



**Risk Management Committee Meeting  
June 14, 2007**

**Minutes**

**Held at the offices of  
Rhode Island Interlocal Risk Management Trust, Inc.  
501 Wampanoag Trail, Suite 301  
East Providence, RI 02915**

**1. ROLL CALL**

The meeting convened at 9:05 a.m.

**Committee members present:**

Wolfgang Bauer, Town of West Warwick (Chairperson)  
Colonel Stephen McCartney, City of Warwick  
M. Richard Scherza, Cranston Public Schools  
Edward Mara, Bristol Warren Regional School District  
Linda Celona, North Providence Schools  
Lori Miller, Lincoln Public Schools  
Robert Hicks, South Kingstown School Department

**Committee members absent:** None

**Trust Management present:**

Thomas E. Dwyer, Rhode Island Interlocal Risk Management Trust  
Ian Ridlon, Rhode Island Interlocal Risk Management Trust  
Russell Godin, Rhode Island Interlocal Risk Management Trust  
Brian T. Ahern, Rhode Island Interlocal Risk Management Trust  
Denise C. Lapolla, Rhode Island Interlocal Risk Management Trust

**2. APPROVAL OF MINUTES OF MARCH 8, 2007**

**On a motion made by Colonel McCartney, seconded by Mr. Mara, the Committee voted unanimously to approve the minutes of the March 8, 2007 meeting as presented.**

### **3. DISCUSSION ON MODEL COLLECTIVE BARGAINING LANGUAGE FOR RETURN-TO-WORK PROGRAM**

At the outset of the discussion, Chairperson Bauer suggested that the Return to Work (RTW) program being recommended in The Trust's "Guide to Implementing a Return-to-Work Program" be mandatory for all Members, but phased in over time to allow Members to incorporate these provisions into their union collective bargaining agreements, each with different time frames. Committee discussion ensued over whether the RTW should be mandatory. Mr. Dwyer commented that management was not proposing that RTW programs be mandatory, though certainly The Trust wants to strongly promote them. He elaborated on some pitfalls he saw with a mandatory program.

Mr. Ahern provided the Committee with an update on the progress staff made in developing a model Return-to-Work (RTW) Guide, which had been distributed to the Committee in advance of the meeting. He stated that staff has added two sections: Appendix A contains model transitional-duty language for collective bargaining agreements, and Appendix B lists sample transitional duty assignments. The model transitional duty language was drawn from provisions in collective bargaining agreements in the City of Newport and the West Warwick Public Schools and from the State Workers' Compensation laws regarding Suitable Alternative Employment (SAE), Mr. Ahern said.

Committee discussion ensued on the proper approach to take when dealing with employee stress claims. It was noted that these types of claims are very difficult to handle. Chairperson Bauer suggested that staff develop and distribute an educational paper on how to handle stress claims.

After further discussion on how to promote RTW programs among the membership, Mr. Dwyer suggested a multi-pronged approach in response to the Committee's comments and suggestions, namely:

- That, the Committee endorses the new "Guide to Implementing a Return to Work Program" and recommends that it be distributed widely
- That staff develop a paper advising Members on strategies for handling stress related claims
- That staff consider ways to encourage Members to implement meaningful RTW programs through underwriting adjustments or other techniques, but not presently via a mandate applicable to all Members.

The Committee indicated its concurrence with Mr. Dwyer's approach.

Chairperson Bauer suggested that staff also consider contacting representatives of employee unions to brief them on the merits of a RTW program and encourage their acceptance of it.

#### **4. DISCUSSION ON THE TRUST'S RISK MANAGEMENT PERFORMANCE STANDARDS**

Mr. Ahern stated that staff is recommending that the current Board approved Risk Management Performance Standards be rescinded. He stated that back in 1996 the Risk Management Committee developed these Standards for Members to follow to reduce the potential for losses. A further goal was to link Member's compliance or lack thereof with the Standards to underwriting credits/debits, but that did not happen, Mr. Ahern said.

Presently, the Standards are primarily used to benchmark potential new Trust Members, but for little else. Other risk management programs such as *WorkSmart21*, Sewer Back-Up Standards, and numerous law enforcement liability initiatives have replaced the current Standards, Mr. Ahern said.

Chairperson Bauer stated that a great deal of work went into the development of the Standards and that it would be a shame to jettison them now. He suggested that staff reformulate them with the idea of moving toward an updated and more relevant set of "best practices" reflecting current expectations and concerns rather than a set of mandatory Standards.

The Committee agreed that the Standards are a valuable tool for Members and staff should continue studying what approach would best serve the membership.

#### **5. DISCUSSION ON RHODE ISLAND MUNICIPAL POLICE ACADEMY GRANT REQUEST**

Mr. Ahern reported that Anthony Silva, former Cumberland Police Chief and current Executive Director of the Rhode Island Municipal Police Academy, is seeking financial support from The Trust to help fund the development of a comprehensive Job Task Analysis (JTA) for police officers. Staff believes that this is an excellent opportunity for The Trust to work collaboratively with the Academy on a matter that has ready application to risk management issues for law enforcement personnel.

Mr. Ahern stated that staff has been in contact with Chief Silva and he has advised us that The Trust would have full access to the study and its results so that we can use it to enhance our future law enforcement risk management initiatives. Topics that The Trust would ask to be included as part of the JTA study include: criteria for pre-placement physical exams, validated job descriptions, and lists of sample transitional duty assignments for Injured-On-Duty officers.

The expected cost of a JTA will be approximately \$40,000 and a grant of \$10,000 has already been secured from the Rhode Island Justice Commission, Mr. Ahern said.

The Committee was asked to support a matching grant of \$10,000 to the Academy.

**On a motion by Mr. Scherza, seconded by Ms. Celona, the Committee voted to approve a \$10,000 grant to the Rhode Island Municipal Police Academy for the purpose of conducting a Job Task Analysis for police officers. Col. McCartney recused himself from the vote.**

## **6. DISCUSSION ON CLAIMS ADMINISTRATION OPERATIONAL AUDIT**

Prior to the meeting, the Committee was provided with a packet of information concerning the recent independent audit of The Trust's claims operation conducted for the benefit of our reinsurer, NLC Mutual Insurance Company (NLC-MIC). The audit was conducted by NiiS, a firm which specializes in claims administration and auditing. The Committee received a memorandum dated June 8, 2007 from Mr. Dwyer offering his comments along with the responses prepared by Claims Managers Russ Godin (Property/Liability) and Denise Lapolla (Workers' Compensation).

Mr. Dwyer said that he was pleased by the most favorable comments and findings of the auditor about The Trust's work in adjusting liability claims. Mr. Dwyer complimented the work of Mr. Godin and his staff, noting that the reviewers ranked The Trust's Property/Liability staff as one of the best of the Member Pools of NLC-MIC.

On the workers' compensation side, Mr. Dwyer commented that the findings were generally positive; however, the reviewers' had a number of comments and recommendations for improvements. In some cases, though, staff disagrees with the reviewers' findings, Mr. Dwyer said. He noted that Ms. Lapolla's detailed written response addresses those areas of disagreement.

For the benefit of the Committee, Mr. Dwyer reviewed highlights in both audit reports and management's response, and Mr. Godin and Ms. Lapolla elaborated on certain points as requested by Mr. Dwyer or a Committee member.

Mr. Bauer questioned whether the reviewers identified any systemic problem or issue in our claims handling and reserving practices. Mr. Dwyer said he would consider only one such finding of the auditors to fall into that category – that being The Trust's reserving practices for workers compensation claims with potential life-time medical exposure. He explained that the auditors seemed to be suggesting that our practices were too conservative and reserves might be over-stated. The auditor also suggested other approaches that should be considered by the Claims Representatives in trying to bring these matters to conclusion. As a result of the auditors' comments and in recognition of the considerable difficulties and uncertainties inherent in evaluating these claims, management has decided to systematically revisit the reserves established for these life-time exposures. Mr. Ridlon and Ms. Lapolla will cooperate on this review, and, as necessary, will consult with other experts for their advice and input, Mr. Dwyer said, and then report back to him about changes which might be appropriate in either reserve levels, claims handling strategy, or both.

## **7. INFORMATIONAL ITEMS**

### **Latest Law Enforcement Initiative Project Planned**

Mr. Ahern provided the Committee with an update on the next law enforcement initiative project that will deal with Special Weapons and Tactics (SWAT) teams. By their nature, police special operations represent low frequency/high severity liability exposures for Trust Members, Mr. Ahern said.

The Trust will once again facilitate a workgroup to develop a set of guidelines and standards governing SWAT team development, training, and deployment. We intend to use the State of California guidelines as a model, Mr. Ahern said.

### **A Workers' Compensation Success Story**

Ms. Lapolla discussed the case of Richard Jiakovelli, Driver/Laborer with the Town of Warren, who injured his lower back while driving a Town truck that had a faulty seat. Initially, this claim had the potential to be a devastating and expensive claim.

Through the timely coordination and cooperation of The Town of Warren and Mr. Jiakovelli, the claim had a very positive outcome. This is a prime example of how a potentially dreadful claim can have a positive outcome when all parties work cooperatively together, Ms. Lapolla said.

### **Trust Collaborating with Rhode Island Blue Cross & Blue Shield (BCBS) on Wellness Initiative**

Mr. Ahern stated that The Trust and BCBS are collaborating together on a new wellness initiative called MuniBlue. MuniBlue is a wellness service designed to support health improvement by encouraging employees to make lifestyle changes that lead towards longer, healthier, and safer lives.

Wellness meetings have already been scheduled at several Trust Member locations. Staff will continue to meet with representatives of BCBS to assist in identifying specific types of services that will benefit Trust Members, Mr. Ahern said.

### **Trust Purchases Automatic External Defibrillator (AED)**

Mr. Ahern informed the Committee that The Trust recently purchased a Philips Heartstart AED for the office. The AED is placed outside the large conference room and the City of East Providence EMS has been notified.

Staff will be conducting in-house training in the future.

### **Confined Space Entry Seminar Scheduled in July**

Mr. Ahern informed the Committee that the South Kingstown Regional Wastewater Treatment facility will be hosting the next Confined Space Entry seminar. The 7-hour seminar will include 1 hour of hands-on training using specific equipment used in rescue operations. The seminar is open to all Trust Members.

### **Scholarship Winner from the Donald W. Wyatt Detention Facility**

Mr. Ahern reported that Geoffrey Weston, Fire Safety Manager, is the latest Trust scholarship winner. Geoffrey attended the National Fire Protection Association (NFPA) Certified Fire Protection Specialist course in Farmington, CT.

### **Loss Control Audit**

Mr. Dwyer advised the Committee that within the last few days he had received a highly complimentary independent review of The Trust's loss control program. The review was conducted by Risk Probe, Inc., a firm that specializes in risk management evaluation, and was conducted on behalf of The Trust's reinsurer, NLC-MIC. These types of reviews are periodically conducted by NLC-MIC of its Member Pools loss control programs.

The review noted that The Trust's loss control program features several "best practice" examples of progressive and innovative risk management activities and initiatives for other pools to emulate, Mr. Dwyer said.

Mr. Ahern will be preparing a management response to the review, which will be submitted to the Committee at its next meeting, Mr. Dwyer said, along with relevant parts of the independent review.

## **8. CONVENING INTO EXECUTIVE SESSION**

**On a motion by Linda Celona, seconded by Rick Scherza, the Committee, after a unanimous roll call vote, convened into Executive Session to review recent activity in significant claims and to consider requests for settlement authority pursuant to the Rhode Island Open Meetings Act, Rhode Island General Laws 42-46-5 (a)(2) sessions pertaining to litigation.**

<b><u>Member</u></b>	<b><u>Vote</u></b>
Wolfgang Bauer	Aye
Colonel Stephen McCartney	Aye
M. Richard Scherza	Aye
Edward Mara	Aye
Linda Celona	Aye
Lori Miller	Aye
Robert Hicks	Aye

**9. MOTION TO RETURN TO OPEN SESSION**

On a motion by Ms. Celona, seconded by Col. McCartney, the Committee voted as follows to conclude the Executive Session and resume the public meeting:

<b><u>Member</u></b>	<b><u>Vote</u></b>
Wolfgang Bauer	Aye
Colonel Stephen McCartney	Aye
M. Richard Scherza	Aye
Edward Mara	Aye
Linda Celona	Aye
Lori Miller	Aye
Robert Hicks	Aye

**10. MOTION TO SEAL MINUTES OF THE EXECUTIVE SESSION**

**Following the close of the Executive Session, on a motion by Mr. Hicks, seconded by Ms. Celona, the Committee voted as follows to seal the Minutes of the Executive Session until such time as the matters taken up had been resolved:**

<b><u>Member</u></b>	<b><u>Vote</u></b>
Wolfgang Bauer	Aye
Colonel Stephen McCartney	Aye
M. Richard Scherza	Aye
Edward Mara	Aye
Linda Celona	Aye
Lori Miller	Aye
Robert Hicks	Aye

**11. ADJOURNMENT**

**On a motion by Mr. Scherza, seconded by Ms. Miller, the Committee voted unanimously to adjourn the meeting.**

The meeting stood adjourned at 11:00 a.m.

Respectfully submitted,



Brian T. Ahern  
Loss Prevention Manager