

Bringing important news about RSDIS to our key distributors.



RURAL SPECIAL DISTRICTS®

Insurance Services

A Division of Glatfelter Insurance Group

## WHAT'S INSIDE ...

Committed to Serving You

Page 2

RSDIS Drive Safe!

Page 2

PRIME Public Risk Insurance Made Easy Program Grows

Page 3

RSDIS Risk Control Technical Website

Page 5

Glatfelter Wholesale Operations Specialized Programs for a Competitive Edge

Page 6

Four Positive Changes You'll Appreciate

Page 7

California Hydrants

Page 8

Governmental Liability Claims

Page 8

Vol. 08 No. 1

Published by the

Glatfelter Insurance Group  
York, Pennsylvania

We welcome comments, suggestions and questions from our readers.

Write to:

Editor

Rural Special Districts  
News

P.O. Box 7277  
Stockton, CA 95267

[www.rsdis.com](http://www.rsdis.com)

## Message from the President

As many of you know, RSDIS will be celebrating our five-year anniversary with Glatfelter Insurance Group this May. I still clearly remember my first encounter with Tony Campisi and Mark Schmidt in early 2003. The meeting took place in our Stockton office and was prompted by my keen interest in building a long-term, stable program. At the time, I had only a cursory insight into Glatfelter Insurance Group. I knew of its impressive heritage and imposing market reputation, but I was unfamiliar with its culture, tenets, or structure. Throughout the meeting, Tony and Mark conveyed a program philosophy that encapsulated responsible underwriting, inimitable expertise, proprietary coverage, equitable claims handling, and strong broker partnerships. I then pressed for their definition of broker partnership. They defined partnership as a culmination of candor, trust, respect, value, and aligned interest. Throughout our meeting and into dinner, I was impressed by their emphasis on partnership. It was clear that the Glatfelter model centered on strong broker relationships and an unwavering commitment to sustainable, competitive products. By the end of dinner, I knew that Glatfelter Insurance Group was the best home for RSDIS and the ideal environment for me.

The subsequent maturation of RSDIS underscores the prescience of those sentiments. Today, RSDIS enjoys more stability and affords greater value than we did prior to our being acquired. Equally important, we have upheld Glatfelter's philosophy of partnership and the significance of providing sustainable, competitive products. The net result continues to be a steadfast commitment to our brokers and an unyielding conviction to value. These core beliefs embody the essence of Glatfelter Insurance Group and accentuate the importance that we place on you, our broker partners. Simply said, our fortunes are tied to our broker relationships and our continued ability to provide value in an increasingly competitive marketplace.

I am confident the next five years of RSDIS with Glatfelter will be as momentous as the first. This optimism is supported by our recent integration of RSDIS and PRIME into a newly formed division: Glatfelter Public Practice Group. This division will be responsible for enhancing program synergies and substantively improving our functionality. It will also allow for the subsequent expansion of PRIME beyond the states where it is currently active.

The resulting integration has enabled us to promote Stephanie Dew from Southwest Marketing Director to Vice President of Marketing. Stephanie has played an integral role in our development. She brings interpersonal acumen, depth of insurance knowledge, a sense of urgency, and a keen awareness of relationships. We fully expect these changes will augment our partnership with you. On behalf of Glatfelter Insurance Group, it is a pleasure to celebrate our five-year anniversary. We have found our stride and will diligently reaffirm your reasons for partnering with us.

Best regards,

Paul Fuller, CPCU

President, GIG Wholesale/Specialty Programs Operations

# Committed to Serving You

by Stephanie Dew, Vice President of Marketing

As Vice President of Marketing, I enjoy the new challenges, responsibilities and opportunities for our team. The benefit of viewing everything from a higher altitude yet being able to drill down to the details and work with new agents throughout the country is rewarding. I'm pleased to report that 2007 proved to be noteworthy year, with a portfolio increase of over \$5 million in new business and a policy retention ratio of over 95%. This success is attributable to the loyalty, partnership, and continued support of you, our broker partners.

We expect 2008 to be a year of great opportunity with a continued focus on our niche in business. At the same time, we will be developing an increased synergy with the other programs available to you through our parent company, Glatfelter Insurance Group. We anticipate that our program will be available in New York later this year, which means that Rural Special Districts is now filed in 47 states (the exceptions currently being AK, HI and NY). Our marketing department is diligently working on identifying the water universe and determining ways to further partner with you to better serve the insurance needs of the thousands of underinsured and uninsured water-related entities throughout the country.

As the marketplace continues to become more competitive, we recognize an increased need for communication with our valued customers. Our marketing and underwriting departments are working closely together to streamline our processes to better meet your expectations. As a result, you will be hearing from our marketing associates more frequently throughout the year so that we can better

determine target premiums and need-by dates for all new business and renewals.

I hope you have had the opportunity to review our Producer Center and the multiple resources available within this valuable online resource

(see RSDIS.com). In this section, you are able to instantly access renewal questionnaires, loss runs, endorsement requests, and marketing materials as well as information on losses and claims at your convenience, 24 hours a day. We are continually looking for ways to ensure that your experience with us is prompt, professional, and consistent. Since we realize that our conduct speaks louder than words, we understand that every contact with you is an opportunity to prove ourselves and to earn your trust and respect.

Our team is committed to serving you. We are always on the lookout for new opportunities, and we enjoy working with you to find innovative ways to meet the insurance needs of your customers while growing our portfolio with profitable business. Your positive and constructive feedback is appreciated, encouraged, and vital to the future success and the sustainability of this program. On my behalf and on the behalf of my team, thank you for your continued patronage. We look forward to the challenges that lie ahead.



## RSDIS Drive Safe! DVD Training Program

Every year, there are a significant number of vehicle accidents involving water, sewer, conservation, and irrigation district vehicles. These accidents typically occur as a result of vehicle equipment failure, lack of driver awareness, speed, and driver distraction. RSDIS recently produced a driver safety video program that helps to raise driver awareness, and promotes and demonstrates safe driving and daily inspection practices. The training content includes Pre-trip Vehicle Inspection, Pre-trip Driver Inspection, Safe Driving Techniques, and Safe Backing-up of the Vehicle. RSDIS clients receive one complimentary copy of the DVD. To order item C09:260, please call (800) 233-1957, ext. 7235.



# PRIME Public Risk Insurance Made Easy Program Grows

by Brian Rabena, Marketing Director

It is my pleasure to be a major part of the strategic growth plans for PRIME and the Glatfelter Public Practice Group. I have dedicated most of my insurance career of 29 years to public sector risk management and insurance solutions for the marketplace. I have developed numerous specialty municipal programs for public entities, including property and casualty, workers compensation, and also self-insured trusts, or pools throughout the country. In addition, I have managed the underwriting, marketing, sales and administration of these programs over the past 15 years.

The PRIME Program represents a unique opportunity to offer an integrated specialty program to a dynamic market with an A+ rated insurance carrier through an organization with a reputation for excellence in service to the municipal and emergency services arena. I look forward to further refining our product to meet the needs of our agents and brokers, building strong relationships with our distribution network and steady and profitable growth for all parties. Your inquiries and questions are welcome regarding the program and organization.



## Responsibilities within Glatfelter Public Practice Group

I am pleased to announce my role as Marketing Director for the PRIME Program as part of the newly formed Glatfelter Public Practice Group. As Marketing Director, I will oversee the management of marketing and sales in our current eleven filed states, with specific focus on open states where we operate on a wholesale distribution system. The open states are currently New York, Pennsylvania, Illinois, and Maine.

An essential part of any effective business plan includes formulating strong relationships with your clients. My immediate primary duty is to seek out and form alliances with agents and brokers interested in forming a dynamic partnership in the public sector insurance marketplace.

Although pricing is a big concern, our focus is on building trust and commitment with our distribution system. I will also be actively managing the submission and underwriting processes in open states to maximize new business opportunities. I will be present in our marketing territories to assist our brokers with identifying opportunities and submitting business in appropriate time frames to meet key effective dates. Last but not least, I will be facilitating continuous communications between all of the parties regarding the above initiatives.

## Open PRIME States – New Business

The PRIME program is offered throughout the country on two marketing platforms. All business is conducted on a wholesale basis, although many of the filed states are accessed through specialty wholesale brokers with expertise in public sector risk management and extensive geographical marketing knowledge of the business region. Open PRIME states are those states where the program can be accessed through the independent agency system. This marketing arrangement works best due to dispersed market share and the large number of producers who control and offer municipal business. Currently New York, Pennsylvania, Illinois, and Maine are open PRIME states.

We are interested in developing zones and centers of influence throughout these states with agents and brokers who are interested in a stable market with strong relationship platforms.

We want to be our broker's market of choice based upon our quality of coverage, our reputation for prompt and efficient claims service, and our cutting-edge risk management and loss control services. The PRIME program targets towns and townships, villages, boroughs, special districts, and cities with a population of 25,000 or less. If you are a broker or agent in these open states, you may access the program by making a PRIME submission to our home office at Glatfelter Insurance Group, 183 Leader Heights Road, P.O. Box 2726, York, PA 17405. You may download an application via the Internet at [www.primeprogram.com](http://www.primeprogram.com). You may also contact Brian Rabena at (800) 233-1957, Ext. 7906, or directly at (717) 741-7906.

### The Importance of Complete Submissions – Required Information

One of the most important components of making sound decisions in business is to have complete information. Without appropriate information, it is impossible to make good decisions about anything. Often we are forced to do this. However, the outcome can be disastrous, depending on the situation. Underwriting PRIME submissions requires several components that constitute what we call an "actionable submission," or one that we can take action on immediately.

An actionable submission is one that includes all of the required information shown below. This allows the Underwriting Department to properly evaluate the municipal account exposures and to provide a competitive price that is both affordable to the insured and will allow PRIME to remain profitable in this marketplace.

Here are the essential components to a complete and actionable submission:

**1) Completed PRIME Application** – (found at [www.primeprogram.com](http://www.primeprogram.com)). The PRIME application is unique in that it supports our specific rating system for underwriting. Some of the rating criteria are similar to those of our competitors. However, General Liability, Law Enforcement, and Auto and Public Officials Liability require information not typically found on ACORD forms or other company forms. If there is any

area or exposure that is not applicable, it should be marked as such on the application. The General Liability checklist should be completed in its entirety and, if requested, the supplemental application should be completed.

#### **2) Property Statement of Values and ACORD**

**Property Application** – PRIME requires a detailed description of each property to be insured. In addition to a specific address (needed to determine Flood and Earthquake coverage if requested), COPE (Construction, Occupancy, Protection Class, and Exposures to Surrounding Property) information is required for each insured location.

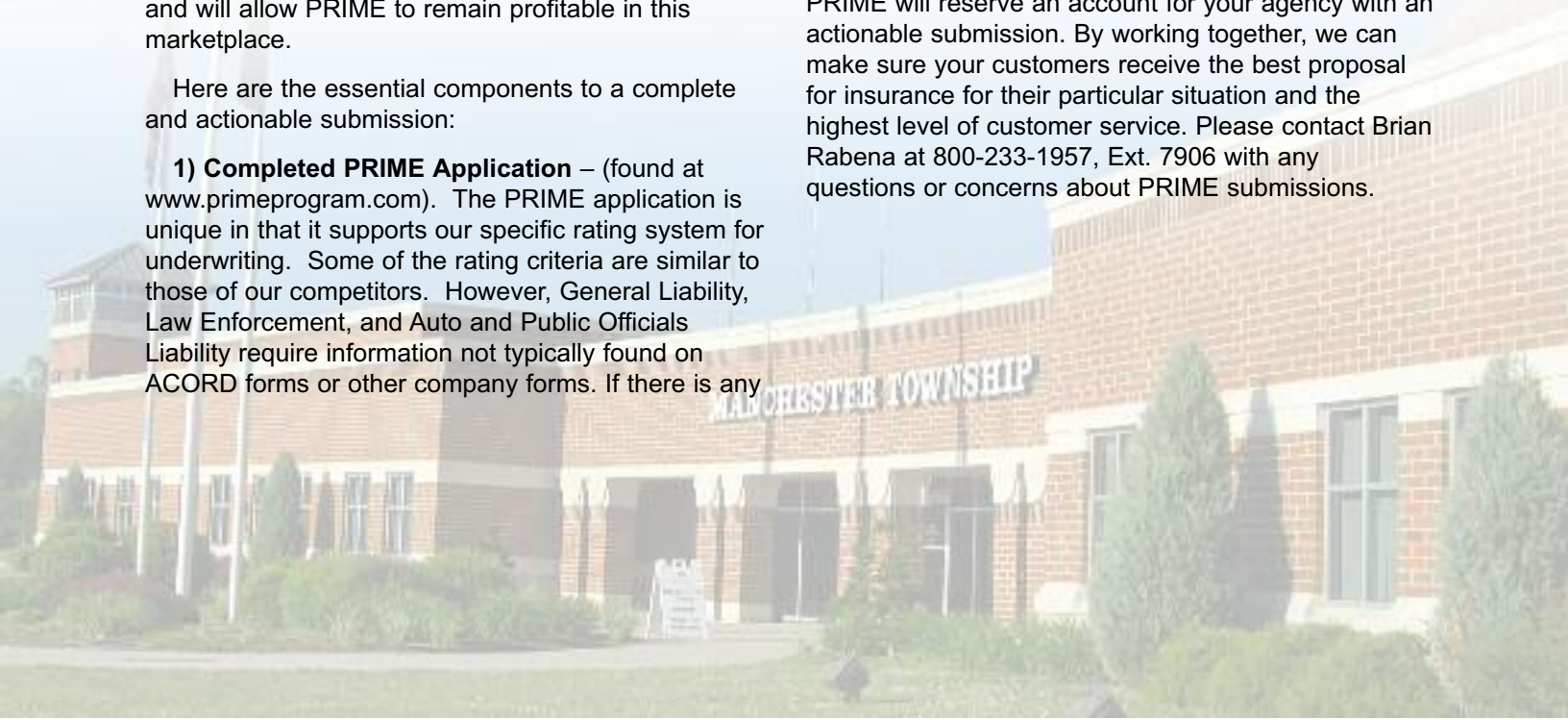
**3) Detailed Inland Marine Schedule/(can use ACORD supplemental forms)** – PRIME Inland Marine is broken into three categories: Blanket Emergency Services Equipment, Blanket Miscellaneous Equipment (all items under \$5,000 not otherwise scheduled), and Scheduled Equipment (\$5,000 and higher).

**4) Automobile Schedule (can use PRIME or ACORD Supplement)** – PRIME requires details of each auto including description, use, gross vehicle weight, cost new, and auto classification.

**5) Five years of Currently Valued Loss/Claims Information** – obtained from the municipality or from the account's prior insurance carrier. This is necessary to determine any schedule and experience credits or debits that may apply to the account.

**6) The most recent twelve-month financial budget for the public entity** – available from the individual municipalities and required by law. This provides the information needed to calculate the net ratable expenditures for the General Liability premium.

We realize this requires a commitment on your part. PRIME will reserve an account for your agency with an actionable submission. By working together, we can make sure your customers receive the best proposal for insurance for their particular situation and the highest level of customer service. Please contact Brian Rabena at 800-233-1957, Ext. 7906 with any questions or concerns about PRIME submissions.





by Dennis McShane  
Director, RSDIS Risk Control Services



Since its inception one of the major goals for RSDIS Risk Control was to develop a technical website that could provide solid support to our clients. Along with listing our goals and objectives a key technical download section was implemented. The download section of the website serves as a tool for our clients' use in loss experience, fire/liability protection guidance, fleet management, insured's management, employee practices, and a wide range of other issues.

The technical section is broken down into property, liability, and fleet components as follows:

## Property

This section offers several articles regarding fire protection at the many different types of district facilities. This includes guidelines for shop, welding, and fire safety as well as fire protection for major SCADA installations.

It also covers other issues such as fidelity, copper theft (off equipment), and winter preparedness.

## Liability

This area deals with the wide range of liability issues and concerns that affect all districts. A significant portion of this section deals with employee practices liability (EPL) issues like harassment, discipline, and workplace violence. Other topics include handling chlorine, herbicides for canals, and the US Product Safety Commission's guide to children's playground safety.

## Fleet Vehicles

This section focuses on training and fleet safety program issues. One of the key goals for safe and viable vehicle operations for districts is to develop and maintain a formal fleet safety program. From this section clients can download a detailed outline on how to develop a fleet safety program from scratch.

Also, RSDIS' Risk Control department recently completed a video on safety for fleet drivers specifically oriented to our clients.

# Glatfelter Wholesale Operations

## SPECIALIZED PROGRAMS FOR A COMPETITIVE EDGE

By George N. Pappas, RSDIS Marketing Director

Did you know that Glatfelter Insurance Group's wholesale operations offer a myriad of programs with years of proven service and market sustainability? The following is a list of programs that may interest you:



### VFIS – Emergency Service Organizations

VFIS is the largest provider of insurance, education, and consulting services to non-profit emergency service organizations such as fire departments, ambulance companies, and rescue squads. With over 15,000 clients in the United States and Canada, we have a long history of helping the emergency service community protect their assets and manage the many risks that they face. [www.vfis.com](http://www.vfis.com)



### Hospice and Community Care Insurance Services

Hospice and Community Care Insurance Services is a specialty insurance program manager that works with local insurance agents throughout the United States to provide property and liability insurance for hospices, home health care agencies, home health aide agencies, and other private duty home care agencies. Our satisfied clients include 552 hospices, 613 home health care agencies, 120 combined home health care/hospice organizations, and 350 home care agencies. [www.hccis.com](http://www.hccis.com)



### Car Washes

We have developed a program tailored specifically to meet the needs of self-serve exterior and full-serve car wash businesses. With 20 years of service in 46 states, we have become this industry's number one provider of insurance. [www.carwashinsurance.com](http://www.carwashinsurance.com)



### PRIME

Public Risk Insurance Made Easy offers highly customized coverage for the municipal sector, including cities, towns, townships, boroughs, and villages with a population of 25,000 or less. Other special-purpose entities, such as park or recreation commissions, library boards, and parking authorities qualify for the program as well. The PRIME public entity program is currently approved in Colorado, Georgia, Idaho, Montana, North Carolina, New York, Ohio, Pennsylvania, Utah, Wisconsin, and Wyoming. [www.primeprogram.com](http://www.primeprogram.com)



### Metalcasters

Glatfelter Insurance Group has been providing tailored coverage to the metalcasting industry for more than 25 years. We understand the unique exposures faced by this industry and the importance of a strong risk management program.



### Glatfelter Wholesale Insurance Services

Through our newest division, we offer a broad array of industry-oriented commercial products from markets not accessible to all brokers. Our relationships with leading insurance carriers enable us to offer a wide range of property and casualty, and professional lines of insurance, life annuity, long-term care, and disability products for many customer segments. Look to us as a resource for your middle market or larger accounts.

In addition, we offer well-known superior Personal Lines Insurance products for affluent clients with high-value homes.

# FOUR POSITIVE CHANGES YOU'LL APPRECIATE

By Lindsey Humphrey, Vice President, Underwriting

In 2007, we took a look at our forms and procedures and considered feedback you had given us. As a result we made some improvements we think you will appreciate. Our number one goal in making these changes was to find ways to make doing business with us easier.

Over the past year, we focused on improving our information requests for renewals, new business, and endorsement requests. This meant streamlining our renewal questionnaire to minimize redundant requests for information and focusing more on changes. We also redesigned our new business application to align more closely with our rewritten policy by ensuring we included some policy features. At the same time, we wanted to ensure we captured important underwriting and rating information. We know that a well-thought-out new business application, when completed, will provide the underwriter with the majority of the information needed to enable a quick decision and in some cases a quick quote turnaround. For your convenience, we enhanced our producer center capabilities for endorsements and the renewal questionnaires. This means that you can easily retrieve, complete, and return endorsements and the renewal questionnaire, all online.

As we continued to evaluate our work system, our attention turned toward people, process, and structure. However, we directed our attention to our key asset, the underwriters and underwriting assistants. As a result, we determined there were a number of things we could improve, particularly with renewals, to provide better service, including:

- ❖ expanding the role of the underwriting assistant
- ❖ empowering the underwriting assistant by providing underwriting authority
- ❖ designing a new structure that supported the changes

## The Need for Change

Prior to the changes, one underwriting assistant supported each underwriter. Underwriting assistants focused primarily on rating, invoicing, issuing policies, and processing change requests. The underwriters handled new business, worked on all renewals, and handled any other underwriting issues in their assigned territories. However, by analyzing our business processes for ways to improve our collective efficiencies, we noticed underwriters spent a lot of time servicing small, straightforward renewals. It became increasingly clear that straightforward renewals (not just small) require a different kind of service from us. Many of the straightforward and smaller accounts had the following characteristics, which support a streamlined underwriting approach. They were accounts that were:

- ◆ Carefully screened and selected as new business
- ◆ generated less than \$2500 premium (this included a large percentage of our accounts, including many written with a minimum premium for each line of business)
- ◆ represented few to no renewal exposure changes
- ◆ were controlled businesses
- ◆ long-term customers
- ◆ profitable

In addition, our agents told us that it was not cost-effective for them to provide "high touch" on smaller renewals. Many agents simply wanted to advise us of changes and have a policy or proposal well in advance of the effective date.

## A New Approach

Our new approach is to assign two underwriting assistants and one underwriter per team. Rural Special Districts Insurance Services is fortunate to have a team of talented, service-focused underwriting assistants with an average of 15 years of commercial experience.

The underwriting assistants will handle endorsements and quote smaller and less complex renewals. Each underwriting assistant now possesses underwriting authority, so they are not limited to handling small accounts. This approach gives our underwriters greater freedom to work more closely with you on new or complex accounts and give more time to solving and addressing your specialized account needs. They will also oversee the renewal process to ensure that service levels are maintained.

This approach offers several benefits for you and your customers. However, we understand that to win your vote as the market of choice for this desirable business, we also need to continue to:

- ◆ Provide you with quick turnaround time on quotes or declinations
- ◆ Be sensitive to the coverage and value needs of your customers
- ◆ Deliver a high-quality, error-free product well in advance of the expiration date
- ◆ Provide your office with superior service on endorsements and other requests
- ◆ Continue to offer Glatfelter's traditional strengths in claim handling, underwriting and financial stability to every Rural Special Districts Insurance Services customer

We believe this new approach will help us partner with you more effectively to write many more top-quality accounts. It will help all of us contain costs, increase profits, and retain our good customers. In addition, it also allows us to take advantage of technological solutions now underway to speed underwriting and processing activities for you.

As always, we are interested in hearing your comments and answering your questions. We look forward to hearing from you and working to make 2008 an even greater success.

# California Hydrants Are New Theft Target

Recently, scrap metal thieves in California have targeted fire hydrant parts. The stolen parts are typically brass caps and sometimes brass threading, which yield about \$5 from recycling centers. Authorities are working with some recycling centers to curb the problem by asking them to become compliant on city codes, including gathering information from their customers.

The hydrants are owned by water companies. The problem is both a crime and a potential safety hazard. So far, however, there have been no reported instances of crews arriving at a fire and finding an inoperable hydrant.



## Governmental Liability Claims

*By Danielle Pappas, Branch Claims Manager*

When an insured is a public entity—a governmental body—there are often special considerations that determine whether there is liability exposure. In years past, the right to sue a governmental body was precluded by sovereign immunity. Today, courts and legislatures have adopted exceptions to the sovereign immunity rule through judicial modification.

Since state statutes vary, one must look to the statutes of the particular state or the Tort Claims Acts to determine if governmental immunity applies to the governmental body. One must also consider whether the immunity applies to the public officer, governmental agent, or employee. Depending on the judicial decisions or tort claims statute, the governmental employee may share the immunity and in some cases may be the very source of the governmental bodies' immunity.

Sometimes a government unit will purchase liability insurance either voluntarily or under compulsion by the statute. The general rule is, where the statute requires insurance to be carried, the immunity has been waived at least to the extent of the limits of insurance. Additionally, some states have government liability damage caps. Based on the specific state statute, the public entity may or may not be exposed to punitive damages.



Therefore, when handling governmental liability claims, the claim handler must review the applicable state statutes and Tort Claims Acts to establish whether the various functions performed by the public entity are subject to immunity defenses or if the immunity is waived. Also, the claim handler must consider the procedural requirements of the claimant regarding claim notices, because failing to provide timely notice to a public entity may prohibit asserting a claim or filing a lawsuit.

As you can see, the governmental liability claims process is a complex one and many aspects need to be weighed before determining liability. Hopefully this discussion will help you understand the claims process.