

	<b>CHAPTER:</b> Risk Management	<b>POLICY:</b>
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<b>SUBJECT:</b> Risk Management Policy		
<b>RELATED POLICIES:</b>	Safety and Loss Prevention Fleet Management Hazard Communication	<b>ENABLING RESOLUTION:</b> 298-1988  <b>RESOLUTION DATE:</b> November 23, 1988  <b>REVISED RESOLUTION &amp; DATE:</b> April 5, 1989 June 22, 2011
<b>OFFICE WITH PRIMARY RESPONSIBILITY:</b> Risk Management		

**1. OBJECTIVE**

Resolution #391-1987 established the Office of Risk Management. The overall objective of the Sedgwick County Risk Management office is to establish and implement a risk program to prevent, control, and reduce the effects of accidental loss. All division and department directors and elected officials will fully cooperate with the Office of Risk Management.

a. The specific objectives are:

It shall be the County's policy to self-insure all losses which occur with predictable frequency. It is anticipated that this type of loss will not have a significant impact on the County's fiscal position.

It shall be the County's policy to self-insure other risk of loss when it is financially prudent to do so.

If the risk of loss is self insured, claim administration may be handled internally by Risk Management staff or outsourced to a qualified Third Party Administer (TPA). The Office of Risk Management will be vigilant in comparing the costs/benefits of self-insuring accidental losses.

It shall be the County's policy to purchase insurance for risk of loss when self insurance is not financially prudent. Insurance coverage may be subject to a deductible or self insured retention (SIR). If required, insurance agent services shall be obtained according to the County's purchasing charter. If possible, an insurance agent should be reimbursed on a fee basis in lieu of a commission basis

**2. Risk Management Functions**

The Chief Financial Officer will provide executive direction to the Risk Management program. The Risk Manager shall have authority and responsibility for:

- a. Identify and measure all risks of accidental loss;
- b. Select & appropriate risk management techniques for resolving exposure problems, i.e., (1) Risk Assumption; (2) Risk Reduction; (3) Risk Retention; (4) Risk Transfer; or (5) other systems as appropriate, including the purchase of insurance, subject to the requirements established in the Purchasing Charter Resolution;
- c. Developing and maintain an information system in coordination with existing systems for timely and accurate recording of losses, claims, insurance premiums, and other related costs and information;
- d. Allocation of appropriate costs to the budgetary units.
- e. Claim Settlement Authority as follows:

(1) NON LITIGATED OR LITIGATED WORKERS COMPENSATION

May authorize payments up to \$100,000 per individual claim.

Medical expense  
Legal expense  
Total Temporary Disability  
Permanent Partial Disability (typically called a settlement)  
Permanent Total Disability (typically called a settlement)

A claim with a total expected expenditure greater than \$100,000 will be referred to the County Counselor for settlement approval.

(2) PROPERTY DAMAGE LOSS (Buildings, contents, property in the open, money, aircraft).

May authorize payment to the insurance company for the policy deductible amount (currently \$100,000 fire, \$250,000 wind and hail) or payment to vendors contracted, per the County purchasing policy, to make required repairs.

A claim with a total expected expenditure greater than \$100,000 will be referred to the County Counselor for settlement approval.

(3) NON LITIGATED PUBLIC LIABILITY

The Risk Manager has settlement authority up to \$25,000 per occurrence.

Claims with a total expected expenditure greater than \$25,000 will be referred to the County Counselor for settlement approval.

(4) LITIGATED PUBLIC LIABILITY

Claims will be referred to the County Counselor for settlement approval and determination about legal representation.

(5) NON LITIGATED AUTO LIABILITY OR AUTO PROPERTY DAMAGE

The Risk Manager has settlement authority up to \$25,000 per occurrence.

Claims with a total expected expenditure greater than \$25,000 will be referred to the County Counselor for settlement approval.

(6) LITIGATED AUTO LIABILITY OR AUTO PROPERTY DAMAGE

Claims will be referred to the County Counselor for settlement approval and determination about legal representation.

(7) EMPLOYMENT PRACTICES LIABILITY/CIVIL RIGHTS CLAIMS

Claims will be referred to the County Counselor for settlement approval and determination about legal representation.

(8) SUBROGATION

The Risk Manager has authority to pursue and approve subrogation settlements. The Risk Manager shall refer settlement disputes to the County Counselor for settlement authorization.

**3. Purchase of Insurance**

The negotiation and procurement of all insurance for Sedgwick County and Sedgwick County Fire District No. 1 will be coordinated through the Risk Management Office.

- a. Insurance shall be purchased from any source determined to be in the best interest of the County. No specific Best's Rating is established as a minimum. However, the insurance company must have an excellent financial rating as reviewed by the Risk Manager, and a license to operate approved and filed with the Kansas Insurance Commissioner.
- b. Whenever possible, the remuneration of agents and brokers providing services to the County shall be made on a fee basis.

#### **4. Claims Reporting, Management, and Settlement**

- a. Claims made by the public alleging wrongful acts, bodily injury, or property damage; and for occurrences resulting in damage to or loss of County property shall be reported to and reviewed by the Risk Management Office.
- b. External claims handling and adjustment services may be used as required and determined by the Risk Manage.
- c. The Risk Manager will make recommendations to the Board of County Commissioners, in consultation with the County Counselor, for the settlement of all claims that exceed the authority granted in this Policy.