

# H.A. THOMSON

♦ RISK MANAGEMENT SERVICES ♦

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[www.hathomson.com](http://www.hathomson.com)

## Crime Policy

In Pennsylvania, treasurers and tax collectors of Townships and Boroughs are required to be individually bonded. Some municipalities also require via ordinance that their manager be individually bonded. These bonds will reimburse your municipality for funds taken by theft or the failure of the official to faithfully perform their duties.

Local governments should consider purchasing a crime policy with public employee dishonesty, computer fraud and funds transfer fraud coverage. The public employee dishonesty section will cover the rest of the municipality's employees and board including other clerical personnel that have access to cash and bank accounts. Additionally, the treasurers of Municipal Authorities can be covered under a blanket public employee dishonesty policy.

The Computer Fraud section covers funds fraudulently transferred by computer from your bank account. The Funds Transfer Fraud endorsement covers other types of fraudulent transfer instructions directing your bank to transfer money. Theft by computer hackers is on the rise. Recently two local governments sustained losses of this type. This coverage is inexpensive and purchasing the coverage allows the insurance company to reimburse you and then the insurance company can work with your bank.

Other coverages are also available under a Crime policy including, theft of money and securities, forgery or alteration of checks done by third parties, and robbery and safe burglary. EMC Insurance Company and the PIRMA Property Pool each provide a \$10,000 limit in their property coverage forms for theft of money and securities. Higher limits are available.

Please let your Account Manager know if you are interested in any of these coverages.

## Ben Giangulio, Sr.

As many of our clients already know, Ben (Mr. G) passed away this January at the age of 90. Ben was the long time owner of H.A. Thomson Company and had come to know many of our clients closely over the years. While he is greatly missed, his integrity, knowledge, and sincerity are still the foundations of our company. On behalf of his family and many friends, please accept our thanks for all of your condolences.

## Building Code Officers

Since the adoption of the Uniform Construction Code (UCC), we have seen a number of claims against municipal building code enforcement officers. Local governments were required to either opt-in and enforce the code themselves, or opt-out and have the Commonwealth enforce the code. Municipalities that chose to opt-in either performed the inspections via an employee or contracted with a third party firm. Contracting with a third party firm has created liability issues that should be addressed.

As with any independent contractor, you should make sure they carry the proper insurance coverage. With Code Enforcement firms, you should make certain they carry general liability, auto liability, workers' compensation and professional liability coverages. You should sign a contract with them that includes a provision where the contractor agrees to hold harmless, defend, and indemnify your municipality for the contractor's negligent acts while performing inspections for you. Your municipality should be named as an additional insured on the contractor's General Liability and Professional Liability policies.

*We value your business*

## Flood Insurance



A surprising amount of flood damage occurs in areas outside of traditional flood zones. We all saw the recent massive flooding in Tennessee this spring. Much of this was outside of high hazard flood zones.

According to the National Flood Insurance Program, one in four claims come from low to moderate risk areas. Standard property coverage does not cover flood damage. Coverage is available in these areas from some insurance carriers and the National Flood Insurance Program. If your building is in a flood zone, coverage may be available in the National Flood Insurance Program. Please contact us if you are interested in receiving a quote.

## Summer Help

It's that time of year again when temporary summer hires join us on their breaks from college and high school. Whether in parks and recreation, as lifeguards or as maintenance help, it is important to keep in mind their safety and the labor issues that surround younger workers.

The Pennsylvania Child Labor Law governs the labor activities and hours of minors.

Employment certificate requirements are also outlined by the Act. We can provide a copy of the Act and a helpful abstract upon request. Additionally, from a risk management perspective, it is not recommended that minors be allowed to operate heavy equipment. Be sure to schedule safety training for your summer hires and always have them under supervision.

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