

What's in it for Me?

Working for a public entity can be stressful and time consuming. For many entity officials and employees, insurance and risk management is near the bottom of their list of priorities. The benefit and impact of insurance and risk management for the public entity can be observed through member contribution, loss ratios, and deductibles, but it may leave entity officials and employees asking "What's in it for Me?"

MOPERM coverage and risk management not only protects and serves the member entity, but also protects all elected officials, boards, employees, and authorized volunteers *while acting within their scope of duties*.

No one likes the thought of being named personally in a lawsuit and many think "that could never happen to me," but the reality is, it happens every day to everyday people. The good news is, **MOPERM** is here to help defend as long as the elected official, board member, employee, or authorized volunteer is *acting within his or her scope of duties for the member entity and there is no criminal activity involved*.

Risk management also plays a role in your job security. An entity does not want an employee that costs them more than the value they bring in. Employees that follow risk management recommendations are less likely to cause claims, and thereby improve their job security with the entity.

Insurance and risk management is a necessity in today's litigious society. **MOPERM** understands the complexities of public entities and has the coverages and services in place to not only protect the member entity itself, but also the people that make those services possible.

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Employment Practices Liability Claims Increasing

Across the country, Employment Practices Liability claims are on the rise, and Missouri is no exception. Many times, proactive risk management steps can be taken in advance to prevent and/or minimize the effects of these claims. Listed below are some risk management tips for dealing with Employment Practices Liability:

- **Document, Document, Document.**

In any claim, the insurance adjusters, attorneys and/or court system try to recreate the claim, and the best way to properly recreate the claim is through proper documentation.

- **If you have policies, follow them.**

Having policies and procedures are very important, but following them is even more important.

- **If you do not follow a policy, document why you didn't.**

Not all situations allow for a policy to be followed, and in these situations, document the reason for not adhering to the policy. If you cannot document a good reason why, then you should follow the policy.

- **Conduct exit interviews for departing employees.**

It may not always be possible, but still a good idea to try. An exit interview offers an avenue for an ex-employee to give an honest evaluation of any potential problems.

- **List multiple avenues for reporting Employment Practices issues in the personnel handbook.**

Depending on the situation and who is involved, employees have the right to be able to file a complaint with an unbiased party and be treated fairly.

Claims Connection

Claim Situation #1:

A city owned road, located just inside of city limits, was known to have gravel and debris wash up from the ditch and deposit on the paved road during periods of heavy rainfall. The gravel would wash onto the road due primarily to poor road and ditch design. The city was aware of the issue, and had plans to look into the defective design.

Following two days of heavy rainfall, a man was riding his motorcycle down the road, hit a patch of gravel that had washed onto the road, and wrecked. The wreck resulted in a fatality, and the wife of the deceased filed suit against the city alleging the faulty road design was the main factor of the accident. After a two day trial, the jury awarded in favor of the plaintiff.

Total Cost: \$144,342

Lesson to Learn:

When a problem is made known to your entity, act in a timely manner. Also, be aware of areas that become hazards after certain events.

Claim Situation #2:

A public works employee had been employed by the city on a full time basis for a number of years. Recently, he was diagnosed with lung cancer. At this stage, he was still able to work with limitations. However, due to the limitations and the notion that it would not get better any time soon, the city cut back his hours and made him a part time employee. Since he was now considered a part time employee, he lost his health insurance with the city.

The employee filed a lawsuit against the city alleging Disability Discrimination, and prevailed.

Total Cost: \$29,707 (And the employee retained his full time position)

Lesson to Learn:

An employee cannot be discriminated against for a disability. When an employment practices issue arises, it is always a good idea to call the **MOPERM** Employment Practices Hotline, (888) 5MOPERM, or consult an attorney **BEFORE** taking action.

No One is Perfect

By providing real life claims examples, it is **MOPERM's** hope that we all can learn from the experience of other members. Not all claims are preventable, but it is **MOPERM's** goal to prevent as many as possible.

Frequent Summer Claims (Data from 6/21/13 to 9/21/13)

Lawnmower Debris Claims:

Total: 23 Claims

Total Payout: \$12,013.55

Average Payout: \$522.33

Claims Range: \$0 to \$4,041.82

Lesson to Learn: Make sure mowing debris is directed safely.



Preventing claims and protecting the solvency of the pool is the ultimate goal of Risk Management. The more successful we are in preventing claims, the higher the probability of **MOPERM** being able to offer member refunds!