

IN THIS ISSUE

Special Events Coverage . . . 1

Higher Limits. 1

In Good Company 2

Pool News 2

Save Money with Good Grades 3

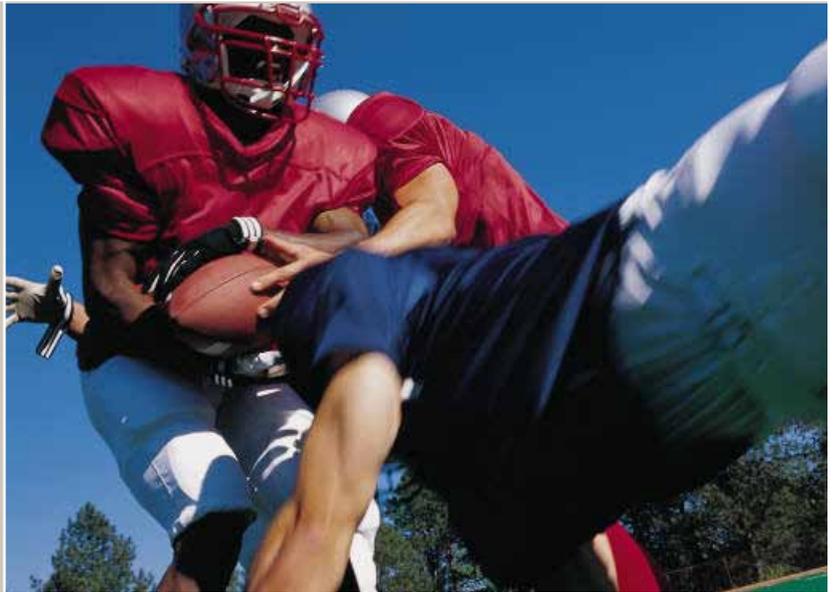
Keep Your Head *in/out of* the Game 4

Accreditation Earns Respect & Rewards 5

Exit Interviews 6

The Law At Work 6

Attitude Is Everything 7



“I am an optimist. It does not seem too much use being anything else.”

—Winston Churchill

Police Accreditation Will Earn Credit

Beginning in FY2012, all members with police liability coverage are eligible for a five percent credit on that line of coverage when they become accredited through the Alaska Law Enforcement Agency Accreditation Program.

see Accreditation Earns Rewards on page 5

Minimizing Your Risk in Special Events

Public entities frequently get requests from groups asking for the use of public facilities for special events. These events may range from use of a park for a kids’ field day or a weekend celebration including a parade and 5K run on city streets to a music festival and concessions in the community hall or a fireworks display. Whatever the event, your entity should take a proactive approach to minimizing and/or transferring the associated risks. The goal is to protect your entity from liability while still providing the opportunity for others.

If your entity does not have a formal “special events” policy or facility use policy, your AMLJIA Risk Control Specialist can help your governing board take this important first step in managing the associated risks. Consider how much access to your facilities and grounds is appropriate for outside groups. Will there be a financial impact on your entity for allowing outside activities and will

a use fee be charged? What types of groups will be allowed to use the facilities and grounds (i.e., not-for-profit, for-profit, community groups, etc.)? What level of risk is your entity willing to tolerate?

When an organization, group or individual requests use of public facilities or grounds, proof of insurance should be provided before use is granted. The Certificate of Insurance should indicate that your entity has been named as an Additional Insured. Depending on the scope of the event, the Certificate of Insurance may include Commercial General Liability, Workers’ Compensation, and possibly Automobile Liability. For a nominal fee you can easily request Special Events Coverage through the AMLJIA, either for your entity-sponsored event or for an outside group, by contacting Paul Bryner, Underwriter, at 800-337-3682 and filling out a simple request form.

AMLJIA Now Providing Higher Limits

Sometimes in life when it rains, it pours. AMLJIA members can take advantage of a bigger umbrella in FY2012 to protect them from those rainy days. As you reviewed your FY2012 Exposure Questionnaire, you may have noticed that the maximum available limit for General Liability coverage increased from \$10,250,000 to \$15,000,000. Although \$10.25 million per occurrence in liability limits has been more than sufficient for AMLJIA members in the past, we recognize the value in keeping one step ahead.

AMLJIA offers a range of limits and deductibles to meet the needs of our diverse membership. Exposure Questionnaires were sent to each member in February to help you review your coverages and select your limits and deductibles. If you would like to take advantage of the new higher limits and did not yet make the change for the coming year, contact your broker or Paul Bryner, Underwriter, at 800-337-3682 or e-mail him at paulb@amljia.org.



In Good Company

Kevin Smith, Executive Director

Members Continue to Enjoy Rate Reductions

For the second year in a row, the AMLJIA Board of Trustees has approved using retained earnings to offset any required rate increases to the AMLJIA membership.

The effect will result in savings to members and a relatively flat renewal on a rate basis in the coming fiscal year.

There are a number of moving parts to get to rates that adequately fund the program. Each year, AMLJIA uses an actuary to predict our losses for the coming year. For FY2012, these losses are predicted to be up approximately 10 percent more than FY2011 based on our loss experience and our current self-insured retention (SIR). The pool also must purchase excess or reinsurance for losses above our SIR. For FY2012, the excess and reinsurance coverage is expected to be slightly higher for workers' compensation due to the pool's losses and relatively flat for all other lines of coverage.

Finally, we need to collect enough to pay for administrative expenses to run the program and provide services. Our administrative expenses are currently budgeted below last year's levels.

Now that we have determined how much we need to collect for the coming year, we need to allocate the contributions among the members. Individual exposures and loss experience play a role. For example, if a member increases payroll, adds more vehicles and builds a new building, then it makes sense that the total amount of its contribution should rise. This is the exposure.

Loss experience, on the other hand, is equally important. As I mentioned above regarding our excess workers' compensation coverage, pool experience affects our rate. But individual member experience is also taken in to account. In addition to predicting next year's losses, the actuary calculates an experience modifier or "ex-mod" for each member. This ex-mod is based on a member's share of the total contribution to the program and its share of the total losses.

For example, if your entity's exposures are 3 percent of the program, then your losses should not exceed 3 percent of the total losses. Members that have better than expected losses receive a reduction in contribution for the affected coverage. For those members whose experience is worse than expected, it has the opposite affect. This provides some accountability for members that are costing the pool money and positive feedback for members who successfully keep losses down.

The AMLJIA has the financial strength to provide rate stabilization for our members, but we all need to continue to work together to keep rates stable over the long term. You can do your part by taking advantage of the many services and training offered by the AMLJIA, such as the Loss Control Incentive Program and the Employment Law Hotline, to help prevent losses. We're here to help you – call us at 800-337-3682.

POOL NEWS

Appraisals Have Multiple Benefits

AMLJIA members face many perils when it comes to property risks, ranging from fire and vandalism to earthquake and flood. In the event of a loss, it is important that adequate funds are available to pay for recovery efforts as rebuilding and repairs get underway. Property appraisals are an important component of this process to help determine construction type, coverage limits and appropriate coverage contribution, and to use as a basis for loss adjustment in the event of a claim.

AMLJIA staff gathers appraisal data on a regular basis during on-site visits as a part of our service to the membership. This information is then plugged into an in-house property estimator program. The program cost database is updated on a quarterly basis. This is important as fluctuations in the economy and natural disasters can quickly alter the supply and demand of lumber, steel, drywall and other building materials which ultimately affect the replacement cost of a building. At the end of the day, these appraisals are submitted to the Appraisal Company of Alaska for final review and adjustment.

Through a partnership with our administrative broker, Alliant Insurance Services, Inc., members with properties scheduled at \$5 million or higher will be receiving professionally prepared appraisals from American Appraisal. In some instances, buildings at \$3 million and above will also be appraised. These appraisals will be taking place over the next three years and will also provide AMLJIA staff with more reliable appraisal information that will be used in reviewing the remaining property values to achieve a more accurate overall schedule of values, protecting you and the other pool members.

A representative from American Appraisal will be contacting you prior to their arrival. If you have any questions about this member benefit, please contact Grady Fisher at 907-586-3222 or e-mail him at gradyf@amljia.org.



Honorable Mention

"Thank you very much for attending our Career Fair Day. Our students benefitted so much from this event. Thanks for sharing your knowledge, expertise and careers with our students."

Rod Shug, Superintendent, Yakutat School District



At Your Service

PERSONAL HISTORY BACKGROUND CHECK

Ben Franklin said, "An ounce of prevention is worth a pound of cure." When it comes to hiring the right person for the job, an ounce of prevention becomes priceless. But for AMLJIA members, an ounce of prevention is just a phone call or e-mail away thanks to our Personal History Background Check service.

Background checks are available for a nominal fee to AMLJIA members. When you have narrowed your field of job candidates to the top one or two individuals, simply call Sharon Tunnell, Loss Control Assistant, at 800-337-3682 or e-mail her at sharont@amljia.org to get instructions for initiating a Personal History Background Check. You will receive a detailed report which will help your entity to make an informed decision before making an offer of employment.

Protect your entity and your community by putting the right person in the job. Avoid employment disputes and personnel liability, and reduce your overall losses with good hiring practices. Call or e-mail today for more information.

UNDERWRITING/CLAIMS

Save Money with Good Grades

Many entities have the misunderstanding that a workers' compensation experience modifier or "ex-mod" rate of 1.0 is good, but wouldn't you rather be better than average? Fortunately, a diligent risk management program can pay off with an improved ex-mod rate just as diligent studying resulted in improved grades on your old report card. And just like earning a dollar for every "A" on that report card, your good ex-mod rate can help your entity save money.

AMLJIA computes each member's percent of exposure (their contribution) relative to the group (all members) over a five-year period. The percent of their losses is computed over the same period of time,

weighted by an actuarial credibility factor. AMLJIA uses five years of data to limit the potential of one bad loss year skewing the factor.

This comparison results in an experience modification (ex-mod rate) that may increase or decrease your entity's workers' compensation or liability contributions. Basically, if your losses exceed your contributions, you are assigned a debit modification; but if losses are less than your contributions, you are given a credit for "good experience."

Say, for example, that your workers' compensation premium is \$100,000. Your low losses over the five-year period and the actuarial factor result in an ex-mod rate of 0.8, which lowers your premium to \$80,000.

"How can I lower my ex-mod?" you ask. The ex-mod will improve if you decrease your losses and/or increase your payroll

(thus increasing your contribution). Obviously, unless you have reason to double your workforce, decreasing losses is the most workable solution.

To help reduce losses, AMLJIA provides a variety of loss control services including on-site training, loss-control audits, contract review, police consultations, and our Employment Law Hotline. For information on any of these services, please e-mail Grady Fisher, Director of Risk Management, at gradyf@amljia.org, or call our Juneau office at (907)586-3222.

Johanna Grasso, Claims Manager, is also available to assist members with the claims reporting process and return to work programs, as well as to provide on-site training in workers' compensation matters. You can e-mail Johanna at johannag@amljia.org, or call our Anchorage office toll-free at 800-337-3682.

ABOVE THE GRADE

Keep Your Head *in* out of the Game

Kids can be highly competitive. They are also energetic and resilient. Often we encourage this behavior, telling a child to “shake it off” when they fall or take a hit during sports activities. Parents and coaches alike will tell kids to play through their injuries in the belief that the kids will somehow be mentally and physically stronger if they do. But playing sports with a concussion won’t make any child a better athlete. In fact, it could force a premature end to their athletic hopes and dreams. It could even end a life.

Organized school sports are a great way for young people to stay healthy as well as to learn teamwork and leadership. They are also a source of pride for schools and communities and can provide the motivation for student athletes to do well academically. Like all activities, school sports do not come without risk. One of the most serious risks is concussion.

Concussions

A concussion is a type of traumatic brain injury caused by a bump, blow or jolt to the head or by a hit to the body that causes the head – and the brain inside the skull – to move rapidly back and forth. This sudden movement of the brain damages the brain cells and creates chemical changes in the brain. Until the brain fully recovers, these chemical

changes make the brain more vulnerable to further injury.

Unlike a broken bone, you cannot see a concussion. In fact, brain CAT scans and MRIs are normal with most concussions. Contrary to what many people believe, most concussions occur without a loss of consciousness. While most athletes with a concussion recover quickly and fully, some will have symptoms that last for days, or even weeks. A more serious concussion can last for months or longer.

Young children and teens are more likely to get a concussion than adults, and they take longer to recover from a concussion than adults. As adults, parents and coaches need to take responsibility for ensuring that any young person that has suffered a concussion is evaluated properly and given sufficient time to recover fully. We also need to educate student athletes about the seriousness of concussion and encourage them to report symptoms immediately.

Required Guidelines

As a result of the passage of HB15, each school district in Alaska is required to consult with the Alaska School Activities Association to develop and publish guidelines and other information to educate coaches, school personnel, student athletes and their parents about the nature and risks of concussions. The guidelines must include a description of the risks of return to play and strict protocols for return to play following a head injury.

Following these standards, any student who is suspected of having sustained a concussion during a practice or game must be removed from the practice or

game immediately, and they may not return to practice or play until cleared for participation in writing by a licensed health care provider or by a person acting at the direction and under the supervision of a licensed physician.

Educational Resources

Education is the key to preventing serious injury and potential long-term consequences of concussion. Schools, coaches and parents can turn to several organizations for more information:

- The Centers for Disease Control and Prevention website contains a variety of information and resources at www.cdc.gov/concussion/sports. For coaches, they offer a concussion training video, narrated by a former college football player and pro wrestler who retired at age 24 due to concussions.
- The Alaska Regional Chapter of the American College of Sports Medicine, in partnership with the Alaska School Activities Association, will be hosting the 2011 Anchorage Concussion Summit on Wednesday, July 20th, at the UAA Wendy Williamson Auditorium. Registration is available online at www.alaskaacsm.org/annualmeeting.html.
- The National Federation of State High School Associations offers a free online course, “Concussion in Sports – What You need To Know,” to provide information and resources to help coaches, officials, parents and students on the importance of proper concussion recognition and management in high school sports. Register at <http://www.nfhslearn.com/Courses.aspx>.



Champions for Children

AMLJIA is a proud sponsor of Champions for Children. These scholarships are awarded to school districts during the Alaska Association of School Administrators Legislative Fly-In each spring. Kevin Smith (right), AMLJIA’s Executive Director, had the pleasure of presenting a \$1,000 scholarship to Kashunamiut School District, represented by Superintendent Doug Conboy.

Kashunamiut School District has announced that Ben Anderson-Agimuk is the recipient of this year’s scholarship sponsored by AMLJIA. Congratulations, Ben!

LAW ENFORCEMENT

Accreditation Earns Respect and Rewards

The Alaska Law Enforcement Agency Accreditation Commission was established in 2005 to provide Alaskan law enforcement agencies with an avenue to demonstrate that they meet commonly accepted standards for efficient and effective operations. The accreditation program verifies that an agency meets or exceeds accepted practices in law enforcement.

The Juneau Police Department applied for the process in 2008. The department created a temporary Professional Standards Sergeant position, with accreditation preparation the largest part of the job. In addition, many hours were logged updating the department's policy manual. But as Chief Greg Browning pointed out, most of the standards and practices required by accreditation should be done whether or not a department is accredited.

In December 2010, the Juneau Police Department became the first police agency in Alaska to receive accreditation.

What was the most difficult part of the process? "Change," replied Chief Browning. "Almost any change is resisted if there is not buy-in from those affected. This takes time and patience."

One benefit of accreditation is pride of ownership, both within the department and the community. "I was surprised at the dramatic increase in morale," said Chief Browning, "and a new pride in the department that most officers clearly felt as we achieved accredited status."

More importantly, an accredited department is less subject to liability. As Chief Browning explains, "An accredited department is following the best practices of the industry. This makes the department less likely to be sued in the first place and easier to defend if a suit is filed. Any lawyer will agree that when, for instance, a use of force is challenged, it is nice to be able to demonstrate that the department has a current policy and that the policy meets the best practices standard of the profession."

In this case, the standards were established by a working group of Alaska chiefs and AMLJIA personnel. "When we go to court in a police case," explains Kevin Smith, AMLJIA Executive Director, "we will be measured by some standard. We felt that it was important to be measured by Alaska standards, not New York's. That's not to say that the

standards are watered down at all, they're just more customized to Alaska's unique circumstances."

The AMLJIA Board of Trustees recognizes the benefits of accreditation. Beginning in FY2012, all members with police liability coverage are eligible for a five percent credit on that line of coverage when they become accredited through the Alaska Law Enforcement Agency Accreditation Program.

For those interested in pursuing accreditation, Chief Browning offers this piece of advice: put one person in charge of the accreditation process. "If you parcel the job out to several individuals it often fails," he explains. "A small department may not have the resources to dedicate one person full time to the job, but at least make accreditation one person's most important responsibility."

You can find more information about the accreditation program on the Alaska Association of Chiefs of Police website, www.aacop.org, or e-mail Greg Russell at police@amljia.org. If your department has questions about the Juneau Police Department's experience with the accreditation process, you may contact Sergeant David Wrightson, who served as Professional Standards Sergeant, at dwrightson@juneaupolice.com.



Juneau PD proudly displays their accredited law enforcement agency status, a source of great pride for the department, on their patrol vehicles.

The Juneau Police Department

became the first accredited law enforcement agency in Alaska in December 2010. Shown at the award ceremony are (from left) Greg Russell, who acted on behalf of AMLJIA during development of the accreditation standards; the City of Homer's Chief Tom Clemons, President, Alaska Association of Chiefs of Police; Chief Greg Browning, Juneau PD; and Lt. Gary McGrary, Sitka PD, ALEAAC Assessor.



HUMAN RESOURCES

The Law At Work

Our attorney for the Employment Law Hotline has been hard at work answering your inquiries and would like to share some of the recent topics of discussion in the hopes that you too can benefit from our guidance.

Q. *Our Council has long made it clear the City must be a drug-free workplace, top to bottom. As the Administrator, I arrange for random drug tests by an outside vendor. One of our best police officers just failed her random test (for marijuana), and refused a retest. I don't really want to fire her, but it seems like she's being insubordinate when she refuses to take the test again, and our policy says a failed test is grounds for termination. What do you suggest?*

A. I'm very glad you asked. In Alaska, cities can test police and fire (and probably other municipal employees) before hiring or promotion, or when they have reasonable suspicion that the employee is impaired, such as when the employee is in an accident. Our Supreme Court ruled years ago that random drug tests of police and fire employees violate their right to privacy. I recommend that you stop all random testing. Tell the officer the City is not doing random tests any more, and drop it. You will need to let your Council know why the policy has changed. They should take comfort in the fact that you will still manage the employees and discipline for misconduct, whether it's related to drug use or some other cause. If you need backup or more information for the Council, contact me at the AMLJIA Employment Law Hotline and I will be happy to help.

Q. *We sent an employee out of town to pick up a skiff and trailer and bring it back to the City. He had to travel overnight, meet the trailer and skiff at the ferry terminal, wait for the ferry, load the trailer, ride the ferry home, and offload it. He's put in for all kinds of overtime for this trip. Do we have to pay him for riding the ferry? How about for the time spent waiting in the ferry line and offloading?*

A. The time spent waiting for the ferry on one end and offloading on the other is paid as regular work time, so it is overtime if his work week exceeds 40 hours (or less, depending on your personnel policies or code). Riding the ferry is compensated as any work travel in a conveyance on an overnight trip – it's paid if it happens during the employee's regular working hours, say, 8:00 to 4:30; the same is likely true for his travel to meet the ferry.

The Employment Law Hotline, available to member managers, supervisors, and personnel directors, offers a FREE 30-minute consultation with an AMLJIA law firm in the area of employment liability. Call 877-4AMLJIA (877-426-5542) before you make employment-related decisions and protect your entity from employment liability.

Exit Interviews

Employees either choose to leave through resignation or retirement or they are asked to leave because of termination, downsizing or layoff. Exit interviews represent a prime opportunity to gain information on employment conditions within the organization.

You may be asking yourself, "Why conduct an exit interview when the person is leaving?" You may feel you just don't have the time, especially if you are preoccupied with hiring and training a new employee to fill the position being vacated. However, an interview conducted with employees when they leave the organization will help to determine why they are leaving and what improvements could be made to the organization, pinpointing any specific problems that need to be addressed.

Not only do exit interviews provide an opportunity to improve your entity but also to minimize an employer's exposure to a claim. If the employee did not raise their concerns during an exit interview, this fact may be helpful to the employer in litigation. On the other hand, if the employee does raise a legal concern the employer then has an opportunity to address the problem.

Exit interview questions should be open-ended and focus on initial selection practices, whether the job met the employee's expectation, benefits, training, advancement opportunities, supervision, workload, company culture, pay and other positive and negative features. The exit interview can be a written questionnaire or verbal. If it is verbal, then it is best to have a neutral party, someone who is not involved with the day-to-day supervision of the employee, conduct the interview. The information should be treated as confidential.

Exit interviews are just one tool management can employ to seize the opportunity to do something to better the organization. An employee on the way out the door who is treated with intelligence and courtesy is far more likely to retain a favorable impression of the employer and may even seek to return at a future date. If you would like a sample exit interview questionnaire, please e-mail Kate Young at katey@amljia.org or call 800-337-3682.



RISK CONTROL

Attitude Is Everything

Nobody wants to get hurt in the workplace, and we take precautions to make sure our workplace is a safe environment for both employees and visitors. But as any self-improvement professional will tell you, attitude is everything. Unfortunately, an unsafe attitude toward workplace practices can be like walking the high wire without a safety net; you may complete the job without incident, but one slip can kill you.

Following are six phrases, each of which reflects an unsafe attitude that could lead to workplace disasters. If you hear one of these phrases, or something similar, while on the job, take a closer look at the situation. You may be able to stop an accident before it happens.

1. “We don’t have time.” Safety training requires an investment of time, but it ultimately saves more time than it loses for any employer. Any time an employee is injured, work time is lost and that employee’s expertise is removed from the workplace. An employee death due to a workplace accident is especially tragic. There is always time to train to work safely. Regular

safety meetings reinforce the safety mentality among your employees. Ask your AMLJIA Risk Control Specialist about how to participate in monthly safety teleconferences; thirty minutes a month is all it takes.

- 2. “I know a shortcut.”** People who take shortcuts are playing the odds, betting on the hope that nothing bad will happen. But shortcuts can lead to complex problems. Say, for example, that an employee uses too short of a ladder to reach the roof because he doesn’t want to find a longer one and transport it to the worksite. Disaster follows.
- 3. “I think this is the right way to do it.”** When in doubt, always look up the regulations. Guessing or believing hearsay is always unwise. If you don’t have a designated safety specialist, or you don’t know where to find the regulations, call your AMLJIA Risk Control Specialists. They are happy to help you with the information and training you need to get the job done safely.
- 4. “Regulations don’t change that often.”** Government regulations actually change on a fairly regular basis. Think of regulations as works constantly in progress. It is up to the employer to stay updated on the

rules that affect their business.

- 5. “We’ll fix it later.”** No employee should be allowed to work with damaged equipment or forced to work in a potentially unsafe environment. Defective equipment needs to be taken out of commission immediately. Safety hazards, such as a broken window or cracked floor, should be immediately repaired or steps taken to prevent employee accidents until permanent repairs can be made.
- 6. “It’s not in the budget.”** Safety is always a worthwhile investment. A small investment in training, proper safety equipment and proper repairs can avoid big expenditures in lost time, medical expenses, and possible OSHA fines. The AMLJIA Safety Savings Account can help you stretch your budget and purchase necessary safety items; contact your AMLJIA Risk Control Specialist for more information.

Safety training ultimately leads to greater safety awareness and fewer work-related illnesses and accidents, resulting in lower medical expenditures and insurance costs, higher productivity, and happier employees.

Introducing...

AMLJIA would like to introduce our newest staff member and Finance Manager, Mark Glaspey. Mark brings more than thirty years of financial and general management experience to our team. This former construction company owner moved to Ketchikan from Washington following Mount St. Helen’s eruption in 1980. Mark first worked in accounting in heavy construction and later for an air taxi operation. He has served as general manager of what some believed was the largest floatplane operation in the U.S., the CFO of an air cargo operation, and the controller/CFO of a native-owned civil construction company.

Mark enjoys utilizing his financial expertise to provide accurate and timely financial information to our department managers and the Board of Trustees.

“All organizations, whether they are profit or non-profit, exist to provide a unique product or service to their customers or members,” Mark explained, “whether it is providing transportation of goods and services to remote villages or providing risk management services in a cost-effective way to members who may not normally have access to those services.”

We are pleased to have Mark Glaspey join our staff. Please join us in welcoming him!





807 G Street, Suite 356
Anchorage, Alaska 99501

Building on Tradition.
Protecting Your Future.



AMLJIA Gives Back to Community

AMLJIA staff turned out for the annual Citywide Cleanup, hosted by the Anchorage Chamber of Commerce. More than 180 groups “claimed” a part of town to clean during the week-long program in early May.

Calendar

June 2011 - August 2011

NACo Conference & Exposition	Portland, OR	July 15-19, 2011
2011 Anchorage Concussion Summit	Anchorage, AK	July 20, 2011
AMLJIA Board of Trustees Quarterly Meeting	Hoonah, AK	July 27, 2011
AMLJIA FY2012 Loss Control Incentive Plan Resolutions Due		July 31, 2011
AML Summer Meeting	Sitka, AK	August 10-12, 2011
AMLJIA Workers' Compensation Audit Due		August 31, 2011