

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Administrative Policies & Procedures

Date Adopted: October 18, 2006

POLICY: Safety Monitoring/Intervention Program

PURPOSE: To Establish a Procedure for Placing and Removing Members from Safety Monitoring and/or Safety Intervention

Probably the most important element in the Joint Insurance Fund is **SAFETY**. This all-encompassing term includes the concepts of risk control, loss prevention, and loss reduction. When these concepts are applied within our individual member municipalities, the JIF is able to reduce the frequency and the resulting severity of accidental losses. A reduction in losses directly translates into a reduction of claims, which saves money for all JIF members.

The JIF bylaws state that as a condition of membership, each municipality shall form a Safety Committee and actively participate in all Fund-sponsored safety programs. The Fund bylaws further state that it is the responsibility of the Executive Safety Committee to review the activities of each municipality's Safety Committee and notify the Fund Commissioners if any municipality is not conducting an active safety program. Because of these requirements, the Executive Safety Committee has established this Safety Intervention Program.

1. PURPOSE:

The Safety Monitoring/Intervention Program is designed to enable the Executive Safety Committee to take effective action when a member's compliance with the JIF safety guidelines is deficient.

The JIF has established two forms of safety remediation: **Safety Monitoring** and **Safety Intervention**. Safety Monitoring is used to notify the Executive Safety Committee that there may be a problem with a member and that this member is receiving additional attention from the Safety Director. Monitoring is intended to last for no more than one year. If the issues are corrected, the member will be removed from the Safety Monitoring list; if not, Safety Intervention will be recommended. Safety Intervention is used when, after reasonable efforts, the Safety Director is not able to obtain the member's cooperation in safety related matters.

2. MEMBER PERFORMANCE EVALUATION:

The Safety Director's office provides Member Performance Evaluations to the Executive Safety Committee for every member municipality on an ongoing basis. This evaluation includes an assessment of the status of each member's involvement in the JIF Safety Program. The evaluation includes a review of safety policies and procedures, management commitment to the safety program, safety committee structure and effectiveness, use of accident investigation procedures, employee training protocols, and participation in hazard identification and correction programs. The Member Performance Evaluation is also used to report the status of outstanding Suggestions for Improvement and to identify deficiencies in loss control procedures.

The Safety Director provides written and verbal reports to the Executive Safety Committee. These written reports may be included in the Safety Director's Quarterly Loss Control Reports but must include at least one evaluation annually on each member municipality. The reports are reviewed with the Executive Safety Committee, which is responsible for determining if remedial action, Safety Monitoring, or Safety Intervention is necessary.

3. SAFETY MONITORING:

A step to member safety remediation may be Safety Monitoring. The Safety Director will initiate Safety Monitoring if the Safety Director's office determines that a member's basic loss control activities are deficient. Depending on the severity of the deficient condition, the Executive Safety Committee may initiate Safety Intervention at any time, without first going through the Safety Monitoring process.

3A. Monitoring Criteria

The decision to initiate Monitoring will be based upon any one or a combination of the following criteria:

3A1. Claims History

The Safety Director will regularly review each member's claims history to identify trends that may indicate a deficiency within that municipality's safety program. The following claims data will be considered in the Safety Director's periodic reviews:

- Loss Ratio higher than 100%
- Lost Time Accident Frequency above the JIF average
- Claims Frequency above the JIF average (per million dollars payroll)

Upon identifying an adverse claims history, the Safety Director will investigate the reason(s) for the claims problem. If it is determined that the poor loss history is a result of the municipality's sub-par participation in the JIF Safety Program,

the member will be recommended for Safety Monitoring, as outlined in this program. If appropriate safety and loss control programs are in place, the Safety Director will work with the member to address specific claims origins, but the member will not be placed on Safety Monitoring. No member will be placed on Safety Monitoring solely as the result of a poor claims history.

3A2. Failure to Qualify for Safety Incentive Program

Failure to qualify for the Safety Incentive Program reflects a municipality's lack of basic loss control activities and/or a lack of management support and will result in the member being placed on Safety Monitoring. If the member fails to qualify two years in a row, the Safety Director will recommend Safety Intervention.

3A3. Lack of Management Support

A lack of management involvement in the municipal safety program may also trigger Safety Monitoring. During regular loss control visits to member municipalities, the Safety Director's office will monitor the effectiveness of the member's safety programs based upon survey observations, meetings with the Safety Coordinator and Safety Committee, and review of the municipality's overall commitment to the JIF Safety Program. If a significant deficiency in this area is identified by the Safety Director's office, the following steps will be taken:

- The Safety Director's office will discuss the issues with the Clerk, Administrator, Fund Commissioner, Mayor, RMC, and/or any applicable Department Heads.
- The Safety Director will document the recommendations in a Loss Control Report or correspondence to the member.
- If no significant improvement is identified within six months (or by the next scheduled visit, whichever comes first), the Safety Director will recommend the member be placed on Safety Monitoring.

3B. Notification to Member

The Safety Coordinator and the Fund Commissioner for the member will be advised by the Safety Director that they are being given additional attention to help them improve their performance. This "Monitoring" notification need not be formal but shall be recorded in the next Loss Control Report prepared by the Safety Director.

3C. Status Reports to Executive Safety Committee

The Safety Director shall report on the status of members placed on Safety Monitoring at every Executive Safety Committee meeting.

3D. Removal from Safety Monitoring

A member will not remain on Safety Monitoring for a period of more than twelve months. If issues identified as a result of Safety Monitoring are addressed and the member has shown evidence of adequate improvement, the member will be removed from Safety Monitoring. Adequate improvement will be measured by the member attaining average performance in the JIF Safety Program, as judged by the Safety Director and based upon the criteria detailed in the Member Evaluation Report Card of the Annual Safety Director's Report.

4. SAFETY INTERVENTION:

Safety Intervention is a more formal process used when, after reasonable efforts, the Safety Director is not able to obtain the member's cooperation in safety related matters.

4A. Initiation of Safety Intervention

Any member placed on Safety Monitoring will have a maximum of twelve months to show adequate improvement in the JIF Safety Program. If a member does not show adequate improvement, the Safety Director's office will recommend the member be placed on Safety Intervention. Depending on the severity of the deficient condition, the Executive Safety Committee may initiate Safety Intervention at any time, without first going through the Safety Monitoring process. The Executive Safety Committee shall report to the Executive Committee as soon as reasonable, but at least by the next regularly scheduled Executive Committee Meeting, whenever a member municipality is placed on Safety Intervention.

4B. Criteria for Intervention Recommendation

Before recommending Intervention, the Safety Director shall have attempted a personal meeting with the affected Fund Commissioner to discuss concerns and to seek solutions with the understanding that unless immediate results are seen, formal Intervention will occur.

The Safety Director will recommend Safety Intervention if the Safety Director's office determines that a member's basic loss control activities are deficient and has been unable to secure the cooperation of the member in addressing these deficiencies. No member shall be placed on Intervention solely because of a poor claims history.

Once a determination has been made to recommend Intervention, the Safety Director will prepare a written summary of the member's safety program deficiencies for review by the Executive Safety Committee.

4C. Safety Intervention Team Procedures

After accepting the Safety Director's recommendation for Safety Intervention, the Executive Safety Committee will establish an Intervention Team to carry out the sequence of Intervention approved by the Executive Safety Committee. The Intervention Team will consist of representatives from the Executive Director's office, the Safety Director's office, and a Fund Commissioner who is a member of the Executive Safety Committee.

The Intervention Team will, at its discretion, utilize any of the following progressive action steps that it deems necessary to most effectively address the member's non-compliance:

- 4C1.** A formal letter will be sent to the Fund Commissioner identifying the municipality's deficiencies and requesting that remedial action be taken. Copies of this letter will also be provided to the member's Municipal Clerk, Mayor, and Risk Management Consultant. This letter will outline the municipality's loss control responsibilities as a member of the JIF and will include a detailed list of the Intervention Team's compliance expectations.

A written response from the member will be requested. The municipality will be encouraged to utilize the Safety Director's office as well as their Risk Management Consultant as resources in the process of establishing an effective safety program.

- 4C2.** The Intervention Team may request a meeting with the Fund Commissioner, appropriate elected official(s), the Administrator, if applicable, appropriate Department Heads, the Safety Coordinator, and the Risk Management Consultant.

4D. Removal from Safety Intervention

The Safety Director will recommend removal from the Safety Intervention Program if the documented areas of concern are satisfactorily addressed within the timeframe established by the member and the Intervention Team. At the discretion of the Executive Safety Committee, the member may be placed on Safety Monitoring for a period of time following removal from Intervention.

In the event that the above Intervention Program is unsuccessful in resolving deficiencies within the member municipality, a full report by the Intervention Team will be made to the Fund's Executive Committee with recommendations for further action.