



# PEP ON POINT

Building Stronger Communities Together

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# MASTERING WINTER ROADS: SAFE DRIVING PRACTICES FOR SNOW AND ICE CONDITIONS

BY PEP RISK SERVICES TEAM

Winter driving presents a unique set of challenges, especially when roads are blanketed in snow and glazed with ice. Reduced traction, limited visibility, and unpredictable weather patterns can turn a routine commute into a risky endeavor. Staying safe during these months requires more than cautious driving; it demands strategic preparation, situational awareness, and a clear understanding of how snow and ice affect vehicle performance. From pre-trip inspections to emergency response techniques, adopting comprehensive winter driving practices can significantly reduce the risk of accidents and ensure safer travel for everyone on the road.

### **EMERGENCY KIT ESSENTIALS**

Prepare a winter emergency kit to ensure safety and comfort in case of vehicle breakdown or delays due to snow and ice. This kit should include items that help you stay warm, hydrated, visible, and able to communicate.

#### **Essential items include:**

- First aid kit
- Non-perishable food and water
- Flashlights with extra batteries
- Jumper cables
- Traction aids (sand, cat litter, road salt, and cardboard)
- Seat belt cutter
- Portable phone charger
- Snowbrush, ice scraper, shovel, and windshield washer fluid
- Extra blankets, warm clothing, and emergency heat sources



**For more information on safety in winter weather, contact your PEP Risk Services Specialist at (866) 907-3776.**

## VEHICLE PREPARATION

Conduct preventive maintenance before winter to avoid breakdowns in severe weather. Ensure all vehicle systems are functioning properly, and visibility is not compromised.

- Inspect battery, belts, brakes, tires, lights, windshield wipers, defroster, heater, and exhaust system.
- Check tire tread and air pressure frequently.
- Maintain at least a half tank of gas.
- Clear snow and ice from all vehicle surfaces for full visibility.
- Ensure wiper blades exert enough pressure and washer fluid is topped off.

## Winter Driving Tips

- **Drive Slowly & Defensively:** Adjust speed to match poor road conditions and anticipate hazards.
- **Increase Following Distance:** Maintain 8–10 seconds or more between vehicles.
- **Avoid Cruise Control:** It can cause unexpected acceleration and loss of control.
- **Avoid Sudden Stops:** Brake gently to prevent skidding.
- **Don't Stop on Hills:** Gain momentum on flat ground before climbing.
- **Combat Fatigue:** Take regular breaks to stay alert.
- **Use Headlights:** Keep them clean and on for better visibility.
- **Avoid Tailgating:** Especially on bridges and overpasses, which freeze first.
- **Understand 4WD Limits:** Helps with traction but not with stopping.

## Ice Awareness

- Wet roads can freeze when temperatures drop below 32°F.
- Melting snow and ice can refreeze at night.
- Ice forms faster on bridges, overpasses, and shaded areas.
- Exhaust moisture can create black ice at intersections.
- Ice on mirrors, antennas, and signs may signal icy roads.
- Lack of water spray from other vehicles may indicate freezing.

## If You Get Stuck

- **Stay with Your Vehicle:** It provides shelter and is easier to locate.
- **Turn on Hazards:** Increase visibility and mark your vehicle.
- **Inform Others:** Share your destination and expected arrival time.
- **Allow Extra Time:** Delays are common in snowy regions, especially where snow is rare, and road crews may be limited.

## Additional Safety Tips

- **Drive Carefully in Populated Areas:** Watch for pedestrians and vehicles.
- **Pull Over if Visibility is Poor:** Wait for conditions to improve.
- **Steer Into a Skid:** Regain control smoothly.
- **Know Your ABS:** Maintain firm pressure if ABS activates.



# VALUATION METHODS IN PROPERTY COVERAGE:

## A COMPREHENSIVE GUIDE FOR PUBLIC ENTITIES

BY PETE BRUNETT, UNDERWRITING MANAGER ARPCO - PM

### EXECUTIVE SUMMARY

In property coverage for governmental entities, accurate valuation methods are essential for ensuring financial resilience and operational continuity. Replacement cost coverage reimburses the expense of repairing or rebuilding damaged assets with materials of comparable kind and quality, without depreciation deductions. Stated amount, conversely, limits payouts to a predetermined value specified in the policy's Statement of Values, providing predictability but potentially exposing entities to underinsurance if values are outdated. This article examines these methods within the context of governmental property agreements (e.g., GPA 0601, Section III), highlighting distinctions, benefits, and best practices to inform risk management strategies.

### INTRODUCTION

Public entities, including municipalities, educational institutions, and agencies, manage extensive asset portfolios vulnerable to perils such as natural disasters and vandalism. Valuation methods dictate claim settlements, impacting fiscal stability. Replacement cost prioritizes asset restoration, while stated amount emphasizes fixed limits. Drawing from standard policy frameworks and industry insights, this guide equips leaders with tools to align coverage with organizational objectives.



### CHALLENGES IN POST-LOSS PROPERTY VALUATION

Governmental assets face unique valuation hurdles:

- **Depreciation Deficits:** Actual cash value (ACV) subtracts depreciation, often yielding insufficient funds for restoration.
- **Cost Volatility:** Inflation, supply chain disruptions, and regulatory updates escalate expenses.
- **Limit Inadequacies:** Inaccurate schedules risk coverage gaps or premium inefficiencies.
- **Asset Heterogeneity:** Diverse properties demand tailored approaches.

Addressing these requires robust, evidence-based valuation strategies.

### KEY VALUATION METHODS: REPLACEMENT COST AND STATED AMOUNT

#### REPLACEMENT COST

This method covers current costs to repair or replace assets without depreciation, subject to policy limits.

#### Core Elements (per GPA 0601, Section III):

1. **Basis:** Lesser of incurred costs, comparable repair expenses, rebuild estimates, or declared limits.
2. **Prerequisites:** Actual repairs must occur promptly; otherwise, reverts to ACV.
3. **Applicability:** Encompasses scheduled real and personal property, with extensions for ordinance compliance and debris removal.

#### COMPARATIVE ANALYSIS WITH ACV

- **ACV:** Deducts depreciation (e.g., \$1M asset at 30% depreciation yields \$700K).
- **Replacement Cost:** Funds up to \$1M for restoration, contingent on completion.
- **Stated Amount:** Limits to \$800K, irrespective of actual costs.

Illustration: A fire-damaged facility under replacement cost receives full rebuild funds; stated amount confines recovery to the declared cap.

## ADVANTAGES OF EACH METHOD

### REPLACEMENT COST ADVANTAGES

- Holistic Restoration: Facilitates complete asset recovery, preserving public services.
- Regulatory Alignment: Incorporates code upgrades via extensions.
- Proactive Mitigation: Incentivizes timely repairs to prevent escalation.
- Sustainability Integration: Supports modern, resilient materials.
- Fiscal Safeguards: Minimizes reliance on taxpayer funds.

### STATED AMOUNT ADVANTAGES

- Budgetary Certainty: Enables precise financial forecasting.
- Specialized Suitability: Ideal for hard-to-appraise assets.
- Claim Efficiency: Reduces disputes through predefined limits.
- Premium Optimization: Lowers costs for stable-value items.
- Risk Containment: Caps exposure for predictable scenarios.

**Case Study:** Post-storm playground damage - replacement cost enables full upgrades; stated amount ensures controlled expenditures.

## BEST PRACTICES AND IMPLEMENTATION

Adopt these strategies for efficacy:

### REPLACEMENT COST

- *Rigorous Scheduling*: Maintain updated Statements of Values, leveraging third-party appraisals.
- *Deductible Calibration*: Balance with sub-limits for extensions.
- *Exclusion Management*: Supplement for risks like floods.
- *Claims Protocol*: Document meticulously and execute repairs within timelines.
- *Ongoing Evaluation*: Adjust for economic shifts.

### STATED AMOUNT

- *Appraisal Precision*: Engage experts to set values, avoiding underinsurance.
- *Periodic Audits*: Revise for inflation and asset modifications.
- *Strategic Allocation*: Apply to niche assets; hybridize with replacement cost.
- *Documentation Clarity*: Explicitly detail in policy schedules.
- *Integrated Approach*: Combine methods for comprehensive coverage.

## CONCLUSION

Replacement cost and stated amount provide synergistic frameworks: the former for thorough asset renewal, the latter for fiscal predictability. Public entities should prioritize replacement cost for high-value infrastructure and stated amount for specialized items, with regular appraisals ensuring alignment with evolving risks. This methodology fortifies public asset management, upholding community welfare.



# HOW DOES GOOD RECORD KEEPING HELP A PUBLIC ENTITY MINIMIZE LITIGATION EXPOSURE?

BY CHLOE SCHELHAAS, REMINGER CO.

Good record keeping is a cornerstone of any effective public entity risk management program and goes beyond adhering to Ohio's Sunshine Laws. Records serve as the factual backbone of nearly every lawsuit. The proper maintenance of public records and good record keeping provides many benefits in litigation to bolster defenses in the following ways:

## ESTABLISHES A CLEAR TIMELINE OF EVENTS

- Detailed records can help create a chronological timeline of events, decisions, and detail communications to clarify the circumstances that gave rise to the litigation.

## PROVIDE CLARITY WHEN CONFLICTING ACCOUNTS OF THE INCIDENT ARISE

- In litigation there can be multiple sides of a story. Record preservation can help clarify when certain actions occurred, who was involved, and build a compelling narrative to dispel conflicting stories from the parties involved.

## DEMONSTRATES COMPLIANCE WITH POLICIES AND PROCEDURES

- Records can often reflect that all actions taken were in line with applicable laws, regulations, or industry standards. Comprehensive records such as audits, training logs, personnel files, disciplinary records, safety protocols, etc. can help ensure compliance with policies and procedures.

## ENHANCES CREDIBILITY

- Organized and consistent record keeping shows due diligence, bolstering credibility. Good record keeping supplies tangible evidence that can substantiate a party's actions.





### **REDUCES RISK OF PROLONGED DISCOVERY**

- In litigation, parties must disclose and exchange certain relevant documents. Comprehensive records ensure that document production can occur smoothly and quickly. Moreover, it minimizes municipal employee time searching for relevant records when public records are well-organized.

### **MITIGATES RISK OF SPOILATION**

- Properly preserved records prevent accusations of destroying or altering evidence. Spoliation of evidence can prevent a public entity from raising certain defenses and/or cause a court to make an adverse inference at trial.

### **PROTECTS AGAINST FRIVOLOUS CLAIMS**

- When records are routinely maintained and preserved, it is easier to address claims that lack merit. In these instances, good record keeping can help easily identify documents that demonstrate why the claims lack merit.

Public entities that establish good record-keeping measures preserve defenses, minimize risks, and promote resolution of litigation. In addition to complying with legal obligations, a public entity's proper maintenance of public records and good record keeping will allow legal counsel to put the public entity's best foot forward in defending claims and possibly even discourage other litigants from filing future lawsuits.

*Chloe Schelhaas is a recent graduate from Ohio State's Moritz College of Law. Chloe is currently a law clerk with Reminger Co., LPA working in their governmental litigation practice group where she assists public entities in defending against constitutional claims and complex torts. Upon bar admission, Chloe will become an associate in the same group.*

# USING GENERATIVE ARTIFICIAL INTELLIGENCE

BY PEP CYBER RISK SERVICES TEAM

**Generative Artificial Intelligence (AI) is a set of relatively new technologies that leverage large amounts of data, along with some machine learning techniques to create content such as images, videos, or text, without being explicitly programmed to do so.** While it is a tool that can assist with everyday tasks, responsibility for the final product is still on the employee not the tool. Examples of generative AI technologies include ChatGBT, AutoGBT, and Bard.

This article outlines the acceptable and unacceptable uses of generative AI within the public entity. It is intended to promote safe and responsible use within the organization, while also protecting the public entity and the privacy and security of employees and residents. The public entity recognizes that the use of generative AI may provide significant benefits to employees by enabling them to work more effectively and efficiently. The use of generative AI should always be subject to careful consideration and evaluation to ensure it aligns with the public entity's values, goals, and best practices.



## ACCEPTABLE USE

- Generative AI may be used for research purposes, such as generating new ideas or prototypes.
- Generative AI may be used for artistic or creative purposes, such as drafting original content for marketing campaigns or advertising.
- Generative AI may be used for training and development purposes, such as creating simulated scenarios for employee training.
- Computer code created by generative AI may be used for proof of concepts and idea generation.
- All generative AI use should encourage and promote transparency, safety and security, and accountability.

## UNACCEPTABLE USE

- Generative AI must not be used for any information, images, or data being shared directly with other employees or the public. It can be used for generating drafts or ideas, which will be transformed and edited by humans prior to consumption.
- Confidential or private data, such as personally identifiable information, medical information, crime data and locations, must not be disclosed to the generative AI platform.
- Generative AI must not be used for decision-making processes, such as determining eligibility for employment, personnel decisions, or financial services.
- Generative AI must not be used to generate content that violates the public entity's code of conduct, ethics policies, or laws.

More cyber resources can be found on the Guide at [poolingguide.com/explore](http://poolingguide.com/explore)

the **GUIDE**

# Chat AI



Clear

Light mode

Updates

Log out



# 'MEMBER-FOCUSED' PEP BENEFITS



## the GUIDE

Members have exclusive access to **The Guide**, our risk management content hub, with hundreds of downloadable resources. Included are in-depth articles, best practices, and easy-to-follow checklists on industry-leading topics such as emergency services and cybersecurity – all created by our own in-house risk management experts.

Resources are routinely updated, and new materials are added seasonally.

You can register at  
<https://poolingguide.com/pep-resources>



## WHAT MEMBERS ARE SAYING ABOUT THE PEP RISK SERVICES TEAM



# CELEBRATING 40 YEARS OF PARTNERSHIP & SERVICE IN 2026

As 2026 approaches, it marks a significant milestone for the

**Public Entities Pool of Ohio (PEP)** 40 years of commitment to protecting and serving Ohio's public entities. Since its founding in 1986, PEP has grown into a trusted resource for risk management, coverage, and support, thanks to the dedication and loyalty of the members.

In 1986, **Greene County, Warren County Planning Commission, and the City of Loveland** joined together to form the Public Entities Pool of Ohio. From the original three members, PEP has grown to more than 600 public entities.

The three founding members remain valued members of PEP.

PEP was formed as a local government risk-sharing pool to provide risk management services, risk sharing facilities, and protection for every Member of the Pool. PEP provides a viable alternative to traditional insurance and is committed to these goals. The PEP program is endorsed by the **Ohio Municipal League, the Association of Ohio Health Commissioners, the Ohio Parks & Recreation Association, and the Coalition of Ohio Regional Districts**

**Over the past four decades** the public entities have worked together to create a strong, collaborative community focused on safeguarding public resources and ensuring peace of mind for local governments. Continued membership has allowed PEP to provide innovative solutions, educational programs, and responsive claims service that make a real difference.

Your trust and partnership have been the foundation of PEP's success. Every city, county, fire and ambulance district, village, health district, agricultural society, and parks and recreation district that has joined and stayed with us has contributed to building a pool that is stronger together.

PEP remains committed to delivering exceptional service and adapting to meet the evolving needs of Ohio's public entities. Here's to the next 40 years of collaboration, innovation, and shared success!

**TO OUR MEMBERS: THANK YOU**





## MEMBER SPOTLIGHT

### ROGER JOHNSON NATURE CENTER - ERIE METROPARKS

The Roger Johnson Nature Center opened in 2024 and has acted as the hub for the Erie MetroParks ever since. It has already seen over 50,000 visitors in its first year! The goal of the center is to connect the community with nature through education and exploration and they achieve that with education classrooms, live animal displays, a library, murals, wildlife viewing areas, and a beautiful turtle pond.



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Every effort has been made to ensure the accuracy of the information in this newsletter. Professional counsel should be sought before any action is taken or decision is made based on this material.