee's employees, agents, staff or subcontractors.

For participants in MMA's Property & Casualty Pool, contact Risk Management Services at 626-5583 or 800-590-5583 for a review of contract language **BEFORE YOU SIGN.**



WELCOME NEW MEMBERS!!!

Property & Casualty Pool

City of Rockland
 Hancock County Planning Commis.
 Town of South Bristol
 Town of Moose River
 Town of Greene
 Town of Freeport (add POL)

Workers' Compensation Fund

Town of Parsonsfield
 Sabattus Sanitary District
 Town of Castine



FLOOD ALERT

With all the snow that fell during the last few weeks of winter and into early spring, it is important to remember that the snow pack holds a lot of water. With the weather warming up, the snow will melt and we all need to be conscious of the threat of flooding.

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FEMA requests that local public officials promote the National Flood Insurance Program in their communities and offers these suggestions:

- * Make sure your community participates in the National Flood Insurance Program (NFIP); this participation includes adopting and enforcing flood ordinances that meet minimum NFIP requirements.
- * Send NFIP information in mailings to your community and publish it in public information areas.
- * Enclose NFIP brochures in your regular mailings, with newsletters and utility statements.
- * Host a Community Seminar on the NFIP and disaster resistance.
- * Encourage people to buy National Flood Insurance in speeches, interviews, and articles.

Remember that municipalities that participate in MMA's Property & Casualty Pool are automatically protected by coverage for flood for their municipally owned property.

However, many commercial insurance policies and most homeowners' insurance policies do not provide flood coverage.

FEMA's federal disaster programs do not completely reimburse victims for their damages and are only available when the President declares a disaster. Actually, most assistance to individuals is in the form of low interest loans from the Small Business Administration following a federal declaration.

The National Flood Insurance Program provides disaster victims with coverage for their homes and belongings even when the President does not declare a disaster. To find out more about the National Flood Insurance Program, please call FEMA's Office of Intergovernmental Affairs at: 202-646-4515.

