Multnomah County

Program #72006 - FRM Property & Liability Risk Management — FY 2024 Adopted

Department: County Management **Program Contact:** Michelle Cross

Program Offer Type: Existing **Program Offer Stage:** Adopted

Related Programs: 72009

Program Characteristics:

Executive Summary

The Property & Liability Risk Program (P&LRP) manages the County's property and liability risks in accordance with all legal requirements and County policies/procedures. It focuses on countywide risk exposures, liability/subrogation claims, property claims, purchasing insurance, loss control/prevention, and assists departments in managing identified risks. The P&LRP section also develops and oversees Countywide risk policies that align regulatory requirements and insurance industry best practices with our internal workforce strategic equity plan.

Program Description

The (P&LRP) purchases property insurance, marine coverage, crime coverage, excess liability, excess medical malpractice coverage, bonds, and other specialized insurance coverage for the County. Where the cost of insurance prohibits purchase or coverage is not available, we self fund losses. The P&LRP recommends the types/limits of insurance for contracts, recommends the purchase of specialized insurance and develops countywide policies and procedures related to loss prevention and control. The P&LRP designs and implements risk management strategies for the prevention of risk exposure and property and liability loss countywide.

The program adjusts property loss claims, and oversees the Third Party Administrator contracted to process general liability insurance claims for the County. Litigation and large general liability insurance claims are settled with expertise from 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 decision 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 allocated charges are based on their past losses using actuarial data and historical loss data to determine cost percentage rates based on anticipated future losses. This process allows for equitable distribution of financial losses.

Performance Measures

Measure Type	Primary Measure	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 Offer
Output	Number of policies for insured risks and statuary bond purchased/renewed*	18	21	18	18
Outcome	Resolve and optimize reimbursement for insured loss**	N/A	1	0	1
Quality	Administrative Procedures updated to reflect current rule or business practice	N/A	N/A	N/A	3

Performance Measures Descriptions

*Appropriate types of insurance coverage indicate strong safeguarding of the county's assets.
**Maximize reimbursable for insured damage repair due to 2020 protests (0-Not Met, 1-Goal Met)

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 third-party liability in accordance with the provisions of the Oregon Tort Claims Act, ORS 30.270 and purchases Excess General 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.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Adopted General Fund	Adopted Other Funds
Program Expenses	**2023**	**2023**	**2024**	**2024**
Personnel	$0	$423,112	$0	$536,043
Contractual Services	$0	$304,975	$0	$302,582
Materials & Supplies	$0	$5,648,705	$0	$6,351,660
Total GF/non-GF	**$0**	**$6,376,792**	**$0**	**$7,190,285**
Program Total:	**$6,376,792**		**$7,190,285**	
Program FTE	0.00	2.50	0.00	3.00

Program Revenues				
Other / Miscellaneous	$0	$7,040,126	$0	$7,190,285
Total Revenue	**$0**	**$7,040,126**	**$0**	**$7,190,285**

Explanation of Revenues

Departments are charged a risk property & liability rate based on claims experience and an actuarial valuation performed every three years. The P&LRP also receives subrogation money and reimbursement related to third party liability claims and court ordered restitution for property damage. Established procedures allocate monies received back to the dept/cost center incurring the financial loss, minus internal deductibles when applicable.

Significant Program Changes

Last Year this program was: FY 2023: 72006 FRM Property & Liability Risk Management

0.50 FTE moved from program 72009 FRM Workers Compensation/Safety & Health to program 72006 FRM Property & Liability Risk Management, to reflect the work performed for both programs. FTE change is net neutral.