

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs: 72013

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics:

Executive Summary

The Property Risk Unit manages the County property and insurance programs in accordance with all legal requirements and County policies and procedures. It focuses on property, insurance, loss control/prevention, and risk management related issues.

Program Description

The Property Risk program negotiates and purchases property insurance for 83 County-owned buildings and their contents, and other specialized insurance coverage for the County. The Property Risk program consults and advises on property related risk exposures, researches & makes recommendations regarding the purchase of specialized insurance coverage, and develops policies and procedures to implement risk management strategies for the prevention or reduction of property losses Countywide. This program adjusts property claims with the assistance of a contracted insurance broker/risk consultant.

Program Justification

The Property program's mission is to protect the County's assets. This is done by the purchase and retention of the appropriate types and levels of insurance, recommending and implementing sound loss control/prevention measures, appropriate and timely adjusting of property loss claims, and providing effective risk financing techniques. Current County insurable assets are valued at approximately \$500 million. By protecting the County's assets, the program is being accountable to the employees and citizens of Multnomah County, minimizing loss to departments - reducing their costs so they can provide more resources for direct services to customers.

Performance Measures

| Measure Type | Primary Measure | Previous Year Actual (FY04-05) | Current Year Purchased (FY05-06) | Current Year Estimate (FY05-06) | Next Year Offer (FY06-07) |
|--------------|---|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output | Annual number of property insurance coverages purchased & renewed. | 6 | 6 | 6 | 6 |
| Outcome | Annual premium rate for property insurance coverages-cents per\$100 in prop.value | 0 | 10 | 10 | 9 |
| Quality | Annual % of property coverages renewed on time with no policies canceled. | 100% | 100% | 100% | 100% |

Performance Measure - Description

The Property Risk program's performance measures provide confirmation that the County is safeguarding its assets, and remaining in compliance with County Code 7.100-7.104 and the State of Oregon's mandatory insurance requirements. The appropriate level of insurance renewals indicates strong marketing of the County's property, safeguarding the County's assets. Factors that affect property renewal, associated premiums and rates are insurance market conditions, County property values and condition of property, types and limits of insurance purchased, and property loss claims. The average rate per \$100 in property value for Oregon self-insured public entities this year is 7.16 cents. Prior to next year's renewal, an analysis will be performed to determine the feasibility of reducing our Earthquake coverage limits and/or increasing our deductible, which would contribute to a lower rate for the County.

Legal/Contractual Obligation

The Property Risk Program is mandated by County Code 7.100-7.104. The County is also required by its financing agreements to have specific property insurance in place. The level of expenditures is based on market value of insurance to cover the County's property risk.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|---------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | 2006 | 2006 | 2007 | 2007 |
| Program Expenses | | | | |
| Personnel | \$0 | \$51,566 | \$0 | \$57,993 |
| Contracts | \$0 | \$75,000 | \$0 | \$75,000 |
| Materials & Supplies | \$0 | \$913,080 | \$0 | \$765,145 |
| Internal Services | \$0 | \$46,402 | \$0 | \$4,527 |
| Subtotal: Direct Exps: | \$0 | \$1,086,048 | \$0 | \$902,665 |
| Administration | \$0 | \$0 | \$2,745 | \$188 |
| Program Support | \$0 | \$0 | \$676 | \$0 |
| Subtotal: Other Exps: | \$0 | \$0 | \$3,421 | \$188 |
| Total GF/non-GF: | \$0 | \$1,086,048 | \$3,421 | \$902,853 |
| Program Total: | \$1,086,048 | | \$906,274 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.55 |
| Program Revenues | | | | |
| Fees, Permits & Charges | \$0 | \$1,086,048 | \$0 | \$902,665 |
| Program Revenue for Admin | \$0 | \$0 | \$226 | \$0 |
| Total Revenue: | \$0 | \$1,086,048 | \$226 | \$902,665 |

Explanation of Revenues

Revenues for this program are recovered through service reimbursements from departments.

Significant Program Changes

Last year this program was: #70002, Property Risk Unit