Workshop Offers Ideal Opportunities to Learn and Network

EVERY YEAR, MMRMA’S Risk Management Workshop provides members with nuts-and-bolts risk management training in areas that directly affect municipal government departments and personnel.

At the upcoming event March 2–3 at the Crowne Plaza in Lansing, breakout tracks and general sessions will be led by respected experts and our experienced staff and service providers.

**State of the Economy**

Tim Sowton, vice president of policy and government affairs for Business Leaders for Michigan, provides insights into Michigan’s economic forecast at Thursday’s opening session.

After lunch, attorney Steven Mann speaks on ethics in the public sector. Later that afternoon, MMRMA’s Legal Services Manager Starr Kincaid moderates a panel discussion of legal trends and case studies.

**Breakout Training**

Thursday breakout sessions offer a variety of important, practical training topics for attendees to choose from.

**Morning Track:**

- Phil LaDuke of Environmental Resources Management discusses how to get human resources staff and other employees engaged in risk management.
- Jack Ryan, an attorney with the Legal & Liability Risk Management Institute, talks about the public perception of law enforcement and how to foster positive police-community relationships.
- Phil Zeller, a Dale Carnegie master trainer, shares leadership insights and techniques.

**Afternoon Track:**

- Brian Camiller, CPA, and Timothy St. Andrew, CPA, of Plante & Moran examine big picture financial trends.
- Jack Ryan returns to discuss “de-carceration” and how it affects citizens and communities.
- George Vitta, senior consultant with The Bogdahn Group, presents an overview of investment opportunities and risks.

**Perspectives on Work**

Keynote guest Jody Urquhart closes out Thursday’s agenda with a talk based on her bestselling book, *All Work & No Say*. Drawing on her 16 years of experience as a sought-after speaker, Jody will shatter assumptions that work is meant to be stressful, boring, and no fun. Her audience will discover how to foster professional satisfaction, encourage employee development, and build organizational unity.

We look forward to seeing many of you at the Risk Management Workshop. To register or for more information, go to mmrma.org or call 517-333-3628.

**Big picture financial trends, Michigan’s economic forecast, and investment strategies are key workshop topics.**

**Watch the MMRMA Board in Action**

This year, the Board of Directors will hold its March meeting during the Risk Management Workshop, and workshop participants are encouraged to attend the Board meeting.

Scheduled Thursday, March 2, at 8 am, the meeting will include financial and risk management reports, a claims and legal update, and an overview of MMRMA’s 2017 strategic plan.
We are unable to avoid risk, the first priority must be to transfer it back to the lessee and/or their insurance company. Risk transfer must involve the execution of a written agreement. Public officials may be tempted to make a verbal commitment, which makes it impossible to transfer risk. Member officials should require a written agreement that includes hold harmless/indemnification language benefiting the municipality.

Contracts and Coverage
When leasing to civic groups and businesses, it is essential that the contract language include a request to name the municipality as an "additional insured." It’s also important to specify that the coverage for the use or event be primary, with any other insurance carried by the municipality to be considered secondary and/or excess. These provisions ensure that the terms of the lessee’s policy will respond to the executed agreement.

Acceptable limits for all potential lessees should be established in both the lease agreement and the member’s facility usage policy. Members must consistently enforce these requirements when leasing out their facilities.

Sound policies and written agreements help minimize risk when renting out community facilities.

Managing Rental Risks
Determining how to best manage risk can prove challenging, because requests to lease property can come from individuals, civic groups, or businesses, each with different levels of insurance—and sometimes none at all.

The lessee’s insurance policy is important, because when we are unable to avoid risk, the first priority must be to transfer it back to the lessee and/or their insurance company.

Risk transfer must involve the execution of a written agreement. Public officials may be tempted to make a verbal commitment, which makes it impossible to transfer risk. Member officials should require a written agreement that includes hold harmless/indemnification language benefiting the municipality.

Coverage for groups and businesses. Insurance requirements for organizations should be more stringent and include both commercial general liability and automobile liability.

Your entity should be named as an “additional insured” on both policies. Requiring proof of workers’ compensation coverage is also recommended, although not all groups or companies are required to carry it.

Resources and Assistance
MMRMA takes the transfer of risk very seriously and makes our Risk Transfer Manual available for members’ use. The manual is a comprehensive how-to guide about transferring risk for facility usage and other exposures.

The Risk Transfer Manual covers how to identify the level of risk as well as sample contract language, hold harmless agreements, waivers, endorsements, and other valuable tools.

So… to lease or not to lease? Hopefully, this overview will help you feel more confident in saying "yes" and better able to implement sound risk control practices.

Get a Customized Version of MMRMA’s Risk Transfer Manual
To receive a copy of MMRMA’s updated Risk Transfer Manual, contact your Regional Risk Manager, who will help you customize it for your entity. You can also access a generic version in the Members Only area of mmrma.org. Click on Risk Management Tools, then scroll down to Manuals and select 2016 Risk Transfer Manual.
Purpose of Greenstone

Several years ago, MMRMA's strategic planning process identified the creation of a wholly owned captive insurance company as a mechanism to implement specific elements of the strategic plan, providing additional benefits to MMRMA and its members. In 2014, we engaged Towers Watson to conduct a feasibility study, which concluded that a captive would provide long-term benefits to MMRMA through expanded coverage and associated financial returns.

Greenstone is designed to achieve the following key objectives:

> Attain financially efficient ways to manage MMRMA's retained risk.

New Captive Insurance Company Named After Michigan's State Gemstone

OUR NEW CAPTIVE insurance company is named after Michigan's state gemstone, the Isle Royal Greenstone. First discovered in 1847, the official mineral name of greenstone is chlorastrolite. Its distinctive green or bluish-green color and pattern resemble a turtle shell.

Greenstones are found primarily as small rounded pebbles on the beaches of Isle Royale in Lake Superior and throughout the Keweenaw Peninsula in western Upper Peninsula. Isle Royal Greenstone was named the official state gemstone of Michigan in 1973 through a bill sponsored by Rep. Russell Hellman of Dollar Bay, a longtime enthusiast of Keweenaw's natural wonders.

Collecting greenstones from the beaches of Isle Royale, a national park, has been prohibited since 2000. The best places to find them now are the waste rock piles that dot the Keweenaw Peninsula. Collecting spots include Central Mine, Central Exploration, Cliff Mines, Phoenix, Mandan, Delaware, and an area on Eliza Creek near Eagle Harbor.

While greenstone is well suited for jewelry, polishing it can be tricky, because the colors and cell patterns may change dramatically as the stone is shaped. Greenstone is also used in inlays and mosaics. We are proud to reflect MMRMA's Michigan heritage in the name of our new captive, Greenstone Insurance Company, LLC.
Greenstone Structure
Greenstone is incorporated as a tax-exempt, single-member limited liability company under Michigan law. It is one-hundred percent owned by MMRMA and organized as an “association captive insurance company” pursuant to Michigan’s captive statutes.

The captive is governed by an operating agreement between MMRMA and Greenstone. All directors and officers of Greenstone also hold those capacities with MMRMA, giving MMRMA complete control of the company as its owner.

Greenstone Coverage
Greenstone plans to provide the following types of coverage for MMRMA, its members, and other related entities. Coverages will be phased in over the next several years.

1. MMRMA Casualty Reinsurance. MMRMA uses a multiple reinsurer structure to provide our members with up to $15 million per occurrence for general liability, public officials liability, law enforcement, and automobile liability. Greenstone will participate in the reinsurance program to aid long-term stability in capacity and pricing.

2. Statutory Aggregate Excess Insurance. Greenstone will write statutory aggregate excess insurance for Michigan group self-insurance pools, which are required under statute to maintain either $5 million in aggregate excess insurance or a deposit of unencumbered surplus with the state treasurer.

3. Surety Coverage. MMRMA members are required by law to procure certain surety bonds. While MMRMA has provided some surety products in the past, members continue to rely on the commercial insurance industry for many bonds. MMRMA hopes to expand its surety offerings via Greenstone.

4. Workers’ Compensation Excess. Greenstone will provide excess coverage to municipalities that self-insure for workers’ compensation as individual employers. Partnering with an authorized casualty insurance company, Greenstone will retain a “buffer layer” between a municipality’s self-insured retention and a higher attachment point for the excess partner. The excess partner assumes risk in excess of Greenstone’s layer, up to statutory limits.

This structure will provide participating members with the option to reduce their self-insured retention. It will also allow larger municipalities that purchase workers’ compensation coverage to consider a self-insured option to help reduce premium costs.

Other products and services may be added as part of MMRMA’s strategic planning process in the coming year.

For more information on Greenstone and its benefits to members, contact Michael Rhyner at mrhyner@mmrma.org.

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