

## SELF-INSURANCE FUND RULES AND REGULATIONS

**WHEREAS** the Anne Arundel County Code (“Code”), §3-11-101, establishes a Self-Insurance Fund (“Fund”) to secure the liabilities of Anne Arundel County, Maryland (“County”), its officials and Employees, and those individuals and entities that it agrees to insure, and

**WHEREAS** the Code, §3-11-105, establishes a Self-Insurance Fund Committee (“Committee”) whose responsibilities are, among others, to adopt rules and regulations necessary for the operation of the Fund, including rules to establish the nature of losses to be paid from the Fund, the limits of liability payable from the Fund if not otherwise provided by law, and the nature of administrative expenses to be paid by the Fund if not otherwise provided by law.

**NOW THEREFORE**, in order to provide for the efficient administration of the County Fund, the Committee hereby adopts the following Rules and Regulations to replace any and all prior Rules and Regulations. The Rules and Regulations adopted herein shall take effect on the date that the last of the Committee members executes this document.

### I. DEFINITIONS

A. As used in these Rules and Regulations, the following terms have the following meaning:

(1) “Advertising Injury” – means injury arising out of one or more of the following:

- (a) libel or slander;
- (b) oral or written publication of material that violates a person’s right of privacy;
- (c) misappropriation of advertising ideas or style of doing business; or
- (d) infringement of copyright, title, or slogan.

(2) “Bodily Injury” – means physical injury, sickness, or disease sustained by an individual, including death, resulting from these at any time.

(3) “Cooperate” – means to willingly assist in the defense of a claim and includes, but is not limited to, returning phone calls from the Office of Central Services, Division of Risk Management (“Risk Management”), or the Office of Law; providing adequate contact information; attending meetings with attorneys from the Office of Law or appointed counsel; assisting in the preparation of discovery; attendance at depositions and trials; and providing truthful, accurate, and complete testimony as may be necessary. The term “Cooperation” shall also include refraining from doing any act that would impair the ability of the County to defend the Insured or expose the County or Insured to liability.

(4) “Coverage,” “Covered,” “Covers,” and “Cover” – means the extension of a defense and indemnification for a loss, damage, claim, suit or judgment, if necessary, by the Fund to an Insured.

(5) “Employee” – when used in reference to Anne Arundel County, Maryland or to a “local government” as defined in the LGTCA, has the meaning as defined in the LGTCA. When used otherwise herein, “Employee” means an Individual paid by an Insured Entity to perform services under the direction and supervision of an Insured Entity or on behalf of the Insured Entity, or an individual paid by an Insured Entity to perform services under the direction or supervision of another Entity at the request of and with the permission of the Insured Entity.

(6) “Entity” – means a government or business entity.

(7) “Fund” – means the Anne Arundel County Self-Insurance Fund.

(8) “Individual” – means a natural person.

(9) “Injury” – means any type of injury, including Bodily Injury, Injury, Property Damage, Personal Injury, and Advertising Injury.

(10) “Insured” – means an Entity or Individual that is Covered by the Fund.

(11) “LGTCA” – means the Local Government Tort Claims Act, Courts & Judicial Proceedings Article § 5-301, et seq. of the Annotated Code of Maryland.

(12) “Mobile Equipment” – means the following, including any attached machinery or equipment:

(a) bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;

(b) vehicles maintained for use solely on or next to real property owned or leased by an Insured;

(c) vehicles that travel on crawler treads;

(d) vehicles maintained primarily to provide mobility to permanently mounted cranes, shovels, loaders, diggers, drills, and road construction or resurfacing equipment;

(e) vehicles that are not self-propelled and are maintained primarily to provide mobility to permanently attached air compressors, pumps, generators, spraying equipment, welding equipment, building cleaning equipment, geophysical exploration equipment, lighting, well servicing equipment, cherry pickers, and other devices used to raise or lower workers; and

(f) vehicles maintained primarily for purposes other than the transportation of persons or cargo, other than self-propelled vehicles with permanently attached:

- (i) equipment designed for snow removal, road maintenance (but not construction or resurfacing), and street cleaning;
- (ii) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise and lower workers; and
- (iii) air compressors, pumps, generators, spraying equipment, welding equipment, building cleaning equipment, geophysical exploration equipment, lighting, and well servicing equipment.

(13) “Motor Vehicle” – means motorized vehicles, trailers, and semi-trailers designed for travel on public roads, but not Mobile Equipment.

(14) “Personal Injury” – means injury, other than Bodily Injury, arising out of:

- (a) false arrest, detention, or imprisonment;
- (b) malicious prosecution;
- (c) wrongful entry into or eviction of a person from a room, dwelling, or premises that the person occupies;
- (d) oral or written publication of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products, or services; or
- (e) oral or written publication of material that violates a person’s right of privacy.

(15) “Property Damage” – means physical injury to or loss of use of tangible property.

(16) “Requestor” – means an Entity or Individual who requests Coverage by the Fund.

(17) “Volunteer” – means an Individual who provides services to an Insured Entity under the direction and control of an Insured Entity or its Employees and who does not receive any remuneration for the services provided and an appointed member of a County Board, Commission, or similar body. “Volunteer” does not mean a volunteer firefighter.

(18) “Volunteer Fire Company” – means the corporate Entity that is a party to a Reciprocity Agreement and a Pooling Agreement with the County and which has at least ten (10) active riding or administrative volunteer members who are in the Volunteer Certification Database, but excluding auxiliaries and other ancillary committees or groups.

(19) “Volunteer Firefighter” – means an Individual who actively provides firefighting or emergency medical services through affiliation with a Volunteer Fire Company and is in good standing in the Volunteer Certification Database.

(20) “Watercraft” – means a motorized watercraft intended for use on navigable waters.

## **II. COMMITTEE PROCEDURE**

### **A. Meetings.**

The Committee shall schedule meetings monthly, as needed, in order to carry out its functions and responsibilities.

### **B. Email policy.**

(1) The Committee may consider and decide matters by email upon recommendation of the Safety and Insurance Manager at the discretion of the Chair of the Committee.

(2) Any voting member of the Committee may call for a meeting of the Committee in lieu of email to discuss and decide the matter submitted. Whether the matter is decided by email or meeting, all votes cast shall be recorded.

(3) In the event that a matter is submitted to the Committee via email and no request for a meeting in lieu of email by a voting member has been made within 2 full business days from the date of the transmission, the matter may proceed for a decision by email vote.

### **C. Committee member designees; Vote by proxy.**

(1) A Committee member may assign a designee to attend meetings and vote in the member’s place. The designation must be made in writing and submitted to the Chair of the Committee prior to a scheduled meeting. Email notification under this provision is sufficient.

(2) The Committee shall not record or consider any votes offered by proxy.

## **III. COVERAGE DETERMINATION PROCEDURES AND APPEALS**

### **A. General.**

The procedures herein shall govern the determination of Fund Coverage, notices of hearings, and appeals.

### **B. Preliminary Determination of Coverage.**

(1) An Individual or Entity shall submit a claim or suit to the Safety and Insurance Manager and request Coverage.

(2) After the submission of a suit or claim and request for Coverage from the Fund, the Safety and Insurance Manager shall make a preliminary determination whether:

(a) the requesting Individual or Entity is an Insured Covered by the Fund; and

(b) the claim is Covered by the Fund.

(3) The Safety and Insurance Manager shall:

(a) accept Coverage without reservation;

(b) assign a defense under a reservation of rights; or

(c) make a preliminary denial of Coverage.

C. Notice of Preliminary Denial and Hearing.

(1) If the Safety and Insurance Manager determines that Coverage by the Fund will not be extended, he/she shall:

(a) notify the Requestor of this determination in writing by certified mail, return receipt requested, of a preliminary denial of Coverage and the reasons therefor; and

(b) in the same notice, advise the Requestor of his/her right to a hearing.

(2) Within 15 days of receipt of a notice of preliminary denial, the Requester may deliver to the Safety and Insurance Manager a written request for a hearing to be held before the Committee. Failure to make a timely request for hearing shall result in a final determination of denial of Coverage.

(3) A request for hearing shall contain the following:

(a) the name and address of the Individual requesting insurance Coverage by the Fund to which a notice of hearing may be sent;

(b) a brief statement of the reasons why Coverage should be provided; and

(c) a description of any disputed matters of fact.

(4) Notice of the hearing date, time and place shall be sent to the Individual requesting Coverage to the address stated in the written request for hearing by certified mail, return receipt requested, at least 15 days before the date of the hearing.

D. Request for Indemnification following a Reservation of Rights.

(1) If a defense is provided under a reservation of rights and a judgment is subsequently entered against the Individual or Entity, the Individual or Entity may submit a written request for indemnification to the Safety and Insurance Manager.

(2) A request for indemnification shall be referred to the Committee for a decision. The Individual or Entity shall have the right to notice and a hearing in the same manner as provided under subsections C, E and F of this part.

(3) Unless prohibited by law, following a timely request for a hearing the Committee shall:

(a) deny the indemnification sought; or

(b) approve the indemnification sought in whole or in part.

E. Conduct of Hearing.

(1) The Committee shall convene and its Chairman or his/her designee shall conduct the hearing in an informal manner.

(2) In the event that material disputes of fact are presented, if requested by a party, the Chairman shall permit the taking of witness testimony under oath as provided by §1-2-101 of the Anne Arundel County Code. Any witness so examined shall be subject to cross-examination by the Committee and its representative(s), if any.

(3) Subpoenas may be authorized by the Chief Administrative Officer or the County Attorney pursuant to §1-2-101 of the County Code for the attendance of witnesses and production of documents.

(4) The Requestor shall have the right to be represented at the hearing by an attorney or an applicable union representative.

(5) A Requestor seeking reimbursement of an award of punitive damages shall provide, at the Requestor's expense, a transcript of the trial at which the punitive damages were awarded.

F. Decision of the Committee.

(1) A final decision denying coverage or indemnification may be made by the Committee only after a hearing pursuant to this Part has been conducted or after the Individual requesting Coverage has waived the right to a hearing by failing to submit a timely request. The Committee, following the hearing, may:

(a) reverse the preliminary denial of Coverage decision and extend Coverage to the requesting Individual;

(b) extend Coverage under a reservation of rights; or

(c) issue a final decision denying Coverage.

(2) The Committee may reimburse a Requestor for an award of punitive damages only if the Committee finds that, regardless of the verdict of a jury or the judgment of a court:

(a) when the act or omission was made, the Requestor was performing a duty within the scope of the employment of the Requestor;

(b) the act or omission was not malicious; and

(c) the act or omission was not grossly negligent.

(3) A final decision by the Committee denying Coverage or indemnification shall be approved by at least three of its members, as required by §3-11-105 of the Anne Arundel County Code. A final decision approving a request for reimbursement of punitive damages shall be approved by at least three members.

(4) A Requestor seeking reimbursement of an award of punitive damages bears the burden of proving that his/her actions giving rise to liability for punitive damages were not malicious or grossly negligent, and overcoming a presumption that the verdict of the jury or judgment of the court was correct.

(5) A final decision by the Committee denying Coverage or indemnification shall be in writing and sent to the Requestor and the Safety and Insurance Manager.

#### **IV. COVERAGES PROVIDED BY THE SELF-INSURANCE FUND**

##### **A. Right to Coverage.**

The Coverage provided by the Fund is personal to the Insured Individual or Entity, may not be assigned or transferred in any manner, and shall not be subject to subrogation or attachment.

B. Conditions Precedent to Extension of Insurance Coverage.

(1) An Individual or Entity shall submit a notice of loss, claim or suit to the Safety and Insurance Manager with a request for Coverage by the Fund within a reasonable time of the receipt of notice of the loss, claim, or suit. This submission requirement shall constitute a condition precedent to the extension of Coverage to an Insured by the Fund.

(2) Coverage will not be provided if an Insured fails to:

(a) timely report an incident, loss, claim, or suit to the Safety and Insurance Manager; or

(b) fully cooperate with the Risk Management or the County Attorney or appointed counsel in the defense of a claim or suit.

C. Types of Coverage Provided.

Except as otherwise specifically provided herein, the Fund provides the following Coverages to Insureds as identified and specified herein:

(1) General Liability Coverage for Bodily Injury, Property Damage, Personal Injury, and Advertising Injury resulting from acts or omissions of an Insured.

(2) Professional Liability Coverage for injury arising out of acts or omissions, actual or alleged errors, misstatements, misleading statements, or neglect or breach of duty by an Insured in the discharge of his or her duties, including Bodily Injury or Property Damage resulting from acts, errors, or omissions (malpractice) in the performance of an Insured's professional duties.

(3) Employment Practices Liability Coverage for compensatory and statutory damages, but not punitive damages, for workplace discrimination, wrongful termination, workplace harassment, and other employment-related claims.

(4) Automobile Liability, Collision and Comprehensive Coverage for automobile liability and vehicle damage as defined in Part VII herein, for the listed Insureds identified in Part VII herein.

(5) Worker's Compensation and Employer's Liability Insurance Coverage in the type and amounts required by Title 9 of the Labor & Employment Article of the Annotated Code of Maryland and Employer's Liability Coverage for suits brought against an Insured by an Employee for an injury, illness, or disease alleged to have occurred while on the job.

(6) The Fund will provide a defense and the costs of a defense to an Individual Insured against whom a claim or suit is filed alleging acts or omissions within the potential scope of Coverage provided by the Fund.



(7) The Committee may, if not prohibited by law, authorize payment from the Fund of a punitive damage award entered against an Insured at its sole discretion, but only after a hearing on a request for payment as required by Part III hereof.

(8) Nothing herein shall be construed to waive any defenses, immunities, or limits on liability that may be available to any Insured Covered by the Fund, and those defenses, immunities, and limits on liability shall be invoked in any claim or suit to which they apply.

**V. GENERAL LIABILITY, PROFESSIONAL LIABILITY, AND EMPLOYMENT PRACTICES LIABILITY**

**A. Insureds Covered by Fund.**

Subject to the immunities and limits of liability afforded by statutory and common law, all of which are specifically reserved and retained, the Fund shall provide General Liability, Professional Liability, and Employment Practices Liability in the types and amounts of Coverage indicated:

(1) General Liability, Professional Liability, and Employment Practices Liability Coverage for claims in any amount required by law asserted against Anne Arundel County, Maryland.

(2) General Liability, Professional Liability, and Employment Practices Liability Coverage to Employees and Volunteers of Anne Arundel County, Maryland for claims in any amount required by law.

(3) General Liability, Professional Liability, and Employment Practices Liability Coverage as set forth in the agreement between the County and the Board of Education dated July 1, 1991, as amended. Therefore, the provisions of this section do not apply to the Board of Education.

(4) General Liability, Professional Liability, and Employment Practices Liability Coverage to the Public Library Association of Annapolis and Anne Arundel County, Inc., doing business as Anne Arundel County Public Library, and its Employees and Volunteers in the amounts set forth in § 5-406(b)(3)(i)(1) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for all claims to which §5-406(b)(3) is applicable. For all claims for which §5-406(b)(3) is not applicable, coverage is provided in any amount required by law.

(5) Professional Liability Coverage as set forth in the agreement between the County and Anne Arundel Community College dated November 24, 1986, as amended.

(6) General Liability and Professional Liability Coverage for County Employees assigned to the Anne Arundel County Health Department who are nurses (both RN and LPN), health assistants, and shared aides assigned to the School Health Program in any amount required by law.

(7) Reimbursement to the State for liability claims against the Sheriff's Office as required by law.

(8) General Liability Coverage for each Volunteer Fire Company that enters into a Reciprocity Agreement and a Pooling Agreement with the County, and its Volunteer Firefighters, for claims arising out of fire suppression operations, emergency medical operations, and activities in support of those operations in the amounts set forth in § 5-406(b)(3)(i)(1) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for all claims to which §5-406(b)(3) is applicable. For all claims for which §5-406(b)(3) is not applicable, coverage is provided in any amount required by law.

(9) General Liability Coverage for Reserve Police Officers in any amount required by law.

(10) General Liability and Professional Liability Coverage for a Fiduciary, as the term is defined in §5-2-101 of the Code, of the Anne Arundel County Retirement and Pension System for claims in any amount required by law. The Fund shall also indemnify a Fiduciary in any amount required by law as set forth in §5-2-406 of the Code.

(11) General Liability and Professional Liability Coverage for a Trustee of the Board of Trustees of the Anne Arundel County Retiree Health Benefits Trust, which Board of Trustees is established by §6-5-104 of the Code, for claims in any amount required by law.

B. Exclusions From Liability Coverage.

The Fund will NOT provide Coverage under its General Liability, Professional Liability, or Employment Practices Liability Coverage for the following:

(1) Injury arising out of actions of an Insured that are outside the course and scope of his/her employment or assigned duties;

(2) Injury that was intended or expected to occur, except for use of reasonable force to protect persons or property;

(3) Any obligation under Worker's Compensation, disability benefits, or unemployment compensation law or regulations;

(4) Injury to a co-worker or fellow Employee or Volunteer arising out of and in the course of the injured party's employment or assigned volunteer duties;

(5) Injury arising out of the ownership, maintenance, use, operation, loading, unloading, or entrustment of Motor Vehicles and Watercraft;

(6) Injury claims arising out of willful, intentional, or malicious actions of an Insured, unless the Committee elects to pay such damages if allowed by law and after following the procedures set forth in Part III herein;

(7) Punitive damages judgments and compensatory damages judgments based upon a finding of actual malice entered against any Insured, unless the Committee elects to pay such damages if allowed by law and after following the procedures set forth in Part III herein;

(8) Injury arising out of actions of Individuals or Entities other than an Insured identified herein;

(9) Injury arising out of actions of the Anne Arundel County Sheriff's Office that are directly related to courthouse security, service of process, or the transportation of inmates to and from court proceedings;

(10) Property Damage to property in the care, custody, and control of an Insured for which the Insured provides insurance;

(11) Property Damage to personal property of Insureds and Insureds' Employees and Volunteers;

(12) Injury arising out of warranties or representations of fitness, quality, durability, performance or use of goods or products manufactured, sold, handled, distributed or disposed of by an Insured;

(13) Property Damage to an Insured's work or operations, and any part thereof, including materials, parts, equipment, warranties, and representations furnished in connection thereto;

(14) Faulty workmanship of an Insured;

(15) Injury Covered by any insurance required to be provided under contractual agreement by an Insured, Individual, or Entity;

(16) Injury arising out of acts or omissions of Individuals or Entities who are not Covered by the Fund while using Insured property;

(17) Employment Practices Liability Coverage, Coverage for employment practices, Coverage for directors and officer's liability, or Coverage for actions concerning the corporate affairs of Volunteer Fire Companies;

(18) Personal Injury or Advertising Injury arising out of oral or written publication of material by or at the direction of an Insured with knowledge of its falsity;

(19) Personal Injury or Advertising Injury arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;

(20) Personal Injury or Advertising Injury for which the Insured has assumed liability in a contract or agreement, except for liability for damages that the Insured would have in the absence of the contract or agreement;

(21) Advertising Injury arising out of breach of contract;

(22) Advertising Injury arising out of failure of goods, products, or services to conform with advertised quality or performance; and

(23) Advertising Injury arising out of the wrong description of the price of goods, products, or services.

## **VI. WORKER'S COMPENSATION COVERAGE**

### **A. Insureds Covered by the Fund.**

The following Entities and Individuals are Covered by the Fund for Worker's Compensation as provided:

(1) Anne Arundel County, Maryland – for all Employees.

(2) Anne Arundel County Board of Education – as set forth in the agreement between the County and the Board of Education dated July 1, 1991, as amended.

(3) Public Library Association of Annapolis and Anne Arundel County, Inc., doing business as Anne Arundel County Public Library – for all Employees.

(4) Anne Arundel Community College – as set forth in the agreement between the County and the Community College dated January 24, 1989, as amended.

(5) Anne Arundel County Health Department – all County Employees assigned to the Health Department, unless otherwise provided in an agreement between the County and the Health Department.

(6) Anne Arundel County Department of Social Services – all County Employees assigned to the Department of Social Services, unless otherwise provided in an agreement between the County and the Department of Social Services.

(7) Sheriff's Office – all Employees, except the Sheriff.

(8) County Board of Supervisors of Elections – all Employees.

(9) Board of License Commissioners – all Employees.

(10) Circuit Court for Anne Arundel County – all Employees, but not Employees of the Clerk’s Office.

(11) State’s Attorney’s Office – all Employees.

(12) Soil Conservation District – as set forth in the agreement between the County and the District dated December 22, 1993, as amended.

(13) Volunteer Fire Companies – for each Volunteer Company that enters into a Reciprocity Agreement and a Pooling Agreement with the County, all Volunteer Firefighters as required by the Labor and Employment Article of the Annotated Code of Maryland.

(14) Reserve Police Officers – all reserve police officers in good standing.

**B. Exclusions from Worker’s Compensation Coverage.**

The Fund will NOT provide Worker’s Compensation Coverage for the following:

(1) participants in the Department of Detention Facilities’ Volunteer work programs, court-ordered community services, or alternative sentencing programs;

(2) Volunteers, other than those for whom the County has agreed to provide Coverage or those for whom the County is required by law to provide Coverage;

(3) Individuals Covered under the Longshoremen’s Act;

(4) auxiliaries and committees of Volunteer Fire Companies;

(5) deputies of the County Sheriff’s Office who are not paid; and

(6) all others that the County is not required to, and does not choose to, Cover.

**VII. AUTOMOBILE LIABILITY, COLLISION, AND COMPREHENSIVE COVERAGE**

**A. Definitions.**

In addition to the definitions contained in Part I hereof, the following terms used herein shall have the following meanings:

(1) “Authorized User” – means an Employee or Volunteer of an Insured Entity, a Volunteer Firefighter, or an Employee of an entity that provides temporary workers to the County who has permission from an authorized representative of an Insured to use an Insured Vehicle for the business of the County or other Insured Entity and who conforms with all applicable vehicle use policies as may be in effect and promulgated by the Insured Entity.

(2) “Insured Vehicle” - means Motor Vehicles and Watercraft Covered by the Fund, as described in section C of this Part.

(3) “Property Damage” – means physical damage to a motor vehicle and includes the cost of a rental vehicle, towing, obtaining damage estimates, and taxes and titling if a vehicle is a total loss.

B. Coverages Provided.

The Fund provides the following Coverages as specified herein:

(1) Automobile Liability Coverage – Coverage for Bodily Injury and Property Damage to third persons arising out of ownership, maintenance, or use of an Insured Vehicle by an Insured.

(2) Comprehensive Coverage – Coverage for Property Damage to an Insured Vehicle from any cause except collision with another object or the Insured Vehicle’s overturn.

(3) Collision Coverage – Coverage for Property Damage to an Insured Vehicle caused by collision with another object or the Insured Vehicle’s overturn.

C. Insureds, Insured Vehicles, and Limits of Coverage.

The Fund shall provide Automobile Liability, Collision, and Comprehensive Coverage in the types and amounts of Coverage indicated to the following Entities, Individuals, and Motor Vehicles:

(1) Automobile Liability Coverage to Anne Arundel County, Maryland for Bodily Injury and Property Damage in any amount required by law arising out of the operation of County-owned or County-leased Motor Vehicles.

(2) Automobile Liability Coverage to Authorized Users who are Employees or Volunteers of the County for Bodily Injury and Property Damage in any amount required by law arising out of the operation of County-owned or County-leased Motor Vehicles, Motor Vehicles Owned by Volunteer Fire Companies, and personal Motor Vehicles.

(3) Automobile Liability Coverage to Authorized Users who are Employees or Volunteers of the Public Library Association of Annapolis and Anne Arundel County, Inc., doing business as Anne Arundel County Public Library for Bodily Injury and Property Damage in any amount required by law arising out of the operation of County-owned or County-leased Motor Vehicles or personal Motor Vehicles.

(4) Automobile Liability Coverage to Authorized Users who are not County or Library Employees or Volunteers for Bodily Injury and Property Damage arising out of the operation of County-owned or County-leased Motor Vehicles in amounts equal to the minimum financial requirements under Maryland law.

(5) Collision Coverage for all Motor Vehicles owned or leased by the County in an amount up to the actual cash value of the Motor Vehicle. The Fund shall provide Comprehensive Coverage for all Motor Vehicles owned or leased by the County so long as the damage to the Motor Vehicle exceeds \$1,000.

(6) Automobile Liability, Collision, and Comprehensive Coverage as set forth in the agreement between the County and the Anne Arundel County Board of Education dated July 1, 1991, as amended. Therefore, the provisions of this section do not apply to the Board of Education.

(7) Reimbursement to the State of Maryland for all Automobile Liability claims for Bodily Injury or Property Damage involving Motor Vehicles owned by the Sheriff's Office operated by Authorized Users who are Employees of the Sheriff's Office if the Authorized User was performing a County function and not a State function.

(8) Collision Coverage for all Motor Vehicles owned by the Sheriff's Office in an amount up to the actual cash value of the Motor Vehicle. The Fund shall provide Comprehensive Coverage for all Motor Vehicles owned by the Sheriff's Office so long as the damage to the Motor Vehicle exceeds \$1,000.

(9) Automobile Liability Coverage for each Volunteer Fire Company that enters into a Reciprocity Agreement and a Pooling Agreement with the County, and Employees and Volunteers of the Company, for Bodily Injury and Property Damage in any amount required by law arising out of operation of Motor Vehicles owned by the Company by an Authorized User who is an Employee or Volunteer of the Company or the County.

(10) Collision Coverage for all Motor Vehicles owned by each Volunteer Fire Company that enters into a Reciprocity Agreement and a Pooling Agreement with the County, in an amount up to the actual cash value of the Motor Vehicle. The Fund shall provide Comprehensive Coverage for all Motor Vehicles owned by the Company so long as the damage to the Motor Vehicle exceeds \$1,000.

D. Exclusions from Automobile Liability, Collision, and Comprehensive Coverage.

The Fund will NOT provide Automobile Liability, Collision, and Comprehensive Coverage for the following:

(1) Bodily Injury or Property Damages arising out of actions of an Authorized User which are outside the course and scope of the authorized use;

(2) Bodily Injury or Property Damages arising out of actions of someone who is not an Authorized User;

(3) Bodily Injury or Property Damages arising out of actions intended or expected by the Authorized User, except for use of reasonable force to protect persons or property;

(4) Property Damage to property owned by or in the custody of an Authorized User;

(5) Bodily Injury or Property Damages arising out of use of an Insured Vehicle that is prohibited by any applicable vehicle use policy in effect at the time of the use;

(6) Bodily Injury or Property Damages arising out of use of a County-owned or County-leased take-home Motor Vehicle for personal purposes, other than:

(a) personal use by Police Department personnel under the Police Personal Patrol Vehicle Program if the personal use is in compliance with the regulations and/or restrictions set forth in the Police Personal Vehicle Program;

(b) personal use by Fire Department personnel whose take-home vehicles are considered emergency vehicles for Internal Revenue Service purposes and/or use under the Fire Department Personal Vehicle Program if the personal use is in compliance with the regulations and/or restrictions set forth in the Fire Department Personal Vehicle Program; and

(c) any other personal use permitted by the Anne Arundel County Vehicle Policies and Procedures if the personal use is in compliance with the regulations and/or restrictions set forth in the Anne Arundel County Vehicle Policies and Procedures.

(d) The use of County-owned or County-leased take-home Motor Vehicles by Police Department personnel and Fire Department personnel in accordance with (a) and (b) of this subsection is within the scope of their employment with the County.

(7) Personal Injury Protection (“PIP”);

(8) Uninsured Motorist Protection (“UM”) or Underinsured Motorist Protection (“UIM”);

(9) Collision or Comprehensive Coverage for Motor Vehicles and Watercraft owned by an individual and that are not leased by the County;

(10) Deductibles;

(11) If an Authorized User or an Insured is not legally liable to a third party;



(12) If an Individual or Entity requesting Coverage is not an “Insured” identified and included herein;

(13) Bodily Injury to a fellow Employee of an Authorized User sustained while in the course and scope of the Employee’s employment;

(14) If an Authorized User fails to timely report a loss, suit, or claim asserted, once known, to the Safety and Insurance Manager;

(15) If an Authorized User fails to cooperate with Risk Management or the County Attorney or appointed counsel in the defense of a claim or suit;

(16) Bodily Injury or Property Damages arising out of the use of Mobile equipment;

(17) Wear and tear, mechanical, or electrical breakdown;

(18) Blowouts, punctures, or other road damage to tires;

(19) Property Damage to any electronic equipment and related accessories, whether permanently installed or not, that receives or transmits audio, visual, or data signals, is not designed solely for the reproduction of sound, and is not part of a Mobile Command Communications Vehicle;

(20) Bodily Injury or Property Damages arising out of the provision of courthouse security, service of process, or transportation of inmates to and from court proceedings by the Sheriff’s Office, including its Employees and Volunteers;

(21) If a primary policy of insurance covers Motor Vehicles or Watercraft leased by an Insured or owned by one other than an Insured Entity, except as otherwise noted herein;

(22) Collision Coverage for Motor Vehicles not owned or leased by an Insured Entity;

(23) Comprehensive Coverage for Motor Vehicles not owned or leased by an Insured Entity;

(24) All other forms of liability not expressly Covered in Part V herein; or

(25) Property Damage to goods or products transported or contained in an Insured Vehicle that are manufactured, sold, handled, distributed or disposed of, including containers, material, parts, and equipment, or representations made by an Insured with respect to the fitness, quality, durability, performance or use of such goods or products.

## **VIII. FIRST PARTY PROPERTY DAMAGE**

### **A. Coverage Provided.**

In order to cover Property Damage and losses below the deductible applicable to the County's commercial property damage policy, the Fund shall provide first party property damage insurance for the County and the Public Library Association of Annapolis and Anne Arundel County, Inc., to cover Property Damage and loss claims above the first \$10,000.00 of damage or loss but below the commercial policy deductible. Each department shall be responsible for the first \$10,000.00 of damage or loss. In the case of the Board of Education, the Board shall be responsible for the loss or damage per its written agreement with the County.

### **B. Insureds Covered.**

The first party property damage deductible coverage shall be available to the County, the Public Library Association of Annapolis and Anne Arundel County, Inc., and, per written agreement dated July 1, 1991, to the Board of Education.

### **C. Terms of Coverage.**

Coverage shall be for the direct physical loss of or damage to Covered property caused by or resulting from any Covered cause of loss. Coverage is for real and personal property (buildings, structures, business personal property and mobile equipment) and the Coverage is subject to the terms, conditions and exclusions of the commercial insurance policy in effect at the time of loss.

### **D. Reporting Procedures**

The following procedures shall be followed in order to effectuate Coverage herein:

(1) Any employee who causes or becomes aware of a loss or damage to any County Property shall notify his/her supervisor and promptly report the damage to Risk Management.

(2) Supporting documentation, including a Non-Employee Injury or Property Damage Report Form shall be forwarded to Risk Management. All reports of damage or loss shall be entered by Risk Management into its claims reporting software.

(3) Departments experiencing damage or loss shall be responsible for obtaining all information regarding the cause and extent of damage or loss, and shall report incidents of theft and vandalism to the Anne Arundel County Police.

(4) Except for emergency situations, repairs and/or replacement of property shall be coordinated with Risk Management.

**IX. ADMINISTRATIVE COSTS PAID BY THE FUND**

**A. Types of Costs Authorized.**

The following costs incurred for litigation support may be paid from the Fund:

- (1) court filing fees;
- (2) expert witness fees and expenses;
- (3) independent medical examinations;
- (4) private investigator and video surveillance services and costs;
- (5) medical case management services;
- (6) outside counsel fees;
- (7) trial exhibit and presentation expenses;
- (8) court reporter fees, deposition and trial transcript costs, and video conference costs;
- (9) travel expenses incurred for the investigation of cases, attendance at depositions, and the preparation for and attendance of court proceedings;
- (10) film and videotape procurement and costs;
- (11) copying and courier costs associated with cases in litigation;
- (12) witness fees and expenses; and
- (13) other litigation support costs determined by Risk Management to be necessary for the defense of a case.

**B. Method of Selection of Outside Counsel and Experts; Payment**

**(1) Outside Counsel**

(a) Outside counsel may be selected to handle cases which require a particular expertise in a specialized area of law that is beyond the ability of Office of Law staff to competently handle or where the time demands of a case cannot be met by the Office of Law (“Special Cases”). In such instances, the County Attorney shall solicit the services of at least three attorneys or law firms in the private practice of law and evaluate them for purposes of handling the Special Case. The County Attorney shall consider such factors as the experience of

an attorney, expertise of an attorney, his/her reputation within the legal community, his/her hourly rate, and the time constraints, if any, the attorney may have in the handling of the Special Case. A retainer agreement with the selected outside counsel shall be executed that includes the scope of services to be provided and the hourly rates to be charged. Defense reserves necessary to pay outside counsel fees shall be established by the Office of Law and set in the Fund by Risk Management.

(b) Where a conflict of interest exists requiring the provision of outside counsel to an Employee and the Employee requests appointment of an attorney, the County Attorney shall select an attorney to represent the Employee after considering the factors identified in B(1)(a) above. Defense reserves to cover counsel fees shall be set as described in B(1)(a) above. Whether an attorney is appointed for an Employee or retained by the Employee at his/her choosing, fee invoices shall be reviewed by the Office of Law as described in section B(1)(c) herein.

(c) The County Attorney shall ensure that any retainer agreement with outside counsel provides for hourly rates no higher than the prevailing market rates for similar legal services. Prior to payment from the fund by Risk Management, fee invoices shall be reviewed by the Office of Law to ensure that the fees charged are in accordance with the retainer agreement and are reasonable and necessary for the defense or prosecution of the case.

(2) Expert witnesses necessary for the defense of a case shall be selected by the Office of Law. Retainer agreements shall be executed which include the hourly rate to be charged. Defense reserves required to cover the expert's fees must be set through joint consultation between the Office of Law and Risk Management. Prior to payment of expert witness fees from the Fund by Risk Management, fee invoices shall be reviewed by the Office of Law to ensure that the fees charged comport with the agreed upon-hourly rates and are reasonable and necessary for the defense of the case.

(3) Doctors for independent medical examinations in workers' compensation cases shall be selected through collaboration between Risk Management and the Office of Law attorney assigned to the workers' compensation case. Fees charged shall be reviewed by Risk Management to ensure that they are comparable to the prevailing market rates for similar services.


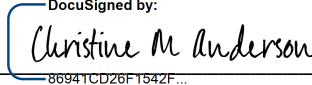
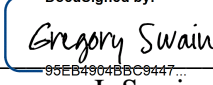
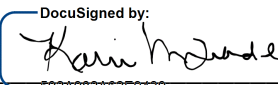
(4) Private investigators shall be selected through collaboration between Risk Management, and the Office of Law. Risk Management shall ensure that the fees charged are comparable to the prevailing market rates for similar services.

(5) The services of nurses and other health care professionals retained for purposes of medical case management of worker's compensation claim cases shall be selected by Risk Management. Risk Management shall ensure that the fees for any services retained are comparable to the prevailing market rates for similar services.

(6) All other litigation-related expenses submitted by the Office of Law and approved by the Central Services Officer shall be paid. Necessary documentation such as receipts and mileage statements shall be produced prior to payment from the Fund by Risk Management. Submission of costs by the Office of Law shall constitute a certification that the expenses incurred are reasonable and necessary for the defense of the case.

These Self-Insurance Rules and Regulations shall be archived by the Office of the Safety and Insurance Manager and remain in existence until altered or terminated by the Self-Insurance Fund Committee. These Self-Insurance Rules and Regulations may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned members of the Self-Insurance Fund Committee signify that these Self-Insurance Rules and Regulations have been adopted on behalf of Anne Arundel County, Maryland, effective as of the date indicated above.

<u>10/5/2022</u> Date	<p>DocuSigned by:  CBC47D9EB95C44A...</p> <hr/> <p>Matthew Power, Chief Administrative Officer</p>
<u>10/5/2022</u> Date	<p>DocuSigned by:  89941CD26F1542F...</p> <hr/> <p>Christine M. Anderson, Central Services Officer</p>
<u>10/6/2022</u> Date	<p>DocuSigned by:  95EB49048BC9447...</p> <hr/> <p>Gregory J. Swain, County Attorney</p>
<u>10/7/2022</u> Date	<p>DocuSigned by:  592A9827A62E9439...</p> <hr/> <p>Karin McQuade, Controller</p>
<u>Oct 19, 2022</u> Date	<p><u><i>Bruce Lamartin</i></u> <small>Bruce Lamartin (Oct 19, 2022 14:52 EDT)</small></p> <hr/> <p>Bruce R. Lamartin, Risk Management Specialist – Designee of the Board of Education for Anne Arundel County</p>

10/3/2022

Date

DocuSigned by:

*Melissa Beardmore*

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Melissa A. Beardmore, Vice President for Learning Resources Management – Designee of the Board of Trustees of Anne Arundel Community College

9/30/2022

Date

DocuSigned by:

*Koven Roundtree*

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Koven Roundtree, Chief of Human Resources – Designee of the Board of Trustees of the Public Library Association of Annapolis and Anne Arundel Community, Inc.

Approved for Form and Legal Sufficiency

GREGORY J. SWAIN  
County Attorney

By:

DocuSigned by:

*Hamilton F. Tyler*

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Hamilton F. Tyler  
Deputy County Attorney

9/30/2022

Date