

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

ORDINANCE NO. 904

An Ordinance Amending Risk Management Code Provisions of MCC 2.60

~~(Shaded Language is to be deleted; Bold Language is new)~~

Multnomah County ordains as follows:

Section 1. MCC 2.60.115 is amended as follows:

2.60.115. Risk management policy.

The Board ~~of County Commissioners~~ recognizes that ~~a~~ **a coordinated risk assessment and management, and loss prevention** programs are important to the preservation of County assets, the **health and** safety of ~~its~~ County employees, and the financial interest of Multnomah County's residents. **Risk management includes identifying potential loss exposures, analyzing alternatives, selecting and implementing loss reduction methods, and evaluating the results.** Multnomah County's ~~policy, with respect to the management of all risks of accidental loss,~~ shall have as its objectives:

(A) **The prevention of accidental loss by the creation and administration of a proactive approach to loss prevention and reduction, risk assessment and management. The County will work to create a service environment in which County employees and members of the public can enjoy safety and security while transacting County business.**

~~(A)~~ (B) **The protection of the County against the financial consequences of accidental losses.**

~~(B)~~ (C) **The preservation of the County's assets and public service capabilities from loss, destruction, or depletion.**

~~(C)~~ (D) The promotion of a balanced, comprehensive and cost-effective mix of exposure identification, risk evaluation, risk treatment and program implementation and monitoring activities.

(E) The minimization of the long-term cost to the County of all activities related to the identification, prevention and control of accidental losses and their consequences.

~~(D)~~ (F) The creation of a coordinated risk management and employee health and benefits program with internal procedures for incident and claim reporting of all incidents, claims and losses incurred by the County, providing a constant assessment of fluctuating exposure to loss, loss-bearing capacity and available financial resources, including insurance.

~~(E)~~ The establishment, to the extent possible of an exposure-free County work and service environment in which County employees as well as members of the public can enjoy safety and security in the course of their daily activities.

Section 2. MCC 2.60.120 is amended as follows:

2.60.120. ~~Insurance fund~~ Risk management fund

(A) *Definitions:* The County has an insurance fund, an internal service fund, a risk management fund (fund) created by the Board of County Commissioners separate from the general fund. The fund was created to centrally account for all expenditures and reserves associated with the protection of the County's assets, employees, programs and operations. Accounts are established in The fund will account for the financing administration of the workers' compensation, general liability, auto liability, property, employee medical/dental employees' benefits, legal services, life insurance, long-term disability, retiree insurance,

unemployment and insured and self-insured programs provided for in the County's adopted budget.

(B) *Revenue Sources:* Appropriations to the fund will be made as provided in MCC 2.60.130(B)

(B) *Disbursements:* In accordance with ordinance and administrative procedures, the following expenditures may be charged to the insurance fund accounts:

- (1) Insurance premiums for County operations;
- (2) Costs and expenses related to administration, investigation, adjustment and litigation of all insured and uninsured claims, and loss arising from the County's operations;
- (3) All costs for repairing and replacing personal property, money, and improvements to real property owned or leased by the County to the extent the County has contractually assumed risk of loss, where such property losses are within the coverage and retention level of insurance coverage carried by the County;
- (4) Assessments, licenses, fees, and bonds related to programs funded under Section (A) required promulgated by state law statute;
- (5) Employee workers' compensation claim expenditures in accordance to applicable statutes;
- (6) County risk management administration and legal services expenses;
- (7) Loss prevention programs and projects may be funded by the insurance fund if they:
 - (a) Are clearly targeted toward loss control, and are inappropriate for either a budget modification or the regular budget process, or

(b) Are beneficial to all departments, or

(c) (b) Reduce the costs of loss immediately, or

(d) (c) Reduce the administrative costs of the risk management program, or

(e) (d) are mandated by state or federal law and affect more than one department.

Capital projects are excluded unless specifically approved by the Board of County commissioners.

(8) County unemployment obligations and related administrative expenditures;

(9) Employee medical/dental health care **claims and insurance** claims, health promotion programs, and related administrative expenditures;

(10) Any other insurance or self-insurance related expenditures as deemed appropriate by the County Chair within standard budgetary procedures;

(11) Cost and expenses related to any legal action, matter or proceeding in any court or tribunal when authorized by the Chair, Board, Sheriff or Auditor.

(C) *Fund Reporting.* A report shall be provided annually to the County Chair and Board of County commissioners on the financial status of the insurance fund accounts.

(D) *Fund equity and cash balance.* The insurance fund (equity and cash) balance shall be maintained at a level to pay all claims, premiums, **disbursements** administration expenditures, reserves and incurred but not reported (IBNR) claims. Amounts shall not be transferred from the insurance fund unless a program defined by subsection (A) MCC 2.60.120(A) is discontinued without further financial obligation and/or it is determined by a qualified independent actuary that the fund level may be adjusted.

(1) In order to obtain an exemption from the security deposit requirement under Oregon Revised Statute 656.407, the worker's compensation reserves established by

the actuarial evaluation performed under MCC 2.60.120(F) are dedicated for payments of compensation and amounts due the director of the Department of Insurance and Finance of the State of Oregon. The director of the department of insurance shall have first lien and priority rights to the full amount of the worker's compensation funds required to pay the present discounted value of all present and future claims under ORS Chapter 656.

(E) An actuarial evaluation shall be performed by a qualified independent actuary on the worker's compensation, retiree insurance and liability sections of the insurance fund at least once every three years.

Section 3. MCC 2.60.130 is amended to read as follows:

2.60.130. Risk management function.

(A) The ~~office of the chair~~ **Department of Support Services** shall direct and manage ~~all risk management and employee health and benefit insurance~~ programs for ~~Multnomah~~ **the County**. ~~Authority granted to the Department may be delegated to the Risk Management Section of the Finance Division.~~ The ~~Authority granted to the Department~~ includes, but is not limited to, the following ~~authority~~:

- (1) To purchase all insurance coverage required by law and contracts, or desirable for the effective and efficient operation of County government ~~including, but not limited to: casualty insurance, property insurance, workers' compensation insurance, and other specialty forms of coverage;~~
- (2) To consolidate insurance coverage and combine with self-insurance as is in the best interest of the County;

(B) The Department of Support Services in consultation with County Counsel shall direct and manage all risk management and loss prevention programs for the County. The authority granted includes, but is not limited to, the following:

(3) (1) To acquire actuarial, claims management, investigative and appraisal services for insured and self-insured program administration;

(4) (2) To promulgate rules and procedures to govern the administration of the County's insurance and risk management activities;

(5) (3) To administer all loss prevention activities and claims arising from and out of the County's operations including, but not limited to, the County's general, auto and professional liability, auto, property, workers' compensation, employee health care life and disability benefits and unemployment claims exposures;

(6) (4) To coordinate the claims activity internally and/or with contracted claims service providers, legal counsel, department management and insurance companies;

(7) (5) To identify loss exposures and administer programs to control and minimize losses sustained on to County assets, and property, employees and the general public doing business with the County;

(8) (6) To develop and maintain an information system for timely and accurate recording of loss experience, insurance premiums, property values, insurance fund cash flow and reserving obligations and other identified risk related information;

(9) (7) To develop manuals and programs for training County personnel on loss control/safety programs and activities techniques;

(10) (8) To ascertain that contributions to the fund are adequate and appropriations and reserve balances are financially and actuarially sound.

(B) (C) The ~~planning and budget division and finance division~~ **Department of Support Services** shall ~~may~~ apportion to and collect from each County department, office, board, or commission its contribution ~~to a total sum~~ for loss reserves, **risk management and County Counsel** ~~administrative~~ expenses, insurance premiums and loss expenditures. The contribution shall be based, wherever appropriate, upon the relative exposure and loss experience of each department for each aspect of risk and will be maintained in the fund and subject to annual budgetary approval.

Section 4. MCC 2.60.140 is amended to read as follows:

2.60.140. **Risk assessment and loss prevention.**

Departments shall be responsible to conform to county, state and federal safety standards. ~~Each~~ Administrators, managers, and supervisors shall be responsible to conduct ~~their his/her~~ operations in a manner which will safeguard the County's assets from loss or damage and employees from employment-related illness and injury. **Each department in consultation with the Department of Support Services and County Counsel shall identify significant risks to the general public doing business with the County, County employees and County property. Where significant risks are identified, the Department of Support Services and County Counsel will recommend remedial action. Departments will be taken** **take action** to reduce these exposures **within available County resources**. Managers are responsible for reporting all losses or claims to the ~~risk management division~~ **Department of Support Services**, regardless of size of loss, in a timely manner as directed by County administrative procedures. **The Department of Support Services** ~~Risk management~~ is responsible for ensuring that mechanisms exist for reporting, record keeping and follow-up and that these are known throughout the County.

Section 5. MCC 2.60.050 is amended as follows:

2.60.050. Authority.

Authority for settlement of general liability claims **and litigation** against the County or its employees ~~and to enter into disputed claim settlements in workers' compensation cases~~ shall rest with the County Chair or ~~his/her~~ **the Chair's** designee, except that claims arising out of the sheriff's office shall be settled upon authority of the sheriff or the sheriff's designee.

Section 6. Effective Date.

This Ordinance shall become effective on July 1, 1998.

ADOPTED this 23rd day of April, 1998, being the date of its second reading before the Board of County Commissioners of Multnomah County, Oregon.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Beverly Stein, Chair

REVIEWED:

THOMAS SPONSER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

Thomas Sponsler, County Counsel

H:/Data/Advisory/Ordinances/165 Risk Management/Loss Prevention