

**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 coverage, 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 (FY11-12)	Current Year Purchased (FY12-13)	Current Year Estimate (FY12-13)	Next Year Offer (FY13-14)
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 budget	2	2	2	2
Output	Annual number of property insurance policies	7	8	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 once again 9 cents. The County's rate is consistent at 8 cents, indicating that the cost of the Liability Risk Program again this year is below the average premium rate for self-insured Oregon public entities.

**Output:** Number of property policies, 8, including Primary, Justice Center, Boiler & Machinery, Vehicle, Marine, Terrorism, Flood, and Earthquake coverage.

## 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	2013	2013	2014	2014
Personnel	\$0	\$161,862	\$0	\$139,928
Contracts	\$0	\$271,200	\$0	\$271,200
Materials & Supplies	\$0	\$5,250,071	\$0	\$2,368,224
Total GF/non-GF:	<b>\$0</b>	<b>\$5,683,133</b>	<b>\$0</b>	<b>\$2,779,352</b>
Program Total:	<b>\$5,683,133</b>		<b>\$2,779,352</b>	
Program FTE	0.00	1.00	0.00	1.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$5,663,133	\$0	\$2,774,352
Other / Miscellaneous	\$0	\$20,000	\$0	\$5,000
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$5,683,133</b>	<b>\$0</b>	<b>\$2,779,352</b>

## 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: #72009, FRM Property & Liability Risk Mgmt