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## NEW YORK MUNICIPAL INSURANCE RECIPROCAL

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## THE NYMIR OUTLOOK on the Municipal Marketplace



By now, most New York municipalities are experiencing the transition from a soft to hard market as they renew their insurance programs. Beginning in late 2000, the insurance industry in general, reversed a long trend of under pricing their exposures. Stricter underwriting discipline is now being applied along with concomitant reductions and/or exclusions in coverage. This practice not only continued in 2001 but also gained in magnitude. Accelerating this market transition is the impact of September 11, where estimates of total insured losses range from \$35 billion to over \$70 billion. The effect of this tragic event, coupled with increasingly poor underwriting results, has forced many of our competitors to re-evaluate their pricing and risk acceptance strategies. As a result, the competition is significantly increasing premiums, canceling or non-renewing accounts and in some cases, abandoning the marketplace altogether.

One could pen a lengthy dissertation arguing the reasons why insurance premiums move in a cyclical pattern of high and low pricing. Though it makes for interesting conversation, we feel the more important question is "What do these marketplace changes mean for current and prospective NYMIR insureds?". What becomes more relevant to New York municipalities is the

dissemination of meaningful information, how it relates to the NYMIR program and how municipalities can put it to practical use.

The balance of this article will discuss the more prominent issues we see as being affected by these changes. By no means will it answer all of the questions. Our goal is to help enlighten New York municipalities so they can more fully analyze their individual insurance programs and assess how current market conditions might affect them.

### Coverages

NYMIR continues to focus on addressing the coverage needs of municipalities. To date, we have made no material changes to our policy language nor have we excluded, reduced or restricted coverage. **The NYMIR program remains as the standard of coverage for municipal insurance.**



The one coverage aspect being debated throughout the industry is the application of some type of exclusion for terrorism. Many in the industry feel the exposure is too large and complex to be adequately underwritten. We respectfully disagree. We believe the industry needs to better define what constitutes a terrorist event and recognize those specific classes of business that are truly exposed to international terrorism. Eventually, these issues will be adequately framed and the marketplace will underwrite the exposure at affordable levels.

A primary goal of NYMIR has been to find the means to protect our subscribers from difficult exposures and offer coverage that the standard markets have excluded. We see the terrorist exposure as one of those issues and we will find a solution that makes sense for both our subscribers and the company. At present, the NYMIR program offers protection for this exposure.

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# THE NYMIR OUTLOOK on the Municipal Marketplace

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## Pricing and Capacity

Over the last two years, NYMIR has filed for modest rate increases. Modest however, is the key word. In fact, on several lines of business, rates have either stayed the same or been decreased. The larger rate adjustments have been on those lines where



we have seen inadequate premiums relative to the increased claim activity, primarily Law Enforcement and Public Officials Liability. NYMIR is diligent in charging the proper premium to cover our exposures. We remain committed to being an insurer that municipalities can rely on for year-to-year pricing stability. We seek to provide our subscribers with broad coverage while allowing for predictability in the budgetary process.

Our competitors cannot make the same claim. They are tied to the vagaries of the insurance market and are captive to the wild price swings common in the industry. The result is huge price increases that many non-NYMIR municipalities are now experiencing as we encounter this hard market. Could NYMIR charge more in this current market climate and get away with it? Probably, but we won't. NYMIR is not about making money. NYMIR is about providing solid risk financing and risk management at affordable and stable premiums.

As regards capacity, again, NYMIR is in very good shape. We have in house capacity to write up to \$6,000,000 in limits. In most cases, we can add another \$5,000,000 in excess limits very easily. Higher limits, if needed, can be obtained through facultative placements.

As this market hardens, NYMIR will continue to be the insurance company New York municipalities can trust. NYMIR's mission has never wavered. We provide our subscribers with stable premiums and coverage specific to their needs, while applying proactive risk management techniques and aggressive claim defense. We promise to be steadfast and assiduous in our endeavor to accomplish this mission.

IF YOU WOULD LIKE TO CONTRIBUTE  
TO "IT'S OUR POLICY",  
SEND YOUR COMMENTS, SUGGESTIONS  
AND MEMBER NEWS TO:

**Brian Custer, President, NYMIR Division,  
Wright Risk Management,  
24 Aviation Road, Suite 206,  
Albany, New York 12205  
(518) 437-1171**

## UPCOMING EVENTS

**NYMIR Annual Meeting**  
May 3, 2002 • Albany Marriott

**Contact Neva Keyes at (518) 437-1171  
for more information.**

## ARE YOU INTERESTED IN SERVING?

The **NYMIR Board of Governors** is made up of 13 elected or appointed public officials, each from a subscriber municipality. Each year a limited number of positions on the Board become available. If you are interested in learning more about how you can be eligible to serve please contact either **Sandy Frankel**, President, NYMIR Board of Governors, at (716) 784-5251; **Brian Custer**, President, NYMIR division of Wright Risk Management, at (518) 437-1171; or your respective association, who serve as Attorney-in-Fact for NYMIR.

# Anti-Terrorism Efforts & Emergency Management Planning

by **Bob Bambino, Director of Risk Management**

*This is the second in a series of articles and publications dealing with the terrorism threat and emergency management planning. The NYMIR Fall Risk Management Bulletin covered emergency management planning. This edition of Its Our Policy contains information to help subscribers with their threat assessments.*

Emergency management plans (EMPs) address the types of hazards the organization needs to focus on. Called threats assessments, this process helps emergency management officers determine the extent of planning and types of responses needed, given the types of emergencies that are likely to occur.

While there are different ways to conduct threat assessments, one method is to evaluate the vulnerability and criticality of a municipality's buildings, facilities and operations.

A vulnerability assessment is a process used to identify weaknesses in facilities and operations. Weaknesses increase accident, political and reputation risk. In other words, looking at vulnerabilities in a broad sense, they increase the likelihood of events that cause injuries or damage to property that result in political fallout and/or damage to the entity's reputation. For example, when analyzing basic security weaknesses in security systems & procedures, check unprotected property (such as storage facilities and computer labs), access points into buildings, and over dependence on electronic surveillance. A vulnerability assessment addressing terrorism (local and international) threats would focus on:

- The adequacy of the municipality's EMP.
- Alternative communication systems and emergency power.
- The adequacy of selected sheltering sites.
- Emergency supplies.
- The ability to recall and maintaining adequate staff & administrators during the emergency.
- The availability of medical and first aid.



- Whether networks/internet access and e-mail will be available.
- Commitments made in intermunicipal & Red Cross agreements.
- The municipality's ability to assist emergency workers from other communities.

Criticality assessments analyze buildings and infrastructure in terms of their purpose, significance, symbolic nature and use. It allows planners to determine which assets are more likely to be targets – and therefore need more attention and resources. Criticality assessments also help municipal officials develop, manage and fund their emergency management plans. Municipalities should also look at other assets in their surrounding area or region to identify critical assets not owned by them or under their control. These attacks on these assets should be addressed in their emergency management plan.



## THREAT MATRIX

		CRITICALITY LEVEL	
		LOW	HIGH
VULNERABILITY LEVEL	HIGH	<ul style="list-style-type: none"> <li>• Various Third &amp; Fourth Tier Assets</li> </ul>	<ul style="list-style-type: none"> <li>• Military Bases</li> <li>• Water Supplies</li> <li>• Airports</li> <li>• Nuclear Power Plants</li> </ul>
	LOW	<ul style="list-style-type: none"> <li>• Governmental Buildings</li> <li>• Schools</li> <li>• Business Complexes</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation Infrastructure</li> <li>• Utility Plants</li> <li>• Internet</li> <li>• Railroads Systems &amp; Terminals</li> </ul>

A *Threat Matrix* is a method to plot the types of threats a municipality may be experiencing, based on the levels of vulnerability to loss and the criticality of the assets as risk. Therefore, the facilities in the lower right quadrant require the most attention and resources, where the ones in the upper left do not.



# SNOWPLOW SAFETY & LOSS PREVENTION

by Lee Miller, Senior Loss Control Specialist

Although it has been a relatively mild winter so far (except for some subscribers in the western and central parts of the State) we still think it is prudent to review snowplow operations and look for ways to help ensure safe snow removal operations.



## Snowplow Hazards

Snowplow operations occur during and just after a snowfall has ended. Roads are covered with snow and ice, visibility is often decreased, fallen trees and other debris may be on the roads, and cars are often parked along snow emergency routes. In addition, snowplow operators often have to share the roads with drivers lacking snow-driving experience, along with snowmobiles, cross-country skiers and sleigh riders. The combination of a truck with a mechanized plow widens the size of the vehicle, and motor vehicle operators often misjudge the width of the rig. Also, drivers without proper training can have difficulty operating the vehicle in a safe manner. Given these factors – it's not hard to understand why snowplow drivers face a difficult task when carrying out their assignments.

## What Types of Accidents Typically Occur?

The most common types of accident involving snowplows include:

- Striking an object when the snowplow is in reverse.
- Striking a fence, mailbox or parked car.
- Striking soft ground or loose pavement.
- A motor vehicle strikes the snow plow while attempting to pass the plow.
- A motor vehicle is unable to stop and strikes the snowplow in the rear.

## What can be done to Control Accidents?

Snowplow operations can be controlled by instituting the following recommendations:

- **Create a plan of the areas that need to be plowed** – mark telephone polls, fire hydrants, utility boxes, and other hazards. Make sure drivers are given time to review and comment on the plan.
- **Make pre-operational checks of equipment mandatory** – verify that the plow, plow frame, and shoes are in working order, and there aren't any cracks, broken weld or loose bolts. A standard motor vehicle check should be performed as well. Snowplows should be equipped with winter emergency kits.
- **Don't start plowing too late** – most operations begin when there is 1 to 4 inches of snow on the ground.
- **Watch for road hazards** – such as uneven road surfaces, narrow streets, parked cars, low hanging tree limbs and wires, mailboxes and fences.
- **Be aware of driver fatigue** – drivers should be given rest periods as needed.
- **Adjust plowing to road and weather conditions** – be aware of traffic volume, pedestrians, terrain and visibility.

Let's hope that this winter treats us kindly and we are spared from too many nor'easters, "storms of the century" and lake effects. However, that's unlikely. Subscribers should continue to plan for snow removal to ensure the safety of employees, drivers, pedestrians and others.



# WINTER DRIVING

by Joann Robertson, *Supervisor of Risk Management*

When operating municipal vehicles in cold temperatures, snow, sleet and ice, municipal drivers should be prepared for more hazardous road conditions and even more slow-moving traffic on the roads. To keep drivers safe, prepare your drivers and vehicles for the season.

First, make sure your drivers understand why winter driving poses a greater challenge. The leading cause of death in winter storms is transportation accidents. The result is that all drivers should be instructed to slow down and improve following distance in this winter season. In addition, it is easy for common driving mistakes like speeding or tailgating, to have serious consequences. The best way to improve driving habits is to remind municipal drives to anticipate problems when driving before they even occur.

Next, drivers should be ready to handle these situations by reporting to work sober and rested, and then listen to the local weather forecasts and traffic reports. Also, instruct operators to be aware of road construction in the area and be flexible in planning their routes. Before snowy days come, review any additional tips for winter driving found in the owner's manual of their vehicles. Municipal drivers should always buckle up, especially if plowing snow or heading out in winter driving conditions. Also, municipal drivers should inform a co-worker of their destination and expected arrival time.

Before leaving the garage or yard for winter roads, all municipal drivers should conduct a pre-trip inspection of vehicles. Vehicles should always have fuel gauges checked and be provided with at least a half-full tank. For winter driving, emphasize they check windshield washer fluid, heater, defroster, defogger, wipers, lights and emergency supplies. These supplies should include a first aid kit, fire extinguisher, shovel, flashlight, batteries, flares or reflective triangles, matches, brightly colored cloth, phone/radio, booster cables, ice scraper/snow brush, water, food, blanket, and abrasive material to use if stuck on ice. Instruct drivers to be prepared and bring their own warm jacket, gloves, hat and boots.

When out on the roads, a driver's goal is to see and be seen by the other drivers. This is why it is important to always remove snow and ice from the vehicle before driving off. Also, make sure all drivers have been instructed to also clear off the roof, lights and mirrors. Keep the front and rear windshields clean while they are moving with the use of the defroster and defogger. If windshield wipers are ineffective due to ice or snow, the driver should pull safely to the side



to clean them, using your hazard lights to stay safe. If snow is falling, drivers should use their low beam headlights to improve their visibility. In "white out" conditions they may need to pull over to the side, and follow the guidelines for being stranded.

If the roads are slippery and vehicles are sliding, here are some other tips to help your drivers maintain control. Remember that shaded areas, bridges and overpasses freeze quickly and may thaw slower than other sections of the road. Make your drivers aware of these areas and share these tips with new municipal drivers. Also, instruct drivers to be cautious on sharp curves. Think ahead to reduce the chance of sliding by using gentle acceleration and steering, and avoiding the need for hard braking.

How do your drivers prevent skidding? Avoid the main cause which is driving too fast for conditions, suddenly turning the steering wheel, heavy acceleration, or sudden braking. To reduce these causes, instruct your drivers to use proper following distance. If they start to skid and the vehicle has conventional brakes, they should keep their foot off the brake and steer the car in the direction they want the front of the car to go. If their vehicle has anti-lock brakes (ABS), they should press the brake hard and keep their foot pressed down and not let up. Then they should continue to steer the vehicle in the direction they want the front of the car to go and as the vehicle comes out of the skid straighten the wheels. When they have control of the vehicle, they can then gently apply the brakes.

In this scenario, a municipal driver is out doing his municipal duties and suddenly the vehicle is stuck on ice.

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# Municipality Advice

by Joann Robertson, *Supervisor of Risk Management*



**QUESTION:**  
*What are some useful sources for mail opening procedures at municipal buildings?*

**ANSWER:**  
**Federal Bureau of Investigation Website**  
*Contains a poster that can be printed and posted in mailrooms and offices.*  
<http://www.fbi.gov/pressrel/pressrel01/mail3.pdf>

**U.S. Postal Service**  
<http://www.usps.com/news/2001/press/serviceupdates.htm>

**Center for Disease Control  
Frequently Asked Questions (FAQ)**  
[http://www.cdc.gov/ncidod/dbmd/diseaseinfo/anthrax\\_g.htm](http://www.cdc.gov/ncidod/dbmd/diseaseinfo/anthrax_g.htm)

**United States Postal Service Related Information**  
[http://www.usps.gov/news/2001/press/pr01\\_1010tips.htm](http://www.usps.gov/news/2001/press/pr01_1010tips.htm)

**QUESTION:**  
*How can our municipal emergency plan be updated as a result of the events of Sept. 11th?*

**ANSWER:**  
Presently, a thorough review of municipal emergency plans is necessary. A shift has occurred away from natural emergencies or severe weather threats, to saving lives, with less emphasis on property protection. When reviewing your plan find out if all of your municipal employees have a clear understanding of their role in an emergency. If not, additional training and review of the plan may be in order.

New items to be incorporated into your emergency plan as a result of the recent anthrax mail scares, include procedures for custodians or maintenance personnel to immediately shut down heating, ventilation and air conditioning systems. Another consideration is having an adequate amount of personal protective equipment (PPE) for municipal employees and having a source for additional supplies.

Many plans never considered that different locations within a municipality might have emergencies simultaneously. Your plan should be reviewed, keeping this simple fact in mind, so it does not only rely on other employees or alternate municipal locations as the backup. Some examples of changes include not housing all of the Police Department into one garage, one location, or one building. Another example would be to have buses from the recreation center at your disposal in case additional ambulances or transport vehicles are needed in a large-scale emergency.

One problem which may occur as a result of inadequate pre-planning is difficulty trying to relocate municipal agencies. These agreements must be worked out in advance since many locations will reject municipal tenants in a time of heightened security or ongoing crisis.

Consider improvising a method to be aware of the number of emergency responders at a scene. On September 11, 2001, this factor became important when the number of individuals lost during rescue efforts was unknown. Develop a system to clarify who responds and add it into your plan to ensure this won't happen in your community.

Also, update your evacuation plans and ensure exit maps are posted throughout each municipal building. Consider having evacuees travel a further distance from the building after leaving since terrorist acts are not just limited to inside the building. Then establish a checkpoint to ensure that everyone is accounted for after the evacuation or drill. Instruct employees on whether to call in, or use a specific hotline or website following an emergency event. This way they can all receive a uniform message or set of instructions despite the event.

**QUESTION:**  
*How can we improve hiring practices at our municipality?*

**ANSWER:**  
Reconsider your present hiring practices. How thoroughly does your municipality investigate the background and check references of potential employees before hire? Did your municipality always follow through with background checks on your current employees? Has the municipality upgraded these procedures to heighten security of future hires? These issues should be discussed with the Human Resources Department and legal counsel.



## NYCOM TERRORISM SUMMIT DRAWS MORE THAN 200 MUNICIPAL OFFICIALS

### NYC Mayor Rudolph Giuliani Delivers Keynote Address

In response to numerous requests from members, NYCOM held a one-day Summit on Terrorism and Public Safety on Thursday, November 29, 2001 at the New York Hilton in New York City. The speakers for the Summit consisted almost entirely of ranking officials from the City of New York and New York State who personally experienced the terrorist attack on the World Trade Center towers on September 11, 2001. The purpose of the Summit was to provide municipal officials from around the state with an opportunity to learn about emergency planning and response from those individuals who paid such a high price for their knowledge.

The Summit, the first of its kind held by, and for, local governments in New York State, began with remarks by James Kallstrom, Director of the NYS Office of Public Security. Kallstrom explained his mission to develop a comprehensive statewide strategy to secure New York State from acts of terrorism or terrorist threats. His office is the primary contact with the federal Office of Homeland Security, headed by Thomas Ridge.

NYC Mayor Rudolph Giuliani delivered a Keynote Address in which he described the tragic events as they unfolded on 9-11, the emotions of the city, the economic impact of terrorism on NYC and the US, and the knowledge that city departments had gained from other terrorist activity in NYC. He included personal anecdotes from his two terms in office, his thoughts on the terrorists, and advice for municipal officials from around the state. Mayor Giuliani was joined at the dais by NYC Police Commissioner Bernard Kerik and Richard Scheirer, Director of the NYC Office of Emergency Management.

The first panel law focused on enforcement coordination and cooperation and how information sharing among all levels of government — federal, state, and local — can ensure appropriate intelligence and assist in the early identification of and response to potential terrorist activities. The panelists included George Grasso, Deputy Commissioner, New York City Police Department; Robert Caron, Deputy Chief, Port Authority of New York & New Jersey Police (both of whom were on the WTC site on 9-11); Col. William J. Deblock, Deputy Superintendent, NYS Police; and Donald T. Kinsella, Assistant

U.S. Attorney, Chief of Criminal Division, Northern District of NY.

The next group of speakers discussed how planning plays a vital role in the prevention of, response to, and recovery from a terrorist attack; and how the lessons of Y2K and the 1993 underground garage bombing of the World Trade Center helped save thousands of lives on 9-11. The panelists included Richard Scheirer, Director, NYC Mayor's Office of Emergency Management; Peter Stuebe, Battalion Chief, Hazardous Materials Operations, NYC Fire Department; Jack McManus, Inspector, NYC Police Department (all of whom were on the WTC site on 9-11); Thomas J. Rinaldi, Deputy Director, NYS Emergency Management Office; and Col. Donald C. Britten, NY Army National Guard, Weapons of Mass Destruction Program Coordinator, NYS Division of Military and Naval Affairs.

The panel on infrastructure security focused on how to assess and guard against threats to transportation systems (air, rail, highway, port, tunnel, bridges), telecommunication systems, government buildings, schools, and energy supplies (gas, electricity, nuclear); and how to ensure rapid restoration of critical systems. The speakers included Joel A. Miele, Sr., P.E., Commissioner, NYC Department of Environmental Protection; Eugene Ceccarelli, Inspector, Port Authority of New York & New Jersey Police (both of whom were on the WTC site on 9-11); Louis Anemone, Deputy Director, NYS Office of Public Security; and Col. William J. Deblock, Deputy Superintendent, NYS Police.

The final panel discussed health and environmental protection issues. Specifically, how to identify and deal with threats to air quality and the public water supply, as well as biological,

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## WINTER DRIVING

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The worst thing for the driver to do is spin the wheels, since they only dig the vehicle in deeper. A better move is to turn the wheel gently from side to side and clear the wheels. If that doesn't work, they should try using a mat, sand or kitty litter under the drive wheels to improve traction. Then they can accelerate gently until the vehicle is free. If after several unsuccessful tries, they should be directed to call for assistance.

But what if the driver is stranded in their vehicle? In this situation, municipal drivers should know the safest thing to do. Obviously, drivers should use their radio or cellular phone to contact help if they are in range. Next, put out flares or reflective triangles to be seen and avoid being hit by another car. Instruct them to never leave their vehicle unless they are positive it will improve their situation. If they do leave, write out a note with the date, time and their destination. When waiting in the car, the stranded driver must leave one window slightly open and keep the tail pipe clear. Only run the engine for 10 minutes every hour, basing this decision on the amount of fuel. Municipal employees who are properly trained will be able to stay calm to ride out the storm safely.

***Here's to safe driving at your municipality this winter!***

## NYCOM TERRORISM SUMMIT...

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radiological, and chemical terrorism including anthrax; and how to notify the public with important health information. The speakers consisted of James Miller, M.D., M.P.H., Agency Medical Director, NYC Department of Health; Michael J. Burke, P.E., Director, Bureau of Public Water Supply Protection, NYS Department of Health; and Kristine M. Gebbie, DrPH, RN, Columbia University School of Nursing; and Elizabeth Standish Gill, Associate Professor of Nursing.

The Summit concluded with an open forum of participants facilitated by Joseph Griffo, Mayor of the City of Rome, and NYCOM Immediate Past President. NYCOM will continue to work with its members in this area to develop an action plan to address municipal needs.

***This article provided by:***



*Conference of Mayors*

## NEW MEMBERS/ SUBSCRIBERS

*(since last newsletter • 10/01)*

Town of Parish  
Town of Wallkill  
Village of Kinderhook  
Town of Stuyvesant  
Town of Webb  
Town of Ashland  
Town of Parma  
Village of Baldwinsville  
Town of Batavia  
Town of Gates  
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Town of Lawrence  
Town of Macedon  
Town of Nichols  
Town of Ossining  
Town of Rye  
Town of Stockholm  
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