The Municipal
RISK MANAGER

20-20 Hindsight: Looking Before Backing

From 7/1/2015 to 7/1/2016, 89 accidents involving the backing of a vehicle or mobile equipment were reported to Risk Management Services resulting in nearly $185,000 in loss or damage. That means almost twice a week vehicles, equipment and property are damaged or people are being hurt due to collision while backing a vehicle.

Some simple tips to avoid accidents while backing:

• Check visibility: Are windows clean, clear of snow or ice, defrosted and clear of obstructions?

• Check distractions: Turn the radio off so your focus is solely on the backing operation.

• Check mirrors: Are they properly adjusted to avoid blind spots?

• Check the situation: Is the area in back of the vehicle clear? If possible, get out and check all sides of the vehi-

cle for potential hazards. If backing a large vehicle such as a fire truck, or backing into a tight space or a crowded bay, is a spotter needed? Is there means of <u>clear</u> communication between the operator and spotter?

• Check alarms: Are backup alarms in place and working?

• Check equipment: If a backup camera is installed, is it working properly? Is the lens clean?

• Check lights: Are backup lights working and not covered with road grime? Are exterior warning lights operating?

• Check what's overhead: Vehicles with a tall profile such as dump trucks or ladder trucks may strike overhead wires.

These simple steps will help avoid accidents, and may avert a tragedy.

The Loss Control division of MMA Risk

Management Services offers several Vehicle Fleet Training courses to members of our programs. Please contact your Loss Control Consultant or contact Risk Management Services. Members may also access online training on the MMA website by clicking on the Risk Management Services and Online Safety Training links. The Light Truck Safety Series – Backing Safety course provides more detail on safe backing practices. ▪

What "Additional Insured Status" Does For You

Municipalities utilize the services of independent contractors on a daily basis. Typically, a municipality will contract with outside businesses to perform tasks that the municipality considers too risky or that they do not have the resources to complete on their own.

As an example, a municipality is planning to construct a new town office. For such a project the municipality will engage the work of a general contractor, sub-contractors, architects and engineers. The municipality will enter into a contract or agreement with these businesses which will specify the objectives, responsibilities, timelines and costs prior to any work being started.

At this time, the municipality should also be looking at insurance requirements and contractual tools to protect the municipality from the potential risks and exposures brought on by the actions of the contractors, vendors, or sub-contractors throughout the project. When a municipality is obtaining services from a contractor, it is strongly recommended that the municipality always requires evidence of insurance including at a minimum, proof of General Liability, Auto Liability, Completed Operations, Property/Builders Risk and Workers Compensation insurance. This is also where being named as an "Additional Insured" should be

requested by the municipality.

Within the written agreement, it is important to require that the contractors, vendors and sub-contractors add the municipality as an "Additional Insured" on their commercial liability policy. By doing so, your municipality is protecting itself against the potential negligent action of the contractor. For example, if we review our construction project above, the municipality should require that the general contractor has all subcontractors name the municipality as an additional insured on the subcontractor's policies. In this way, if the

RMS Delivers Dividends to Members - Did You Receive Yours?

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 those members who met the dividend criteria. Because of the efforts of our members, sound management, responsible underwriting and favorable loss experience, this year the Workers Compensation Fund has distributed almost **$650,000** in dividends to participants and the Property and Casualty Pool has paid dividends of nearly **$550,000**, for total payments of just under $1.2 million returned directly to MMA members. Since 1997, the two programs have returned almost **$20 million** in dividends to participating members.

For more information about any of the MMA Risk Management Services programs, including online training programs and other services, check the offerings on our website at www.memun.org and click on the Risk Management Services link, or call 1 800-590-5583.

"Additional Insured Status" *(cont'd)*

municipality is sued due to an alleged event or accident arising from the work being done by the subcontractor, the subcontractor's insurance then has a duty to protect the municipality and by doing so, the municipality has successfully transferred the risk.

It is important to note that "Additional Insured" does not mean that the municipality doesn't need their own insurance. It simply means that the additional insured (your municipality) has taken steps to control the risk of the other party's negligence.

Whenever your municipality enters into a project with other contractors, businesses or vendors we recommend that you apply these basic principles:

Always require and obtain proof that the other entities have liability and workers compensation insurance by obtaining a Certificate of Insurance as evidence of their coverage.

Utilize a written contract which demands that your municipality is named as an Additional Insured and added by endorsement. If you are in doubt have the certificate reviewed by your insurance agent and legal representative.

Carefully review all contracts to make sure that your municipality is not jeopardizing your own coverage by agreeing to extend coverage or assume liabilities that are not yours. ◢

Leveraging Best Practices To Avoid Workers' Compensation Claims *Excerpts provided Courtesy of HUB International New England*

There are six steps companies can take to reduce both the severity and frequency of workers' compensation claims.

Regardless of the industry, any employer can leverage the following best practices to create a safe environment that promotes accountability among employees and employers alike.

Screen employees before hire. Take extra steps to make sure only qualified employees are hired for the demands of their job. A healthy and fit employee is less likely to get injured on the job and will recover faster should they sustain an injury. Have a third party perform physicals and functional capacity evaluations to assess prospective employee's ability to meet the physical requirements of each job.

Maintain the physical workplace. Make sure worksites are well maintained and regularly evaluated for hazards, including performing preventive maintenance where applicable.

Promote the physical and emotional health of employees. Without the right balance of physical and emotional health, stress and anxiety can surface and with it comes an increase in injuries and illnesses. Make sure supervisors aren't emphasizing production goals at the expense of safety. When possible, utilize performance management strategies that engage workers in shared decision-making. Consider a corporate health and performance program that promotes healthy living and rewards healthy lifestyle choices.

Provide the necessary tools for the job. Sometimes it's the nature of the work itself that poses the greatest risk. Assess the required work, establish on-the-job

rules accordingly, train employees to do their jobs safely and provide the necessary tools and protective equipment they need.

Institute a twice-daily check-in. For physically demanding jobs like construction, that are especially injury prone, establish a meeting at the beginning as well as the end of the day that requires everyone to pass in front of the foreman's eyes. The morning meeting might include five minutes of stretching or warm-ups, while the evening meeting could require everyone to sign something that says "I left the job healthy today," to prevent an injured claim tomorrow.

Establish a return-to-work program. Known

to curb long-term WC costs by bringing employees back to the office/project more quickly, return-to-work programs can include part-time, telecommuting and modified work duties and schedules. Such programs can improve productivity and morale across an organization, saving time and money, while protecting companies from loss of talent.

When companies apply both general best practices and those specific to their corporate culture and employee base, they will see real results. Pre-screening new hires, creating optimal conditions in the workplace and instituting post-injury support for employees can create a culture of health and safety that is felt across the entire organization.

Fraud Alert?

One poor hire can become a huge setback for any organization. At best, a poor hiring decision can negatively impact employee morale and production. At worst, it can lead to fraud, embezzlement, and a blemish on your organization's reputation. Investing your time and resources at the front end in employee screening and selection can ultimately pay dividends down the road.

Screening prospective employees begins with the resume and/or job application. Your applicants have provided you with information about their education and experience. You may be tempted to accept all the information at face value without conducting any

investigation, especially if you have a small applicant pool or a hard-to-fill position and little time to devote to the process. Some applicants are counting on your reluctance to verify their credentials and references. A *CareerBuilder* survey of hiring managers and Human Resources (HR) professionals reported that 58% of them have caught a lie on a resume. The study revealed that the most common lies were embellished skills and job responsibilities, but job titles and academic degrees were also commonly fabricated.

To help reduce the risk of bad hiring decisions, we recommend that you take

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Welcome New Member

Unemployment Compensation Fund

Town of Harrison

Workers Compensation Renewal Reminder

It is renewal time again and we are here to help. The renewal applications for the Workers Compensation Fund are due by October 17, 2016, and we want our Members to know that we are available to assist you. If you would like help with the completion of your application or just have questions, please contact Marcus Ballou (mballou@memun.org) or Judy Doore (jdoore@memun.org) at 1-(800) 590-5583.

Serving Maine Communities Is What We Do And All We Do

Proper Cash-Handling Protects Us All

Every municipality handles some type of revenue. Whether the transaction is cash, check, or credit, the need to properly control and account for each transaction is essential. Appropriate policies and procedures are especially important to municipalities because the revenue municipalities generate belongs to the public they serve. Any policies and procedures a municipality adopts should serve to protect its capital, the safety of its employees, and the confidence of its constituents. To assure success, the municipality should implement cash-handling policies and procedures based on established business practices. These practices, over time, have proven to minimize the risk of losses and establish accountability for transactions from inception through reclamation.

Developing a sound revenue handling policy and procedure requires that the municipality evaluate each component of its operations to determine needs. Regardless of the size of the operation, municipalities should consider the following as they develop their policies and procedures:

• Identify all locations where the municipality collects revenue, including temporary and seasonal locations.

• Review the reason monetary transactions occur at each location.

• What exact service does the municipality provide at each location?
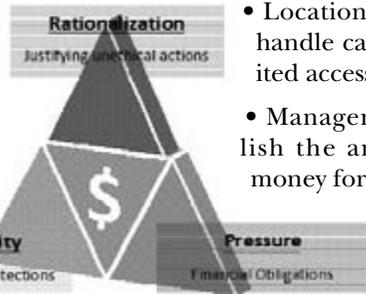
• Do transactions have to occur at each location?

• Does the law require the transaction to occur at the site of service?

• Is it a legitimate business practice to have transactions at each location?

• Identify the risk exposures at each location.

• Lighting: Does the location have proper lighting around the point of transaction during business hours?

• Design: Does the location where transactions take place limit access to funds and reduce the threat of theft or robbery?

Often a municipality allows tradition or convenience to determine the way it handles its operations. This can make implementing change difficult. However, following safe and secure business practices, particularly when cash transactions are necessary, is essential if a municipality is to provide a safe and secure workplace for its employees. By initiating appropriate revenue handling procedures, the municipality will reduce the risk of losses and limit the apparent opportunity to become a victim of crime.

In order to maintain the integrity of any operation, management must establish a series of checks and balances that will protect the organization's employees and assets. To meet this responsibility, management should establish proper policies and procedures that will guide employees while engaged in the performance of their duties.

The following are important points to remember:

• Employees should handle cash only in secure locations that are away from public view.

Over 80% of active shooter incidents occur at work.*

160 Active Shooter Incidents between 2000 & 2013.
1,043 people killed or wounded.
Most incidents are over in 5 minutes or less.

Though infrequent, an active shooter in the workplace is a nightmare situation.

Active Shooter Response for the Workplace, our featured course, covers the basics of active shooter response, including dealing with post-event trauma. It instills the importance of acting quickly for survival.

MMA Risk Management Services
Online Safety Training

Maine Municipal Association
Risk Management Services

For more information please contact the
Loss Control Department at (800) 590-5583.

• Locations where employees handle cash should have limited access.

• Management should establish the amount of start-up money for each cash drawer.

• Employees should count cash and sign receipts before going to their workstations.

• All transactions should be recorded by receipt or preferably by electronic means.

• To protect employees they should count all monies in their drawer at the end of the day or shift, seal it in an envelope and sign it. Employees should give their envelopes to the proper authority for audit and to re-establish the start-up cash.

• Once they receive the money, managers should audit the envelopes against the receipts and/or cash register tapes and re-establish the start-up drawer. Management should then total all the envelopes, make up the bank deposit, and check the contents of the safe. 🐜

Fraud Alert *(cont'd)*

time to thoroughly vet your applicants. Create a core list of background checks and verifications that you use on all applicants. You may wish to add additional checks based on specific job duties of the position. For example, a core screening could include a criminal background check, driving records, verification of previous employment and education history. Utilizing a core screening list for all applicants is not only cost-effective but also reduces the risk of hiring discrimination, since all applicants receive similar screening.

Don't rush hiring decisions. Work with your attorney and HR professionals to create an Applicant Checklist and perform background checks on all prospective new hires. Hiring the right employee will always save you time and money in the long run. 🐜