

## New PLAN Features Ease Claims Management

In the past two years ABAG Pooled Liability Assurance Network (PLAN) has implemented improvements to make insurance claims management easier for PLAN members. ABAG PLAN recently implemented a new e-mail claim submission process for reporting member claims at [abagclaims@abag.ca.gov](mailto:abagclaims@abag.ca.gov). All claims can be sent to this

and resolve liability and property claims. The goal is to provide high quality service to members, which will allow them to effectively manage the complex risk they face as municipal enterprises.



ABAG PLAN Staff (L-R): Jim Nagal, Marken Hew, Chantelle Coleman-Doan, Eileen Barr, Lynn Shea, Gertruda Luermann, Jim Hill, Risk Manager, PLAN Corp., John Saelee, Kim Chase, Roslyn Morris-Singh, and Bruce Carey

central e-mail where they are immediately directed to a central point of contact. This new reporting procedure became effective July 2013, and will expedite the overall claims reporting process. Electronic documents can be readily attached to the claim files and allow for easy retrieval. The e-mail inbox is monitored regularly and ensures timely receipt and acknowledgement of claims. There is a built-in security feature that protects each claim submission.

In addition to more automated claim submission, the billing process has been simplified. Billing is now sent to members once a month, instead of once a week. A personalized claims report is now sent to each member city and town, monthly, instead of quarterly. Expedited reports help make risk assessment and management more streamlined, faster, and more efficient.

PLAN's new features are in addition to its existing services for its claims and risk management programs. PLAN assigns an experienced claims examiner to each member community to investigate, evaluate, negotiate,

PLAN's website ([www.abag.ca.gov/plan](http://www.abag.ca.gov/plan)) continues to be an important and useful tool for PLAN members. Insurance information, governing documents, committee meetings and agendas, and risk control resources are all available on the website. Staff is currently in the process of reviewing and updating all collateral material and researching a new design for the website. As part of our commitment to constantly improving and providing the latest information, stay tuned for even more resources.

### MANAGEMENT DATA REPORT

This report is an essential part of the risk assessment strategy used for addressing each member's unique risk exposures. The report shows the number and type of claims and allows PLAN to review past experiences, current exposure, and emerging trends to tailor an effective program aimed at preventing claims. PLAN staff and/or specialized consultants identify and resolve claims and risk management issues and assist in developing **Risk Management Goals** and action plans to reduce claims and losses.

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# Best Practices -- A Formula for Reducing Loss

All PLAN members were assessed to identify their core risk management issues. The most critical areas identified were related to safe and efficient public playgrounds, police operations, sidewalks, and public infrastructure. The risk assessment resulted in the development of the **ABAG PLAN Risk Management Manual** template that cities and towns may adapt to their specific needs. This manual includes detailed risk management framework and operational best practices guidelines to help members reduce hazards and implement effective risk management programs with the aim of making communities safer. Best practices, along with loss trend

analysis information maintained by each member have been helpful in setting annual goals and action plans, establishing priorities, and developing strategic plans. These best practices are a benefit that members use to pinpoint and analyze risk, implement recommended strategies, monitor effectiveness, and make changes as needed. They help member cities and towns minimize the cost of risk and maximize protection of their assets.

For program year 2011-2012, almost all PLAN Members achieved implementation of recommended framework best practices and 50 percent achieved implementation of operational best practices. Members who achieved

best practices were recognized by ABAG PLAN with a certificate of appreciation and additional framework grant funds for risk management activities. The success of ABAG PLAN is largely attributed to the active participation of its members in PLAN governance and Risk Management best practices. As part of our commitment to offering the best and most updated information, guidelines are currently being reassessed and new best practices will be added as needed.



*As of the last assessments, in 2013, Public Works claims were attributed to 40 percent of claims, public safety accounted for 27 percent of claims, and parks and recreation claims accounted for 22 percent of all member claims.*



## How to Mitigate Slip and Fall Claims

With an aging Bay Area population, the region has seen a significant volume increase in slip and fall claims by elderly residents. To help address this trend, there are some integrated steps that have been identified to help mitigate slip and falls for all residents. It is important to have an effective, written, city-specific procedure in place to minimize sidewalk defects such as raised offsets, tilts or steep cross slopes, sunken sections, spalling, and offsets between public and private sidewalks.



Best Practice procedures for mitigating falls include adopting a sidewalk/walkway inspection, maintenance, and a complaint response plan, and developing an incidence map that shows where claims have been made. These maps would depict areas that are in most need of repair and help drive prioritization of sidewalks and other repairs. Encouraging residents to report sidewalk hazards as they see them and developing a method for tracking hazard reports may help reduce claims. It is recommended that cities have a follow-up procedure to ensure defects have been addressed within reasonable periods. Photographs taken and maintained by Public Works can be used to visually record action taken to mitigate hazardous sidewalk sites. These kind of steps will aid in defense against allegations of inaction by the city.

Slip and fall claims can also be mitigated by developing an ordinance for transferring the liability for injuries on sidewalks to the property owner and developing a written process to notice property owners to repair sidewalks, where allowed by Municipal Code. Additionally, it is recommended that cities develop a follow-up procedure to ensure defects have been mitigated by the property owner or other responsible party within a reasonable period.

Many members are implementing these practices and it is anticipated that slip and fall claims may be more effectively mitigated in the future.

## An Interview with the Chair

Do you know what claims are covered by ABAG PLAN? How are claims and lawsuits handled? Do you need to be paying attention? This Winter edition of Risk Matters outlines the services and depth of opportunities for you to participate. You can learn more about Membership Resources, Best Practices, the Grant Program and your Service credits, and a myriad of training opportunities.

Our December 6th retreat is an example of a great opportunity for members to learn more about ABAG PLAN and what it can do for each of our cities. We have short sessions to introduce the new representatives to ABAG PLAN resources and to refresh representatives with longer tenure. We will review the governing documents and learn how our deductibles impact each of us. We'll explore the various committees to see which committees you might be interested in serving on. We'll have a FUN FILLED interactive session on the actuarial report as well as on covered claims. Learn how you can help reduce your city's risk, save your city money and protect public health and safety!

Please be sure to join us at the retreat and other training opportunities offered. Your alternates are always welcome as well. You won't want to miss these opportunities to become a superhero in your city.

### Heather McLaughlin, PLAN Chair

City Attorney, City of Benicia

(Heather McLaughlin has been Benicia's representative to ABAG PLAN since 2003 and was appointed to the Executive Board in 2009.)



## Risk Management Program Grants

Limited local government budgets increase the need for grants to help PLAN members implement "best practices." Developed to meet the specific needs of member jurisdictions that were identified based on risk assessment, ABAG PLAN Risk Management Grants for 2013 are an example of cost effective services provided to local governments. ABAG PLAN provides a number of grant programs to members in support of risk management activities to address their unique risk-related needs. Grants are available for programs and training related to liability prevention, police ethics, and hiring practices. Members may also use grants to repair sidewalks, inspect or maintain trees, purchase safety equipment, and upgrade playgrounds.

Members are provided grant funding Service Credits up to three percent of their annual premium to assist in achieving and maintaining best practice status by implementing the recommendations stated in ABAG Risk Management Policy. As a result, grant funding has helped prevent loss frequency/severity.

A total of \$1.829 million was allocated for last fiscal year's funding and 68 percent of grants were utilized. Grant expenditures were primarily used for best practices consulting, Risk Management Programs, and police grants. Remaining funds are still available for training, technical services, or other needs identified in the assessment.

The proposed Grant funding for 2013-2014 is \$787,218. Members are eligible for premium-funded grants ranging from \$5,000 to \$20,000 to fund their risk management program, if the grant requests relate to the required annual Risk Management Goals. A 50 percent match will be required for other risk management related and eligible items. Members are encouraged to submit ideas for grants to address specific needs. To apply for a grant, make recommendations for grant programs or training, or for general information, contact Gertruda Luermann at (510) 464-7992 or gertrudal@abag.ca.gov.

## ABAG PLAN Training

PLAN provides technical training support and training resources to enhance members' technical skills in **Claims and Risk Management**. ABAG PLAN pays up to \$2,500 each year for members to attend training or conferences, or to provide training in-house via personal or on-line delivery. Conferences and training include PARMA [www.parma.com](http://www.parma.com), CAJPA [www.cajpa.org](http://www.cajpa.org), PRIMA [www.primacentral.org](http://www.primacentral.org), or other risk management related organizations, such as the IEA, [www.ieatraining.com](http://www.ieatraining.com).

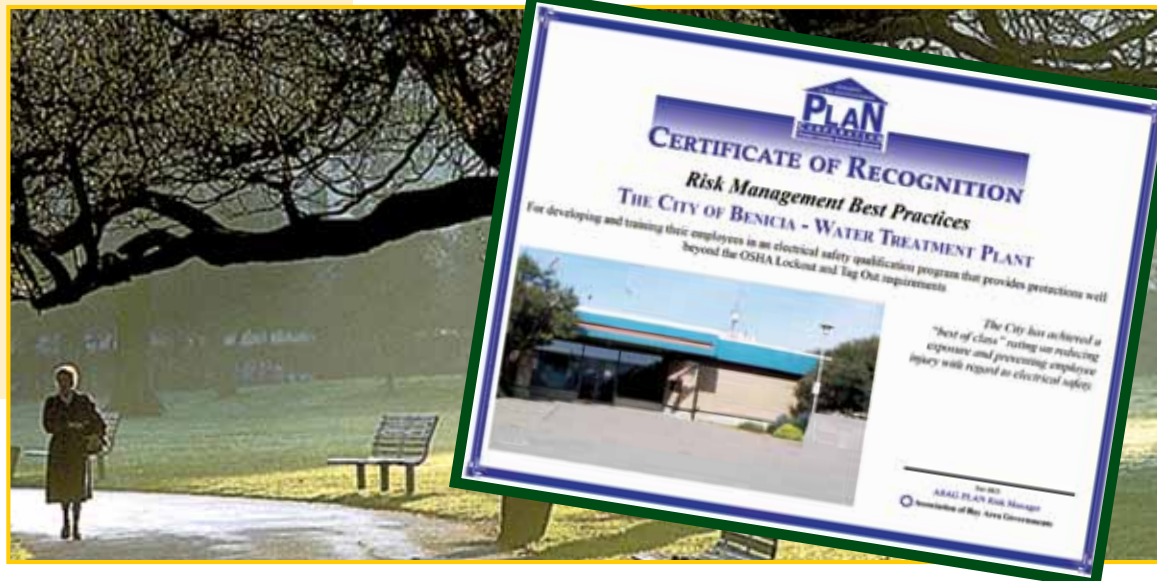
In addition, PLAN pays for Defensive Driver classroom and behind-the-wheel training for members. The next Defensive Driver class is offered on **December 3rd** in San

Carlos. For information on other upcoming training, go to <http://plan.abag.ca.gov/training.html>.



**The Sewer Smart Program** ([www.sewersmart.org](http://www.sewersmart.org)) is another resource that offers public education materials and assistance for members in a variety of operational areas, including system maintenance, overflow response, and ordinance revision assistance. The next Sewer Management training workshop is scheduled for **December 12, 2013**, in Oakland.

PLAN also continues to offer **free access to libraries of streaming safety training videos** through Bickmore Risk Control Services (BRS) and Alliant Insurance Services. To access and for more information, go to [www.abag.ca.gov/plan/videos.html](http://www.abag.ca.gov/plan/videos.html).



# ABAG PLAN Probable Maximum Loss Study

Hazard mitigation planning is a critical consideration for PLAN member cities and towns. To help with hazard mitigation planning, ABAG PLAN conducted a **Probable Maximum Loss Study** evaluating PLAN member's exposure to catastrophic loss from an earthquake. As part of the study, ABAG PLAN's 1,585 insured property locations were evaluated and building values, contents, and business interruption values were assessed with consideration for building construction type to gain an understanding of loss potential.

**The Probable Maximum Loss Study** provides valuable information on specific PLAN insured locations that have high exposure to earthquake loss. When analyzing exposure by location, the findings indicate heavy exposure in the cities of Pacifica, Milpitas, Gilroy, South San Francisco, and Foster City. San Mateo County currently accounts for the largest percentage of earthquake exposure at 46 percent, Santa Clara County



accounts for 34 percent, followed by Solano County at 9.7 percent and Alameda County at 7.4 percent.

This data will be extremely helpful in isolating high exposure properties and assisting in the evaluation of each member's need for earthquake insurance on a pooled or stand-alone basis. A significant number of PLAN Members are currently relying solely on State/Federal funding to address property loss post catastrophic Earthquake scenario. Report findings indicate that premiums/ deductibles for full risk transfer insurance may be cost prohibitive and may not be feasible in light of the current fiscal landscape.

One important consideration for members is the potential that earthquakes can trigger other hazard conditions

such as fire. The **Probable Maximum Loss Study** analysis includes an evaluation of secondary loss assumptions for fire following earthquake, earthquake sprinkler leakage, and loss amplification. Loss Amplification has been experienced by many as a post catastrophic event and is largely attributed to basic supply and demand fluctuations due to resource shortages following a disaster. This type of Loss Amplification occurred after the Loma Prieta EQ, and the Oakland Hills Fire.

## Next Steps

The Risk Management Committee will continue to assess PLAN earthquake risk and continue to evaluate available risk transfer and sharing options. Risk Management staff will also work with Alliant Insurance Services to explore optional finite risk solutions.

## PLAN Members Successfully Develop Local Government Hazard Mitigation Plans

As part of PLAN's Risk Mitigation Best Practices, PLAN recommended that each member develop a **Local Hazard Mitigation Plan (LHMP)** that could be approved by the **Federal Emergency Management Agency (FEMA)**. As a result of recommendations, 27 out of the 30 PLAN members developed annexes to the ABAG Regional Hazard Mitigation Plan.

Members used the FEMA approved ABAG Regional Hazard Mitigation Plan as a basis and guideline for developing their own plans. The LHMP process involved submitting a letter of intention, participating in the development of the regional plan, developing an annex with specific local hazard and risk information, and involving the public in the planning process. The LHMP must meet the FEMA and California of Emergency Services guidelines to be approved by FEMA.

Local governments with a FEMA approved mitigation plan are eligible for several federal mitigation grants and for disaster mitigation assistance. If their Local Hazard Mitigation Plan is integrated into the safety element of their General Plan, local governments can expect to have the required local match of 6.25 percent for FEMA post disaster financial assistance waived. If an earthquake or other natural disaster were to impact a city that has not yet completed a mitigation plan, that city would be required to contribute a 6.25 percent local match for every dollar of federal disaster assistance received.

Local and regional hazard mitigation plans can be viewed at <http://quake.abag.ca.gov/mitigation>.

# Preventative Maintenance Upgrading Aging Infrastructure

Cities and towns have begun completing major infrastructure improvements to replace outdated sewer infrastructure. These improvements have resulted in a significant decrease in losses and reduction in overall related claims over the last two years. Aging sewer infrastructure is being replaced with newly designed pipes consisting of 10 to 20 feet sections of pipe with fewer joints and shorter sections than older sewer lines. The new plastic PVC pipe has a more secure polymer seal than decades old sewer infrastructure.

## City of San Bruno Sewer System Upgrades

The City of San Bruno is conducting a spot repair program as they learn of sewer pipes that need to be replaced. The spot repair program allows for repairs of pipes of approximately 10 feet each. Spot repairs help remove problem areas in the sewer system that have a high probability of causing sanitary sewer overflow or a backflow into a property. The benefits are lower sanitary sewer overflow numbers, a better effect on the environment, and lower probability of backflows.

San Bruno also has a mechanical rodding machine to remove roots from sewer lines that could cause blockages. This allows San Bruno to continually clean segments of pipes that are infiltrated by roots. It is anticipated that spot repair and rodding programs will significantly reduce Sewer System problems.



*A Mechanical Rodder Truck Removing Roots in a Sewer Main*



*San Bruno Sewer Pipe Lines Phase III*

## Hillsborough Financial Assistance for Property Owners

The Town of Hillsborough recently implemented a private sewer lateral inspection ordinance that calls for financial assistance for property owners who voluntarily repair or replace defective sewer laterals. The proposed ordinance calls for inspection of private sewer laterals at the Town's cost and financial assistance for property owners who voluntarily repair defective private sewer laterals. The Town will waive permit fees and provide low-interest loans for property owners who need assistance with the cost of repairs to their upper laterals.

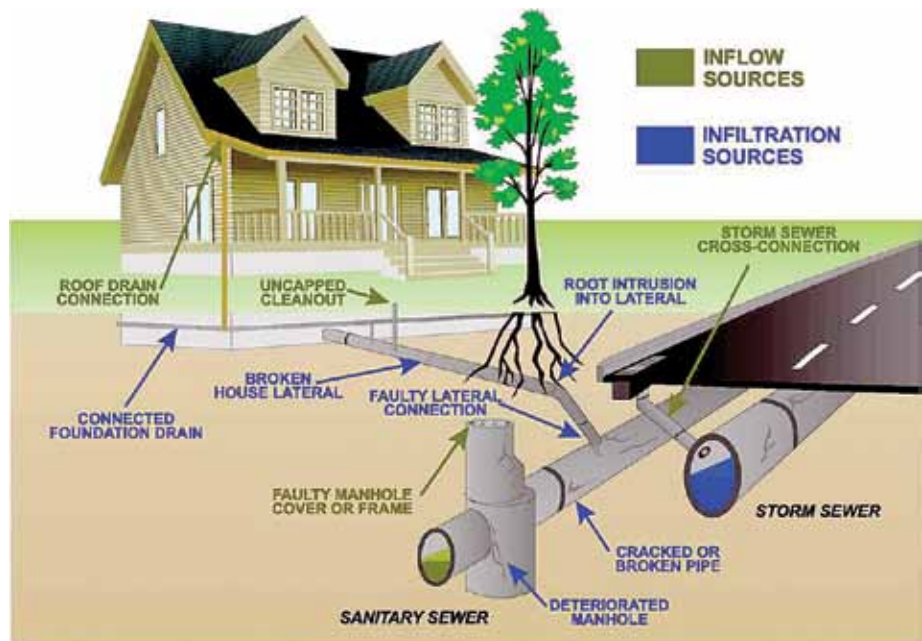
The ordinance was implemented after investigation revealed that many sewer lateral pipes that connect individual properties to the main sewer system are cracked, have been punctured by tree roots, and are degrading.

*Upgrading cont. on Page 7*

These pipes allow excess water to flow into the system during wet weather conditions and also allow raw sewage to leak out and contaminate the surrounding ground. Blockages can also cause sewer backups in homes.

Hillsborough conducted a public outreach campaign to ensure that town residents fully understand the need for the ordinance and the obligations for both the Town and homeowners and how they will be involved. The public outreach campaign included a website for the Sewer Lateral Inspection Program that is accessible from the town's homepage. The website included details on community workshops and meetings, e-news, and frequently asked questions. Outreach materials and community workshops on the proposed ordinance, and neighborhood meetings for homeowners in initially identified priority basins were integral to the public outreach program.

*A sewer lateral pipe excavation*



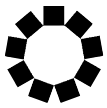
## Equipment Sharing Agreements – Pooling Resources to Save Money

One way to get the most out of equipment purchases like pipeline maintenance equipment, roadpatchers, and combination sewer and storm drain cleaners is to share equipment amongst cities and towns. Equipment sharing is a creative way that cities and towns can save money by pooling their resources. This resource saving strategy allows members to get the most out their equipment purchases.

The City of Cupertino, Town of Los Gatos, and the City of Campbell have entered into an Equipment Sharing Agreement that allows them to occasionally share motor vehicles, equipment, and machinery. Each have specialized equipment that will be shared for a variety of public works projects to increase efficiency and effectiveness of operations.

Specific equipment sharing procedures have been developed and they may be used by others municipalities as a baseline for developing similar agreements. The sample equipment sharing agreement states that an accurate Equipment Sharing Catalog must be maintained that indicates the equipment that will be shared and includes the equipment rates and fee. The catalog must be designed to include applicable rules, restrictions or limitations for sharing the equipment. Amendments to each provider's equipment sharing catalog should be made as necessary and be mailed to each party or made available electronically. Equipment is only to be used by properly trained, properly licensed and supervised operators. The equipment is to be used to conduct official business. Each party must have an appointed person that acts as a liaison and contact for equipment sharing.

The formal contract described was designed to make equipment sharing easier and more accessible to PLAN member cities and towns. For more information, contact Jim Hill, Risk Manager, PLAN Corp., at jimh@abag.ca.gov or (510)464-7969.



## Meeting Schedule 2013- 2014

### APRIL 2014

- 9 Risk Management Committee** 10:30 a.m. - 1:00 p.m.  
*Chair: Mike Taylor (Saratoga)*
- 30 Actuary Committee** 10:30 a.m. to 1:00 p.m.  
*Chair: Kim Juran (San Bruno)*

### MAY 2014

- 14 Finance Committee** 10:30 a.m. to 1:00 p.m.  
*Chair: Nick Pegueros (Portola Valley)*

### JUNE 2014

- 4 Executive Committee** 10:30 a.m. to 1:00 p.m.  
*Chair: Heather McLaughlin (Benicia)*
- 25 Board of Directors** 9:30 a.m. to 4:30 p.m.  
*Chair: Heather McLaughlin (Benicia)*

All meetings are at ABAG, 101 Eighth Street, Oakland  
(Room TBD)



### ABAG PLAN Corporation

Pooled Liability Assurance Network

Providing self-insured coverage to cities in the San Francisco Bay Area



### Association of Bay Area Governments

## Training Calendar of Events

**December 12, 2013** **Oakland**  
***Sewer Management: New Requirements and Risk Management Strategies***

Location: Metro Center Auditorium, 101 8th Street, Oakland

Time: 9:30 a.m. - 2:00 p.m.

**January 19, 2014** **Oakland**  
***Sidewalk Liability Forum***

Location: TBD

*Questions or comments about upcoming training?*

*Go to <http://plan.abag.ca.gov/training.html> or contact us at (510)464-7992*

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