



APEI MEMBER QUARTERLY NEWSLETTER

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PLEASE REPORT
ALL KNOWN OR
POTENTIAL
CLAIMS
IMMEDIATELY—
IT'S CRITICAL TO
HELP MINIMIZE
YOUR LOSSES
[http://www.akpei.com/
firststeps.html](http://www.akpei.com/firststeps.html)

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APEI MEMBERS TO RECEIVE PREMIUM REDUCTION Excellent Claims Records Result in Opportunity for Member Savings

At its March 13 meeting, the APEI Board of Directors approved a significant credit against members' premiums for the 2009-2010 policy year. For several years in succession, APEI has experienced lower claims expenses than predicted, resulting in accumulated savings above what experts say are needed to pay future claims. The board decided that a portion of these excess earnings should be returned to members in the form of premium reductions.

It should come as no surprise that APEI, like most insurers, has sustained significant investment losses over the past year. Nonetheless, these losses have been offset by even greater savings in the form of

fewer and less expensive claims. Thus, the board felt comfortable providing for this premium reduction despite the current economic situation.

APEI has, for some time, been focusing efforts on reducing claim handling expenses and promoting effective loss control activities. These efforts are now paying off for members.

The premium reduction will equal approximately five percent of APEI's total premium, meaning each member will be charged roughly five percent less than they otherwise would have been billed. If favorable loss trends continue, similar credits are anticipated in future years.

APEI Successfully Defends Members in Lawsuits

Wilma Bell v. Lower Yukon School District.

This case arose out of the fire that burned down the high school in Hooper Bay in August, 2006. The fire, which was set by young children playing with matches under the school, destroyed several private houses in addition to the district buildings. The homeowners sued the district, claiming the district was negligent in failing to secure the underside of the school from access and in placing the district's tank farm too close to the buildings. Trial was set for February 2009.

APEI's attorneys, Myron Angstman and Bill Ingaldson, filed for summary judgment. In granting the motion and dismissing the case, the court held that a landowner, here the school district, had no duty to guard against negligent or criminal acts by independent third parties on their premises.

Olson v. City of Hooper Bay

This case involved the use of tasers by Hooper Bay policemen. In responding to a domestic violence situation, the plaintiff was tasered several times by two officers after he was handcuffed but while still resisting arrest.

The court held that qualified immunity applies. The court stated that although at least some of the officers' actions were not "objectively reasonable," nevertheless the officers, and hence the city, are immune from suit, because the force used was "within the range of force reasonable officers in the defendants' position could have believed reasonable and lawful."

This is an important case, clarifying when the use of tasers may expose cities to potential liability.



Federal Help Available for Laid Off Employees

If cutbacks in revenue result in layoffs in your organization, be aware that there are some helpful funds set aside in HR 1, the American Recovery and Reinvestment Act of 2009 (ARRA) that was signed into law on February 17, 2009.

Health Insurance Subsidy

For COBRA and other continuation health care coverage premiums due starting March 2009, eligible workers (those involuntarily terminated between 9/1/2008 and 12/31/2009 with annual incomes less than \$125,000 single income or \$250,000 for a couple) will receive a mandatory 65 percent premium subsidy from employers for up to 9 months. Employers can recover funds from the federal government as a credit against payroll taxes for

the entire cost of the subsidy.

The subsidy terminates upon an offer of a new employer-sponsored health care coverage plan or Medicare eligibility.

The ARRA also provides for a special enrollment that allows eligible workers to elect different coverage for themselves and their families under the health plan when they enroll in COBRA.

Beware: Fast action by employers is required. Revised COBRA notices must now include information on the availability of premium assistance and must be sent to all eligible individuals. Eligible individuals who initially declined COBRA coverage prior to enactment of the ARRA will be given an additional 60 days after notice is received to make an election.

Unemployment Compensation

The ARRA extends the length of time an individual can receive unemployment benefits. The ARRA also provides for a \$25 increase in the weekly benefit for all individuals receiving regular unemployment benefits in states that enter into a disbursement agreement with the Labor Secretary.

Watch for bulletins from the State of Alaska concerning enhanced unemployment benefits.



Expanded Training Opportunities for School Districts

APEI is pleased to announce the availability of over twenty new online courses designed specifically for our school district members. These online courses have already been added to each member's PreventionLink website and include topics such as:

- Recognition of Hazards for Principals
- Reporting Abuse, Neglect, and Exploitation of Children
- Playground Supervision
- Breaking Up Student Fights
- Proper Lifting
- Avoiding Slips, Trips, & Falls

You can see a complete list of available courses by going to

<http://media.targetssafety.com/media/documents/catalog.pdf> or by clicking on PreventionLink Online Training on APEI's website at www.akpei.com.

In addition to online training courses, PreventionLink can assist school districts in many other ways, including:

- Documenting employee attendance at safety meetings and other in-person training events
- Delivering updated policies to employees and documenting acknowledgment of these policies
- Managing certification and license information for employees and providing alerts prior to expiration
- Delivering training content specific to your school district in any format (video, PowerPoint, PDF, etc.) and creating automatically graded exams to test retention of the information
- Tracking completion of inspections and other compliance activities

To get started with the PreventionLink program please contact TargetSafety's Kyle Ashley at

800-840-8048x105 or kylea@targetssafety.com.

Coming Soon: The New & Improved APEI Website



Watch for it on a computer near you.



Cordova, Alaska

Please send us your favorite hometown pictures. We will include them in our APEI slideshow, which is shown at conventions, and we might even publish them here, in our newsletter.

Responding to Employees' Electronic Publishing

About 70,000 new Web logs, or blogs, are created every day. In 2005, the *Pew Internet and American Life Project* reported that there are more than 32 million blog readers. Since then that number has significantly increased.



Blogs can be a wonderful way to get your message out. Candid information on blogs can promote products and connect customers to companies in ways that advertising cannot.

The problem occurs when unflattering or damaging comments are discovered. Organization leaders may be stunned to read what some former or current employees are saying.

Organizations have fired employees for posting sexually explicit pictures, information and pictures about their drug use, threats of violence against coworkers or customers, and defamatory comments about the organization. Major companies, such as Virgin Airlines, have recently been in the news for firing employees who published comments on social networking sites (Facebook, MySpace, LinkedIn) and personal blogs. Comments made by Virgin Airlines employees supposedly belittled passengers, questioned the safety and security of the airline, and joked about faulty engines and airplanes being full of cockroaches.

What employers can do

Technology is here to stay. *Update your policies* so that expectations are clear, including electronic publishing of threats of violence, defamatory comments and proprietary information, and information reflecting on the organizational image (e.g. can teachers post explicit sexual pictures, etc.).

In most states, employees have a common law duty of loyalty to the employer that extends to keeping proprietary material secret and refraining from defaming or even criticizing the employer. Absent a worker's viable claim under discrimination or whistleblower statutes, an employee has little recourse against the employer for being fired. However, having a clear policy about confidentiality, workplace violence, and company loyalty as it relates to electronic communications and blogging makes each employee's duty explicit. It's only good management to tell employees what you expect of them; when employees know what they should do or refrain from doing, many problems are avoided.

What employers cannot do

The biggest danger that employers face is potential liability for violating anti-discrimination, whistleblower, or labor relations laws. Employees have the right to post on the internet personal diaries and personal information such as political, religious, or other views. They are also protected by the Whistleblower Acts and the Labor Relations Act. That means that they also have the right to discuss wages, hours and working conditions.

While employers can set limits on internet surfing and blogging while on the job, and they can have policies concerning publishing information that affects the organization, they cannot tell employees not to participate in blogging on their own time.

Regular Feature

HOW TO SAVE PREMIUM DOLLARS

This month's APEI money-saving tip could save APEI members thousands of dollars. APEI gives premium credits for many different loss control efforts and activities. Because we are approaching renewals, this is the time for each member to review the APEI Loss Control Manual and follow the various checklists to maximize premium credits.

Although the manual outlines several different premium credit opportunities, an easy one is to have employees take online courses through the PreventionLink program (see preceding page). PreventionLink offers hundreds of courses on a wide variety of topics. A course



generally takes less than 30 minutes to complete and can be done from the comfort of the employee's workstation. Each time an employee completes a course, completion is recorded by PreventionLink and the member receives a small premium credit; the more courses completed, the more money saved. Courses completed before May 1, 2009, are credited to the upcoming renewal; any completed after that will reduce the member's 2010-2011 premium.

So have your employees start taking classes, and not only will they learn something about safety, but you will see a reduction in your 2009-2010 premium bill.

An insurance salesman and some lawyers

My dinner party was headed for disaster. One man, an insurance salesman, was monopolizing the conversation with a lengthy account of recent litigation involving himself. Since two other guests were lawyers, I was becoming increasingly uneasy. "In the end," the salesman concluded, "you know who got all the money?"

I cringed.

"The lawyers!" he shouted.

There was embarrassed silence at the table. My heart was pounding until the wife of one lawyer said, "Oh, I love a story with a happy ending!"

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Protecting Your Property

From the Desk of the Director, *Jeff Bush*

Some may be tired of hearing it, but for several years I have been harping on our members to make sure they insure their properties at true replacement value. I have also been warning the Dept. of Education & Early Development (DEED) that something needs to be done to address underinsured schools.

Unfortunately, the recent loss of the Kalskag school brought the problem home. That school was seriously underinsured — some say by as much as 400% -- and the insurance recovery will not be enough to rebuild. The district is seeking legislative assistance, but there is no guarantee that the additional funds will be appropriated.

Because Kalskag involved a school, there is a good chance the legislature will make up for the lack of insurance. However, DEED and the State Board of Education are finally waking up to the problem of state liability for underinsured schools, and they are planning to take steps to address this situation.

Kalskag is not an isolated situation. Many APEI members continue to underinsure portions of their property portfolios. This is extremely short-sighted.

Once again, I strongly encourage all members to review their property lists and ensure that the values stated are sufficient to rebuild, should a total loss occur. In Anchorage, building costs generally exceed \$300 per square foot, which means that in more rural parts of the state, building costs are over \$500 per square foot. These represent the minimum reasonable values — with more expensive buildings, like schools, the values should be even higher.

Please, at this renewal, make sure you are carrying enough insurance. A little insurance money now is much more affordable than trying to rebuild later with insufficient funds.



Jeff Bush