

Risk Management Service Agency

RMSEA

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Member Standards

AWC RMSA Member Standards

The AWC Risk Management Service Agency's Member Standards were adopted by the Board of Directors to provide consistent administrative practices for members, reducing property and liability losses.

The Standards selected were identified as those which have historically driven AWC RMSA's claims expenses and where compliance with these Standards would either eliminate or greatly reduce exposure for AWC RMSA and its membership. By following these Standards, the Board is confident that members will reduce costs for themselves and help the long-term financial stability of the AWC RMSA.

An AWC RMSA member's failure to comply with Required Member Standards will result in a deductible being applied to the loss.

Advisory Member Standards are principles and practices which, while not required, have been identified and recognized by both AWC RMSA and the pooling industry as sound best practices. AWC RMSA strongly believes that following these Advisory Member Standards will significantly decrease the likelihood of experiencing property and liability losses.

Compliance with these Member Standards can be accomplished in various ways. Loss control grants will be prioritized to assist members in meeting the standards. Also, AWC RMSA online, onsite, or on demand training is free to members to meet training standards. In all cases RMSA staff will work with members to assist in achieving compliance with all Standards.

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Leadership Member Standards

Advisory Standards

Leadership Advisory Standard 1—Open public meeting and public records training: The entire council, board, or commission and appointed records officers shall receive training on open public meetings, public records requests, and records retention within 90 days of taking office, and should take refresher training every three years. This standard is advisory, however, please note that this training standard is required by Washington State Law (RCW 42.56.080 and 40.14.040) Additionally, members are encouraged to attend legal updates as provided by RMSA.

Leadership Advisory Standard 2—RMSA orientation: The city/town administrator, the mayor, and the designated AWC RMSA contact should participate in an AWC RMSA program orientation within 90 days of joining the pool, or within 90 days of a new officials first day of service, which consists of an overview of claims reporting; grant, scholarship, and training opportunities; loss prevention inspections; and program administration.

Leadership Advisory Standard 3—Elected officials training: All newly elected or appointed mayors and councilmembers, board members, and commissioners should complete the AWC Elected Officials Essentials training within six months of taking office.

Leadership Advisory Standard 4—Disaster plan: The mayor, all department heads, and others identified with emergency management responsibilities should annually review the member's disaster plan. The plan should also be tested annually by an emergency operation exercise such as a tabletop, sand table, full scale test of a part of the plan, or by an actual local emergency declaration.

Leadership Advisory Standard 5—Electronic communications policy: The member should adopt a policy addressing the member-related business use of electronic communication, including cell phones, computers, email, texting, and social media by elected officials, employees, and volunteers to ensure compliance with state public records retention requirements.

Contract and interlocal agreement review Member Standard

Advisory Standard

Contract and interlocal agreement review Advisory Standard 1—Approved contract language: Contracts and interlocal agreements where the member is the procurer of services should contain a third-party indemnification clause and insurance coverage provisions and should either use AWC RMSA's pre-approved insurance and indemnification language or should be forwarded to the AWC RMSA for review of the indemnification and insurance language, in advance of adoption by the member's governing body.

Crime Member Standards

Required Standards

Crime Required Standard 1—Fraud

prevention training: All member employees that handle or oversee the handling of public funds shall participate, on an annual basis, in RMSA-approved training regarding internal control systems to prevent or reduce fraud.

\$1,000 deductible: If a crime related to the handling or management of public funds occurs and the member staff responsible for that incident and/or any other person involved in the internal control process has not completed the required training within the last 12 months, a deductible will be applied to the loss.

***Crime Required Standard 2—Separation of duties:** The member shall adopt and enforce a policy outlining the separation of financial duties to ensure that one person does not have the sole responsibility of receiving payments, making purchases on behalf of the entity, reconciling cash receipts, and overseeing the process. If the member has only one employee available for these duties, outsourcing should be used.

\$1,000 deductible: If a crime related to the handling or management of public funds occurs and a separation of duties policy is not in place at the time that the loss is discovered, a deductible will be applied to the loss.

*New for 2023

Advisory Standards

Crime Advisory Standard 1—Credit card usage:

The member's legislative body should adopt and enforce a credit card use policy to provide guidance to individuals trusted to access and use the entity's credit card(s). The credit card policy should include guidance for usage in the following areas: (a) who credit cards are distributed to, (b) the authorization and control of use of credit card funds, (c) the credit limits available, (d) payment of the bills, and (e) any other policy or procedure necessary to implement or administer the system under RCW 43.09.2855.

Crime Advisory Standard 2—Financial audits: The member should conduct scheduled and unscheduled management reviews of financial reports, such as exception reports targeted at specific risks. These reviews should include revenue and expense trends to identify any unusual fluctuations or purchases made outside of work hours and follow up should be completed on any discrepancies identified.

Cyber security Member Standards

Note: Cyber security insurance coverage is dependent on specific mitigation measures taken by the member prior to the loss. Review RMSA cyber coverage agreement for specific requirements.

Required Standards

Cyber security Required Standard 1—Cyber awareness training: All employees and elected officials who have access to their entity's electronic systems or information shall complete at least one cyber security awareness related training (recognizing phishing emails, computer security basics, etc.) annually.

\$1,000 deductible: If a cyber security related incident occurs and the member staff responsible for that incident has not completed a cyber security awareness training video/course within the last 12 months, a deductible will be applied to the loss.

Cyber security Required Standard 2—Payment instructions verification: The member should develop and adopt a policy related to the verification of external financial payments to include a procedure to verify the authenticity of each payment request. This could include implementing a call-back verification process or a secondary verification by a second employee.

Coverage excluded: This is a direct requirement of RMSA's cyber insurer to access coverage for social engineering fraud. Non-compliance, in the form of failure to have such a procedure in place, or failure to follow such procedure, will void otherwise available coverage and result in coverage being excluded.

Advisory Standards

***Cyber security Advisory Standard 1—Join MS-ISAC:** The Multi-State Information Sharing and Analysis Center (MS-ISAC) is free to local governments and offers a variety of services including Incident Response.

***Cyber security Advisory Standard 2—Complete the NCSR assessment:** The Nationwide Cybersecurity Review (NCSR) is a free assessment designed to gauge the strength of SLLT cybersecurity programs. It is sponsored by the Department of Homeland Security and MS-ISAC. The NCSR measures cyber preparedness, while also providing feedback and metrics to the governments who complete it.

***Cyber security Advisory Standard 3—Cyber hygiene:** The member should adopt NLC's Basic Cyber Hygiene practices including training, incident response plan, vulnerability management, wire authorization policies and network account management.

*New for 2023

Driving Member Standards

Required Standard

Driving Required Standard 1—Defensive driver training: All drivers (employees and volunteers, including public safety and law enforcement) who operate member owned vehicles shall complete an AWC RMSA-approved defensive/distracted driving course before driving a member vehicle and at least every three years thereafter. Additionally, all drivers of emergency vehicles shall complete an EVOC/ EVIP training before driving a member vehicle and at least every three years thereafter. If the EVOC/ EVIP course includes a defensive/ distracted driving component, that will satisfy the requirement.

\$1,000 deductible: If an auto accident occurs and the operator of the member owned vehicle has not completed a defensive driving course or EVOC/ EVIP course (as applicable) before having driven the vehicle or within the past three years, a deductible will be applied to the loss.

Advisory Standard

Driving Advisory Standard 1—Driver's abstract:

Members should have on file a driver's abstract for all drivers who operate member-owned vehicles, including moveable equipment, and should obtain updated abstracts every three years.

***Driving Advisory Standard 2—Backing:** All vehicles that are not factory-equipped with a back-up camera system should be retrofitted. Regardless of presence of back-up camera, there should be a backing policy and/or training in place that includes requiring drivers to use safe backing practices including use of a spotter with large vehicles or pre-backing walk arounds and turning head versus relying on mirrors.

*New for 2023

Employment practices Member Standards

Required Standards

Employment practices Required Standard 1—

Review prior to personnel action: Prior to taking any personnel action that may result in termination of an employee, and/or notifying the employee of such final disposition, the member shall notify AWC RMSA and allow AWC RMSA to review the merits and risks of the termination and provide guidance at staff's discretion.

\$5,000 deductible: If a claim related to a termination is filed and the member had not previously contacted AWC RMSA and followed the guidance of staff, a deductible may apply at the discretion of the AWC RMSA claims staff.

Employment practices Required Standard 2—

Employment practices training: All employees with direct reports, elected officials, and all department heads shall complete at least one AWC RMSA- approved training course per year on an employment practices-related topic. Non-AWC RMSA sponsored trainings will require advance approval from AWC RMSA to apply.

\$1,000 deductible: If a claim related to the conduct of an employee with direct reports, elected official, or department head is filed and that person has not completed an AWC RMSA- approved training course on an employment practices-related topic within the past year, a deductible will be applied to the loss.

Advisory Standard

Employment practices Advisory Standard 1—

Personnel policy review: Personnel policies and procedures should be reviewed at least every five years by an attorney who specializes in employment practices liability. When recommended, the personnel policies and procedures should be revised, and the changes communicated to all employees.

Land use Member Standards

Required Standard

Land use Required Standard 1—Review prior to moratorium: Prior to adoption of a new moratorium, or renewal of an existing moratorium, a member shall contact AWC RMSA prior to council action for review of the proposed moratorium by an AWC RMSA approved attorney.

\$1,000 deductible: If a claim related to a land use moratorium is filed and the member had not previously contacted AWC RMSA and followed the guidance of staff, a deductible will be applied to the loss.

Advisory Standard

Land use Advisory Standard 1—Land use training:

The council and planning commission should complete training within six months of assuming responsibility for land use issues. This training should include a review of the moratorium process. A refresher training should be taken every four years.

Law enforcement Member Standard

Required Standard

Law enforcement Required Standard 1—Use of force training: Commissioned officers and reserve officers shall annually complete training on the use of force policy adopted by the member.

\$1,000 deductible: If an excessive use of force claim is filed, and the officer involved has not completed use of force training within the past year, a deductible will be applied to the loss.

Advisory Standard

***Law enforcement Advisory Standard 1—**

CJTC training requirements: Law enforcement departments should follow the Criminal Justice Training Commission training standards for criminal justice professionals.

*New for 2023

Public works Member Standards

Required Standards

Public works Required Standard 1—

Sewer systems: The member shall retain documentation confirming routine inspections and/or cleaning in the past 12 months of their sanitary/stormwater sewer systems.

\$1,000 deductible: If a claim is filed by a member not having inspected or cleaned some portion of their sanitary/stormwater sewer system within the past 12 months, a deductible will be applied to the loss.

Public works Required Standard 2—Service

issue documentation: The member shall retain documentation confirming complaints and the member's responses to complaints regarding issues and/or repairs needed for sidewalks and streets.

\$1,000 deductible: If a claim is filed by a member not having documented a complaint or having properly responded to that complaint a deductible will be applied to the loss.

***Public works Required Standard 3—Repeat**

claims: The member shall address identifiable hazards or practices that result in a third-party claim in order to avoid future similar losses. When feasible, either permanent or temporary mitigation measures will be instituted immediately upon notice of the claim. In situations where the cause of loss has been identified and has the potential to cause future potential damage, the member will apply a permanent remedy as soon as practicable.

\$1,000 deductible: Member will be provided with written warning and timeframe to correct issue. If a repeat claim occurs after the provided timeframe, a deductible may apply at the discretion of the AWC RMSA claims staff.

*New for 2023

Advisory Standards

Public works Advisory Standard 1—Sign

inspections: The member should retain documentation confirming annual inspections of regulatory and warning signs addressing retro-reflectivity, foliage overgrowth and needed repairs.

Public works Advisory Standard 2—Parks

inspections: The member should retain documentation confirming annual inspections of parks and recreation facilities.

***Public works Advisory Standard 3—Securing of property against theft:**

All vehicles and portable high value items such as power tools should be secured when not in use. Work vehicles should be equipped with locking boxes or bed covers to secure tools when in the field. Items should not be left in view at any time when unattended and should not be left in vehicles overnight. Keys should never be left in an unattended vehicle.

*New for 2023

Frequently asked questions

Must we be fully compliant with the Member Standards?

Yes. AWC RMSA has had Member Standards in place since 2013 and all members are required to be in full compliance with the required Member Standards. Ideally, members are also in full compliance with the Advisory Member Standards, however lack of compliance with Advisory Standards does not carry a financial penalty. AWC RMSA staff can provide assistance in helping you comply with the Member Standards.

What if we can't afford the resources needed to comply?

Most of the Member Standards requiring training can be completed for free using RMSA-U webinars, our on-site or regional trainings, or by taking advantage of AWC RMSA's scholarship program, the loss control grants are specifically targeted to help with Member Standard compliance and AWC and RMSA can assist with finding other grants.

Do other risk pools have member standards?

Yes, and in many cases, they are more rigorous and expensive to comply with than the AWC RMSA Member Standards.

Does AWC RMSA have resources to help with meeting the Member Standards?

Yes. AWC RMSA has many free resources such as model policies, loss prevention guides, inspection forms, and training which can be used to help meet these standards. In addition, a personnel policies manual template is available using the free AWC RMSA HR Helpline.

Do the deductibles apply immediately to all of the Standards?

The deductibles only apply to the Required Member Standards, not to the Advisory Member Standards.

Who is responsible for maintaining the training records?

The member is responsible for maintaining training records.

Is it required for us to contact AWC RMSA prior to terminating an employee?

Yes. If a claim or lawsuit is filed, a deductible will apply if you did not contact AWC RMSA and allow AWC RMSA to review the merits and risks of the termination and provide guidance at staff's discretion prior to taking an action which results in termination of an employee.

The AWC RMSA claims staff will determine if a deductible will be applied if staff's guidance is not followed. AWC RMSA can provide free attorney services for employment matters. Our free pre-litigation service is designed to reduce the potential liability of employment related matters.

Must we have AWC RMSA review all land use ordinances, moratorium, and/or proposed land use actions?

Yes. If a member adopts a new moratorium or renews an existing moratorium without allowing the moratorium to be reviewed by an AWC RMSA-approved attorney prior to council action or adoption and a claim or lawsuit is filed, a deductible will apply. However, AWC RMSA's free pre-litigation service can help members identify if adopting or extending a land use moratorium is a prudent course of action.

Are we required to send all contracts and interlocal agreements to AWC RMSA before we approve and sign?

No. AWC RMSA is happy to review the insurance and indemnification portions of contracts and agreements to protect our members' interest. AWC RMSA can provide standard insurance and indemnification language which you can incorporate into your contracts and agreements.

Does the contract review standard include labor agreements?

No. AWC RMSA does not review your labor or collective bargaining agreements. These should be reviewed by an attorney with expertise in employment practices, labor, and/or collective bargaining.

Required Standards and deductibles

When AWC RMSA members are in compliance with all of the required Member Standards, deductibles will not apply to claims which may arise. It is when a member is out of compliance that the following deductibles will be applied.

Crime Required Standards

Crime Required Standard 1—Fraud prevention training	\$1,000 deductible
All member employees that handle or oversee the handling of public funds shall participate, on an annual basis, in RMSA-approved training regarding internal control systems to prevent or reduce fraud.	If a crime related to the handling or management of public funds occurs and the member staff responsible for that incident and/or any other person involved in the internal control process has not completed the required training within the last 12 months, a deductible will be applied to the loss.
Crime Required Standard 2—Separation of duties	\$1,000 deductible
The member shall adopt and enforce a policy outlining the separation of financial duties to ensure that one person does not have the sole responsibility of receiving payments, making purchases on behalf of the entity, reconciling cash receipts, and overseeing the process. If the member has only one employee available for these duties, outsourcing should be used.	If a crime related to the handling or management of public funds occurs and a separation of duties policy is not in place at the time that the loss is discovered, a deductible will be applied to the loss.

Cyber security Required Standards

Cyber security Required Standard 1—Cyber awareness training	\$1,000 deductible
All employees and elected officials who have access to their entity's electronic systems or information shall complete at least one cyber security awareness related training (recognizing phishing emails, computer security basics, etc.) annually.	If a cyber security related incident occurs and the member staff responsible for that incident has not completed a cyber security awareness training video/course within the last 12 months, a deductible will be applied to the loss.
Cyber security Required Standard 2—Payment instructions verification	
The member should develop and adopt a policy related to the verification of external financial payments to include a procedure to verify the authenticity of each payment request. This could include implementing a call-back verification process or a secondary verification by a second employee.	Coverage excluded: This is a direct requirement of RMSA's cyber insurer to access coverage for social engineering fraud. Non-compliance, in the form of failure to have such a procedure in place, or failure to follow such procedure, will void otherwise available coverage and result in coverage being excluded.

Required Standards and deductibles

Driving Required Standard

Driving Required Standard 1—Defensive driver training	\$1,000 deductible
All drivers (employees and volunteers, including public safety and law enforcement) who operate member owned vehicles shall complete an AWC RMSA-approved defensive/distracted driving course before driving a member vehicle and at least every three years thereafter. Additionally, all drivers of emergency vehicles shall complete an EVOC/EVIP training before driving a member vehicle and at least every three years thereafter. If the EVOC/EVIP course includes a defensive/ distracted driving component, that will satisfy the requirement.	If an auto accident occurs and the operator of the member owned vehicle has not completed a defensive driving course or EVOC/EVIP course (as applicable) before having driven the vehicle or within the past three years, a deductible will be applied to the loss.

Employment practices Required Standards

Employment practices Required Standard 1— Review prior to personnel action	\$5,000 deductible
Prior to taking any personnel action that may result in termination of an employee, and/or notifying the employee of such final disposition, the member shall notify AWC RMSA and allow AWC RMSA to review the merits and risks of the termination and provide guidance at staff's discretion.	If a claim related to a termination is filed and the member had not previously contacted AWC RMSA and followed the guidance of staff, a deductible may apply at the discretion of the AWC RMSA claims staff.
Employment practices Required Standard 2— Employment practices training	\$1,000 deductible
All employees with direct reports, elected officials, and all department heads shall complete at least one AWC RMSA- approved training course per year on an employment practices-related topic. Non-AWC RMSA sponsored trainings will require advance approval from AWC RMSA to apply.	If a claim related to the conduct of an employee with direct reports, elected official, or department head is filed and that person has not completed an AWC RMSA- approved training course on an employment practices-related topic within the past year, a deductible will be applied to the loss.

Land use Required Standard

Land use Required Standard 1—Review prior to moratorium	\$1,000 deductible
Prior to adoption of a new moratorium, or renewal of an existing moratorium, a member shall contact AWC RMSA prior to council action for review of the proposed moratorium by an AWC RMSA approved attorney.	If a claim related to a land use moratorium is filed and the member had not previously contacted AWC RMSA and followed the guidance of staff, a deductible will be applied to the loss.

Law enforcement Required Standard

Law enforcement Required Standard 1—Use of force training	\$1,000 deductible
Commissioned officers and reserve officers shall annually complete training on the use of force policy adopted by the member.	If an excessive use of force claim is filed, and the officer involved has not completed use of force training within the past year, a deductible will be applied to the loss.

Public works Required Standards

Public works Required Standard 1—Sewer systems	\$1,000 deductible
The member shall retain documentation confirming routine inspections and/or cleaning in the past 12 months of their sanitary/stormwater sewer systems.	If a claim is filed by a member not having inspected or cleaned some portion of their sanitary/stormwater sewer system within the past 12 months, a deductible will be applied to the loss.
Public works Required Standard 2—Service issue documentation	\$1,000 deductible
The member shall retain documentation confirming complaints and the member's responses to complaints regarding issues and/or repairs needed for sidewalks and streets.	If a claim is filed by a member not having documented a complaint or having properly responded to that complaint a deductible will be applied to the loss.
Public works Required Standard 3—Repeat claims	\$1,000 deductible
The member shall address identifiable hazards or practices that result in a third-party claim in order to avoid future similar losses. When feasible, either permanent or temporary mitigation measures will be instituted immediately upon notice of the claim. In situations where the cause of loss has been identified and has the potential to cause future potential damage, the member will apply a permanent remedy as soon as practicable.	Member will be provided with written warning and timeframe to correct issue. If a repeat claim occurs after the provided timeframe, a deductible may apply at the discretion of the AWC RMSA claims staff.

Required Standards training tracking

Crime – Due once per year

EVOC/EVIP driving – Due every three years

Cyber security – Due once per year

Employment training – Due once per year

Employee driving – Due every three years

Law enforcement – Due once per year

Name	Position/Title	Course completed	Member Standard fulfilled	Date completed	Date next due

Name	Position/Title	Course completed	Member Standard fulfilled	Date completed	Date next due

Risk Management Service Agency

wacities.org/RMSA

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