

MPIC PROPERTY POINTERS

June 2021

CYBER SECURITY BASICS

By Darrel Zaleski, Spectrum Insurance

Cyber criminals target companies of all sizes, but especially federal, state, and local governmental entities and utilities. Knowing some cybersecurity basics and putting them in practice will help you protect your data and reduce the risk of a cyber attack.

PROTECT YOUR FILES AND DEVICES

1. Update your software.

This includes your apps, web browsers, and operating systems. Set updates to happen automatically.

2. Secure your files.

Back up important files offline, on an external hard drive, or in the cloud. Make sure you store your paper files securely as well.

3. Require passwords.

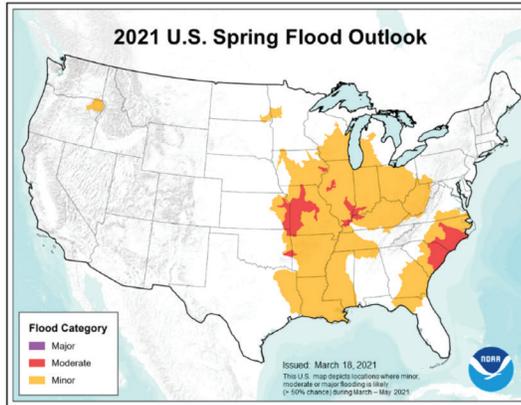
Use passwords for all laptops, tablets, and smartphones. Don't leave these devices unattended in public spaces. A strong password is at least 12 characters that are a mix of capital and lowercase letters, numbers, and symbols.

4. Encrypt devices.

Encrypt devices and other media that contain sensitive personal information. This includes laptops, tablets, smartphones, removable drives, backup tapes, and cloud storage solutions.

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WELCOME TO SUMMER



Spring has sprung and Wisconsin is headed into the teeth of storm season. Convective storms have long been a part of summers in the upper Midwest, along with the occasional tornado and flooding concerns. Fortunately, Wisconsin and MPIC have experienced more favorable weather patterns over the last 16 months.

NOAA generates annual flood outlooks for the country, and for 2021 has determined that our risk of flooding in Wisconsin is "Minor." This is encouraging, as many parts of Wisconsin find themselves hoping for some precipitation in the early part of summer.

Even with a favorable outlook for flooding, convective storm (thunderstorm) damage is still unpredictable. MPIC recommends taking as many preventive maintenance measures as possible to limit damage from lightning, heavy rain, and hail.

You can help by:

- ✓ Having an electrician check your electrical systems for surge protection
- ✓ Inspecting and repairing roofs that exhibit deterioration from aging/wear and tear
- ✓ Inspecting and cleaning rain gutters and downspouts
- ✓ Regularly checking sump pumps and battery backup systems
- ✓ Testing backup generators and switch boxes

Also remember your personal safety as you pursue summer activities and entertainment. Sometimes our plans to have fun can run afoul of Mother Nature and can occasionally lead to a dangerous situation. Before you head out for summer fun:

- ✓ Check the weather forecast
- ✓ Pack and plan accordingly – you can't use it if you don't take it with you
- ✓ Take shelter if conditions get ugly

MPIC claims staff are prepared to help you if you experience any storm or water damage. Contact us promptly for professional assistance - Claims@mpicwi.com or phone 877-278-4165.

Municipal Property Insurance Company is specifically designed to serve as more than just an insurer; MPIC also acts as a service partner that provides the highest quality insurance product and ancillary services to municipalities.



A Cooperative Corporation Between WMMIC, CVMIC, and LWMMI

5. Use multi-factor authentication.

Require MFA to access Microsoft 365 and areas on your network with sensitive information. This requires additional steps beyond logging in with a password like a temporary code on a smartphone or a key that is inserted into a computer.

PROTECT YOUR WIRELESS NETWORK

1. Secure your router.

Change the default name and password, turn off remote management, and log out as the administrator once the router is set up.

2. Use at least WPA2 encryption.

Make sure your router offers WPA2 or WPA3 encryption, and that it's turned on. Encryption protects information sent over your network so it can't be read by outsiders.

MPIC STAFFING CHANGE

Over the last 5 plus years, MPIC staff has strived to improve coverages and services for all MPIC insureds. We are saddened to announce that one of our key individuals, Underwriting Manager Ben Hagen, has accepted a position with Sentry Insurance. Most of you have met or worked with Ben since he joined us in 2017, and he will be missed. We are currently seeking a replacement for Ben, albeit probably not someone of his stature, and will be introducing that individual as soon as they are selected.

In the meantime, you can contact your agent or MPIC for all your property insurance needs:

Blair Rogacki

brogacki@mpicwi.com
715-892-7277

Brian Bergman

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608-821-6336

We look forward to working with you and hopefully seeing you later this year at one of the many events MPIC will be attending in person.



WHICH SEASON – WINTER OR CONSTRUCTION?



We've all heard this saying about Wisconsin, and while there's little truth to it, there are times when projects need to be done. Across Wisconsin, municipalities are engaging in new and remodeling projects of their facilities. A critical part of any construction project is managing the insurance requirements, including the contract provided to you by the architect, engineer, or contractor.

There are numerous requests often included in standard AIA Construction Contract Documents that are unfavorable to project owners. To help avoid these pitfalls, we've consulted with Attorney Eric Larson, a leading Wisconsin municipal lawyer who specializes in working with municipalities to engage contractors. He offers the following Best Practices to follow when reviewing insurance requirements:

1. Do not indemnify your contractor or accept mutual indemnification.

You are the party purchasing a product/service from the contractor. You should not be held responsible for their actions. Contractors are specialists in their area of work and should accept the risks of their discipline. Engaging a contractor is not an equal relationship, so don't treat it like one.

2. Include appropriate indemnification terms – favorable to you.

In place of the standard indemnification part of the AIA contract, consult with an attorney to include language that protects your municipality.

3. Do not waive immunities.

Wisconsin municipalities are afforded several statutory immunities and protections. Be sure that you don't waive any of these protections by accepting the contractual language offered by the contractor. Occasionally, these may inadvertently be waived by agreeing to mutual indemnification.

4. Do not accept a term that limits the contractor's liability to the amount paid on the contract.

Agreeing to limit the amount you can recover, likely doesn't reflect the actual amount of damages that may be incurred in the event of the loss caused by a contractor. There is no logical connection between the amount the contractor is paid to the amount of potential liability risks.

5. Do not waive subrogation.

Subrogation represents your insurer's right to pursue a negligent party for damages after paying you for the damages they caused. When you waive the rights of your insurer, you protect the contractor from their liability and penalize your insurer from holding the negligent party responsible.

6. Require insurance and proof of insurance from all contracted parties.

Make sure that your contractors carry adequate limits of insurance and that you receive proof of insurance prior to them starting work. Request to be an "Additional Insured" on the contractor's policy. Finally, consult with your attorney, insurance agent, or insurance company for help determining adequate coverage limit requirements for your project or any other concerns about contractor insurance.

Remember that Wisconsin bidding laws are designed to favor and protect taxpayers. As an agent for a Wisconsin municipality, it's your responsibility to utilize those protections and act in the best interest of taxpayers – not the contractor. MPIC recently contracted with the **Municipal Law & Litigation Group, S.C.** for these tips, and a comprehensive list of Best Practices. Please contact your agent or MPIC if you'd like to receive more information on this subject.