

County Insurance Fund

501-03-Countywide Insurance

Fund/Agency: 501/06	County Insurance Fund	
Personnel Services	\$177,464	<div style="text-align: center;"> <p>CAPS Percentage of Agency Total</p> <p>9.4%</p> <p>90.6%</p> <p>■ Countywide Insurance ■ All Other Agency CAPS</p> </div>
Operating Expenses	\$8,034,338	
Recovered Costs	\$0	
Capital Equipment	\$0	
Total CAPS Cost:	\$8,211,802	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$6,284,205	
Total Revenue:	\$6,284,205	
Net CAPS Cost:	\$1,927,597	
Positions/SYE involved in the delivery of this CAPS	1/2.15	

► CAPS Summary

The insurance program assures the County's financial integrity is protected through a combination of commercial insurance and self-insurance. The program is responsible for procuring and maintaining the County's commercial insurance coverage to protect valuable County assets, such as buildings, contents, computer hardware and software, library books, fire vehicles and equipment, and other high valued inventory. Coverage is also purchased to provide for employee and public officials bonding requirements, excess liability, and workers' compensation exposures above a self-insured retention.

The County Insurance Fund operates as an internal service fund with a budget allocated through the General Fund or by non-General Fund groups participating in the fund.

The insurance broker/insurance acquisition process has been streamlined to eliminate costly repetitive bidding and has resulted in very competitively priced insurance products.

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Additionally, an asset review process has been established to assist in properly valuing insured buildings and contents to include documenting contents through video.

In the future it will be necessary to streamline insurance coverage to eliminate the need for continuous reporting of assets. It will also be a challenge to maintain current coverage and meet future needs of diverse County programs due to the significantly constricting insurance market occurring as a result of large underwriting losses resulting from claims and losses in insurance carrier investment income.

The National Performance Measurement program and changing laws and regulations are likely to require increased investment to implement ergonomic standards and to mitigate the associated health hazards.

Costs paid through self-insurance include mandated workers' compensation benefits to County employees. County claims and rehabilitation programs are approached in a humane and concerned fashion while maintaining costs at a competitive level. As a result, we have witnessed a reduction in lost work-hours due to work-related injuries without commensurate increases in medical costs. This has been accomplished by coordinating a County-wide light duty program to bring employees back to work at modified duties rather than having them stay home for extended periods of time. This provides the double benefit of providing manpower to the agencies for special projects and serving as a form of physical therapy to injured employees to keep them active during the recovery process.

County programs have become more diversified over the past several years, serving unique needs of the County population. This results in an ever-changing insurance program to serve these needs. For example, recently coverage has been obtained to cover FASTRAN buses parked at the government center complex.

Recently the insurance marketplace has tightened significantly and signs indicate it will continue to constrict. This is resulting in considerably more detailed underwriting submissions and increasing premium costs.

County insured inventories and values have expanded. We currently insure property values which exceed \$1.3 billion dollars and insurance needs have expanded due to the diversified needs of various County programs.

County property or other assets are being reviewed to confirm insurance levels are adequate and not under- or over-insured. Initiatives are being undertaken to create competitive marketing for County insurance placements.

► **Method of Service Provision**

Insurance services are provided by County staff.

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► Performance/Workload Related Data

Loss protection through commercial insurance and self-insurance is extended to approximately 450 sites, comprising both owned and occupied buildings and leased facilities, for which insurance extends only to contents. In writing new policies and renewals, valuation assessment and adjustments are made for thousands of insurable assets, involving on-site property audits at some 100 sites each year, leading to approximately 45 fully developed and documented submissions to insurance carriers each year. Success is measured against a target of completing inventories and submitting insurance renewals within 10 days of policy renewals, resulting in 96 percent of all insurable asset reports being within 10 percent of assets reported by agencies during inventory. Full workers' compensation coverage, 100 percent, is to be achieved each year within fund balance and a premium adjustment is developed annually for the General Fund and separately for each of some 30 non-General Fund agencies.

► Mandate Information

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 1 - 25%. The specific Federal or State code and a brief description of the code follows:

- Code of Virginia 15.1-43 Requirement to maintain certain insurance lines.