

**Lead Agency:** County Management

**Program Contact:** Helen Barkley

**Program Offer Type:** Existing Operating

**Related Programs:**

**Program Characteristics:**

**Executive Summary**

The Liability Risk Program (LRP) manages the County liability program in accordance with all legal requirements and County policies/procedures. It focuses on County-wide risk exposures, liability/subrogation claims, insurance, loss control/prevention, and risk management. Our goal is to annually determine the County's "Cost of Risk" benchmark against other entities and continually improve our program by implementing best practices.

**Program Description**

The Liability Risk Program (LRP) purchases Crime, Excess Liability, Bonds, and specialized insurance for the County. The LRP recommends the types/limits of insurance for contracts, recommends the purchase of specialized insurance, and develops County-wide policies/procedures. The LRP designs and implements risk management strategies for the prevention of risk exposure and liability losses County-wide. This program adjusts claims with a contracted adjuster 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). This controls the loss adjustment process, minimizes our "total cost of risk" (uninsured claims costs + insurance costs + administrative costs), and motivates internal loss control behavior. A department's internal liability rates are based on their past losses.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
Output	Number of policies for liability ins.,bond,crime coverages purchased/renewed	16	16	16	16
Outcome	Annual premium rate for liability ins/bond-cent per \$1,000 in budget	2	2	2	2

**Performance Measure - Description**

Output: Appropriate types of insurance coverage indicates strong safeguarding of the County's assets.

Outcome: This year's average premium rate per \$1,000 in budget for self-insured Oregon public entities is 6 cents. The County's rate is 2 cents, indicating that the cost of the Liability Risk Program again this year is well below the average premium rate for self-insured Oregon public entities.

## Legal/Contractual Obligation

The Liability Risk Program is mandated by County Code 7.100-7.104. 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 Bonds, DEQ Bonds, and Pharmacy Bond are purchased in accordance with State requirements. The LRP manages the County's compliance with numerous OSHA requirements to promote employee safety, including driver's license verification and inspections by regulatory and insurance carrier representatives.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2011	2011	2012	2012
Personnel	\$0	\$239,765	\$0	\$93,433
Contracts	\$0	\$226,948	\$0	\$226,948
Materials & Supplies	\$0	\$1,754,700	\$0	\$2,014,150
Internal Services	\$0	\$24,282	\$0	\$27,846
Total GF/non-GF:	<b>\$0</b>	<b>\$2,245,695</b>	<b>\$0</b>	<b>\$2,362,377</b>
Program Total:	<b>\$2,245,695</b>		<b>\$2,362,377</b>	
Program FTE	0.00	1.68	0.00	0.68
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$2,241,695	\$0	\$2,356,377
Other / Miscellaneous	\$0	\$4,000	\$0	\$6,000
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$2,245,695</b>	<b>\$0</b>	<b>\$2,362,377</b>

## Explanation of Revenues

Departments are charged a liability rate based on claims experience and an actuarial valuation performed every three years. The Liability Risk Program also receives subrogation money and reimbursement related to liability claims.

## Significant Program Changes

Last year this program was: #72015, FRM - Liability Risk Mgmt