

1 BEFORE THE BOARD OF COUNTY COMMISSIONERS

2 FOR MULTNOMAH COUNTY, OREGON

3 ORDINANCE NO. 725

4 An Ordinance amending the Multnomah County Code
5 Chapter 2.60, relating to the Risk Management Program, to
6 enable the County to obtain an exemption from the security
7 deposit requirement of ORS 656.407(2) (Workers' Compensation
8 Law) and making other changes to update organizational
9 references in the code.

10 (Language in brackets [] is to be deleted;

11 underlined language is new.)

12 Multnomah County ordains as follows:

13 Section I. Findings.

14 (A) During the 1991 Legislature Session, House Bill
15 #3574 was passed, eliminating the need for certain self-insured
16 local governments to maintain a security deposit with the
17 Director, State Department of Insurance and Finance.

18 (B) The State's Workers' Compensation Division has
19 issued rules that self-insured local governments must follow to
20 be exempt from the deposit requirements. This ordinance is
21 intended to comply with these rules.

22 (C) In FY 91-92 certain changes were made in the
23 County's structure that warrant other amendments to MCC 2.60:

1 the County Department of General Services was abolished, Risk
2 Management was transferred to the Chair's Office and the
3 Retiree Insurance Account was adopted by Ordinance No. 631.

4 Section II. Amendment.

5 MCC 2.60.120(A) is amended to read:

6 **2.60.120. Insurance Fund.**

7 (A) The County has an Insurance Fund, [~~(fund)~~] an
8 internal service fund, created by the Board of County
9 Commissioners separate from the General Fund. The fund was
10 created to centrally account for all expenditures and reserves
11 associated with the protection of the County's assets,
12 employees, programs, and operations. Accounts are established
13 in the fund for the financial administration of the workers'
14 compensation, general liability, auto, property, employee
15 medical/dental, [~~care~~] employees' benefits, life insurance,
16 long-term disability, retiree insurance, [~~and~~] unemployment and
17 insured and self-insured programs provided for in the County's
18 adopted budget.

19 Section III. Amendment.

20 MCC 2.60.120(D) through (F) are amended to read:

21 (D) Fund reporting. A report shall be provided
22 [~~semiannually~~] annually to the County Chair and Board of County
23 Commissioners on the financial status of the Insurance Fund
24 accounts.

1 (E) Fund Equity and Cash balance. The Insurance Fund
2 Equity and Cash balance shall be maintained at a level to pay
3 all claims, premiums, administration expenditures, reserves and
4 [future reserves for] incurred but not reported (IBNR) claims.
5 Amounts shall not be transferred from the Insurance Fund unless
6 a program defined by subsection (A) is discontinued without
7 further financial obligation and/or it is determined by a
8 qualified independent actuary that the funding level may be
9 adjusted.

10 (1) In order to obtain an exemption from the
11 security deposit requirement under Oregon Revised Statute
12 656.407, the workers' compensation reserves established by the
13 actuarial evaluation performed under MCC 2.60.120 (F) are
14 dedicated for payments of compensation and amounts due the
15 Director of the Department of Insurance and Finance of the
16 State of Oregon. The Director of the Department of Insurance
17 shall have first lien and priority rights to the full amount of
18 the workers' compensation funds required to pay the present
19 discounted value of all present and future claims under ORS
20 Chapter 656.

21 (F) An actuarial evaluation shall be performed by a
22 qualified independent actuary on the workers' compensation,
23 retiree insurance and liability sections of the [self-]
24 Insurance Fund at least once every three years.

1 Section IV. Amendment.

2 **2.60.130. Risk management function.**

3 (A) The [Department of General Services] Office of
4 the Chair shall direct and manage all risk management and
5 insurance programs for Multnomah County. Authority granted to
6 the [department] County Chair may be delegated as deemed
7 appropriate by the [Director of the Department of General
8 Services] County Chair. Authority granted to the [department]
9 Chair includes, but is not limited to, the following authority:

10 (1) To purchase all insurance coverage required
11 by law and contracts, or desirable for the effective and
12 efficient operation of county government including, but not
13 limited to: casualty insurance, property insurance, workers'
14 compensation insurance, and other specialty forms of coverage.

15 (2) To consolidate insurance coverage and
16 combine with self-insurance as is in the best interest of the
17 county.

18 (3) To acquire actuarial, claims management,
19 investigative and appraisal services for insured and
20 self-insured program administration.

21 (4) To promulgate rules and procedures to govern
22 the administration of the county's insurance and risk
23 management activities.

1 (5) To administer all loss and claims arising
2 from and out of the county's operations including, but not
3 limited to, the county's liability, auto, property, workers'
4 compensation, employee health care benefits and unemployment
5 exposures.

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

9 (7) To identify loss exposures and administer
10 programs to control and minimize losses sustained on county
11 assets and property.

12 (8) To develop and maintain an information
13 system for timely and accurate recording of loss experience,
14 insurance premiums, property values, insurance fund cash flow
15 and reserving obligations and other identified risk-related
16 information.

17 (9) To develop manuals and programs for training
18 county personnel on loss control/safety techniques.

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

22 (B) The [Department of General Services] Planning and
23 Budget Division and Finance Division may apportion to and
24 collect from each County department, office, board, or
25 commission its contribution to a total sum for loss reserves,

1 administrative expenses, insurance premiums, and loss
2 expenditures. The contribution shall be based, wherever
3 appropriate, upon the relative exposure and loss experience of
4 each department for each aspect of risk and will be maintained
5 in the County's insurance fund and subject to annual budgetary
6 approval.

7 Section V. Amendment.

8 **2.60.140. Loss prevention.**

9 Departments shall be responsible to conform with
10 County, state, and federal safety standards. Each
11 administrator, manager, and supervisor shall be responsible to
12 conduct his/her operations in a manner which will safeguard the
13 County's assets from loss or damage and employees from
14 employment-related illness and injury. Where significant risks
15 are identified, remedial action will be taken to reduce these
16 exposures. Managers are responsible for reporting all losses
17 or claims to the [Department of General Services] Risk
18 Management Division, regardless of size of loss, in a timely
19 manner as directed by County Administrative Procedures. [The
20 Department of General Services] Risk Management is responsible
21 for ensuring that mechanisms exist for reporting, record
22 keeping, and follow-up and that these are known throughout the
23 County.

ADOPTED this 25th day of June,
1992, being the date of its second reading before the
Board of County Commissioners of Multnomah County.



MULTNOMAH COUNTY, OREGON

By Gladys McCoy
Gladys McCoy, County Chair

REVIEWED
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