

The Municipal RISK MANAGER

SUMMER 2015

A Publication of the Maine Municipal Association

Cyber Attack or Human Error?

Cyber attacks continue to make front page news. Security breaches at large retailers and insurance carriers have exposed millions of people to fraud and potential identity theft. CEOs and IT professionals face public embarrassment as they attempt to apologize for their organizations' cyber security shortcomings. It's no wonder that the rhetoric coming out of these press conferences always points the finger at sophisticated hackers that are able to overcome the best cyber defenses.

Unfortunately, the truth of cyber attacks hits much closer to home. Statistics vary depending on who you ask, but it's safe to say that well over half of computer security breaches are caused by human error or negligence. All it takes is one employee opening an attachment on an email or sending work home to a personal computer to be breached or for employees to lose sensitive data on unprotected laptops, cell phones, and thumb drives.

Even third party vendors can open the door to a malicious attack. For example a payroll company could hold sensitive information from your human resources database, and a breach could prove disastrous. Keep in mind that third party vendors may not have the same level of cyber protection in place as your systems, creating a chink in your cyber armor.

Clearly, human behavior is a key component in your cyber security defenses. Do you have training and policies in place to address the human element of cyber risk? All employees should be taught to take these precautions to help protect your network:

Use strong passwords, and change them frequently. Don't assume every

employee knows how to create a strong password. If possible, configure your network to require passwords that meet your parameters and automatically require users to change passwords on a set schedule. A good rule of thumb would

require passwords with a minimum of eight characters, including upper case letters, lower case letters, numbers and symbols.

Keep your computer current with the latest patches and updates. Attackers are looking for any vulnerability



that will allow them to break into your system. You can't prevent every attack, but you can make it harder for an attacker to gain entrance if you apply patches and other software fixes when they become available. Set your comput-

er to automatically check for updates on a weekly basis.

Beware of phishing emails. Don't click on links within emails unless you are certain of their source. If you weren't expecting an email, don't rush to open

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Preflight Coverage Check for your DRONES

Did you know that drones are considered aircraft and are potentially subject to Federal Aviation Administration regulations?

Public aircraft operations are limited by federal statute to certain government operations within U.S. airspace. Title 49 U.S.C. § 40102(a)(41) provides the definition of "Public Aircraft" and § 40125 provides the qualifications for public aircraft status and drones can meet the definition.

As such, it is of critical importance to note that most standard insurance policies do not automatically include



"Aircraft" as covered property and further excludes "bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft.

Therefore, before you buy and attempt to fly be sure to verify:

- Compliance with Federal Aviation Administration laws.
- Insurability of the aircraft for property damage to the drone itself.
- Confirm availability of liability insurance. ■■

Improve Your Performance Evaluations

Would you like assistance and training on how to deliver a lawful employee performance evaluation?

MMA Risk Management Services online training offers assistance on topics like this to participating members of the MMA Workers Compensation Fund and Property & Casualty Pool. In partnership with FirstNet Learning Inc. Risk Management Services Online University has assembled a group of courses that address the needs of our Membership. If you are interested in a particular topic, please let your underwriter or loss control consultant know. We will do our best to add it to expanding list.

Other courses offered:

- Ethical Decision Making
- Ethics in the Workplace
- Guide to Interviewing
- Hiring High Quality Diverse Candidates
- Information Security and Privacy Awareness
- Lawful Hiring
- Managing the Multigenerational Workforce
- Performance Evaluations
- The Power of Respectful Language
- Unlawful Harassment Prevention
- Workplace Bullying and Violence Prevention
- And Many More!!!



The course offerings will continue to grow, so watch the *Risk Manager* for announcements of new courses. Visit the website to preview courses and the online university or to register for courses at: <http://www.memun.org/InsuranceServices/RiskManagementServices.aspx> 📄

24th Annual Highway Congress



The 24th Annual Highway Congress was held June 4th at the Skowhegan Fairgrounds and Risk Management Services again provided a “Time- Out- for- Training” booth. The RMS booth is a fixture at the Congress and this year was staffed by Bob Thomas, Lance Lemieux, Dan Whittier, John Waterbury and Ed MacDonald from the RMS Loss Control Department. The Congress provides our loss control staff an opportunity to

visit with many of our members, affiliates and vendors as well as to view the latest equipment.

This year’s training topic was prevention of injuries when working with heavy machinery and off-road equipment. The booth featured displays, provided handouts and asked visitors to answer quiz questions. More than 220 persons visited the booth, completed the quiz and registered for the “Bags of Stuff” raffle. This year’s winners were Bobby Bellows of the Waterville Public Works Department (PWD) and Larry Mosher, Lewiston PWD.

A “Safety Short” for preventing slip/fall injuries when working on and around maintenance vehicles and mechanized equipment is featured in this Risk Manager. This and other Safety Shorts are available on the MMA website:

<http://www.memun.org/InsuranceServices/RiskManagementServices/LossControl/SafetyShorts.aspx> 📄

Cyber (cont'd)

that attachment or click on an embedded link. Check for spelling and grammatical errors, which are often giveaways that an email does not come from a legitimate source. If you are unsure as to the content of an email attachment, it is recommended that you do not open it and attempt to contact the sender to verify.

Limit the use of removable media. If you must use a flash drive, use one that is encrypted. At the very least, password protect any documents you transfer to portable media. Programs like Word and Excel have password protection options that are easy to configure.

Establish policies to control use of web-based applications for business purposes. This may include restricting access to social media sites and file sharing sites which can open a back door for malware to enter.

MMA Risk Management Services can help you establish procedures and policies to help lower your cyber risk. For help please contact our Underwriting Department at 1-800-590-5583. 📄

Welcome New Member

Workers Compensation Fund

Warren Sanitary District



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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Controlling Vacant Buildings

Vacant buildings are a potential exposure for any municipality. The location of the property and the potential hazards that exist are as diverse as the State of Maine.



Vacant structures are more susceptible to claims arising from vandalism, burglaries, water damage, fires and storm damage. We are all aware that losses can occur at anytime, but without the proper precautions, the likeliness of a claim occurring at a vacant property increases greatly. Therefore, it is of critical importance for all municipalities to understand and recognize the most common vacant property risks and to implement recommended actions to protect the property and ultimately the Town.

Plan for the Vacancy

- If you have prior knowledge that a building is becoming vacant or if you are acquiring a vacant property, you can take steps to help reduce the chances of a loss.
- Remove known hazards such as flammable liquids and hazardous materials.
- Secure and shut off unnecessary utilities and drain water lines if they are not to be used for emergencies.
- Eliminate fire hazards by clearing combustibles and debris within 25 feet of the property.
- Maintain alarms and fire suppression systems if applicable and test the systems regularly.
- Notify authorities such as police and fire departments that the property will be vacant.
- Secure the location and consider the installation of fencing or other barriers to limit access to the property.
- Consider installing variable light timers to increase the appearance the building is occupied, and en-

sure lights do not turn on and off at the same time each day.

- Inspect the building and location to ensure condition.

Lighting

It is reported that over 90% of crime occurs after dark. Therefore, the use of lighting can be a strong deterrent while increasing the security and safety of your vacant property.

Lighting should be bright and positioned to prevent dark areas around the property. Bright lights provide greater visibility for law enforcement, security personnel, neighbors and passersby to identify suspicious activity or damage.

Frequent Property Inspections

Potentially one of the best and most cost effective tools available to reduce losses associated with vacant properties is frequent and unscheduled inspections. Working with a security service or local law enforcement to conduct frequent rounds will detract vandals and thieves.

Visit vacant property at least once per week to evaluate the condition and ensure that no damage has occurred. The

inspection should include:

- Verification and documentation of the general conditions,
- Ensuring that the property is secure and free of damage,
- Confirmation that all fire protection and intrusion detection systems are working.

Maintain the Property

Plan regular maintenance routines to check pipes, foundation, roof, gutters; look for insects or other pests that may damage the property. Regular maintenance can reduce the risk of damaged or frozen pipes, sprinklers that leak, or damages associated with weather.

The municipality should maintain landscaping to give the appearance of occupancy and to reduce the exposure of fire, and to eliminate hiding spaces in the shrub and foliage for pests and vandals. If damage is discovered, take immediate steps to repair and remediate. Frequent maintenance will help lower the cost of repairs and potential claims.

Review Your Coverage with Your Insurer

Coverage for vacant property generally has conditions, notification requirements and limitations in the event of a loss. Therefore it is important to notify and discuss all vacant property with your insurer. ■■

“Additional Insured” Status Can Eliminate Unwarranted Defense Costs

Why is it important for a Town to obtain a Certificate of Insurance which names the Town as an “ADDITIONAL INSURED” from groups and individuals utilizing municipal facilities, vehicles or equipment? Since the Town owns the property, the Town may find itself named as a defendant in a lawsuit arising out of that outside third party’s negligence using that property. *Additional Insured Status* may mean that the third party’s insurance company will defend the Town and cover the associated expenses to have the Town released from the suit. The extent of the coverage offered depends upon the exact language used in the *Additional Insured Endorsement* which is why we recommend that you request a copy of the endorsement for your records. Without the Town being named as an Additional Insured, the Town is forced to incur the cost of defense through their own insurance carrier and have those costs included as part of the Town’s loss history. ■■

SAFETY SHORTS

Working Safely On and Around Maintenance Vehicles and Mechanized Equipment

Tips for Prevention of Slip/Fall Accidents:

- ✓ Most equipment is designed to be entered with the person facing it. This equipment should be exited the same way: facing it. This allows the operator to see the steps and handholds and keeps the person's center of gravity close to the machine.
- ✓ Never jump from equipment. Always climb all the way down. This will prevent injuries from jumping onto uneven surfaces or loose objects.
- ✓ Examine how you and others enter and exit machinery and equipment. Are there adequate steps, rungs and handholds? Are the surfaces in good condition and non-slip? Consider retro-fitting equipment to make it safer when mounting and dismounting.
- ✓ Don't stop with the cab! If you "check the load", make sure that ladder rungs and handholds are available to allow checking to be done safely. Don't use a wheel as a step or sideboards as a handhold.
- ✓ Apply non-slip surfaces to running boards, deck plates and smooth step surfaces. If it's necessary to climb on fenders or other equipment parts to provide maintenance, apply non-slip material to those surfaces also.
- ✓ Make sure the shops, garages and cold storage areas are adequately lighted and that good housekeeping eliminates trip hazards.
- ✓ Always wear the proper footwear for the job and for the weather conditions. A good work boot must have adequate tread to reduce friction. Use "ice-grip" footwear when warranted by conditions.
- ✓ Use special caution when walking on snow and ice. Take small steps and walk carefully. When called in for plowing, plow and sand your facility first.
- ✓ Keep floor areas in garages free of debris, tools, parts, materials, etc. Mark parking lanes on the garage floor and keep the area inside of the lanes clear.
- ✓ Establish a maintenance schedule to steam clean concrete shop and garage floors at least annually to prevent buildup of oil, grease and hydraulic fluid.
- ✓ When doing vehicle or machinery maintenance, don't stand on bumpers, pallets, oil drums or similar unstable surfaces. Purchase proper ladders or platforms which are sturdy and stable for work. 🏠



May 2015 Safety Grants Awarded

Risk Management Services is pleased to announce that in May, 135 requests for safety grants were funded with a commitment of \$149,860. Grants will also be awarded in October. The deadline for the next grant period is September 30, 2015.

In 2014, a total of 250 grants were awarded, with a total MMA commitment of \$306,121. Since the inception of the grant program in 1999 more than \$3.36 million dollars has been committed to members through safety enhancement grants.

To be eligible, MMA members must be participants in the Workers Compensation Fund and requested items must directly enhance employee safety. Grants are a 2:1 match with a maximum of \$2,000. Our Claims Department handles a considerable number of workers compensation claims resulting from slips, trips and falls and also muscle strains and sprains and back injuries from manual materials handling. Grant requests for items such as tailgate lifts, mechanized hoists, equipment dollies, computer

workstation enhancements (document holders, monitor platforms, wrist rests, etc) are encouraged. It's not too soon to think about "ice grip" footwear, plow racks and other winter weather related safety equipment.

Information for Safety Enhancement Grants can be found on the MMA website at <http://www.memun.org/> or by calling the Loss Control Department at 626-5583. Applications for the upcoming October grant period are being accepted until September 30, 2015. 🏠