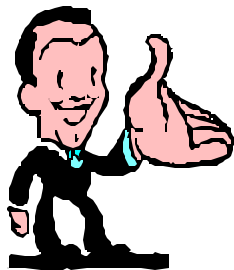




# News & Views

## VACoRP CONTINUES TO GROW!



In just six years, VACoRP has grown to 83 total members with 55% of all counties now participating. Considering that only Counties and County-related agencies are eligible for participation and the soft commercial insurance market, this level of growth is fantastic.

Please join us in welcoming these new members into the program.

**Buchanan County**

**Clarke County Water Authority**

### Inside this issue:

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## Equipment Maintenance Offers Excellent Benefits

The equipment maintenance program offers tremendous cost savings and coverage benefits. A few tips on how to gather the information necessary for a proposal:

- Understand up-front that gathering complete information from all departments could take as long as three months.
- When requesting information from departments, make sure there is a deadline for providing it. But make sure you allow enough time.
- The more information you provide, the better the coverage and price will be.



Once again, we encourage all of you to take a look at this program. If you follow the tips provided above, you will not be disappointed.

We would like to welcome the **Albemarle Service Authority** into the program. They joined as of October 1, 1999. We will be more than happy to assist you in the process. If you have any questions please call us at 1-888-822-6772.

## Public Officials Program Welcomes Members

The enhanced coverage and service provided by the Public Officials program continues to attract new members. Here are our two newest members:

**Smyth County**

**Metropolitan Washington Airports Authority (Dulles & Reagan National)**

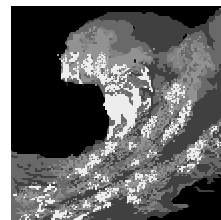
For additional information on this program call 1-888-822-6772.

### Special points of interest:

- FEMA proposing local government insurance requirements.
- Make sure proper policies are in place for special equipment operation.

## FEMA Proposing Public Assistance Changes

The Federal Emergency Management Agency (FEMA) has proposed changes to the current Public Assistance Program, which provides grants to rebuild after disasters. The proposed changes would require all local governments to meet certain minimum standards of property coverage to be eligible for public assistance in the event of a natural disaster.



Although all of the changes are reviewed below, the only area which would impact VACoRP members is the flood insurance requirement. Based on the current proposed changes, VACoRP provides all of the necessary coverage to meet the requirements to qualify for Public Assistance other than Flood Coverage in zones A & V. The FEMA proposal continues to go through numerous revisions, these changes are the most recent:

### 1. Public Assistance grants would be conditioned on having adequate insurance coverage on buildings.

- a. Buildings must have adequate insurance coverage in place before a disaster strikes. Adequate insurance is defined as insuring to value, which means having the amount that will provide full replacement cost coverage for the building and contents. This may be satisfied with individual, building-by-building policies, and/or with a blanket policy.
- b. Entities can apply for an exception to this provision if the purchase of insurance would create a financial hardship on the entity and where the building serves a critical public service. The State Coordinating Officer will determine the merits of the request. This provision will be restricted to small-scale entities with meager financial resources.

### 2. Post-disaster recovery would be contingent upon adequate insurance coverage on buildings.

- a. To recover post-disaster, buildings must insured to value on either a building-by-building policy or on a blanket policy. Additionally, for flood damage, the building must be insured to at least the total amount of loss but not less than what is offered under the National Flood Insurance Program's (NFIP) policy.
- b. Insurance, at least on an actual cash value basis, must be maintained on all equipment, vehicles, and contents for which public assistance is received.
- c. Failure to obtain and maintain the required insurance will disqualify the building, contents, equipment, or vehicles from any future public assistance funding, unless a certification is obtained from the state insurance commissioner.



### 3. Public assistance funding for deductibles.

- a. For Flood Coverage, the maximum funding will be \$500 per building and \$500  
*(Continued next page)*



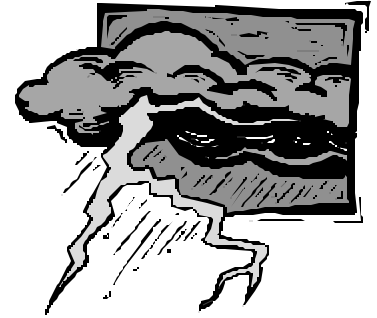
To recover post-disaster, all buildings and contents must be insured to value.

## FEMA Proposing Public Assistance Changes (*Continued*)

per contents-assuming an NFIP policy. If private market replacement cost coverage is provided, then the maximum funding will be the lesser of either \$10,000 per building and its contents, or 2 percent of the replacement cost of each building and 2 percent of the contents.

For earthquake coverage, the maximum funding will be 7 percent of the replacement cost of each building and 7 percent of the contents, not to exceed amounts listed in the policy.

- b. For perils other than flood or earthquake, the maximum funding will be the lesser of either \$10,000 per building and its contents, or 2 percent of the replacement cost of each building and 2 percent of the contents.



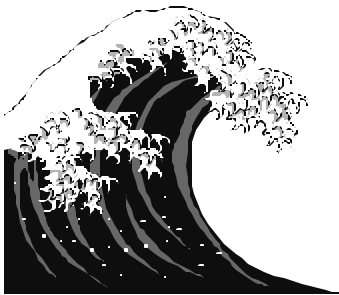
### 4. Definition of Insurance for the Purpose of Public Assistance funding.

Any financial arrangement which, based on law, a contract, or a non-discretionary fund is intended to compensate for, restore, or to provide other financial protection from losses due to various covered hazards. This includes insurance for individual buildings, blanket policies, risk pools and self-insurance funds.

### 5. Self-Insurance option

An entity may self-insure the property exposure and still receive funding. The entity must apply to the Associate Director, Response and Recovery and the application must be accepted. The entity would only qualify for assistance up to the levels as would be provided under a fully insured arrangement.

### What Does This Mean For You?



If the FEMA proposal passes in its current form, the only area which would need to be reviewed is flood coverage. VACoRP does provide flood coverage for buildings & contents outside flood zones A & V. Any buildings located inside these zones would need to be covered for flood under the NFIP program. It would also be required that these buildings be insured to value or the maximum amounts offered through NFIP. VACoRP would assist any member in acquiring this coverage.

This proposal has gone through numerous revisions, and will go through numerous more. However, it does appear likely that the final version of the proposal will require all local governmental entities to purchase flood coverage on all buildings in zones A & V. VACoRP will continue to follow the progress of the FEMA proposal and keep you informed. If you have any questions or would like additional information please call us at 1-888-822-6772.

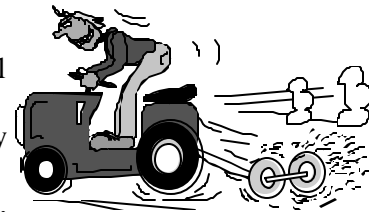
# FLEET SAFETY

## Part IV: Special Equipment Operation

When establishing a fleet safety program, it is very important to establish standards for the operation of specialized motor equipment. The following is a sample set of special equipment standards:

Special equipment...shall require formal instruction prior to use by a driver

1. Special equipment such as tractors, hi-lifts, high rangers, graders, plows, cranes, dump vehicles, or any unit which has special devices added for specific types of work shall require formal instruction prior to use by a driver. This special training shall include the following:
  - a. Explanation and demonstration of all control devices.
  - b. Explanation and demonstration of all safety equipment.
  - c. Knowledge of maintenance items such as fuel, water, oil or other minimum operating needs of the unit.
  - d. Demonstration of operation.
  - e. Instruction in driving to and from, or on and off a trailer, parking procedures and method for securing; a report of this training is to be maintained in the department's records.
2. Passengers shall ride only in seats so designated for passengers on special equipment.
3. Motorized equipment not designed primarily for highway use shall travel at less than 25 mph without exception. This equipment shall use the right lane except when a left turn is required. Right of way shall be given to all other motor vehicles. Headlights shall be on at all times when driving down the street. Triangular, orange colored, slow moving vehicle signs shall be displayed on the rear of the vehicle.
4. Trailers are to be fastened securely to hitches. Safety pins in pintel locks shall be used. Safety chains shall be crossed under the hitch and securely fastened before moving the vehicle.
5. All items to be transported in either a truck or trailer, which may move around during transport, shall be secured.
6. Riding on running boards of trucks (except fire equipment or refuse trucks) is strictly prohibited.
7. Tailgates shall be up and locked unless the vehicle's function requires that the tailgate remain in the open position at which time red flags shall be attached to the outward corners of the load.
8. If the vehicle does not have a tailgate, but is loaded, the driver of the vehicle shall ensure that the load is secure on the truck and that overhangs are properly marked in accordance with applicable state and local laws.



## Part IV: Special Equipment Operation *(Continued)*

9. Any operations at or near public roadways using County vehicles or mobile equipment that could impede the flow of traffic shall use proper warning signs.
10. Drivers of vehicles larger than a  $\frac{3}{4}$  ton pick-up truck shall use wheel chocks whenever the vehicle is parked.
11. Cargo that could result in flying debris should not be loaded higher than 8 inches below the top of the bed walls of the vehicle, or a tarpon shall be used.
12. Wetting of all stone cargo shall be done when a tarpon is not required to decrease flying debris.



These standards should help to ensure the safe operation of your entity's equipment. If you have any questions or would like a complete copy of a fleet safety manual please call 1-888-822-6772.

## Fraudulent Activities are Everybody's Business

Every local government should have a fraud policy communicating management's obligation to uncover wrongdoings of employees or elected officials. This policy should also establish controls and procedures for monitoring and handling any potential fraudulent situation.

A well-written fraud policy should clearly state that:

1. All illegal activities, whether for the benefit of the employer or not, are forbidden.
2. All suspected wrongdoings will be investigated fully and fairly.
3. Any person suspecting wrongdoings must notify his or her superiors or the individuals responsible for conducting any investigations.
4. All suspects will be treated consistently and fairly without regard to past performance, position held, length of service, or any other discriminatory basis.



5. Management and employees are required to cooperate fully with law enforcement or any regulators.
6. Cover-ups or retaliations against witnesses are forbidden.

Additionally, your fraud policy should outline steps that will be taken when wrongdoing is suspected. For example, it should state that all investigative activity will be reported to the crime insurance provider, spelling out who will be responsible for notifying the insurance provider, and designating someone for filing claims.

Having an effective policy that is communicated well can both deter employees from committing fraudulent acts, and assist management in dealing with these exposures in an equitable and non-discriminatory manner.

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VACo Insurance Programs

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**“Serving Virginia’s Counties”**

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