

SPRING 2016

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Coming Soon! Integrated Pool Management Solution

By Britani Laughery, CSP, ASP, CIC, CWCP, AU,
Internal Operations Manager



“Historically, the ability to integrate all administrative functionality into a single platform for risk pools was either impossible or cost prohibitive.

This situation typically resulted in fragmented systems between member management, claims management and policy/program management. While each of these functions is highly unique, they all use the same data.”¹ The MMIA recognized the need to provide a better solution to our members to enhance services, as well as, to save time and administrative costs.

MMIA has selected the Origami Risk platform which allows for integration of all these systems for an Integrated Pool Management Solution. We are in

the process of converting data from our existing systems into the new platform and anticipate “going live” with the new platform this spring for MMIA staff. Shortly thereafter, MMIA will begin work on a member portal with a second “go live” this summer for members.

The member portal will have new features such as access to your city’s/town’s: loss runs; member documentation such as declaration pages, workers’ compensation posting notices, insurance ID cards, etc.; payroll reporting for calculation of program assessments; and an Online request form for certificates. The member portal will also feature enhancements to Online claim reporting and property scheduling. The MMIA is excited to share this new solution with our members! We will be soliciting help from our members to beta test the platform in late spring, so if you are interested in testing the new member portal, please contact Britani Laughery, Internal Operations Manager at blaughery@mmia.net. ■

¹ Origami Risk Website <http://tinyurl.com/jqny82u>

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30 years of Success!

By: Alan Hulse, CEO

January 2016 marks 30 years of existence for the Montana Municipal Interlocal Authority. The existence of this organization and the value it provides to local governments is truly a tribute to all of you; and a testament to the fact that most effective, efficient and valuable government takes place at the local level! As the MMIA celebrates our 30th Birthday, I believe it is important to reflect back on our history, and how we came to be in this place and time.

The availability and affordability of insurance is cyclical. In the mid 1980's, the cycle hardened. Government agencies across the country were experiencing incredible rate increases or were canceled all together. This "hard market" was driven by unfavorable loss experience and a sour national/international economy.

This crisis hit Montana hard in the mid 1980's. Many of our cities and towns were canceled or unable to obtain affordable liability insurance. In response to this crisis, the Montana League of Cities and Towns Insurance Trust (MLCT) was created. Conventional insurance markets were unable to help. After researching the options, the evidence suggested pooling provided a device whereby government could take back control of the management of its insurance needs.

The Trust proposed to sell tax-exempt revenue bonds, backed by the taxing authority of participating cities and towns, to raise capital. Unfortunately, legislation in existence at the time precluded the sale of bonds for this purpose. Therefore, the Trust approached the 1986 special session of the State Legislature and within two weeks Senate Bill 2 was drafted and passed, authorizing the issuance of program bonds. This legislation received almost unanimous support, passing both houses with only three dissenting votes. The legislation authorized Montana political subdivisions, either individually or jointly, to self-insure and incur debt to fund insurance reserves. Key features of this legislation included:

- Debt issued for insurance purposes may be issued over and above any pre-existing debt limitations; and
- Premiums, including those paid to service debt, may be levied as a property tax over and above any pre-existing levy limitation.

However, it was determined that the Trust could not statutorily, sell bonds. Therefore, to better facilitate financial opportunities, the Trust was transformed into the Montana Municipal Insurance Authority (MMIA) on July 1, 1986.

MMIA Workers' Compensation Program started with limited offerings and 13 member entities from across the state. Within a few months the membership quadrupled to well over 50. In 1990, the program was capitalized with the sale of \$7.6 million of tax exempt revenue bonds and bolstered by a refunding bond issue in 1993. Today, that program has 109 member cities and towns.

MMIA Liability Program started with 20 member entities and provided coverage with \$500,000 per occurrence limits, with the self-insured organization retaining all of the exposure. In August 1986, the sale of \$6.3 million of tax-exempt bonds allowed the program to fund a catastrophic loss pool, and expand liability coverage to the statutory limits of liability for Montana municipalities. Today, these limits are \$750,000 per individual and \$1.5 million per occurrence. The program has grown to a current membership of 126 cities and towns, from an eligible pool of 129. The program offers coverage for general liability, professional, public official's errors and omissions, and vehicular exposures to the statutory limits of their exposures. In addition, the program purchases excess or reinsurance to cover exposures not limited by the statutory tort caps.

The MMIA Property Insurance Program was developed in response to membership requests for this form of coverage and began on July 1, 1998. The Property Program also offers

CEO'S CORNER



two optional coverage forms – Boiler and Machinery, and Crime and Fidelity. The program began with 21 member entities, and today has 115 member entities.

The MMIA Employee Benefits Program is the newest program of the MMIA; it's also in response to member requests. In 2003-04, the Montana League of Cities and Towns conducted research that determined that a self-insured group was possible; as a result, the MLCT requested that the MMIA take over the development of a program. The Board of Directors approved a resolution on May 21, 2004, authorizing the creation of an exploratory committee to further study the feasibility and development of a health care program. That committee then recommended that MMIA assume the customer service and administrative roles of a health care program. The Board of Directors approved that recommendation on August 27, 2004 to be effective October 1, 2004. The Employee Benefits Program was set up as a distinctly separate and financially independent program, just like the other programs of the MMIA. The program began with the 43 members from the original MLCT purchasing pool, growing to 60 by January 1, 2005. Today, the program has 82 members providing benefits to over 2,800 employees and their dependents. Dental and vision benefits, and life insurance are also offered through the program.

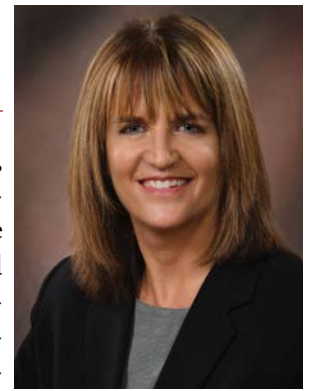
Each of these four programs was created at different points in time to fulfill the need of municipalities in Montana. From our inception, the MMIA has strived to be, and I believe succeeded to be, a pooling resource to provide quality, cost effective risk management services, including education and training, and self-funded coverage for all Montana cities and towns. So, Happy Birthday MMIA, and here's to another 30 successful years! ■



From our inception, the MMIA strives to be a pooling resource to provide quality, cost effective risk management services, including education and training, and self-funded coverage for all Montana cities and towns.

NEW Best Practice for Workers' Compensation Injury Reporting

By Ann Komac, AIC, CIC, ARM-P, *Claims Manager*



In the past year, the MMIA has seen an increase in work-related incidents initially requiring no treatment or first-aid, result in the filing of a workers' compensation claims months later. Historically, the MMIA has recommended that if the injury requires no medical treatment or first-aid only, not to file a First Report of Injury (FROI) but keep the accident / incident report. Given this developing trend, our recommendation to members today is to file a FROI no matter how minor the injury is.



The following are just some of the reasons why:

- Allows for a timely investigation
- Documents initial medical information relating to injury
- Timely contact with worker to ensure appropriate treatment
- Early development of examiner and worker relationship

Given changes in Montana workers' compensation laws, it is very important that a FROI be filed promptly. Montana statute requires employers to report accidents involving injuries within six days of the employer's knowledge. Legal requirements notwithstanding, there are many industry

studies supporting a correlation between late-reported claims and higher costs. The sooner the MMIA receives a FROI, the sooner an examiner can be assigned and begin the investigation to determine compensability. If witnesses need to be contacted, the events surrounding the incident are fresher when contacted within a few days versus weeks or sometimes months later—a problem now given the new trend.

In addition, the examiner can assist the worker in promptly receiving the care and treatment appropriate to the severity of the injury as well as ease fears concerning the process and system. Many times this aids in setting the foundation on which a positive relationship between the examiner and the injured worker is built. The benefit is less attorney involvement because the injured worker's concerns are being heard and addressed. Typically, this results in lower claim costs.

As a member, it is imperative that you establish pre-injury work practices for the timely reporting of injuries and the submission of a FROI. To lay this foundation, the MMIA recommends members adopt an injury reporting program and provide

supervisors, managers, human resource personnel and employee training in the program—to include clearly setting roles and responsibilities when an injury occurs. Many employers have developed instruction guides for their staff detailing the reporting process following an injury. These can be easily accessible references for staff when an injury occurs and they are unsure of what action steps to take.

In the end, when an incident occurs, having a process in place that your staff has been trained on will assist in ensuring the immediate reporting of the incident to a supervisor as required by Montana law, and the submission of the FROI to the MMIA. The management of people and processes will ensure a prompt, compassionate response to injuries, establish open, pro-active communication, and facilitate collaboration which will result in optimal outcomes for both injured workers and MMIA members.

If you have any question or concerns, or would like to arrange a training session on the reporting of injuries, please contact Ann Komac at 1-800-635-3089 ext. 121. ■

CLERKS! You're Invited!

We know how hard you work and we appreciate it!

Tuesday, May 3rd, during the Clerk's Institute in Billings, MMIA Employee Benefits & It Starts With Me will be hosting dinner at Old Chicago. We want to thank you for all you do in partnering to make the Employee Benefits program successful, and recognize your hard work and dedication to the Cities and Towns in Montana! We realize that some of you may not be participating in the MMIA EB program, but you are more than welcome to join us for pizza and a fun night out! If you are interested in attending, please RSVP to rmiller@mmia.net as soon as possible. We look forward to seeing you there! ■



Workplace Safety – Prevent Slips and Falls with the Implementation of a Safety Footwear Policy

By Britani Laughery, CSP, ASP, CIC, CWCP, AU, *Internal Operations Manager*

Slips and falls are a leading cause of injury in the workplace. Nationally, slips and falls account for nearly 28% of all workplace injuries. In the MMIA Workers' Compensation program, slips and falls accounted for 575 claims with \$6,160,766 in claim costs for the last five years. That's an average claim cost of \$10,714.38! These slips and falls result in injuries that range from minor scrapes and bruises to permanent disability or even death.

There are many risk management techniques that can be employed to combat the hazards contributing to slips and falls such as: maintaining parking areas, maintaining walkways (both indoors and outdoors), using anti-slip mats, using anti-slip coatings in areas where large amounts of liquid are present, maintaining adequate lighting, providing clean up materials and wet floor signage, and implementing a safety footwear policy. In this article, we will focus on the benefits of a safety footwear policy as it relates to reducing slips and falls.

Studies show that organizations see great reductions in slip and fall related incidents after implementing a safety footwear policy.

Footwear Policy Considerations

Footwear policies can be set up as a mandate, a strong recommendation, or voluntary. Mandated policies should be carefully written and consistently enforced. The policy should contemplate the activities performed by your employees to ensure the footwear is appropriate. For example, do they need protection from foot crushing injuries or thermal or electrical protection? Will they be working in a wet environment or an environment with changing conditions?

Footwear with hard plastic or leather soles and heels should be avoided, as they do not provide adequate traction consistently. Footwear should have a tread pattern that has random patterns perpendicular to the direction of travel. Patterns that run in the direction of travel

should be avoided as they tend to accentuate forward motion, like a skate or ski. Patterns that would trap liquid rather than disperse it can cause a hydroplaning effect, and should also be avoided.

Softer soles are generally more slip-resistant than harder materials because they adhere to the surface more effectively. Slip resistant footwear is designed with these considerations in mind, and would be a great addition to the requirements of a safety footwear policy. Footwear should be inspected, maintained, cleaned, alternated, and replaced on a regular basis.

Slip Resistant Footwear Vendors

There are a variety of vendors that provide slip-resistant footwear. As with any investment, it is up to each city/town to identify the vendor/product that best meets your needs. For your convenience, MMIA has identified a sample of the vendors that are in the market currently. This list is not all inclusive:

- Shoes for Crews – shoesforcrews.com
- SR Max – srmax.com
- Globe Turn Out Gear – globeturnoutgear.com/boots
- SureGrip – suregripfootwear.com/
- Work Boots USA – workbootsusa.com
- GearCor – gearcor.com
- Slip Grips – slipgrips.com

Conclusion

Workplace slip and fall injuries are costly to employers and to the employees in their quality of life after an injury. Implementing a safety footwear policy can lead to reduced injuries and cost savings. For more information on how to implement a safety footwear policy, contact Thom Danenhower at tdanenhower@mmia.net (406-495-7025) or Britani Laughery at blaughery@mmia.net (406-495-7004). ■

Footwear Programs

There are many ways that a footwear program can be implemented after the safety footwear policy requirements have been established.

Program Type	Pros	Cons
Company Purchase	<ul style="list-style-type: none"> • Consistent protection • Consistent look or style • Easy to ensure daily use • Age of shoe can be tracked and consistent change out scheduled 	<ul style="list-style-type: none"> • Purchase price (however, preventing just one slip/fall claim can cover the cost of your investment and then some!) • Employee turnover • Administration of program
Employee Purchase	<ul style="list-style-type: none"> • No investment by company • Shoe purchase can be made through payroll deduction 	<ul style="list-style-type: none"> • Need to ensure correct shoe purchased • More difficult to enforce • Employees less likely to buy new pair when shoes wear out • Unaffordable to employee
Shared Cost	<ul style="list-style-type: none"> • Vested interest from both parties 	<ul style="list-style-type: none"> • Cost burden to employees
Loaners	<ul style="list-style-type: none"> • Cost savings with employee turnover 	<ul style="list-style-type: none"> • Multiple sizes must be kept on hand • Sanitation concerns • Storage • Lost or left at home

The MMCT/FOA Brief

By Stacey Ulmen, CMC MMCTFOA President, City Clerk Bozeman, MT

The MMCT/FOA Annual Institute is fast approaching and will be held May 1-6, 2016. The theme for the Banquet this year will be “The 80’s,” and we encourage everybody to attend and to have some fun! The Institute will be held at the Billings Hotel once again, and conference registration should begin soon on the MSU Local Government Center website at: msulocalgov.org. Classes will range from the Code of Ethics and Bylaws of the Association, Annual Reporting, Records of Local Government, Clerk Relations with the Executive Branch, Bid Procedures, to Employee Hiring Processes. Several retirements have occurred across the State of Montana over the course of the year and those retirees will be honored, in addition, a Lifetime Achievement Awardee will be recognized. The Association will be electing a new president to fill the resigned position left by second term President Stacy Ulmen. ■

EMPLOYEE SPOTLIGHT:

ALEX SMIETANKA

Member Relations Strategist

Alexandra “Alex” Smietanka comes to the MMIA from the Montana Department of Environmental Quality where she worked in the Federal Superfund and the Water Quality Planning Bureau respectively. Prior to her employment with the State, Alex staffed a busy dental office where she provided customer support and advocacy with insurance providers, and managed insurance claims.



She holds an associate of arts degree in business from Helena College, University of Montana, and is currently working toward her bachelor’s in business at Montana Tech.

Alex has a seven-year-old daughter, who is the joy of her life. Her high-energy child keeps her busy after work and on weekends with school activities, dance class, and second-grade pursuits. Less than a year ago, Alex took up running and plans to enter her first half-marathon this summer. She also spends time at the gym lifting free weights. “I have found exercise to be a great stress reliever, and am fully committed to health and wellness—I incorporate it into my everyday life.” Alex is eager to meet MMIA members in communities across Montana, and help them identify wellness programs and opportunities that meet their individual needs.

EMPLOYEE SPOTLIGHT:

NICK HASWELL

Accounting Associate

Nick joins MMIA from Wells Fargo where he was a personal banker. Prior to Wells Fargo, he worked for Major League Soccer in New York City working in consumer products and licensing and for the Seattle Seahawks as a retail merchandise coordinator.



In addition, he has also worked as a merchandiser at multiple retailers and distributing companies. Nick is a graduate of the University of Puget Sound in Tacoma, Washington with a B.A. in Business. He also earned a Master of Science degree in Sport Management from California University of Pennsylvania.

While attending the University of Puget Sound, Nick played intercollegiate football. He also worked in the university’s football office, primarily working on recruiting information and data.

Nick is originally from Helena and is excited to be back home after being away for over a decade. He enjoys anything relating to sports, including attending live sporting events across Montana and across the country. He is excited to join MMIA and looks forward to working with its members.

Welcome, Alex and Nick!

SUMMER... Special Events Season – What a City/Town Needs to Know

By Ann Komac, AIC, CIC, ARM-P, Claims Manager

PART I: City Controlled Events

With the hopefully warmer spring weather comes “special” events such as fun runs and heritage day celebrations.

From a coverage perspective, the very first issue to address is to decide who is in charge of the event. If, for example, the fun run is not being sponsored by the city and is being run by a group that is not formally appointed by your city or town through an ordinance or Resolution, then that group does not have liability coverage through the city or town. If this is the case, see PART II Non-City Controlled Special Events.

If the event is being controlled by the city or town, either directly, or through a board or committee formally appointed by the municipality, then the event will have liability coverage subject to the terms and conditions of the MMIA Memorandum of Coverage.

It is important to note that even in this type of situation, there are exclusions from liability coverage. Examples of activities that the MMIA will not cover for the municipality include: fireworks, air shows, skydiving, rodeos, animal or motorized vehicle racing, water sports, and boxing / martial arts competitions. Please contact the MMIA if you have questions regarding what may, or may not be, covered.

If the city or town is hiring vendors to provide services at the event, or if independent vendors are showing up to operate on municipal property, then the municipality should require them to maintain appropriate levels of insurance, and to name the municipality as an additional insured party on a primary, noncontributory basis.



Finally, if there are any other community groups that are participating in the event, on municipal property, then the city or town should require that group to have appropriate insurance coverage that names the city or town as an additional covered party. These groups could utilize the process specified in PART II: Non-City Controlled Special Events.

Municipalities can also elect to provide workers’ compensation coverage to their own municipal volunteers in the event that someone is injured while performing their volunteer duties for the city or town. This coverage is very inexpensive, and is the volunteer’s exclusive remedy should they become injured while carrying out their responsibilities as a municipal volunteer.

PART II: Non-City Controlled Special Events

In some situations, your city or town may have events that are not sponsored by the municipality but are occurring on your property.

MMIA suggests that, along with your established permitting process developed with input from your city attorney and requirements for a submitted request to hold an event on municipal property, you also require the event to have liability and property coverage.

The group making the request to hold an event on city or town property may choose to obtain the coverage anywhere they wish. A minimum limit of \$1 million should be considered for the event, and the municipality should be named as additional insured party on a primary, noncontributory basis. Please note, that some municipalities require higher limits depending on the “risk” of the event.

Typically, the need to provide the liability coverage comes when the group wants exclusive use of your city property, or when they are engaging in activities that present excessive or uncovered exposures.

Exclusive use might include events where the city park is roped off for a specific group to hold a wedding re-



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Calendar of Events

March

- 24:** MMIA EB Committee meeting, Helena
- 25:** MMIA Board of Directors meeting, Helena

April

- 20-22:** GEM Board Meeting, Washington, DC

May

- 2-6:** Clerks Institute, Billings – Register at msulocalgov.org
- 4-6:** Jim Tillotson Service Program, Billings – Register at mmia.net
- 30:** Memorial Day, Holiday

June

- 1:** Final rates provided to membership
- 5-8:** PRIMA, Atlanta, GA
- 10:** Liability and Property Invoices sent
- 17:** MMIA Board of Directors meeting, Helena