

Risk Management Annual Report

Government Accountability & Oversight Committee
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Jennifer Hills, ARM-P, CRM
Director, King County Office of Risk Management
Department of Executive Services

Office of Risk Management (ORM)
Mission and Vision Statements

Mission

To protect King County's financial assets and mitigate losses by providing effective risk management services and responsive and fair claims management.

Vision

Risk Management serves as a model for providing essential and cost-effective risk management services for King County and its residents.

How does ORM fulfill its mission?

Asset Protection

- Set insurance requirements and review contracts
- Risk financing through the County's self-insurance fund
- Recovery activities for County losses caused by others (\$1M+ annually)

Liability Claims Management

- Approximately 1,800 filed against King County annually

Loss Control

- Loss control initiatives (\$400,000 biennially)
- Enterprise Risk Management

How is ORM accountable?

Annual report to Council

- Cost of risk (risk mgmt activities as a % of budget)
- Claim and litigation filings
- Amounts paid to resolve claims and lawsuits
- Recovery of damage to County assets
- Insurance coverage
- *Proposed: Enterprise Risk Management activities*

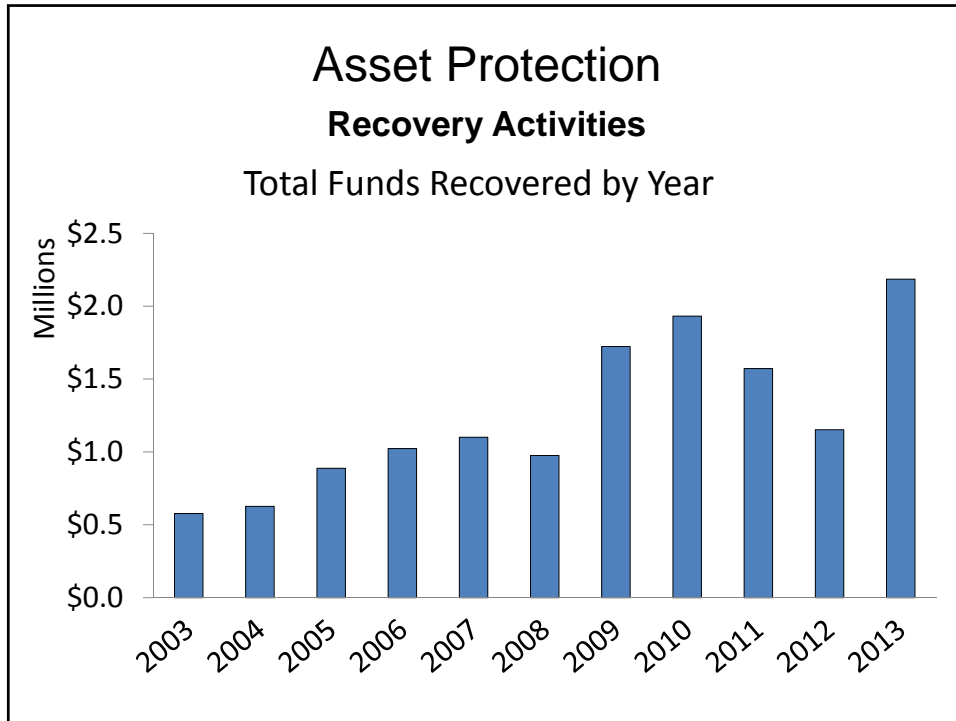
Quarterly reports to Council

- Describe every loss resolved with a payment of \$100,000+ during the preceding quarter

Asset Protection

2012-2013 Insurance Renewal

- King County is self-insured with a \$7.5M SIR
- ORM purchases excess insurance up to \$92.5M above SIR
- Insurance portfolio reviewed annually with brokers
- Examples of policies include:
 - Excess liability
 - Property
 - Workers' compensation
 - Fiduciary
 - Employee fidelity
 - Marine policies
 - Ferry and flood districts

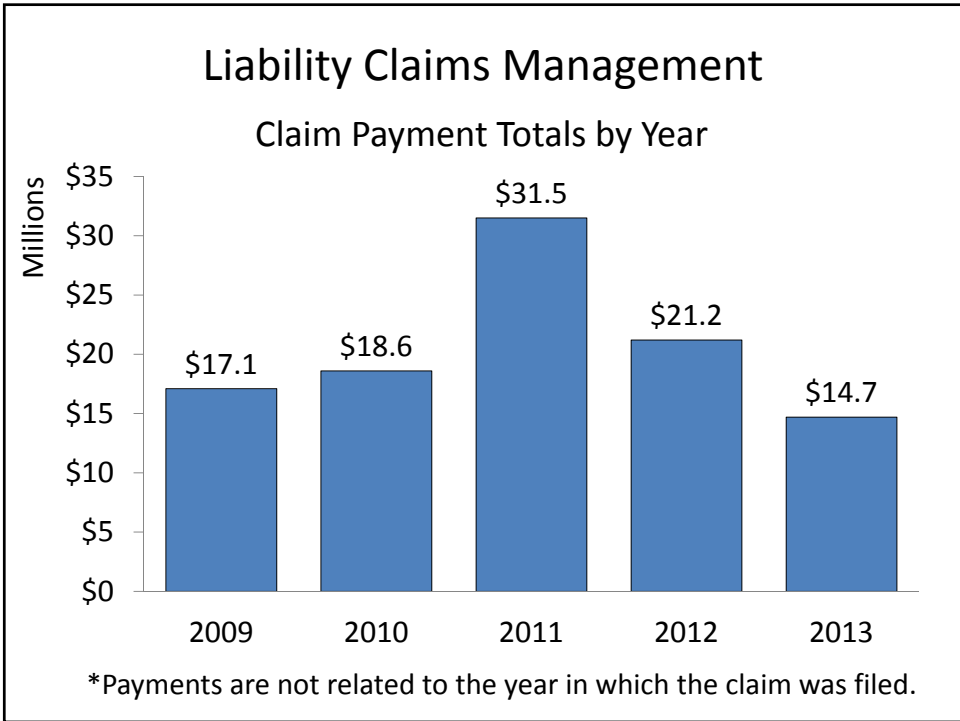
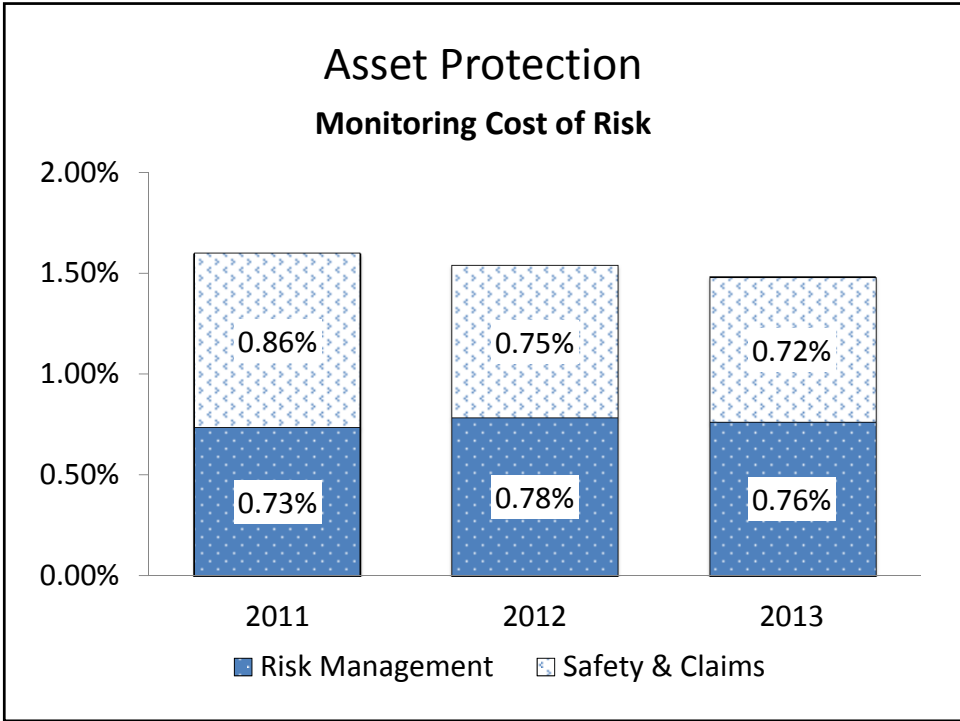


Asset Protection Monitoring Cost of Risk

What's included?

Risk Management	Safety & Claims
– Liability claims costs	– Workers' comp claims costs
– Insurance premiums	– Insurance premiums
– Litigation costs	– Litigation costs
– Loss adjustment expenses	– Loss adjustment expenses
– Administrative expenses	– Administrative expenses

How do we define success?
Less than 2% of total operating budget





Loss Control Fund

Purpose & Structure

- Established by Council in 1999
- Address emerging issues with high-impact potential
- \$400,000 budget per biennium
- Enterprise risk management embedded in the process

Department Response

- 30 requests in the current biennium
- Current biennium requests: \$996,976 (250% of budget)
- Current biennium grants: \$365,291