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"People's minds are changed through observation and not through argument."

— Will Rogers

Incentive program rewards safety culture

AMLJIA's Loss Control Incentive Program has returned over \$2.5 million to participating members! Get started now and earn up to 5% credit based on your annual contribution in FY20.

see Pool News, pg. 2

Market Forces and Pool Experience Affect Rates

Hurricanes Harvey, Irma, and Maria, wildfires in California, and earthquakes in Mexico caused record losses in 2017. In 2018, Hurricanes Michael and Florence caused devastation in the southern U.S., Europe and California battled wildfires, Hawaii saw destructive volcanic eruptions, and earthquakes struck throughout the Pacific Rim. Although total economic losses from natural and human-caused catastrophes declined in 2018, global losses have made 2018 the fourth costliest year in the last half century in terms of losses covered by the insurance industry.

While most disasters seem far removed from Alaska, worldwide events do have an impact on the reinsurance market and ultimately, your pool's rates. The Alaska

Municipal League Joint Insurance Association, or the AMLJIA, was born out of the hard market of the 80's. Coverage was unaffordable—or simply unavailable—for many local governments and school districts in Alaska. With a clear vision of the need for stable, cost-effective risk financing, the AMLJIA has experienced three decades of steady growth while becoming a recognized leader in providing innovative risk management solutions.

The AMLJIA has a solid financial foundation, and that foundation has helped smooth many of the bumps in the road as the commercial insurance market has experienced ups and downs over the years. Ultimately, however, your pool is pushed and pulled by the national and world markets, and something

New Inspection Rules for Bulk Fuel Facilities

Federal regulations regarding bulk fuel facilities have been updated as of April 1, 2019. The changes to 33 CFR Part 154 and 33 CFR Part 156 may affect your fuel storage facilities. If you receive fuel by barge, U.S. Coast Guard (USCG) inspections will now cover from the pipeline header to include the entire fuel tank farm. Previously, USCG inspections could only check the pipeline from the header to the first valve in the tank farm.

Members affected by these changes should conduct regular inspections and routine maintenance checks, and employees require annual training. Questions? Contact your AMLJIA Risk Control Specialist at 800-337-3682.

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In Good Company

Kevin Smith, Executive Director

Pooling Concept Survives Test of Time

Notwithstanding the dire predictions of many in the insurance industry in the mid-80's, the Alaska Municipal League Joint Insurance Association (AMLJIA) and its sister pools around the nation continue to thrive for their member owners.

The first public entity pools emerged in the United States in the mid-70's. When the insurance crisis struck in the mid-80's, the concept really began to explode around the country. Local government entities, including school districts, could not afford the coverage offered if it was available at all. It was at this time that the Alaska Municipal League (AML) members asked the AML and the Alaska State Legislature to permit them to self-insure as a group. The Legislature passed AS 21.76 and the AMLJIA was born.

Coincidentally, I began working for the AML the same day the AMLJIA began business in 1988. I was intrigued by the idea of local government entities cooperating to cover each other and applied for a job with the AMLJIA four years later. More than thirty years later, the pool has proven to be both an effective risk financing mechanism and long-lasting solution.

Pooling has overcome the challenges of the industry and changed risk management practices for local government entities. In Alaska, we've made our mark, too. First and foremost is the sheer magnitude of the State of Alaska. No one knows about Alaska's challenges better than those of us who live here. While other pools have hundreds of cities that they can drive to, the AMLJIA must deal with over 586,000 square miles largely accessible only by air. Communications, training, and marketing all require new, imaginative solutions. We're constantly trying to improve, and along the way we've invented some answers that pools in the Lower 48 are very interested in.

But, there's always room for improvement. If you see ways we can better serve your needs, please let me or a board member know.

I'd like to thank you, the membership, for proving year after year that we are better together. I'm excited to see what the future will bring.

POOL NEWS

Incentive Program Rewards Safety Culture

In October 2005, the AMLJIA launched an innovative program designed to help members target high frequency and high severity (cost) losses for reduction. Members who participated in this Loss Control Incentive Program could earn up to 5% credit, based on their annual contribution, by completing activities such as safety meetings, facility inspections, and annual employee training.

Twenty-three members earned combined credits over \$66,000 in the program's first year. In succeeding years, participation has remained steady with about 25% of AMLJIA members earning credit. Participating members have earned an average credit of 3% in each of the last five years. This credit is applied to the following year's annual contribution. Since its launch, the Loss Control Incentive Program has returned over \$2.5M to participating members.

In addition to earned credits, participating members benefit from increased risk awareness and employee training designed to reduce those high frequency and high severity losses and create a culture of safety. As part of our ongoing effort to improve and refine the Loss Control Incentive Program, the AMLJIA has updated the program for FY 2020. Watch your email for more information, and each member will receive a printed copy of the FY20 Loss Control Incentive Program in June.

If you have not been participating in the Loss Control Incentive Program, now is the time to begin! The AMLJIA provides all the instruction, materials, and support you need to build a strong safety culture. Plus, you can earn up to 5% credit based on your annual contribution. Contact your AMLJIA Risk Control Specialist at 800-337-3682 for details, or log in to the Members Area at www.akmlja.org for more information.

Alaska Municipal League
Summer Legislative Conference
Soldotna, Alaska August 13-15, 2019

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

www.akml.org • 877-636-1325 • 907-586-1325



Honorable Mention

"Thanks again for all the spectacular work that you have done for us."

Dennis Gray, Jr., City Administrator, City of Hoonah



At Your Service

FREE JURISDICTIONAL BOILER INSPECTIONS

AMLJIA members with Boiler & Machinery (B&M) coverage can schedule FREE* jurisdictional boiler inspections through our partner, Hartford Steam Boiler (HSB). To schedule your inspection, simply call HSB's Inspection Hotline at 800-333-4677, or email NSCInsp_Hotline@HSB.com. Identify yourself as an APIP account and provide a location address, contact name, and telephone number.

If you have any questions about this service, or to determine your eligibility, contact your broker or call your AMLJIA Risk Control Specialist at 800-337-3682. If you don't have B&M coverage, request a quote. Many AMLJIA members find it more cost effective to add coverage than to pay for the required inspection.

**State of Alaska certification fee required.*

RISK CONTROL

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as distant as a hurricane in the Caribbean can have a noticeable impact on the cost of business. Nowhere was this as clearly illustrated as when the twin towers were attacked on what has now become simply known as "9-11." Workers' compensation, property, and liability lines were all impacted.

In order to understand how market fluctuations impact the AMLJIA, it's important to first understand what a risk pool is and how it differs from commercial insurance. The first state municipal league risk pool was formed in 1974 as an innovative response to a lack of affordable risk financing solutions on the commercial market. A pool is a cooperative arrangement that works a lot like a traditional insurer: participating entities pay a contribution, receive coverage, and make claims.

Pools are usually more cost-effective than traditional insurers because they do not operate under a profit motive, they typically have low overhead, they may retain investment income, and they stress improved loss control and risk management practices to reduce claims. Many public agencies rely on their pools for assistance with overall risk management programs.

In addition, pool members have more oversight over claims-handling policies and defense strategies. They have more control over the type and breadth of coverages and limits offered by the pool. Your pool is governed by a board of trustees comprised of pool members, ultimately giving pool members decision-making authority and ownership of the pool.

With recommendations from independent actuaries, the board establishes loss reserves, sets contribution levels, and sets self-insured retention (SIR) levels for all lines of coverage. The

SIR is like a large deductible. For example, if the pool's property SIR is \$250,000 and a member suffers a \$1M property loss, the member pays its deductible, then the pool pays the next \$250,000 from its reserves. The balance of the claim is covered by reinsurance or excess. Reinsurance is a tool pools, insurance companies, and self-insureds use to protect reserves in the event of a heavy loss year or a catastrophic loss.

This brings us back to how a hurricane in South Carolina or a wildfire in California can affect your annual member contribution. The pool can secure more favorable pricing for reinsurance based on its members' favorable claims history, which is why pools work with their members to implement effective risk management programs. More than \$100 billion in insured losses were spread across the insurance market in the second half of 2017 with an additional \$52 billion in insured losses incurred in 2018, making 2017 and 2018 the costliest back-to-back years on record. While the AMLJIA may not have suffered any catastrophic events last year, such staggering losses drive up the cost of insurance on the commercial market. As a result, the cost of reinsurance for your pool also increases.

As mentioned previously, you can do your part in helping minimize contribution increases by working with your AMLJIA staff to reduce your risk and implement an effective risk management program. Maybe you can't tame a tornado in Texas, but you can mitigate risk in your own organization. Your entity will benefit from fewer incidents, accidents, and losses, and your pool will gain more purchasing power with reinsurers. Visit www.amljia.org/risk-management to learn more about the AMLJIA's risk management services, or call us at 800-337-3682.

RISK CONTROL

Training Builds Confidence, Improves Outcomes

By Amira Goldstein
AMLJIA Risk Control Specialist

Growing up in Alaska, I am familiar and comfortable flying in small aircraft. As a Risk Control Specialist with the AMLJIA, much of my job requires traveling to visit members from Savoonga to Adak, Thorne Bay to Valdez, and so many wonderful communities in between. Typically to access a community, flying in a small aircraft is required.

Alaska has been called the “flyingest state in the Union.” Nearly 82% of Alaska communities are inaccessible by road, making aviation a vital component of our transportation system. Whether living in Fairbanks or a small community in the Northwest Arctic Borough, air service is an essential mode of service that connects all Alaskans to other communities in the state, the Lower 48, and the world.

Alaskans rely on daily aviation transportation to support the movement of materials and goods that contribute to the economy and critical medical service. However, due to the unique transportation needs in our state, the rate of fatal aviation crashes per million air taxi and commuter flights in Alaska remains three times higher than the rest of the U.S.

After several fatal small aircraft crashes in Alaska this year, I decided to take the Aviation Land and Water program offered through a local organization called Learn to Return. Established in 1986, Learn to Return has been Alaska's top rated survival school with educational programs that provide knowledge, experience, and confidence specific to situations where emergencies can occur, such as aviation, fall protection, outdoor and offshore survival, and medical training.

The Aviation Land and Water (AVLW) program, recognized by the FAA, is a two-day course in Anchorage tailored to Alaska workers who are required to fly for their jobs. Students become certified for a two-year period for both overland and overwater flights. The fast-paced course combines classroom training with hands-on skill building practices in a variety of aviation crash simulations: helicopter and fixed wing door escapes, blocked exit procedures, smoke escapes, and simulated casualties and inversion.

After class, day one is spent outdoors for post-crash land survival field training. We learned wilderness first aid, risk assessment, patient movement, improvised emergency clothing—we even made mukluks out of material salvaged from the aircraft! Most of day two is spent at a local pool training on water ditching and techniques for post-crash water survival for both helicopters and airplanes.

Water ditching training involves strapping participants into a two-seater box that represents the body of a small plane.



Did you know the AMLJIA provides every member with their own Safety Savings account? Each year, AMLJIA members receive a deposit into their account. The amount is based on your annual contribution, with a minimum deposit of \$250 per member. Members can choose how to use their safety savings funds for purchasing safety supplies and materials. Do you need to provide required personal protective equipment for employees or replace expired fire extinguishers? Maybe you need adjustable chairs to create ergonomic workspaces. Use your Safety Savings account!

If you purchased safety supplies in FY 2019 and did not use your Safety Savings account, you can still request reimbursement. Just email a copy of your paid invoice(s) to sharont@amljia.org or fax them to 907-279-3615. If you haven't utilized your Safety Savings account recently, don't worry; your account is not a use-it-or-lose-it fund. Any funds remaining at the end of the year carry over to the following year.

For details about the program, visit www.amljia.org/risk-management. You can check your balance at any time by calling Sharon Tunnell at 800-337-3682, or email sharont@amljia.org.



RISK CONTROL

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Secured in the box wearing a four-point seat belt, participants are pushed off the ledge of the pool and submerged in water. Upside down and underwater, we had a matter of seconds to correctly identify reference points, open the aircraft door, and then release the seatbelt to come up for air.

It's an unnatural sensation to be submerged upside down underwater and strapped in. It's natural for the body to panic. However, panic can turn any situation into a dangerous or deadly one. I think a huge benefit of this training was learning how to remain calm, focus on your breathing, and keep a clear mind to overcome a scary situation.

My experience with Learn to Return has been life changing. I am more prepared every time I board a plane, whether it be a Cessna 185 or a Boeing 747. I am more aware of my surroundings—exit doors, first aid kit, and emergency supplies. I hope I am never in a plane crash, but I have more confidence and awareness of how I will respond in the event of an emergency. I highly recommend survival training to anyone who regularly flies in a small aircraft.

Top Five OSHA Violations

The Occupational Safety and Health Administration (OSHA) was established in 1971 to help prevent work-related fatalities and injuries and provide safe working conditions. Occupational injury and illness rates have declined 67% since that time. Although this is a significant improvement, the US workforce continues to suffer an average of 14 work-related fatalities every day.

OSHA inspectors conducted more than 70,000 worksite inspections in FY 2018 to enforce compliance and ensure safe working conditions. The five most frequently cited OSHA General Industry standards violated in FY 2018 were:

1. Hazard Communication
2. Respiratory Protection
3. Control of Hazardous Energy (Lockout/Tagout)
4. Powered Industrial Trucks
5. Machinery and Machine Guarding

Within these standards, common violations include the employers' lack of written programs and lack of required training for employees. Do you have a written Hazard Communication program and provide employees with information and training on hazardous chemicals in their work area? How about a Lockout/Tagout program and training? Can you

certify that each operator of powered industrial trucks (i.e., forklifts) has been trained and evaluated, with additional evaluations conducted at least once every three years?

Your AMLJIA Risk Control Specialists can provide templates for written programs required by OSHA, such as Hazard Communication and Lockout/Tagout, and they answer any questions you may have about implementing an effective, OSHA compliant safety program. The AMLJIA Online University offers free training on a wide range of topics, from machine guarding to respiratory protection to forklift safety. Employees only need access to a computer to take courses at any time, and you can easily track employee training and even assign training and send out reminders when training is due (see "Online U." below for more information).

Don't allow any of your employees to become a statistic. When you need assistance with safety programs or training, or for answers to any questions about safety and compliance, call your AMLJIA Risk Control Specialists at 800-337-3682 or email asktheexperts@amljia.org.



Online U. Offers Free Training 24/7

The AMLJIA believes employee training is one of the best risk management tools available to employers, but we know how difficult it can be to fit training into everyone's schedules. AMLJIA's Online University is open 24/7 so you can make a training schedule that works for you and your employees. And unlike some universities, you will never see an increase in tuition because courses are free to AMLJIA members.

Take control of your online training with an administrative account that allows you to assign courses, send reminders when scheduled training is due, and even track your on-site training events. We can even help you set up new user accounts for your entire staff to help you get started right away. If you are interested in becoming an administrator for your entity's Online University training, email sharont@amljia.org or call 800-337-3682 for more information.

HUMAN RESOURCES

The Law At Work

The Employment Law Hotline is a service for AMLJIA members. When faced with a potential employment situation, the Hotline provides a no-cost, 30-minute consultation for AMLJIA member administrators and supervisors. Through email or a toll-free phone call, you can be in direct contact with an attorney specializing in employment law and employment-related issues. If the issue requires more time, you will be advised to contact other counsel or get authorization from AMLJIA for more time. Call the employment hotline next time you are faced with:

- The need to lay off employees
- A discipline problem
- The need to restructure a department
- Whether or not to terminate an employee

Please remember: The AMLJIA may defend a wrongful-discharge claim **ONLY** if the member consults legal counsel **BEFORE** terminating any employee, and follows the attorney's advice.

Unless it's an emergency, please take a minute to check the following items **BEFORE** you call your AMLJIA Employment Law Hotline:

- Do you have your personnel handbook, policies, or whatever rules govern hiring and employee conduct? If you can, locate the sections that seem to relate to the problem. If you have the policies available electronically, please email them to hotline@amljia.org before making your call to the Hotline.
- Do you have a personnel file for the employee? Please have it in front of you before calling the Hotline.
- Are there emails related to the issue? Please forward them to hotline@amljia.org before calling the Hotline.

Call the Employment Law Hotline at **1-877-4AMLJIA** (1-877-426-5542).

Don't Take the Bait!

You may not think of your employees as a danger to your business operations, but they are one of the greatest risks to your cyber security. More than half of all computer security breaches result from human error. Many are the result of phishing, which tricks email users to click a malicious link in a seemingly legitimate email or to divulge sensitive information, such as usernames, passwords, or account numbers.

Phishing is one of the primary means of gaining access to business computer systems. It's estimated that one in every 2,000 emails worldwide is a phishing email. That may sound insignificant until you consider the sheer volume of emails sent every single day—about 270 billion! That's about 135 million phishing attacks attempted every day.

Spear phishing, a more advanced variation of the phishing message, aims at specific groups or even certain individuals within an organization. Spear phishing emails may look like they come from someone you would trust, possibly even a department within your own organization. They may contain your personal information to gain your trust in the message. They create a sense of urgency about responding or taking action.

The best defense against phishing attacks is employee training and education. A good security awareness program is most effective when you communicate through multiple formats. Consider awareness posters in common areas, helpful hints distributed to employees via email, and classroom training sessions. AMLJIA's Online University course, Preventing Phishing, raises employee awareness and offers practical advice on avoiding phishing attempts.

Training your employees to detect phishing and other fraudulent activity is one of the most important safeguards against cybercrimes. If you need assistance with employee training, contact the AMLJIA at 800-337-3682, or find online training at www.amljia.org.



Timely Reporting is Essential

The best defense of a potential claim is achieved through early reporting and investigation. This will provide you with assurance that you have coverage for the event even if a claim is not made until years later. Prompt reporting gives the AMLJIA claims staff a chance to investigate and interview witnesses while the facts are all still fresh in people's minds.

Don't worry that reporting a potential claim will drive up your annual contribution. In fact, the opposite is true. Timely reporting can save money by allowing the claims team to proactively manage claims. As an

AMLJIA member, you will also benefit by receiving an assessment of the potential liability and advice on such matters as further liability exposures, evaluations, and corrective actions.

Help us to set up your claim promptly by filing claims electronically on the secure Members area at www.amljia.org. If you need assistance registering on the Members area, call Sharon Tunnell at 800-337-3682. If you have questions about filing a claim, contact the AMLJIA claims department.

ABOVE THE GRADE

Do You Know ALICE?

ALICE stands for Alert, Lockdown, Inform, Counter, and Evacuate. The ALICE program was developed as the result of a conversation between a law enforcement officer and his wife, an elementary school principal. Upon learning that active shooter policy at his wife's school required her to implement lockdown and wait for police to arrive, he became determined to develop a better program and founded the ALICE training program, now operating under the name ALICE Training Institute.™

Since its initial development in 2002, ALICE training has evolved into a program used by schools, universities, businesses, hospitals, and places of worship. It uses an options-based approach to survival under the belief that civilians should be trained to help themselves until law enforcement arrives. Federal recommendations now align with the ALICE program concepts.

The concepts of ALICE are not sequential steps to follow. ALICE is merely an

acronym designed to help people under stress remember the options available to them in an active shooter situation. ALICE training empowers people to make decisions necessary to protect themselves in a life-or-death situation. AMLJIA members interested in this free training can email police@amljia.org or call 800-337-3682.

LAW ENFORCEMENT

Beyond Bulletproof—PPE for Law Enforcement

When you think officer safety, is a ballistic vest the first item that comes to mind? Safety for law enforcement personnel involves much more. OSHA law, with few exceptions, is based on activity or function, not the name of the employer or the job description. There are no "law enforcement" standards as such. Instead, it is necessary to examine each activity that a law enforcement officer might do, individually, and apply the appropriate OSHA standard.

Many law enforcement activities require the use of personal protective equipment, or PPE. When PPE is required, the employer must provide the required PPE and also provide training in its proper use and care.

Following are common examples of PPE that may be required for law enforcement officers based on OSHA standards. Remember, AMLJIA members can use their Safety Savings account to help purchase required PPE. Contact the AMLJIA at 800-337-3682 for more information.

Hearing Protection

The Hearing Conservation standard covers employees exposed to excessive noise – regularly or intermittently. For example, this would include gunfire during law enforcement training. Exposed employees should be provided hearing protection and informed of the need to use it when appropriate.

Respiratory Protection

For law enforcement, OSHA's Respiratory Protection standard would cover, at the least, officers who do some form of hazardous materials response. The standard requires that officers be properly fitted and provided with appropriate respiratory equipment, and that the equipment be properly maintained and stored. Responders who might be required to use respirators must be provided appropriate medical evaluations to ensure that they are suited for using SCBA. Training under this standard requires that employees understand the need for the respirator, when to use it and how to use it properly.

Eye and Face Protection

Employees who may be exposed to the hazard of flying particles, etc. must be provided with appropriate face and eye protection. An example for law enforcement would be officers involved in scheduled shooting activities at the range. The Bloodborne Pathogens standard also requires eye and face protection when there is the potential for exposure to potentially infectious materials.

Hand Protection

Today's first responders face serious threats from exposure to dangerous drugs and bloodborne pathogens. High-quality, single-use nitrile gloves should be part of your daily uniform.

High-visibility Vest

OSHA requires that all workers, including emergency response personnel, must wear high visibility and retro reflective vests when working in an area where exposed to public traffic. Studies have clearly demonstrated that high visibility personal protective equipment (PPE) significantly improves the visibility of emergency responders working on the roadways. Law enforcement operations on the road are inherently hazardous situations—operating on the roadway is one of the most dangerous law enforcement duties.

Personal Flotation Device (PFD)

Another form of PPE that some agencies may be called upon to provide is a personal flotation device (PFD), should personnel be required to work in the vicinity of any body of water.

Ice Cleats

Although this equipment is not required by any OSHA standard, the best protection against slips and falls in icy conditions is ice cleats. Ice cleats are a cost-effective way to reduce injuries in the workplace and can be purchased with your Safety Savings Account. Before winter weather returns, contact your AMLJIA Risk Control Specialist at 800-337-3682 and learn how to put an effective ice gripper program and employee training in place to protect officers and reduce injuries.



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Building on Tradition.
Protecting Your Future.

Calendar

May – August 2019

Memorial Day	<i>AMLJIA office closure</i>	May 27, 2019
PRIMA Annual Conference	Orlando, FL	June 9–12, 2019
Independence Day	<i>AMLJIA office closure</i>	July 4, 2019
NAESP Conference	Spokane, WA	July 10–12, 2019
NACo Conference & Exposition	Las Vegas, NV	July 12–15, 2019
NASSP Conference	Boston, MA	July 18–20, 2019
AMLJIA Workers' Compensation Audit Questionnaire Due		August 1, 2019
AML Summer Legislative Meeting	Soldotna, AK	August 13–15, 2019