

Fairfax County, Virginia



LINES OF BUSINESS

March 2016

COUNTY INSURANCE

Risk Management

*County Lines of Business (LOBs)
Presentation to the Board of Supervisors*



www.fairfaxcounty.gov/budget/2016-lines-of-business.htm



OUTLINE OF TODAY'S PRESENTATION

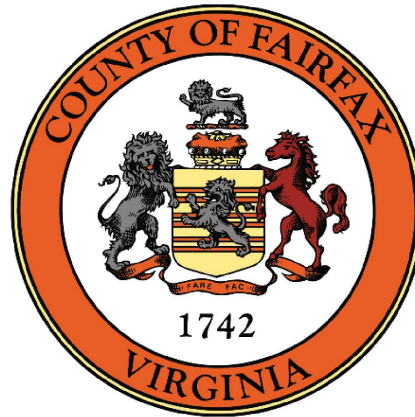
1. Program Overview
2. High level view of our Lines of Business (LOBS)
3. How our LOBs relate to the County Vision Elements
4. Metrics
5. Trends and Challenges
6. Looking Forward
7. Discussion

*Note: See **www.fairfaxcounty.gov/budget/2016-lines-of-business.htm** to access all LOBs documents and presentations.*



PROGRAM OVERVIEW

- Our focus is to make a significant contribution to the health and safety of County residents, employees and public officials and to protect the County's financial assets.
- Risk Management accomplishes its mission through three core functions:
 - Loss Prevention
 - Claims Management
 - Insurance Management
- Our approach is an **integrated risk management approach** whereby each function interacts with the others to maximize efficiency and effectiveness of the Risk Management Line of Business.
- Our focus is to meet mandates, from statutory and legal obligations to our citizens and employees in the areas of claims, liability, safety, insurance and self-insurance.
- Risk Management also provides a range of services to identify, prevent and control the risks associated with the management of a large local government. Risk Management has the lead role in the EOC-Incident Command structure for Safety and Comp/Claims unit. Our commitment is to provide the highest quality of customer service in managing the County's risks and exposures.
- Risk Management maintains a commitment to community and employee outreach through training programs, communication tools and emergency response exercises for County worksites to remain prepared.





LOBS AT A GLANCE

#296
Risk Management



FUND RESOURCES

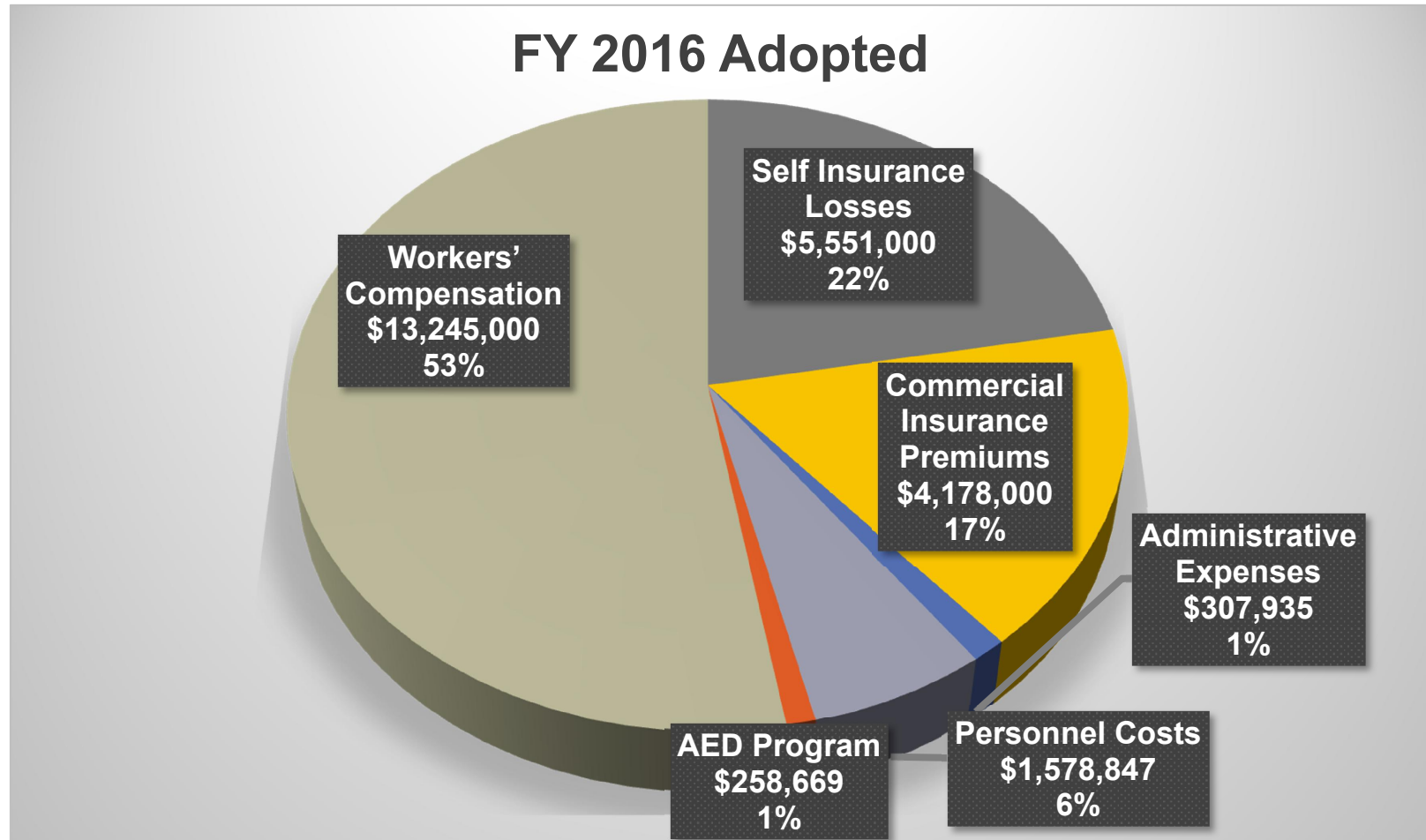
Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
FUNDING			
<u>Expenditures:</u>			
Compensation	\$1,080,129	\$1,072,692	\$1,111,483
Benefits	390,260	422,377	467,364
Operating Expenses ¹	22,671,804	30,561,001	23,615,604
Work Performed for Others	(476,131)	(624,371)	(250,000)
Total Expenditures	\$23,666,062	\$31,431,699	\$24,944,451
<u>Revenues:</u>			
Interest	\$61,665	\$102,288	\$275,000
Workers' Compensation	513,592	513,592	515,000
Other Insurance	119,363	96,863	105,859
Total Revenue	\$694,620	\$712,743	\$895,859
<u>Transfers In:</u>			
Transfer In from General Fund ²	\$58,693,414	\$40,267,550	\$23,278,826
Transfers In from Other Funds ²	0	16,700,000	0
Total Transfers In	\$58,693,414	\$56,967,550	\$23,278,826
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	14 / 14	14 / 14	14 / 14
Total Positions	14 / 14	14 / 14	14 / 14

¹ FY 2015 Actuals include Operating Expenses of \$6.3 million due to refunds resulting from tax litigation.

² In FY 2014, the General Fund transfer included the movement of the Litigation Reserve to the County Insurance Fund. An increased transfer from the General Fund and transfers from other funds added to the reserve in FY 2015.



LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
296	Risk Management	\$24,944,451	14
Total		\$24,944,451	14





FOCUS OF RISK MANAGEMENT

- To identify and limit potential financial losses to the County arising in the normal course of business or resulting from accidents, acts of nature, or any action for which the County can be held liable
- To provide prompt and efficient resolution of claims arising from such losses
- To reduce losses and minimize frequency and severity of injuries in the workplace through injury and illness prevention
- To manage financial resources by providing insurance through commercial insurance and self-insurance options limiting the impact of losses on current operations



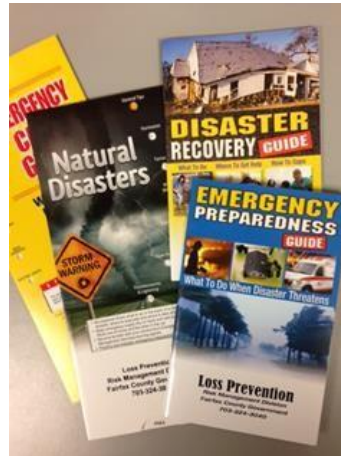
LOSS PREVENTION



- Develop and implement injury prevention programs focused on reduction of injuries in the workplace
- Conduct safety inspections and training
- Drivers' record review program



LOSS PREVENTION



- Manages the federally mandated CDL operators drug/alcohol program
- Safety and Loss Prevention training and outreach for County employees and agencies
- Management and oversight of the Automated External Defibrillators (AED) program
- County worksite Emergency Response Planning/outreach and drills
- Utilize loss data trending and root cause analysis to further reduce frequency and severity of injuries in the workplace



CLAIMS MANAGEMENT



Claims Management oversees all claims investigations, to include:

- Workers' Compensation

- Vehicle Damage (Collision and Comprehensive Coverage)

- Property

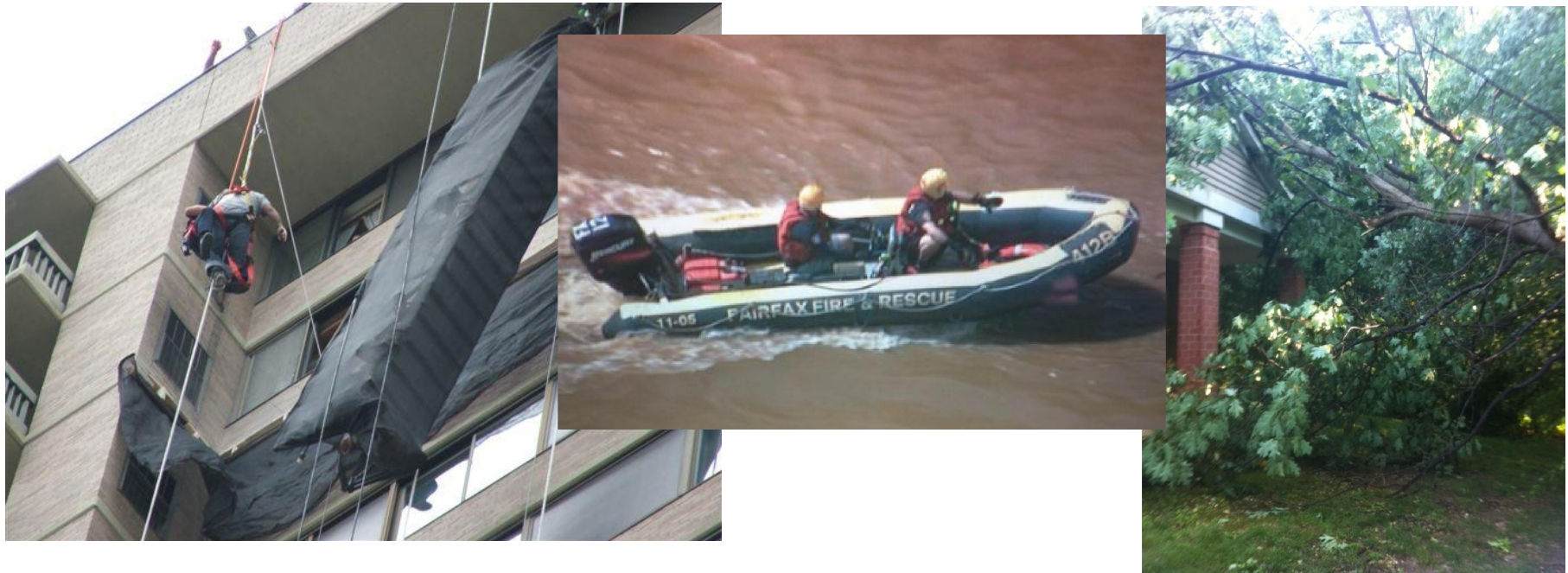
- Automobile and General liability

- Public Officials claims

- Police Professional claims



CLAIMS MANAGEMENT



- Partners with many departments as a member of accident review committees, case management, return to work programs and interacts with the County Attorney's office to coordinate litigation against the County
- Conducts internal risk management Accident Review Committee for all vehicle accidents



INSURANCE MANAGEMENT



- Evaluates County risks to determine the most cost effective method to manage them, this may involve include absorbing those risk in the Self-Insurance Fund, obtaining commercial insurance or transferring the risk to outside parties



INSURANCE MANAGEMENT

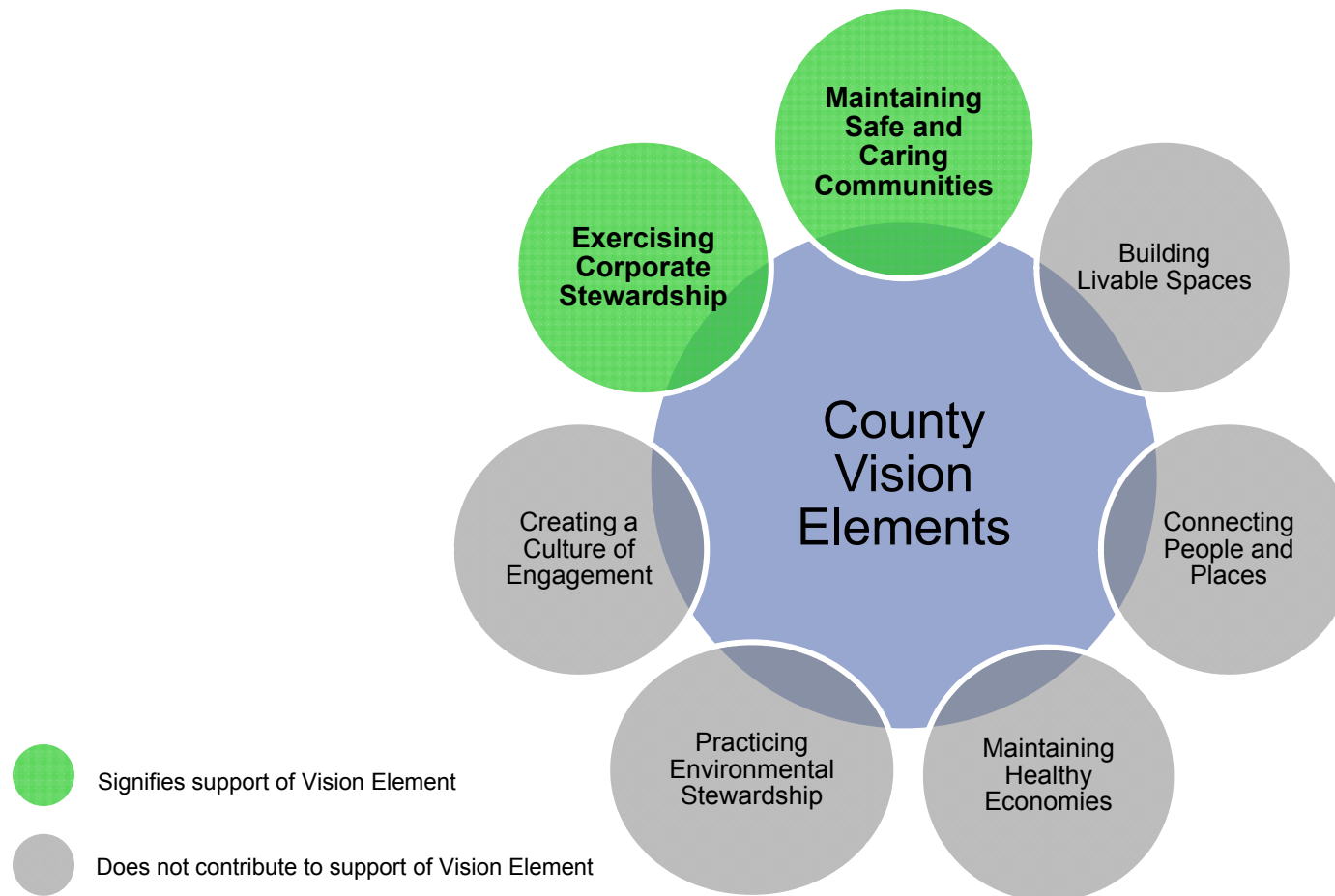


- Develops and ensures insurance requirements for County contracts to appropriately transfer risk to contractors and other parties
- Conducts risk assessments of County programs and/or sites



COUNTY VISION ELEMENTS

The purpose of the LOBs process and the validation process performed by staff and management is to array the relevance of all LOBs according to the County's Vision Elements. Our LOBs support:





CONNECTION TO COUNTY VISION

Maintaining Safe & Caring Communities

- Focus on **customer outreach**– we created and manage a “one-stop” web portal for reporting claims online
- **Risk Management’s rapid response team** for all significant incidents and disasters; continues to be active in its support role for the County’s Emergency Operations Center, for incident command as **certified Safety Officer, comp/claim unit leads; County’s Emergency Operations Plan and Post Disaster Recovery Plan**
- Focus on safety programs such as **Public Access Automated External Defibrillator (AED) program**. This program continues to maintain a standard of excellence through tracking and monitoring of maintenance of devices through **AEDCheck** system
- Communicate to the community/public safety messages and videos through multiple platforms including Newswire, YouTube and social media. **RMD’s “Snow Shoveling” video has now received an all time high of 10,000 hits since “Snowzilla of 2016” incident;** we collaborate closely with many agencies on the use of such platforms to include Office of Public Affairs, Office of Emergency Management, etc.





CONNECTION TO COUNTY VISION

Exercising Corporate Stewardship

- **WorkSafe Fairfax**, a Countywide initiative developed to focus on prevention of sprains and strains (the number one type of injury in the workplace for Fairfax County employees)
 - Expanded the campaign and program in FY 2014 to focus on cuts and lacerations (the number two type of injury)
 - Created a “See a Hazard, Stop an Injury ” hotline to mitigate risks
 - Employee outreach initiative - **Quicktakes** was launched in FY 2013 – ongoing emphasis on employee lunch and learn education opportunities including: emergency response planning; electrical safety; how to avoid slips, trips and falls in the workplace; how to survive a safety audit

WorkSafe Fairfax initiative received the NACo 2014 “Best in Category” Award – Best Practice Model

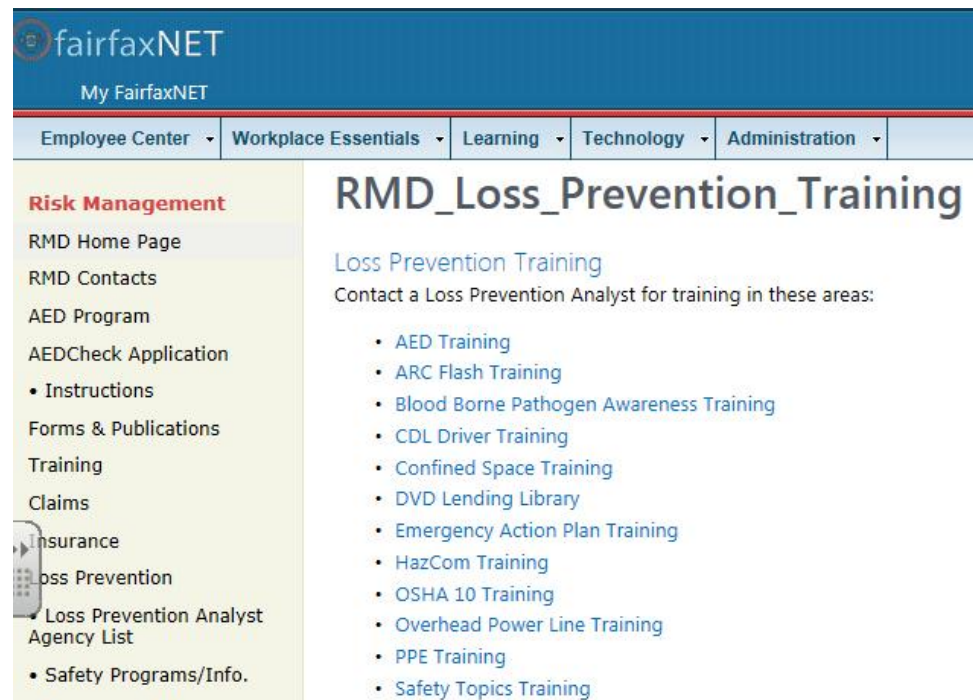




CONNECTION TO COUNTY VISION

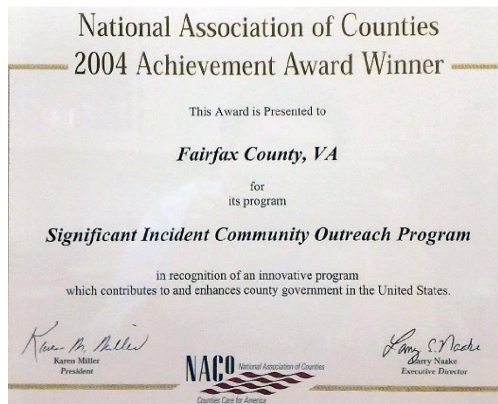
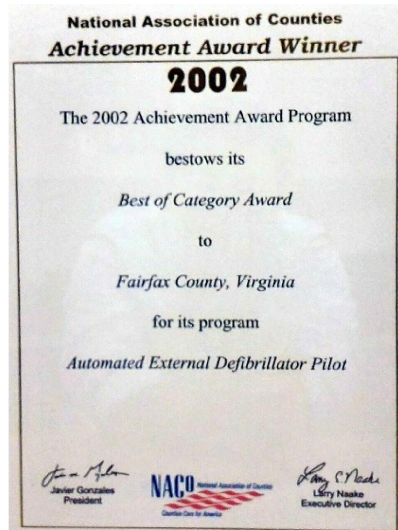
Exercising Corporate Stewardship

- Annual actuarial analysis and evaluation of County Insurance Fund by actuary/auditor
- County claims audits; weekly, monthly and quarterly for all claims to include workers' compensation
- **Internal Risk Management web page** providing access to risk management programs, training, policies and procedures; dedicated training page and resources and video library for employee and agency use for safety and loss prevention.



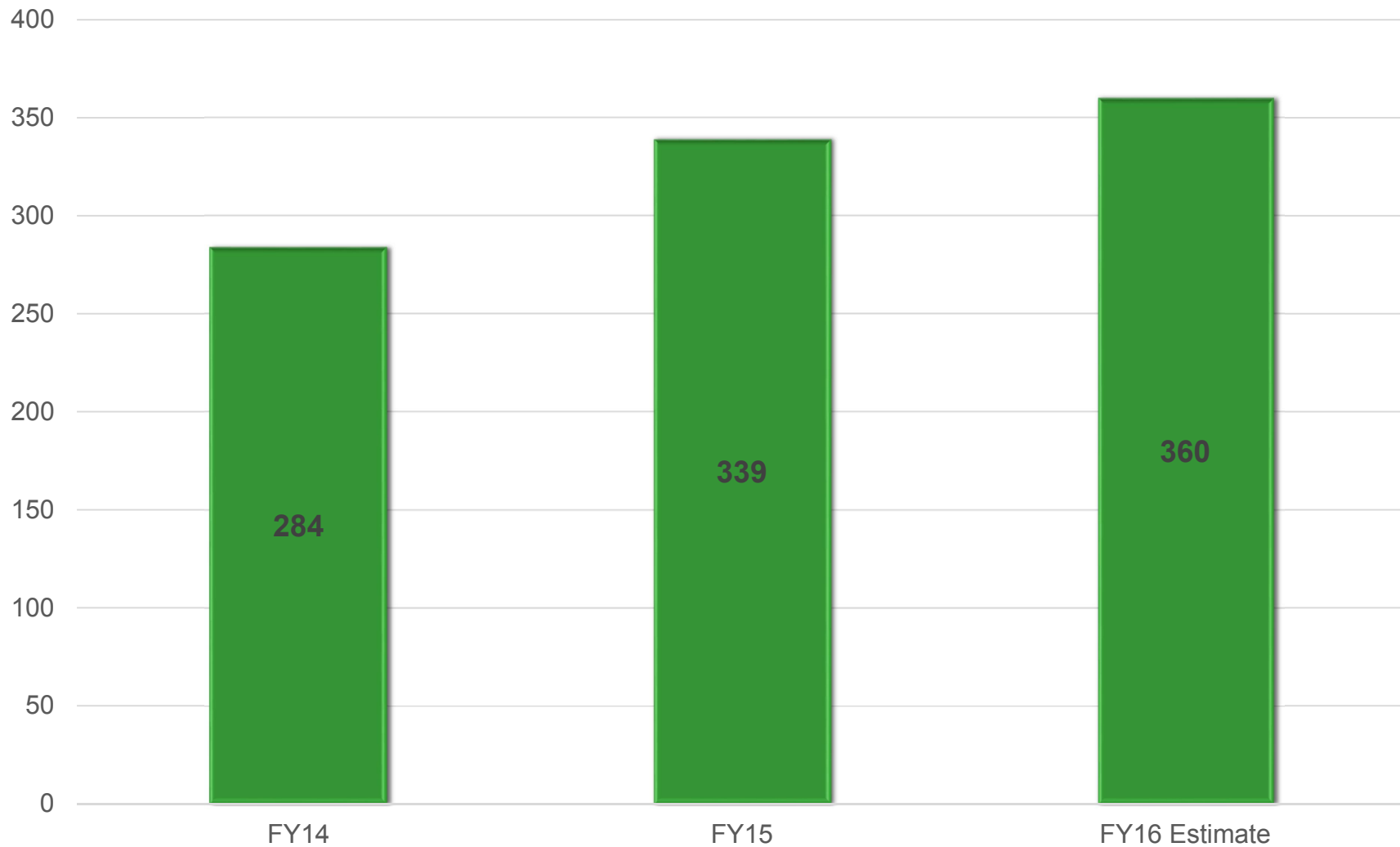


RISK MANAGEMENT “BEST PRACTICE MODEL”





LOSS PREVENTION – SAFETY AUDITS





LOSS PREVENTION - VEHICLE ACCIDENT RATE & CLAIM COUNT

	2013	2014	2015
Miles Driven	31,560,069	30,406,887	30,798,553
Vehicle Claims	483	542	473
Accident Rate*	1.6	1.8	1.6

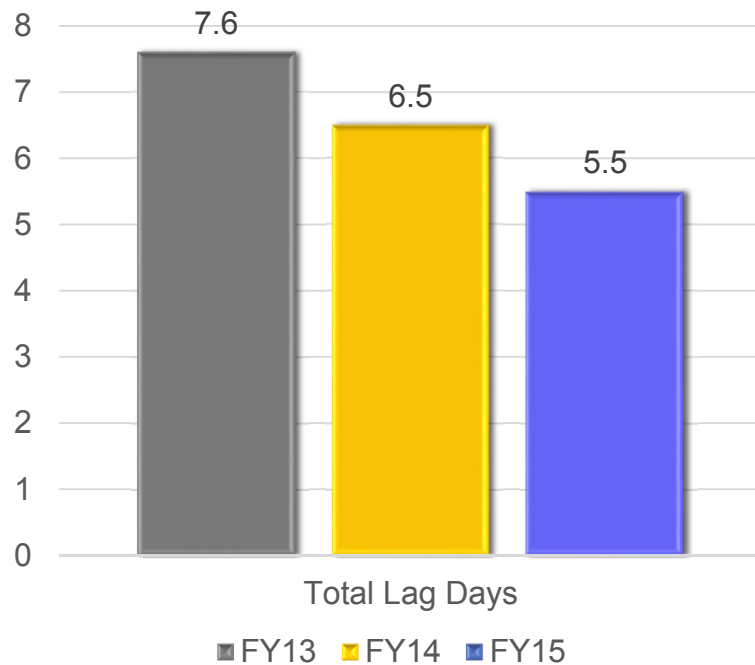
* Accident Rate Per 100K miles



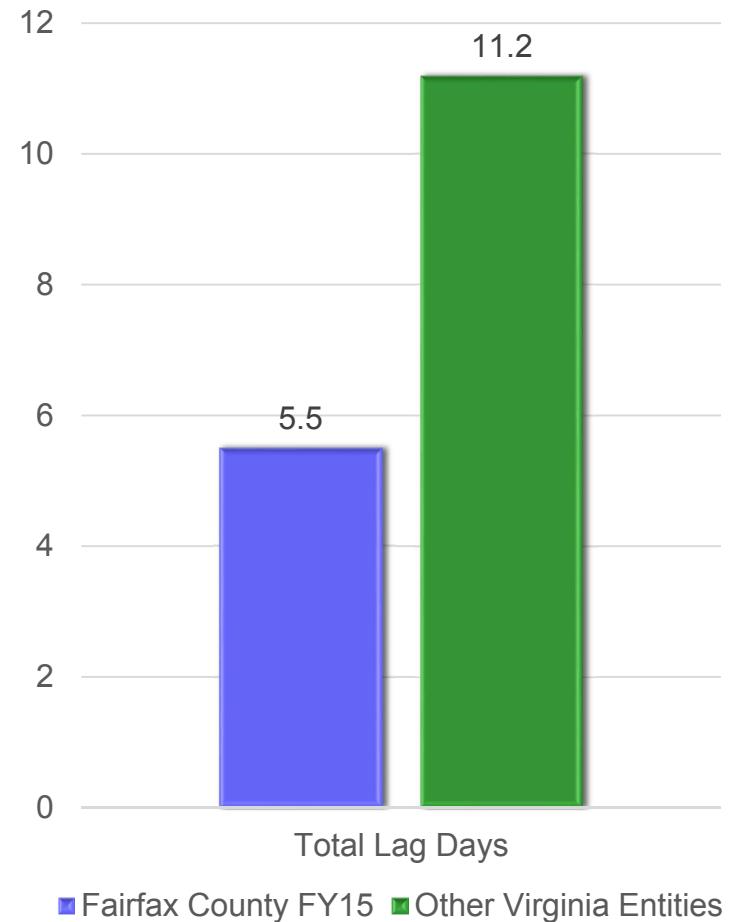
CLAIMS MANAGEMENT

Workers' Compensation Reporting Lag Time

Lag Time Chart



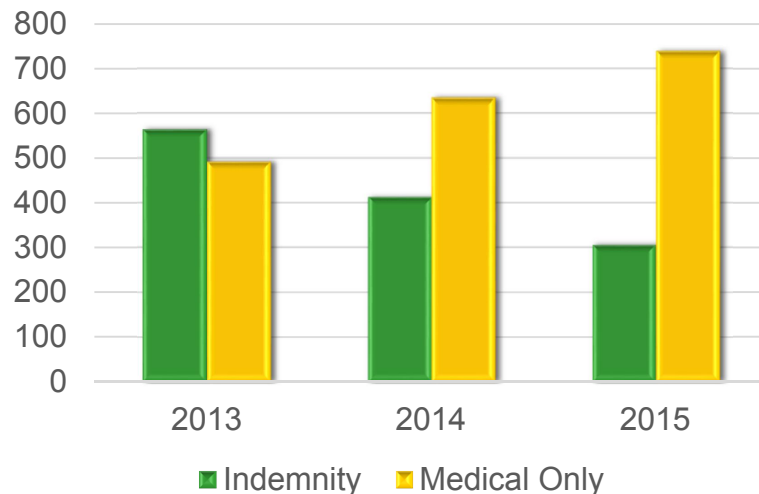
Benchmarking to Other Public Entities in Virginia





CLAIMS MANAGEMENT

Workers' Compensation Claims Classification



	2013	2014	2015
Indemnity	564	413	306
Medical Only	492	635	739
Total	1,056	1,048	1,045

Indemnity includes on the job injuries in which employees cannot return to work either temporarily or permanently.

Medical Only includes on the job injuries in which employees receive medical treatment and return to work immediately after treatment.



TRENDS AND CHALLENGES

- Medical care under workers' compensation is a lifetime benefit. As those covered under these benefits age, the extent of and cost of medical care rises
- As the County population rises, so does the number of vehicles on the road. This gives rise to traffic accidents, which relate to three major claims expenses: workers' compensation, automobile liability and damage to County property
- Aging infrastructure, especially in water and sewer lines, increase potential claims from citizens
- Weather-related claims and significant storm events can affect losses



LOOKING FORWARD

- Continue to work with physicians and clinics to improve the quality of care for injured employees while maintaining cost containment to control medical expenses
- Streamline Risk Management processes and data collection through further implementation and use of technology in the field
- Identify new potential risks for the County and develop mitigation strategies to deal with them, to include expanded use of cloud technology, and other cyber risks
- Continue to expand and develop safety and loss prevention programs, to include injury and illness prevention programs focusing on promoting a strong safety culture for our employees and residents of Fairfax County
- Ongoing development and collaboration working with our partners in risk mitigation – look to department programs who have “best practice” models i.e., driver awareness and training programs



DISCUSSION

