

# RISK MANAGEMENT FUND

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Risk Manager  
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## *Department Introduction & Brief History*

- The Risk Fund is an internal insurance service fund that develops and initiates insurance and self-insurance programs, safety and loss control activities, and claims administration to minimize the financial impact of accidental loss.
- Other funds are charged back an annual budgeted expense by the Risk Fund through an allocation based on exposure and actual loss experience.



## *Department Initiatives – Insurance & Claims*

- Structure the City's self-insured loss program and excess insurance coverages through an Enterprise Risk Management Approach
- Design, review and approve contractual insurance requirements
- Building/Park-Use permit reviews and signoffs
- Submit and coordinate claims with insurance adjusters



# *Department Initiatives – Workers' Compensation Administration*

- Coordination of Third Party Administrator over the daily management of claims
- Review of injury reports and workers' compensation claims
- Review and reconcile claim payments and expenses
- Apply actuarial valuations and analytics in understanding cost drivers

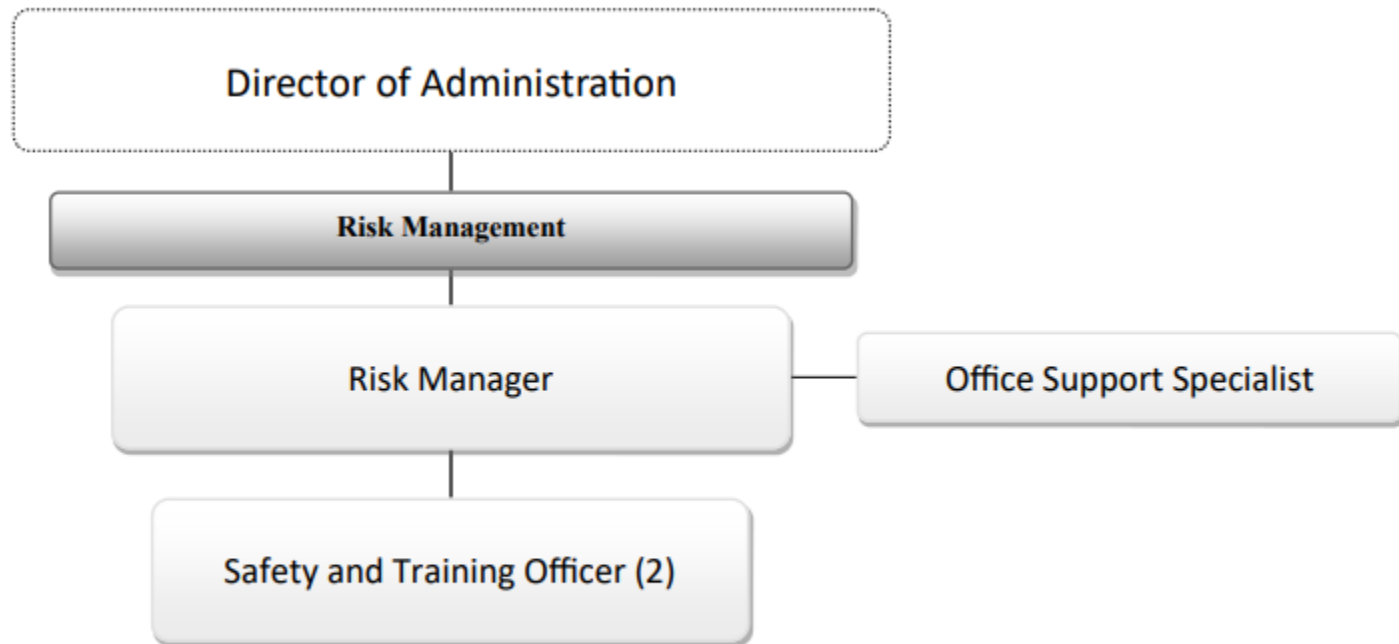


## *Department Initiatives – Safety and Loss Control*

- Develop and provide safety training events
- Development and maintenance of safety policies and procedures
- Accident investigation and root-cause analysis
- OSHA compliance and reporting



# *Organizational Chart*





# Changes and Challenges – Fiscal Year 2023-2024

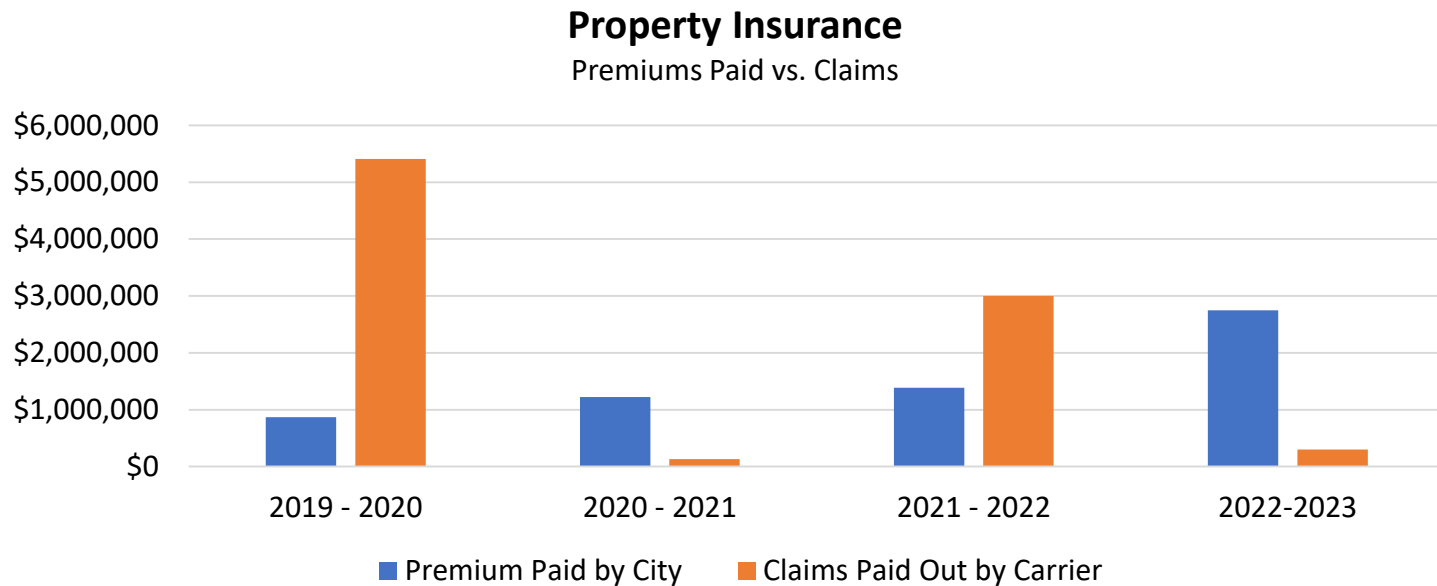
	<b>FY 21/22 Actual</b>	<b>FY 22/23 Adopted</b>	<b>FY 23/24 Mayor's Request</b>	<b>\$ Var Adopted</b>	<b>% Var Adopted</b>
Self-Insured Loss Payments	12,914,291	11,352,276	12,718,018	1,365,742	12%
Insurance Premiums	3,547,261	5,042,400	5,752,436	710,036	14%
Third-Party Administrative Costs	284,100	291,348	291,348	-	0%
Safety & Loss Control	-	4,000	4,000	-	0%
Risk Mgmt Department & Administration	<u>647,425</u>	<u>773,545</u>	<u>790,565</u>	<u>17,020</u>	<u>2%</u>
	17,393,077	17,463,569	19,556,367	2,092,798	12%

Self-Insured Loss Payments for Liability Claims and Police/Fire Heart & Hypertension have trended higher. The increase in Liability expense is based on review with the Legal Dept of outstanding claims.

Insurance premium increases reflect a continuing tightening of insurance marketplace and the City's recent loss history. Property insurance premium projected at a 22% increase and 10% across various other lines of Liability coverage.



# Changes and Challenges – Property Premiums Fiscal Year 2023-2024



The increase in insurance premium is driven by a tightening insurance marketplace and the City's recent loss history. Over the 4-year period from FY19/20 to FY22/23, the City submitted property insurance claims of \$8.8M on premiums of \$6.2M, for a loss ratio of 142%. (industry norm is 30%-40%)





## ***Accomplishments Made & Challenges Faced In FY 2022-2023:***



- Migration to on-line systems for building-use permit reviews/signoffs implemented by City Operations and BOE Facilities departments.
- Additional in-house training events by Safety Officers to reduce costs.
- Revamping of internal City Risk Management intranet with updated user-friendly instructions, policies and procedures.
- Workers' Compensation claims continue to be a challenge due to aging employee population and medical cost inflation.



## ***Safety Officers Accomplishments and Goals***

Safety Officers' focus to reduce costs:

- Provide in-house safety training events including:
  - Red Cross – CPR/AED/First Aid
  - Slips, Trips, and Falls
  - Blood Borne Pathogens
  - Fleet Safety, Ladder Safety, Seasonal Laborer Safety
  - Overexertion
  - PMT (Physical & Psychological Management Techniques) – restraining aggressive students
  
- OSHA Compliance:
  - Hazardous Communications
  - OSHA 300A Log
  
- Safety Awareness, Policies and Procedures:
  - Updating Government Center Safety Policies and Procedures – Evacuation/Safety/Active Shooter
  - Updates to Risk Dept Intranet for Employees' Injury Reporting and the Workers' Compensation process
  - Quarterly Safety Newsletter – resources and tips to reinforce a culture of safety