

WISCONSIN COUNTY MUTUAL INSURANCE CORPORATION & COMMUNITY INSURANCE CORPORATION

THE PROTECTOR

A QUARTERLY PROPERTY LOSS CONTROL NEWSLETTER

ISSUE TWO

Q3 2020

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WEDNESDAY, SEPTEMBER 16TH
10:00 A.M. - 11:00 A.M.

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Wisconsin County Mutual Insurance Corporation



FLEET MANAGEMENT FROM POLICY TO PAVEMENT

Motor vehicles are a necessary part of any public entity's operations. Managing a pool of commercial vehicles can be challenging and for some departments their vehicle fleet management may be regulated or non-regulated. In either instance, it exposes your public entity to the risk of loss—through injury to employees or the general public, damage to property, and loss of productivity. How you establish your fleet management program will depend on the type of fleets found in your public entity. As we discuss the general concepts of fleet management, it is important to understand that beyond the vehicle itself, it also encompasses effective management of drivers and driving behaviors.

Any public entity that incorporates vehicles into its operation requires some form of fleet management. Small fleets and large fleets should both have comprehensive fleet policies and procedures in place. In some cases, you may be developing a policy "from scratch," or you may be updating existing, outdated policies. Establishing clear, comprehensible and enforceable policy language will increase a public entity's capacity to deal with adverse events and reduce the chances of misunderstandings throughout the fleet program. Effective communication should also accompany the public entity's policies and procedures in order to further minimize misunderstandings. Every employee (from the driver to the front-line supervisors) requires training on your written

policies and procedures in order to reach a common understanding and attain the goals and objectives of the policies.

An essential element of an overall fleet management program is the hiring process. Recruitment of drivers focuses initial efforts of driver selections through a variety of resources, beginning with the job application. However, before public entity's recruit, it is important to define the purpose and scope of an employee's job. Job descriptions should clearly outline the job expectations and will help both the employee and employer understand their roles and driving requirements. Further, all job descriptions should include responsibilities that are outlined in the public entity's fleet management program. This should include what regulations, licensure, or training is applicable to the position as well as any applicable physical requirements necessary to safely operate the motor vehicle. Other items to consider in your hiring process are the results of interview questions, motor vehicle record checks and background checks.

The environment in which motor vehicle accidents and incidents occur involves numerous complex factors. Therefore, public entities should identify unsafe behaviors and work activities in need of correction or improvement. In other words, public entities should develop detailed safety standards and procedures for each work activity and process that involves driving. Most departments involved in the fleet management program will share common

ABOUT THE COUNTY MUTUAL

The Wisconsin County Mutual Insurance Corporation (County Mutual) provides public entity liability, workers' compensation, and property insurance solely to Wisconsin counties.

ABOUT COMMUNITY INSURANCE CORPORATION

Community Insurance Corporation (CIC) provides liability, workers' compensation, and property insurance to Wisconsin school districts and local units of government.

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FLEET MANAGEMENT: FROM POLICY TO PAVEMENT CONTINUED

safety standards that can be included to help yield positive results in your program such as distracted driving, aggressive driving, journey management, hands-free driving, and fatigue management. Beyond these minimum safety standards, departments may determine that their greatest safety and loss prevention concerns lie in other areas. For example, standards relevant to a specific department may be added to ensure compliance or safe operations.

Vehicle inspection and maintenance is an integral part of a public entity's fleet management program. A driver is the first line of defense against unexpected breakdowns and repairs. It is important that the driver communicate vehicle problems immediately to the appropriate party identified in your fleet program. Drivers should be held accountable for inspecting vehicles they operate, however, before a public entity can hold them responsible for failure to inspect and report, the vehicle operator must be trained on proper inspection procedures. Preventative maintenance can be performed by either an in-house or by a third-party. The program should communicate expectations to the maintenance facility or staff and strive to proactively service each vehicle to reduce breakdowns and repairs. A proactive maintenance program should be focused on scheduled maintenance rather than unscheduled. Since not all unscheduled maintenance can be avoided, public entities should be prepared to make repairs at a moment's notice. In addition, public entities should practice stringent record-keeping practices in order to analyze breakdown maintenance and adjust their preventative maintenance schedule as needed.

Despite the best efforts of implementing fleet management programs, accidents will happen. Driver's accident kits should be readily available to the driver at the scene of an accident and the drivers should be trained on their successful completion. The kits should contain forms to be completed by the driver. Information relevant to the accident should be obtained, including a detailed description of the accident and

specific third-party information such as driver information and insurance. Additionally, protocols for reporting the accident as well as emergency contact information should be included. It is important that drivers cooperate with law enforcement and provide information relevant to the incident, however, make no statements regarding who was at fault. All of the facts of the accident must be reviewed before fault can be determined.

All accidents should be reported, regardless of damage or cost. Because of the consequences involved in mishandling an accident, it is best practice to have a support team readily available to assist the driver. The exact composition of the team will depend on the capabilities of the public entity's personnel and the needs that the scene creates. The response team's primary responsibility will be to support the driver as they will be your initial representative at the scene. Drivers may not have experience dealing with accidents and developing a call list that provides managerial support can help ensure consistency with following the policies and procedures.

As mentioned earlier in this article, there are no shortages of processes that can be considered for implementation into your fleet management program. Initial efforts must focus on the internal operations and processes that currently exist in your public entity. Public entities can set goals that will ensure performance with due diligence and reduce their fleet management risk by avoiding negligent entrustment. In other words, public entities should set standards and qualifications for their drivers and enforce them in a consistent manner. Implementing an effective system of monitoring and measuring within a fleet management program will allow public entity's to be able to recognize if their standards and efforts are positively impacting overall results. Sustaining ongoing efforts by tracking, measuring and reviewing the success of the fleet management program will enable you to manage your risk rather than react to variations in your program. 📌

Data Collection on Company Vehicles and Drivers

Implementing a combination of leading and lagging indicators are useful to help monitor progress towards a fleet management program's objectives. **Lagging indicators** are reactionary and measure safety performance after incidents happen such as vehicle crash rates and frequency of deviations from guidelines. They indicate how many accidents occurred and how bad they were as well as non-compliance events. It is important to be able to look back at whether the intended results have been achieved but perhaps more important to know how well your public entity is doing at preventing these occurrences. **Leading indicators** look forward at future outcomes and events and are developed around metrics such as driver training completion rates, driver risk levels, driver scorecards, audits, and GPS/telematics data. There is no single metric for your fleet management program that will allow you to set performance goals. It is important to create a well-balanced set of metrics to help you visualize progress, either in specific areas (e.g. departments) or overall as a program. Whatever metrics you use, they should be consistent, objective and reviewed monthly or quarterly to identify patterns and trends in driver behaviors and vehicle incidents.

THE PROTECTOR

CHIEF'S CORNER



CHIEF NICHOLAS POPLAR CITY OF ST. FRANCIS FIRE DEPARTMENT

The **St. Francis Fire Department** has served its community with dedication since its inception in 1954. As the Town of Lake was split up and parsed away to surrounding cities, two engines were purchased from the original Town of Lake Fire Department and Milwaukee Fire Department. As the fledgling fire department grew from its root of four MFD retirees to its present strength of 17 positions, the surrounding area has grown as well. The City of St. Francis sits on Lake Michigan's western shore, nestled between the Cities of Cudahy and Milwaukee and General Mitchell International Airport. It has its expected mixture of light industrial, retail and residential. It hosts a population of over 9 thousand people inside of a 3 square mile radius.

The department serves its community presently as a BLS Emergency Medical Service and Fire Suppression service. It responds to between 1400 and 1600 calls for service annually. As a member of Shared Services these responses regularly cross city borders throughout Milwaukee County. Through the relationships with surrounding Fire Departments, the City of St. Francis participates in joint training to maintain and improve coherent fire scene operations. Newly hired firefighters complete the Joint Fire Training Academy (JFTA) prior to being put into service on shift. This academy is hosted by members from multiple fire departments inside of Shared Services.

The St. Francis Fire Department serves two High Schools, an elementary school and an intermediate school. Public education is active year round and regular visits to classrooms as well as elderly housing units throughout the city is a regular occurrence. We aim to reach all student between grades K4 and 6th every year. Continued services offered include three levels of CPR; Healthcare Professional, Heartsaver and Hands Only CPR. We offer Home Safety Inspections, Extinguisher Classes and Fire Alarm installation for residents in need.

Continuing challenges remain yearly. We experience the same trends as other cities in drug overdoses. St. Francis is working towards ALS response capabilities with a growing number of its members as certified paramedics. We are currently working towards having ALS services available by year 2022. This would lessen the call volume of our primary ALS response units as well as increase the level of care to our citizenry. Other trends include a visible increase in homes with excessive fire loading. We work



closer than ever with our Health Department to ensure the needs of these occupants are being met and in some cases assist in home clean outs. Our goal to reach isolated elderly citizens continues with the regular contact and visits to elderly housing units to give safety talks and prevention education.

Tips for keeping your home free of excessive fireloading, hoarding:

- ✧ **Remove trash** – when overwhelmed with where to start, start with a garbage bag and remove just the things that can be thrown away.
- ✧ **Remove clothing** – two piles: donation and save. The items saved can be cycled through the wash. The donation items can be bagged or boxed and taken somewhere for others to benefit from.
- ✧ **Clear the exits and entrances** – every entry or exit should be cleared for use and easily accessible.
- ✧ **Clear hazard areas** – No combustible items should be on or near a heater, stove, water heater or fireplace. The units themselves as well as the area around them should be clutter free.
- ✧ **Kitchen, bathroom, bedroom** – For a person to be able to properly take care of themselves, they need access to

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Insurance involves providing funds to meet the financial consequences of operational loss exposures. Insurance transfers the potential financial loss of certain specified events from the insured to the insurer. The insured substitutes a small certain financial cost, the insurance premium, for the possibility of a large uncertain financial loss, paid by the insurer.

The potential for financial loss is the key to understanding insurable interest. If you do not have the potential for financial loss, then you do not have an insurable interest, and without an insurable interest you cannot obtain an insurance policy. Ultimately, the concept determines who should recover in a loss situation. Insurers created this concept to regulate the purpose of insurance by indemnifying the appropriate party for the appropriate amount, preventing the wagering on losses, and deterring fraud or intentionally causing loss.

Insurance is indemnification not betterment. The purpose is to make you whole, not to turn a profit. Without the insurable interest concept, you could take out an insurance policy on a neighboring company anticipating a large fire would occur. If the fire occurs, you would collect money on the claim and have no duty to repair the company. The entire claim payment would be for profit (wagering). Additionally, rampant fraud and increases in moral hazards would be realized as individuals would attempt to profit off others misfortune. Insurable Interest strengthens the insurance contract and verifies coverage is available when you need it most.

Another key component to the concept is an insurable interest is not limited to the property owners. Also, paying a premium and being a named insured on a particular policy does not

automatically entitle you to an insurable interest at the time of the loss. As noted prior, you must have potential for financial loss, but only **four (4) types of interests** are considered insurable interests. These interests include **ownership, occupancy, custody, and security**. In other words, you must have the potential for financial loss to property you own, property you are legally responsible for (such as many tenant/landlord, bailment, and other contractual relationships), or through the process of holding a mortgage or another type of lien on property.

Further, multiple entities can have an insurable interest in the same property for different reasons. XYZ Equipment Rental owns large mowing equipment and leases the mowing equipment to various customers. ABC Landscaping, a customer of XYZ Equipment Rental, leases the mowing equipment. Through contract, ABC Landscaping is responsible for any damage to the mowing equipment. XYZ Equipment Rental owns the object or mowing equipment and thus has an obvious insurable interest. Per contract, ABC Landscaping is responsible for any damage to the mowing equipment, generating an insurable interest on the leased equipment.

Now, that you understand the concept of insurable interest it's time to get creative on how you manage your risk. A common exposure most public entities face includes adding pieces of non-owned equipment, which they don't operate, to their property insurance policy as a good-will gesture to a 3rd party for the community's benefit. The public entity is able to add the equipment to their insurance policy as the contract requires them to insure the equipment (generates insurable interest). While this practice benefits the community, it places all the property risk on the public entity for a piece of equipment that they do not control. The public entity does not own or operate the equipment, thus has no control over the maintenance and/or safe operation of the equipment. Additionally, a morale hazard is inadvertently generated within the 3rd party as there is no incentive to maintain or train employees because the financial burden of loss is not their responsibility.

How do you manage the situation? Get creative. Assess the agreement and renegotiate the provisions of the contract. Require the 3rd party to insure the equipment by obtaining their own property insurance policy and potentially offer financial relief by providing partial or full payment for the policy. The cost incurred to the public entity by providing financial relief outweighs the cost to insure through your own policy, accept the risk of an exposure you cannot control, and the impact to your annual premium in the event of a loss.

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This material does not amend, alter, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by WCMIC or CIC, nor is it a representation of coverage that does or does not exist for any particular claim, loss or dispute under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim, loss, or dispute, all applicable policy or bond provisions, and any applicable law.

THE PROTECTOR

LESSONS LEARNED: AUTO PHYSICAL DAMAGE



Milwaukee County, with a population close to one million, is both the most populous and most densely populated county in Wisconsin, and the 45th most populous county nationwide. While larger than other counties in the state, the issues and concerns are similar. A concern for all counties is fleet management or the management of motor vehicles and equipment.

Fleet management can include a range of functions, such as vehicle leasing and financing, vehicle maintenance, licensing and compliance, accident management and subrogation, driver management, and safety management. Fleet risk management is a function which allows counties to remove or minimize the risks associated with vehicles, thus improving efficiency, productivity and reducing the overall transportation and staff costs. The main components of a fleet risk management plan include: insurance, driver training and retraining, vehicle documentation and inspection records, accident management, and regulatory compliance initiatives.

An important component of fleet risk management is insurance; more specifically Automobile Physical Damage (APD) Insurance - automobile insurance coverage that insures against damage to the insured's vehicle. There are two main types of physical damage coverage available on an insurance policy: collision and comprehensive. **Collision Coverage:** Provides coverage in the event a vehicle is damaged by upset or collision with another vehicle or immovable object. **Comprehensive Coverage:** Provides coverage in the event the vehicle is stolen or damaged in an event, other than a collision. Fire, theft, hail, water, vandalism, windstorm, or animal damage are examples of comprehensive coverage.

Milwaukee County has APD insurance, however, has chosen a high per occurrence deductible to protect against catastrophic losses to its fleet. By selecting the high per occurrence deductible, the county essentially self-insures most vehicle damage and charges back to each department's operating budget to cover repair costs. The potential budget exposure serves as an important accountability measure for departmental leadership. "Safety culture stems from leadership; and if leadership emphasizes the importance of operator safety training as well as completing pre and post trip inspections; supervisors will hold employees accountable for completing them, resulting in a reduction of injuries and vehicle damages," said Megan Rogers, Interim Director, Risk Management, Milwaukee County.

In an effort to combat vehicle damage losses, Milwaukee County created a Vehicle Accident Review Committee (VARC) to promote safe driving and equipment operation by identifying preventable vs. non-preventable motor vehicle accidents and providing resources to prevent future claims. The committee meets quarterly for roughly two hours. Representation on the committee is comprised of all major contributing departments including the Sheriff's Department, Parks Department, General Mitchell International Airport, and the Transportation Department. Additional committee representation includes the Fleet Manager, the DOT Safety Manager, as well as representation from the county's liability insurance carrier.

MILWAUKEE COUNTY PREVENTABLE AUTO ACCIDENTS | 2015 - 2019

Year	Preventable Accidents	Total Cost
2015	178	\$1,203,502
2016	196	\$539,852
2017	141	\$290,540
2018	135	\$259,477
2019	122	\$229,877

Each committee member has a role. The Fleet Manager tracks all vehicle and equipment damage, the county's insurance carrier reviews all potential liability claims, and each committee member votes as to whether the accident was preventable or non-preventable based upon National Safety Council guides and recommendations for accident preventability. Loss information is obtained in a variety of ways, including service reports, police reports, accident/incident reports, and insurance carrier loss runs.

Following the committee's determination, the supervisor and employee receive a letter recapping the accident, specifying if the accident was deemed preventable or non-preventable. For preventable accidents, training materials are provided to the employee. In addition, department leadership receives quarterly notification with the frequency and severity of accidents in its department along with recommendations to address trends in both of these areas. These recommendations include ensuring pre-trip inspections are conducted/documented, collisions are reported with a completed accident report, assigning employees to operate specific vehicles, etc.

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CHIEF'S CORNER

CONTINUED

food as well as bathroom facilities. When checking on a citizen in a questionable living environment, verify there is edible food in the refrigerator and safe access to stove or microwave. Also, check if there is access to the bath or shower and water in the toilet trap to make sure it is being used.

Development of operational procedures is vital for successful resolution. A contact form for referral to Health Department personnel is important to begin helping. Enlisting the help of family is very useful in gathering resources. Above all else, make every attempt to empathize with the people you are responsible for helping. Hoarding is a mental illness. Building an ongoing, positive relationship with that person and their family will make the transition to getting things done a lot easier. 🏠

LESSONS LEARNED

CONTINUED

As an added bonus, the committee is able to identify opportunities for subrogation, determine trends in losses for future risk management programming (i.e. the Milwaukee County "BE DRIVEN" safe driving campaign), identify and discuss alternative vehicle usage for departments, determine which departments should be charged back for losses, and efficiently store and track employee driving history, which aids in coaching and professional development.



BE DRIVEN Campaign Keychains

Through this collaborative effort, the county has realized a great deal of success with their fleet management program. If your county does not already have an vehicle accident review committee in place, please do not hesitate to reach out to your dedicated County Mutual or Community Insurance Corporation Risk Management Consultant to assist in implementation. 🏠

WHAT DO YOU NEED TO KNOW?

CONTINUED

The creative approach to risk management generates a win for all. The 3rd party obtains the insurance for the equipment they own and operate, thus eliminating the morale hazard and reducing the property exposures to all by having a stake in the result. The community benefits as the services continue with a 3rd party who is incentivized to take care of the equipment and train its operators on the safe operation. The public entity benefits as it has eliminated the risk associated with equipment it neither owns or operates as well as the potential negative outcomes; i.e., premium increases and bad publicity as it as partnered with a 3rd party who is driven to provide the best service with the best employees.

Do you have other questions? Do you have scenario similar to the example above and struggle with creative ideas to transfer your risk? Let's collaborate together. Feel free to contact our Underwriting or Loss Control Department for assistance. Working together, we truly are, a Mutual effort. 🏠



WHEN DISASTER STRIKES,

WISCONSIN COUNTS ON KELMANN.

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Wisconsin County Mutual Insurance Corporation



PROPERTY SCHOOL



THE M-WORD

AN INDUSTRY UPDATE WEBINAR ON INDOOR MOLD ISSUES

WEDNESDAY, SEPTEMBER 16, 2020
10:00 A.M. – 11:00 A.M.

Toxic mold continues to be a hot button topic. The subject elicits high emotion and frightening health-related concerns. To add fuel to the fire, there is a glut of misinformation both on-line and within the world of social media. Many states and municipalities have offered some direction, but have established no firm rules or laws.

So what's new in the world of Mold? What are the experts saying? What are the latest standards?

This 45-minute webinar offers the most up to date information concerning the topic of mold. You will leave with a better, fact-based understanding of mold and related topics. **An added benefit:** You will be provided many of the industry's most up to date guidance documents for your use.

WEBINAR DETAILS

Date: Wednesday, September 16, 2020
Time: 10:00 AM to 11:00 AM
Cost: NO COST

ABOUT KELMANN RESTORATION

Serving schools, governments and communities since 1973, Kelmann Restoration is Wisconsin's award-winning, full-service disaster cleanup and property restoration company. Our headquarters are located in Southeastern Wisconsin, and we are both family-owned and locally-operated. We take pride in knowing that we are trusted partners in commercial and residential property restoration and committed members of our community.

REGISTER NOW

The Property School is an ongoing program to support Facilities/Building Management personnel and provide education aimed at preventing and mitigating losses. Topics such as programmed maintenance, emerging building techniques/materials, inspection tools and procedures, and guidelines for repair and general maintenance. The Property School is administered in association with our strategic partners.