INTRODUCTION

Public entity insurance pooling had its beginnings in the late 1970’s, early 1980’s as a response to the private insurance market’s inability to provide adequate coverage, pricing and limits for public entities in the U.S. and Montana.

As a result, the Montana Association of Counties established the Joint Powers Authority Workers’ Compensation self-insured pool (MACo/JPA) in 1986 and the Joint Powers Insurance Authority Property and Liability self-insured pool (MACo/JPIA) in 1987 as authorized by Montana Code Annotated 02-09-111. Effective July 1, 2015, MACo renamed the pools to Workers’ Compensation Trust (WCT) and Property & Casualty Trust (PCT) respectively.

Since the establishment of the MACO Workers’ Compensation Trust and the MACo Property and Casualty Trust, MACo has provided comprehensive coverage and services to Montana counties and special districts.

Public entity pools, including both the MACo WCT and MACo PCT, have distinguished themselves in the insurance industry by providing a number of objectives that result in positive benefits for pool members and insureds not traditionally provided by insurance providers:

- Ownership and management control by the members
- Trust is managed by a board of trustees comprised of the members’ peers, including county commissioners
- Flexibility of providing coverages (PCT) and management of the pools
- Stability in pricing by applying competitive rates and credits for effective loss control programs
- Coverage and services are designed exclusively for Public Entities, i.e.; the PCT Manuscript Liability Indemnity Agreement where the members’ coverage needs are met by their policy
- Low fixed administrative expenses
- Net assets/equity can be used for the benefit of the members
- The pools are managed by Trustee Boards comprised of the members selected by the members

The overall goals of both the MACo WCT and MACo PCT pools are reflected in the following mission statement for both programs:

The Montana Association of Counties Workers’ Compensation Trust (MACo WCT) and the Montana Association of Counties Property & Casualty Trust (MACo PCT) are dedicated to providing comprehensive workers’ compensation coverage and comprehensive property and casualty coverage respectively to member counties and affiliate members by following best practices to provide long term stability in coverage, stabilize and control risk costs, effectively, accurately and appropriately adjust or defend claims and to provide quality risk management and administrative services. Services will be provided while using sound financial management practices.
ELIGIBILITY

The MACo WCT and PCT pools are authorized and administered by a Joint Powers Agreement as authorized by MCA, Section 02-09-211. Eligibility requirements to participate in either pool are as follows:

**MACo Property & Casualty Trust**

Participation in the MACo PCT shall be limited to counties which are members of the Montana Association of Counties who properly enter into and adopt this agreement, and such other special districts or entities defined as eligible insureds as may be qualified from time to time by the Board for membership. New members shall be admitted subject to the payment of such sums and under such conditions as the board shall in each case or from time to time establish.

**MACo Workers’ Compensation Trust**

Members of the Trust must be members of the Montana Association of Counties, an incorporated association organized under the laws of the State of Montana and meet such other qualifications as may from time to time be set by the Board and appropriate governmental authorities.
SUMMARY OF COVERAGE

The MACo PCT pool policy is a unique alternative approach to traditional insurance. The MACo PCT pool is a group self-insurance program that offers a package concept combining multiple lines of coverages provided by a manuscripted policy specifically designed to meet the coverage and service needs for Montana Counties and Special Districts.

PCT COVERAGE INCLUDES:

- Public officials errors and omissions
- Employment practices including legal advice on employment issues
- Law enforcement liability
- Auto liability
- General liability
- Defense only coverage for subdivision approval or denials
- Property
- Faithful performance of duty
- Boiler & Machinery
- Fidelity & Crime
- Professional liability for incidental malpractice for nurses, social workers/nutritionists, and public health officers

Liability coverages are provided for at Montana statutory limits of $750,000/claim and $1,500,000/occurrence. Additional endorsed coverages include:

- Zoning Commission Liability
- Ethical Violation Liability
- Floodplain Regulation Enforcement Liability

CLAIMS ADMINISTRATION:

- Experienced in house claims staff investigates and adjusts all property and liability claims
- In-house legal services team provides defense of lawsuits
- Claim reviews with members
- Financial reporting of claims data to state regulators
- Computerized loss runs

LOSS CONTROL SERVICES/TRAINING:

- Personnel - Personnel services are provided to PCT pool members and eligible members in numerous ways. The MACo General Counsel provides assistance to PCT members and eligible insureds in order to help protect pool members from the growing risk of employment practice liability by providing advice and recommendations in consultation with the member counties as required by
Section II (H) in the MACo PCT Manuscript Liability Indemnity Agreement.

The advice and recommendations include:

- Employee Selection Issues
- Termination Issues
- Performance Issues
- Americans with Disabilities Act Issues
- Family Medical Leave Issues
- Sexual Harassment Issues
- Personnel Policy and Procedures Review and Recommendations

In addition, the PCT program provides contracted regional and individual personnel training annually at no additional cost to the members or insureds:

- **Legal Defense Services** – The MACo PCT provides in-house litigation defense services resulting in cost-efficient, expeditious defense for PCT members and insureds. Loss Control provides legal advice services to assist counties in avoiding actions that expose them to liability. Counties can consult with an attorney regarding a range of high-risk issues such as employment actions, detention policies, law enforcement procedures, land use and other civil rights matters. Having an attorney on staff also enables the MACo PCT to conduct timely legal analysis of proposed legislation that affects county government and operations.

- **Law Enforcement/Jail Training** – Jointly funded law enforcement risk management position at the Montana Law Enforcement Academy. In addition, the plan is to contract for jail training and provide follow-ups to peer reviews and assist in developing training related to the adoption and implementation of jail standards.

- **Internal Controls** – Training related to audit compliance and implementing checks and balances as required by public sector accounting best practices.

- **Land Use Assistance/Advice** – Service provided by a team of contracted land use attorneys including on site and regional planning board training related to growth policy review and legal advice associated with subdivisions, zoning, road issues, etc.

- **Defensive Driving** – Defensive Driving Training (DDT) provided by the Senior Loss Control Specialist on a standard scheduled basis.

- **Building Inspections and Appraisals** – Services provided by Loss Control to achieve the goal of providing member counties and insureds risk assessment, loss prevention and appraisal services for property insured by the pool.

**Member Services:**

The member services representative provides assistance to member counties and insureds associated with meeting their needs with the PCT program including:

- Works with agents who represent members and insureds providing certificates of insurance, managing changes to property schedules and handling inquiries regarding policy coverage.
- Manages the policy management system for the benefit of members and insureds.
- Works with brokers, actuaries, auditors and consultants.
- Coordinates common goals with Loss Control and Claims reporting.
MACo Workers’ Compensation Trust

Summary of Coverage

The MACo WCT is a self-insured risk sharing pool that provides statutorily mandated workers’ compensation. Coverage is provided to member counties to protect member employees from on-the-job injuries and occupational diseases.

Claims Administration:

- Experienced staff of long term employees
- In house claims administration for only one client
- Claims review with members
- On-line claim reporting
- Computerized loss runs
- Prescription drug cards for the convenience of member employees

Loss Control Services/Training:

- Safety Program Assistance - MACo, as the Pool’s insurer, provides staff assistance to member counties to help develop effective safety programs based on the WCT On Track Safety Program. In addition, MACo provides agent support that provides assistance in safety program development, inspections as fact-finding opportunities, and county specific safety training.
- Training - Loss Control has developed an integrated training program designed to improve the knowledge, skills and abilities employees need to possess in order to perform specific jobs, reduce liability, and obtain professional development in order to advance county government.
- Loss Prevention - Loss Control offers an extensive array of courses for all county departments, including detention, employment, human resources, law enforcement, legal issues, loss prevention, management, risk control, safety, supervision, online learning for managers/supervisors, regional training for managers/supervisors, county specific training for employees, online web-based safety training and an extensive safety video library.
- Reports - MACo WCT Loss Control provides loss analysis reports for trending used to identify areas of focus for reduction of claim frequency and severity. Counties also receive newsletters, reference manuals and safety alerts.

Member Services:

The member services representative provides assistance to member counties associated with meeting their needs with the WCT program including:

- Works with agents who represent members and insureds.
- Manages the policy management system for the benefit of members and insureds.
- Works with brokers, actuaries, auditors and consultants.
- Coordinates common goals with Loss Control and Claims reporting and implementing the On Track Safety Program.
FAQ’s

MACo Property & Casualty Trust:

What is PCT?
MACo Property & Casualty Trust is a self-insured pool program that is a unique alternative approach to traditional insurance. The MACo PCT pool is a group self-insurance program that offers a package coverage concept combining multiple lines of property and liability coverages provided by a policy specifically designed to meet the coverage and service needs for Montana Counties and Special Districts.

How is the PCT property coverage different than private carriers’ coverage?
The property coverage provided by the PCT includes replacement cost coverage for covered claims for buildings and contents. Some coverages do not. Also, different than a majority of private insurance carriers, the PCT property coverage provides single deductibles on “claim coverage”. For example, if multiple vehicles are damaged by one occurrence, only one deductible is paid for all vehicles, not a deductible paid for each vehicle.

How is the PCT liability coverage different than private insurance carriers?
The PCT liability coverages are provided by the pool’s policy, a “manuscripted” liability policy that is the members’ policy. The policy includes liability coverages needed by the pool’s members and eligible insureds. Unlike the majority of private insurance coverages, the PCT liability coverages include:

- Defense costs for subdivision related claims
- Endorsed defense coverage countywide zoning claims
- Endorsed defense coverage for ethical violations
- Endorsed defense coverage flood plain regulations enforcement
- Broad employment practices liability coverage
- Fidelity and crime coverage including bond and faithful performance of duties coverage required by state law enforcement officials and public employees
- Professional liability coverage for nurses, public health officers and social workers are included in the PCT liability policy therefore, do not need to be covered by a separate policy.
- Liability coverages can be added or revised by the Board of Trustees based on the member insureds’ needs unlike private insurance carriers who may not provide the coverages or have the ability to endorse the coverage. It is called FLEXIBILITY!

How are services provided by PCT different than private insurance carriers?

- Personnel/Human Resources advice and counsel provided by General Counsel/Personnel Services Administrator at no cost to members and eligible insureds only.
- Personnel Training provided only to members and eligible insureds by a contracted personnel expert.
- Land Use/Planning/Zoning advice and training provided only to members and eligible insureds by contracted land use attorneys.
- Legal Defense provided only to members and eligible insureds by in-house litigators for the expeditious benefit of members and eligible insureds.
**MACo Workers’ Compensation Trust**

**What is WCT?**

Workers’ Compensation Trust is a self-insured workers’ compensation pool program for member counties.

**What is Workers’ Compensation?**

Workers' compensation laws provide indemnity and medical benefits to an employee who has an injury as a result of an accident, injury or occupational disease on-the-job. Workers' compensation is designed to protect workers and their dependents against the hardships from injury or death arising out of the work environment. It is intended to benefit the employee and employer alike. The employee receives money (usually on a biweekly basis) and medical benefits in exchange for forfeiting the common law right to sue the employer. The employer benefits by receiving immunity from court actions against them by the employee in exchange for accepting liability that is limited and determined. The question of negligence or fault is usually not at issue.

**How do we create an effective safety program?**

Every employer should want to increase their safety program and reduce on-the-job accidents. You can reduce your workers' compensation exposure by an effective and active safety program. Since a large part of how much is paid for workers' compensation premiums is based upon frequency of injury, the premiums can be reduced with an effective safety program.

The WCT program provides each member county with the On Track Safety Program (OTSP). One person within your organization should be appointed safety manager and should have the responsibility of implementation of the OTSP in coordination with the WCT Loss Control Specialist. Of utmost importance to the safety manager is the ability to motivate, educate and train employees. Since many accidents can be directly related to unsafe acts, it is the safety manager's responsibility to encourage employees to operate safely.

Part of the safety program should include written rules and procedures to indoctrinate new employees, require periodic inspections, investigate accidents, provide first-aid care and have an effective return-to-work program. A good safety program requires the involvement of all employees.

**How do we educate our employees?**

It is important to educate all personnel about safety rules, workers' compensation and their duties and responsibilities in the workplace. The more education and training you give your employees, the more you will find that problems are reduced with injured workers. Supervisors should be counseled on helping injured workers fill out the necessary workers' compensation forms along with keeping track of injured workers and their return to work. While the insurance carrier is required to provide certain information to injured workers explaining their rights and benefits, explanations and a little bit of "hand-holding" will go a long way in having a satisfied employee rather than a disgruntled and insecure employee who worries about losing his/her job, not getting benefits, or wanting to "beat the system."
**FAQ’S**

**What type of medical treatment is provided for our employees?**

Injured workers are entitled to care that is medically necessary based on the nature of the injury or process of recovery. This entitlement includes not only remedial care and attention, but also care that mitigates the condition or affects the injury. The injured worker is also entitled to medications, medical supplies and medical equipment. The injured worker is entitled to be reimbursed for reasonable transportation to and from places of treatment pursuant to the Montana statute. We offer a prescription drug card when a claim is accepted.

**What do we do following the accident?**

Staying in contact with the injured worker is very important to the workers’ compensation process. An employer should make itself available to answer any and all questions and to reassure the injured employee concerning medical and indemnity benefits available and, if possible, job security. While an employee’s attitude or motive may be subject to being suspect after an accident, the informed employer will try to do everything to monitor the injury. Worker satisfaction is an important part of reducing litigation. Problems with the physicians, medical authorizations, benefit checks, etc. can be alleviated or avoided with the help of the employer who stays on top of the problems and helps the injured worker communicate with the insurance carrier.

**What are some tips for dealing with physicians of our injured workers?**

In dealing with physicians, it is important that employers emphasize to the physician that there are jobs available. Physicians generally do not make employment decisions, but they should make medical decisions as to what an employee can and cannot do. Physicians should understand that a return to work is not something that is done to the individual but for the individual.
Do you have some additional thoughts/notes?
Jot them down here: