

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:** 72012

**Lead Agency:** County Management  
**Program Contact:** Mindy Harris

**Program Characteristics:**

**Executive Summary**

The Liability Risk Unit manages the County liability insurance program in accordance with all legal requirements and County policies and procedures. It focuses on liability exposures and liability and subrogation claims, related insurance, loss control/risk prevention, and risk management related issues. The County is self-insured for most of its liability exposures but does purchase excess insurance for claims that exceed \$1,000,000.

**Program Description**

The Liability program negotiates and purchases crime insurance, excess liability insurance, various bond coverage, and other specialized insurance coverages for the County. The Liability program recommends the types and limits of insurance to require in County contracts, advises on liability and subrogation claims and related exposures, recommends the purchase of specialized insurance coverage, and develops policies and procedures to implement risk management strategies for the prevention or reduction of liability losses Countywide. This program adjusts liability and subrogation claims with the assistance of a contracted third party administrator and the County Attorney's Office. The County chooses to "self-insure" (retain a certain amount of financial exposure to loss and purchase excess coverage for large claims). The reasons are many; control of the loss adjustment process, minimizing our "total cost of risk" (uninsured claims costs + insurance costs + administrative costs), and motivating internal loss control behavior being the major factors for the decision.

**Program Justification**

The Liability 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/risk prevention measures, appropriate and timely adjusting of liability and subrogation claims, and providing effective risk financing techniques. By protecting the County's investment in assets, the program is being accountable to the employees and citizens of Multnomah County. Subrogation claims reimbursement is the act of pursuing non-county insurance companies to pay for damages caused by external parties.

**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 # of lines of liability insurance & bond coverages. purchased/renewed.	11	14	14	14
Outcome	Annual premium rate for liability ins./bonds-cents per \$1,000 in budget.	0	7	7	6
Quality	Annual % of liability & bond coverage renewed on time with no policies canceled.	100%	100%	100%	100%

**Performance Measure - Description**

The appropriate level of insurance renewals indicates strong marketing of the County's liability program, safeguarding the County's assets. Factors that affect liability insurance renewals, associated premiums and rates are insurance market conditions, the various types of work and services the County provides (risk exposures), and our liability claims loss history. This year's average rate per \$1,000 in budget for self-insured Oregon public entities is 6.351 cents. The County's insurance broker is currently working with a Qualified Purchasing Group for all Oregon public entities with the goal of lowering premium costs/rates and increasing coverage limits for Excess Liability insurance.

## Legal/Contractual Obligation

The County is required by the State to have specific insurance and bond coverage. The County is self-insured for liability in accordance with the provisions of the Oregon Tort Claims Act, ORS 30.270, and purchases Excess Liability insurance above the self-insured retention of \$1,000,000. The required Public Official and DEQ Bonds are purchased in accordance with State requirements.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2006	2006	2007	2007
Personnel	\$0	\$51,567	\$0	\$57,993
Contracts	\$0	\$241,690	\$0	\$271,200
Materials & Supplies	\$0	\$1,109,300	\$0	\$1,169,228
Internal Services	\$0	\$71,715	\$0	\$5,127
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$1,474,272</b>	<b>\$0</b>	<b>\$1,503,548</b>
Administration	\$0	\$0	\$2,745	\$188
Program Support	\$0	\$0	\$676	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$3,421</b>	<b>\$188</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$1,474,272</b>	<b>\$3,421</b>	<b>\$1,503,736</b>
Program Total:	<b>\$1,474,272</b>		<b>\$1,507,157</b>	
Program FTE	0.00	0.00	0.00	0.55
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$1,069,592	\$0	\$1,502,548
Other / Miscellaneous	\$0	\$404,680	\$0	\$1,000
Program Revenue for Admin	\$0	\$0	\$226	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$1,474,272</b>	<b>\$226</b>	<b>\$1,503,548</b>

## Explanation of Revenues

Departments are charged a liability rate based on claims experience and an actuarial valuation performed every three years. The liability program also receives various subrogation money and reimbursements on expenses related to liability claims.

## Significant Program Changes

Last year this program was: #70025, Liability Risk Unit