

Program #72006 - FRM Property & Liability Risk Management Program
FY 2026 Proposed
Department: County Management

Program Contact: Michelle Cross

Program Offer Type: Operating

Program Offer Stage: Proposed

Related Programs:
Program Characteristics:
Program Description

The Property and Liability Risk Management Program (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. With the focus on equity and risk tolerance, transfer and control, 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 P&LRP initiates subrogation efforts when indicated and works to achieve maximum reimbursements from third parties and distributes those reimbursements back to program that incurred the loss.

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 | Performance Measure | FY24 Actual | FY25 Budgeted | FY25 Estimate | FY26 Target |
|--------------|--|-------------|---------------|---------------|-------------|
| Output | Number of policies for insured risks and statutory bond purchased/renewed* | 20 | 19 | 21 | 22 |
| Outcome | Resolve and optimize reimbursements for insured loss** | N/A | 1 | 1 | 1 |

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) One more loss pending reimbursement prior to closing file

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 | Proposed General Fund | Proposed Other Funds |
|------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Program Expenses | 2025 | 2025 | 2026 | 2026 |
| Personnel | \$0 | \$580,823 | \$0 | \$662,810 |
| Contractual Services | \$0 | \$330,982 | \$0 | \$319,800 |
| Materials & Supplies | \$0 | \$7,097,435 | \$0 | \$7,808,405 |
| Total GF/non-GF | \$0 | \$8,009,240 | \$0 | \$8,791,015 |
| Program Total: | \$8,009,240 | | \$8,791,015 | |
| Program FTE | 0.00 | 3.00 | 0.00 | 3.25 |

| Program Revenues | | | | |
|-----------------------|------------|--------------------|------------|--------------------|
| Other / Miscellaneous | \$0 | \$8,009,240 | \$0 | \$8,791,015 |
| Total Revenue | \$0 | \$8,009,240 | \$0 | \$8,791,015 |

Explanation of Revenues

\$8,591,015 Internal service reimbursements from departments. The program also receives subrogation reimbursement related to third party liability claims and court ordered restitution for property damage. Established procedures allocate monies received back to the department incurring the financial loss, minus internal deductibles when applicable, and those revenues do not appear here.

\$200,000 Dividends and Rebate revenues

Countywide Property and General Liability rate is based on claims experience and an actuarial valuation performed every three years.

Significant Program Changes

Last Year this program was: FY 2025: 72006 FRM Property & Liability Risk Management Program

FTE increased by 0.25 and decreased by 0.25 in program offer 72009 FRM Workers' Compensation/Safety & Health. The change was made to better reflect support for General Liability program.