

# The Municipal RISK MANAGER

FALL 2012

A Publication of the Maine Municipal Association

## Stand & Be Recognized:

Please join the MMA Property & Casualty Pool and Workers Compensation Fund as we recognize our members for their continued dedication to the reduction of risks, exposures and the maintaining of a safe working environment for their employees and citizens.

For the past year employees of MMA Risk Management Services have been traveling the state conducting recognition dinners, delivering plaques of appreciation and discussing the services provided for our members. We are currently celebrating 34 years of success for the Workers Compensation Fund and 25 years of continued success for the Property & Casualty Pool.

Members like you are the owners of the Property & Casualty Pool and

Workers Compensation Fund. You serve on our Board of Directors and share your expertise and experience with us all. Because the Pool and Fund are non-profit and there are no outside stockholders, we can award the savings back to you.

We believe the Property & Casualty Pool and Workers Compensation Fund are shining examples of Maine local governmental cooperation and effectiveness in achieving a common need. The Risk Management Services team thanks you for your commitment to excellence in your town, city or district. We sincerely appreciate the effort you have made toward the ongoing success of the Property & Casualty Pool and Workers Compensation Fund. These are your programs and this is your success. 🏠



*Pat Kablitz Director of Risk Management Services presents recognition plaques to Westport Island Selectmen Gerald Bodmer.*

## Your Coverage Just Got Better

We are always striving to improve the Property & Casualty Pool program to provide you with the broadest and most comprehensive coverage possible. This year we are excited and extremely proud of the additions and update that we were able to bring to our membership.

The highlights include:

- Liability limits have been increased for all members from \$1 million per occurrence to **\$2 million per occurrence with no aggregate** for actions that fall outside the protections of the Maine Tort Claims Act.
- The aggregate limit for Public Officials Liability coverage has been increased from \$3 million to **\$4 million.**
- The automatic limit for Fine Arts has increased to \$50,000.
- The Replacement cost coverage for mobile equipment has been increased to \$5,000.

If you have any questions about the coverage updates or the services offered by Risk Management Services please call 800-590-5583. As we celebrate the 25<sup>th</sup> anniversary of the Property & Casualty Pool, all of us at Risk Management Services would like to acknowledge our membership for its dedication and participation which has made your program such a success. Thank you for the continued support for all of these years. 🏠

## Are You a Mine Operator?

Does your municipality operate a mine? If you own or use a gravel pit to process your winter road sand or to provide gravel, you do. This operation falls under CFR 30, Part 56, Safety and Health Standards – Surface Metal and Nonmetal Mines.

The Mine Safety and Health Administration (MSHA) operates under the authority of the Federal Mine Safety and Health Act of 1977. MSHA was created to help reduce fatalities, injuries and illnesses in the nation's mines through a variety of activities, including on-site mine safety and health inspections and the requirement for employee training. The requirements for compliance with the Mine Safety and Health Act and accompanying regulations differ according to the specific type of mining being conducted. For example, the rules and requirements for underground mining are significantly different from those applicable to surface sand and gravel mining.

Part 46 of CFR 30 sets forth the mandatory requirements for training and

retraining miners and "other persons" at sand, gravel, surface stone and other surface mines. "Other persons" may include commercial over-the-road truck drivers, vendors and maintenance or service workers that do not work at a mine site for frequent or extended periods. At minimum, site-specific training must be provided. For example, a truck driver that visits a pit (surface mine) for a load of sand must be trained in all hazards specific to the task performed (loading the truck) and in all hazards specific to the pit such as signage, road directions, safety practices, etc.

Miner means: Any person, including any operator or supervisor, who works at a mine and who is engaged in mining operations. This definition includes independent contractors and employees of independent contractors who are engaged in mining operations and any construction worker who is exposed to hazards of mining operations. This includes anyone processing materials by screening, crushing, conveying, loading or transport-

ing materials loaded at the pit.

Section 46.3 requires you to develop and implement a written training plan that includes programs for: new miners, newly hired experienced miners, new tasks, annual refresher and site-specific hazard awareness training. The training plan must outline who will do training, how training will be done and its content. Records must be kept including subject area taught, time spent on each area, name and qualifications of the instructor and certification of attendance.

Sample training guide available at: <http://www.msha.gov/training/part46/TrainingPlanGuide3.pdf>

For additional information or training contact:

Clifford Berry, Safety Engineer  
Maine Department of Labor  
45 State House Station  
Augusta, Maine 04333-0045  
Direct: (207) 623-7909  
Toll-free (877) SAFE-345  
[www.safetyworksmaine.com](http://www.safetyworksmaine.com) 

## Online Training is Updated and Expanded

Maine Municipal Association Risk Management Services Department offers members of the Workers Compensation Fund and/or Property & Casualty Pool additional training opportunities with our web-based safety courses. We are pleased to announce that we have added eight new courses. The online university now offers 50 courses on safety and human resources. This training is provided at no cost to you, as a value-added service.

Arc Flash Awareness  
Asbestos Awareness  
Aquatic Safety  
Basic Construction Safety  
Forming Effective Safety Committees  
Landscape Safety  
Light Truck Series (6)  
Welding, Cutting & Brazing Safety



Courses may be taken at any time and you can learn at your own pace. Upon completion, you can print a certificate to provide a record of your training. Some courses may be accepted by Maine Department of Environmental Protection, Maine Drinking Water Program, Maine Emergency Medical Services and other agencies for continuing education credits.

### To access online training:

Log on to: [www.memun.org/RMS/LC/default.htm](http://www.memun.org/RMS/LC/default.htm)

Choose Online Safety Training and follow the easy Instruction. For further assistance contact Jennette Holt, Loss Control Technician at 800-590-5583 ext. 2240 or ask your assigned Loss Control Consultant. 

# OVER \$1.1 MILLION AWARDED To Risk Management Services Members

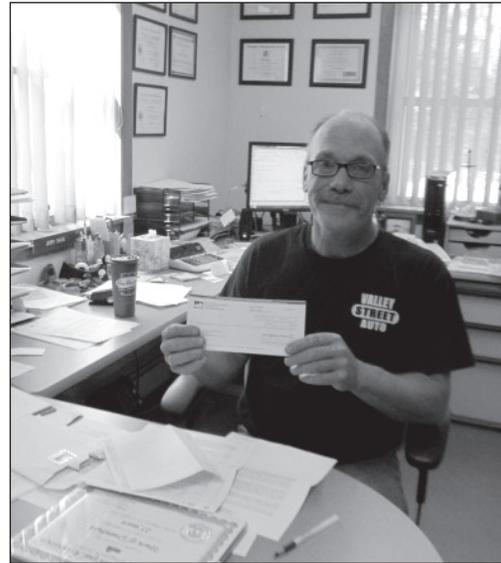
All of us at MMA Risk Management Services (RMS) would like to recognize the extraordinary efforts and continued commitment of our membership. We are pleased to announce that the Property & Casualty Pool and Workers Compensation Fund have awarded dividends to their respective members. Through the efforts of our membership, sound management, responsible underwriting and the favorable loss histories of the Property & Casualty Pool and Workers Compensation Fund, RMS has awarded **\$1,148,950** to its membership in 2012. 🏠

The Property & Casualty Pool distributed **\$549,283** in Dividends to its Members in 2012.

The Workers Compensation Fund distributed **\$599,667** in Dividends to its Members in 2012.



*Dawn Adams, Town Manager, Milford.*



*Jerry Davis, Town Manager, Greenbush.*

## Welcome New Members

### Property & Casualty Pool

- Town of Hiram
- Town of Bowdoinham
- Cary Plantation

### Workers Compensation Fund

- Anson & Madison Water District
- Winterville Plantation

## Understanding Your Experience Rating

Workers Compensation experience ratings have been updated. In most states including the State of Maine, the National Council on Compensation Insurance (NCCI) calculates an insured's workers compensation experience rating based upon the insured's claims history. In order to determine your experience modification, NCCI compares your loss experience to the losses of similar employers in Maine and nationally. NCCI uses the Losses and payroll history for a 3-year period to calculate the modification factor. The factor is then used to adjust your premium to reflect your entity's specific loss experience. The experience rating model is crafted to encourage sound risk management practices by rewarding those with a better than average loss experience and imposing higher costs on those with poor experience.

The experience modification calculation splits a claim's value into two parts called "Primary Losses" and "Excess Losses". The split is designed to take into account the severity of a loss as well as the frequency of all losses incurred by an insured, so that a single event doesn't have a dramatic influence on the experience mod. This split is referred to as the "split point". Simply put, the "split point" is designed to divide the primary and excess losses under the rating plan.

Effective January 1, 2013, NCCI has announced a change in the calculation of the insured's experience rating. NCCI has decided to increase the "split point" from \$5,000 to approximately \$15,000 over a 3-year period. This change may impact your workers compensation contribution. As the split point increases, more loss dollars are shifted from the excess layer to the primary layer.

Now you may be asking "how will this affect me?" The answer is "it depends". Due to the fact that the experience modification calculation places more weight on the primary losses than the excess losses, the spread of the modification factor will increase with each increase in the split point. Therefore, insureds with a factor of 1.00 (the average) should expect to see even lower experience modifiers, insured's with factors greater than a 1.00 will most likely see the modifiers increase.

Due to the potential effects of this change, it is even more important to control losses and implement sound risk management techniques. Members of MMA Workers Compensation Fund are encouraged to partner with our Loss Control, Claims and Underwriting Departments to identify trends, minimize exposures and create a plan to manage claims.

Key factors to managing claims include:

- Remove of the exposure.
- Reduce the exposure.
- Transfer the exposure to avoid a loss (contracting the activity to an independent contractor).
- Timely claim reporting.
- Use a Preferred Provider.
- Return the employee to work when medically possible
- Good communication with provider and employee.

For more information on experience modification factors, loss control or claims management, please contact Marcus Ballou Senior Member Services Representative at [mballou@me-mun.org](mailto:mballou@me-mun.org) or call (800) 590-5583. 🏠

## THANK YOU



MMA Risk Management Services thanks you for joining us at MMA 2012 Convention as we celebrated the 25th Anniversary of the Property & Casualty Pool.

We would also like to congratulate Craig Worth from Brunswick School Department as the winner of the wireless remote router. 🏠

### After Hours & Weekend Emergency Numbers:

**207-624-0182**

**207-624-0183**

**For members of the Workers  
Compensation Fund and Property  
& Casualty Pool**



### 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.

**Publisher:** Risk Management Services

**Editor:** Marcus Ballou

**Layout Designer:** Jaime G. Clark

P.O. Box 9109, Augusta, ME 04332-9109  
1-800-590-5583 or (207) 626-5583