



the Municipal  
**RISK MANAGER**

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## A Message from the Director of MMA Risk Management Services

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As we start a new year, Risk Management Services (RMS) wanted to provide an update on the successes achieved and challenges faced in 2024, as we implemented the Maine Municipal Association's (MMA) Property & Casualty, Workers' Compensation, and Unemployment Compensation programs and services.

### **MMA's Property & Casualty Pool (P&C Pool)**

In May, MMA's P&C Pool governing board approved the purchase of an Active Shooter and Malicious Attack and Acts of Terrorism and Sabotage policy. This coverage is exclusively for and shared by all members of the P&C Pool at no additional expense, which increases access to needed protections without shifting additional burdens onto the property taxpayers.

The board also approved distributing \$600,000 in dividends in 2026 for the 2024-2025 coverage term.

The increasing value of member-owned property continues to impact each member's contributions to the pool. However, in 2024 Risk Management Services was able to negotiate favorable reinsurance rates for its 483 members with over \$7 billion in assets covered by the P&C Pool. This has allowed the association to stabilize rates for its members. Additionally, the pool partnered with NLC Mutual Insurance Company, which funded a portion of the reinsurance expenses. NLC Mutual is a member-owned and governed organization that provides each participating member with an equal voice in directing the execution of this mission. Since I was designated as a member of its board of directors, MMA has a voice in the discussions and decisions made that could impact the pool's membership. Additionally, I was also recently appointed to the NLC-RISC Board of Directors.

As many of our members have experienced in their own communities, climate change has led to more frequent and severe weather events, which in turn has increased the strain on the P&C Pool and put additional pressure on internal resources. Several members reported damages to vital facilities and infrastructure during the December 2023 storm, and then reported additional damages after the back-to-back storms in January

of 2024. As a result, the combined number of claims reported was 250 with costs of over \$2.5 million incurred. The claims team managed to maintain member service at the same level despite the record-breaking number of claims that resulted from these multiple weather events.



Michelle Pelletier

### **MMA Workers' Compensation Fund (WC Fund)**

After the WC Fund board met in November 2024, we were pleased to report a rate decrease for 2025, which will impact members with favorable experiences. The board also approved distributing \$725,000 in dividends in 2027 for the 2025-2026 coverage term.

The board continues to support the safety of its membership and approved expanded funding for the Ed MacDonald Safety Enhancement and Scholarship Grant program. RMS staff encourage members to review the update and to take full advantage of this grant.

Staff would also like to highlight the Workers' Compensation Safety Incentive Program (WCSIP), which was initially implemented in 2020. Currently, the 140 members that have enrolled in this voluntary program earn contribution credits by demonstrating their commitment to a safe workplace through compliance with established criteria. In the first three years of the program, participating members saved nearly \$1.9 million annually and decreased average annual net incurred losses by \$3.6 million. All members are highly encouraged to enroll in this voluntary program, so they too can receive a financial reward for committing to creating and maintaining a safe workplace.

### **MMA Unemployment Compensation Fund (UC Fund)**

The UC Fund board met in December 2024 and staff were pleased to report that the claims experience for this program remained stable. Under this program, RMS manages the



## A Message from RMS Property & Casualty Pool and Workers' Compensation Fund Claims Teams

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The frequency and cost of claims against municipalities and governmental entities have increased significantly in recent years for just about every type of claim, from workers' compensation to property damage to cyber breaches to professional liability and catastrophic events. But, through our partnership and your participation in the Property & Casualty Pool and the Workers' Compensation Fund, we have taken great strides to disrupt the trend of increased costs and instead focus on safety, health and loss reduction. The RMS Claims Team would like to offer the following recommendations to help us all be safe and productive.

- 1. UNDERSTAND YOUR COVERAGE:** Review your coverage and know what's covered and what isn't; clarify what information is required to process a claim and when notification is due.
- 2. IDENTIFY POINTS OF CONTACT AND SECURE IMPORTANT DOCUMENTS:** A claim often requires the attention of multiple individuals within the affected organization. Identify key players from operations, human resources, accounting and finance, management, and risk management, who could be critical to the claims process and could hold key documents.
- 3. PROVIDE PROPER NOTICE OF A CLAIM:** Provide proper notice immediately! Too often entities make the mistake of waiting until the end of the policy year to submit a list of potential claims issues. This can jeopardize coverage or hinder and delay the claims administration process. Proper communication with your adjuster throughout the claims process is critical to a successful outcome.

If a property or casualty claim has occurred, and you have provided notice, it is important to implement the following measures within the next 24 to 48 hours to expedite the administration of your claim:

- **PREVENT FURTHER DAMAGE:** Your policy will require that you protect and preserve your entity and its property from further damage. Make any temporary repairs necessary. Restore fire protection if it's damaged. These may seem like short-term fixes, but they're of critical and lasting value.
- **DON'T DISCARD ANYTHING:** Don't remove anything from the scene of the claim. Make sure to retain any documents, including video recordings, related to the claim. Let the adjuster inspect everything and come to a clear understanding as to how they plan to deal with damaged assets that can't be replaced.
- **TRACK ALL YOUR CLAIMS-RELATED COSTS:** Create a general ledger account and record all costs associated with your losses, including work orders and job

accounts. If possible, compare it with your existing inventory of the property to determine original purchase prices and costs to replace items. Where there are lead times, make notes of those as well.

- **LOG YOUR EFFORTS:** Keep a journal of the claim- and damage-related work that takes place each day, noting its objective and who was involved. This information can be very valuable in demonstrating to the insurance company the size and scope of the investment required to restore normal operations.

In the event of a workers' compensation claim, notice and open communication can yield benefits that are helpful to your injured employee as well as your organization. For an injured worker, a prompt post-injury discussion can lead to quicker medical treatment, faster employee return through light duty placement, peace of mind and control of costs. However, the possibility of these benefits relies on the collective actions of the employer, the injured employee, and your designated RMS Claims Team throughout the process. Proper communication:

- 1. BUILDS TRUST:** Trust is the eternal motivator for any claim progression, but how can an employer build trust without seeming overly eager to benefit their organization? The first step is always empathy. Involve a nurse case manager early, who specifically meets the needs of the claim. For example, in catastrophic cases, a more experienced nurse will be needed to appropriately discuss the recovery process with the family. Regardless of severity, empathy should always be prioritized, demonstrating urgency in care coordination and recovery.

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### *A Message from the Director cont'd from page 15*

day-to-day unemployment correspondence from the State of Maine, collects quarterly wage information from each member, and reports that information to the state. Due to our members' claims experience, the board approved the distribution of \$100,000 in excess balances and a \$300,000 dividend distribution as part of the 2025 funding model.

In closing, it is important to remember that the partnership with our members is built on trust, respect, and community. Staff listen to our members and look for ways to improve the resources available to support your goals and missions. Our team is committed to working together and appreciates your commitment and membership in the service and programs provided by the Maine Municipal Association Risk Management Service Department.



**MMA Risk Management Team**

**2. EMPOWERS THE INJURED WORKER:** Employers have a strong tool to assist their employees avoid a pathway to permanent disability, and that is a robust return-to-work program. Employees should be provided with guidance on the policy, a description of processes to be followed, and key contact information. Full transparency of benefits and challenges in their recovery allows them to make informed decisions and take ownership of their journey.

**3. PROMOTES A CULTURE OF COOPERATION:** An injured worker is typically unfamiliar with the workers' compensation system, but with effective communi-

cation, an injured worker should feel supported and valued. Poor communication can cause an employee to seek advice elsewhere, and if they feel the claim is not being treated as a priority, they may feel more inclined to retain an attorney and engage in litigation.

Sound communication with an injured employee has numerous benefits for all and has been shown to reduce the overall severity of a claim while providing support and peace of mind for your employees. As always, if you have any questions or if we can be of assistance, please contact MMA Risk Management Services.

## Underwriting and Member Services

The underwriting and member services team is dedicated to supporting your operational efforts to minimize losses by implementing effective risk management practices and ensuring the proper placement of coverage.

Our team manages all member transactions, such as handling new business and renewal reviews, processing coverage change requests, issuing certificates of insurance, conducting workers' compensation payroll audits, answering coverage questions, and more.

We process changes throughout the year and are proud to offer various ways to assist you, including on-site visits, mail, phone and online. We encourage you to explore the member tools and forms available on our website, which can help simplify change requests, audit requests, and more. Our website is

located at <https://www.memun.org>. Just hover your cursor over Risk Management at the top of the page.

From our website, you can request a certificate, add/change/delete property, request bonding, as well as access our vast selection of tools and resources. As always, if you would rather communicate directly with us, please feel free to email us at [rmsunderwriting@memun.org](mailto:rmsunderwriting@memun.org).

We also want you to know that we are available to come to you to help. Member Services and Underwriting staff assist hundreds of members each year to discuss coverage, property schedules, liability exposures, help with applications and other risk management needs. Please let us know how we can help you, and we will make it happen. Together, we have got you covered.



## RMS Loss Control Department Updates for 2025

The Loss Control Department will implement updates to several programs beginning in 2025. The most noticeable changes will affect the Grants and Scholarships offered by Risk Management Services.

### Ed MacDonald Safety Enhancement Grant

The MMA Workers' Compensation Board voted to increase the total annual award for the Ed MacDonald Safety Enhancement Grant from \$325,000 to \$400,000. Each year we receive more grant applications than we can fund. This increase will allow us to approve more requests. The grant remains unchanged otherwise—it is still due by April 15 and provides 100% funding up to a \$3,000 maximum award.

### Ed MacDonald Safety Scholarship

The Ed MacDonald Safety Scholarship will also see an increase in funding with the total annual award amount rising from \$75,000 to \$90,000. We are also increasing the maximum award for:

- Individual scholarships: From \$500 to \$1,000, and
- Group scholarships: From \$2,000 to \$3,000.

We hope these increases will expand opportunities for members to access quality training. Scholarships are awarded on a rolling basis and applications must be submitted at least 25 days in advance of the training event.

### Law Enforcement Grant

The Law Enforcement Grant supports law enforcement agencies that belong to our Property and Casualty Pool and are working toward Maine Law Enforcement Accreditation Program (MLEAP) certification. The grant awards a total of \$5,000, distributed in two payments:

- \$2,500 upon award and proof of contract with an outside agency, and
- \$2,500 at the end of the award period upon meeting requirements.

Starting in 2025, we are removing the August 1st deadline and replacing it with a rolling application process. Agencies must submit their requests at least 30 days in advance of when they wish to begin. This flexibility allows agencies to start the process anytime, rather than waiting for a fixed deadline.

For more information on available grants and scholarships, please visit: <https://www.memun.org/Risk-Management/Grants-Scholarships>.

### Online University

Our Online University helps members educate employees on critical safety, health, and liability topics. These awareness-level courses, combined with a documented review of depart-

ment-specific policies, meet the training requirements of the Maine Department of Labor.

The Custom Course Management Tool allows members to upload custom policies and courses, document training, and track certifications. The Online University is available to members of both the Property and Casualty Pool and the Workers' Compensation Fund. Each enrolled member will have their own Learners Campus managed by a designated HR Admin.

We encourage members to review who their HR Admin is and assign a backup for redundancy. Starting in 2025 we will provide access to classes on a routine basis:

- Basic HR Admin Training: First Tuesday of every month at 1:30 p.m., and
- Advanced HR Admin Training: Fourth Thursday of every month at 2:00 p.m.

The basic course helps new users understand their role as global administrators. The advanced training covers course-building tools, analytics, and reporting features.

If you're interested in attending a session, please email: [RMSlosscontrol@memun.org](mailto:RMSlosscontrol@memun.org).

### Workers' Compensation Safety Incentive Program (WCSIP)

All members of the Workers' Compensation Fund are eligible to join the Workers' Compensation Safety Incentive Program (WCSIP). This voluntary program promotes a self-sustaining safety culture, improves workplace safety, and fosters communication with employees.

The program has three progressive tiers, each with its own best-practice criteria:

- Tier 1: 5% discount on workers' compensation contribution,
- Tier 2: 7.5% discount, and
- Tier 3: 10% discount.

If you haven't joined yet, now is the time! Over 140 members are already benefiting from financial savings on their annual workers' compensation contributions.



### The Municipal Risk Manager

The Municipal Risk Manager is published seasonally to inform members 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 for specific questions.

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