

Lead Agency: County Management

Program Contact: Helen Barkley

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics: In Target

Executive Summary

The Property & Liability Risk Program (P&LRP) manages the County's property and liability programs 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 Property & Liability Risk Program (P&LRP) purchases property insurance, County vehicle/fleet coverage, marine coverage, Crime, excess liability, excess medical malpractice coverage, bonds, and other specialized insurance coverage for the County. The P&LRP recommends the types/limits of insurance for contracts, recommends the purchase of specialized insurance, and develops County-wide policies/procedures. The P&LRP designs and implements risk management strategies for the prevention of risk exposure and property and liability losses County-wide. This program adjusts property loss claims, and liability 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 purchases property and excess liability coverage for large property and liability related 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 property and liability rates are based on their past losses.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY10-11)	Current Year Purchased (FY11-12)	Current Year Estimate (FY11-12)	Next Year Offer (FY12-13)
Output	Number of policies for liability ins.,bond,crime coverages purchased/renewed	16	16	16	16
Outcome	Annual premium rate for liability ins/bond-cents per \$1,000 in budget	2	2	2	2
Output	Annual number of property insurance policies	7	7	8	8
Outcome	Annual premium rate for property ins. coverage-cents per \$100 in property value	8	8	8	8

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.

Output: Number of property policies, 7, including primary, Justice Center, Boiler & Machinery, Vehicle, Marine, Terrorism, Flood & Earthquake coverage.

Outcome: The average premium rate per \$100 in property value for Oregon public entities this year is 9 cents. The County's rate is 8 cents, indicating that we again this year have kept our property permium costs lower than other Oregon public entities.

Legal/Contractual Obligation

The Property & 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 P&LRP manages the County's compliance with numerous OSHA requirements to promote employee safety, including driver's license validation and inspections by regulatory and insurance carrier representatives.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2012	2012	2013	2013
Personnel	\$0	\$123,518	\$0	\$161,862
Contracts	\$0	\$301,948	\$0	\$271,200
Materials & Supplies	\$0	\$3,046,660	\$0	\$2,547,224
Internal Services	\$0	\$35,932	\$0	\$0
Total GF/non-GF:	\$0	\$3,508,058	\$0	\$2,980,286
Program Total:	\$3,508,058		\$2,980,286	
Program FTE	0.00	1.23	0.00	1.00
Program Revenues				
Fees, Permits & Charges	\$0	\$3,545,100	\$0	\$2,960,286
Other / Miscellaneous	\$0	\$6,000	\$0	\$20,000
Total Revenue:	\$0	\$3,551,100	\$0	\$2,980,286

Explanation of Revenues

Departments are charged a risk property & liability rate based on claims experience and an actuarial valuation performed every three years. The Property & 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

Last year this program was 72015, FRM Liability Risk Mgmt. and 72018, FRM Property Risk Mgmt. The elimination of the Risk Manager position has affected some of the services that the P&LRP provides to internal and external customers. P&LRP staff have had to assume some of this position's managerial duties which has had an impact on service delivery and response times.

Part of a position, Deputy CFO (0.23 FTE), was removed from the P&LRP program and is included in the Chief Financial Officer program offer.