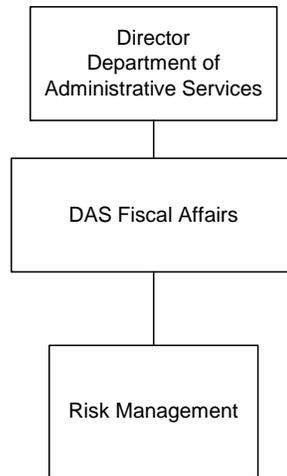


## DAS-RISK MANAGEMENT (1150)



### MISSION

Provide a comprehensive risk management program to minimize the County's property and casualty liabilities and to ensure the health and safety of employees, residents and guests utilizing County services and facilities.

<b>Budget Summary</b>		
	2010	2009/2010 Change
<b>Expenditures</b>	7,483,820	290,315
<b>Revenue</b>	7,483,820	290,315
<b>Levy</b>	0	0
<b>FTE's</b>	5.0	0.0

**Major Programmatic Changes**

- Incorporation of Occupational Health Services into Risk Management safety and loss control efforts.

### OBJECTIVES

- Assure County assets and liabilities are effectively protected through risk management and risk financing programs.
- Provide a safe and healthy environment for County workers and the general public.
- Investigate and process work related injury claims in an efficient manner while minimizing the related costs.

### DEPARTMENTAL PROGRAM DESCRIPTION

Risk Management is divided into five sections; administration, loss control, self-insurance/deductibles, insurance purchases, and worker's compensation. The budgeted positions include: Director of Risk Management, Safety Coordinator, Administrative Claims Examiner, Claims Adjuster and Claims Technician.

The **Administration Section** supervises the professional staff, coordinates risk management activities between departments and submits reports. The Risk Manager reviews all professional services contracts to advise

## COUNTY EXECUTIVE'S 2010 BUDGET

DEPT: DAS-Risk Management

UNIT NO. 1150  
FUND: General - 0001

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departments relative to potential liability to ensure that insurance requirements and opportunity for contractual transfer of risk are in place.

The **Loss Control Section** develops and coordinates occupational safety, health and loss control programs and procedures with County Departments. This includes serving as chair of the Joint Safety Committee and consulting on departmental safety issues including WI OSHA compliance and allocating training resources provided through the County's liability insurer. This section also coordinates the property insurance and boiler and machinery program including maintaining building and equipment inventory and property claim management.

The **Self-Insurance Section** is responsible for property, general and automobile liability claim reporting, loss analysis, claim data and financing of self-retained losses.

The **Insurance Policy and Services Section** is responsible for selection of brokers, requests for proposals, determination of appropriate deductibles, limits and insurance coverage, researching the market and negotiating with brokers and companies for insurance policies

The **Claims Management Section** is responsible for administering the Workers' Compensation claims of employees who sustain job-related injuries for medical-only and lost-time claims, and coordination of the return-to-work efforts. The section is responsible for submitting required State Work Comp reports, claim management recovering payments made from negligent third parties, coordinating return to work program with departments and developing and coordinating defense and settlement strategies for litigated claims with Corporation Counsel. In addition, a database is maintained for all Workers' Compensation claims.

## 2010 BUDGET

### ***Approach and Priorities***

- Promote safety to reduce accidents and injuries by serving as a resource for Departments.
- Maintain service levels and statutory compliance for Workers Compensation Claim processing.
- Effectively transition County's Occupational Health activities into overall Risk Management efforts.
- Utilize a combination of self-insurance and commercial insurance programs to minimize adverse affects from unplanned events.

### ***Programmatic Impacts***

- Risk Management will assume additional responsibilities relating to the transition of Occupational Health Services from the Department of Health and Human Services. The Risk Manager and the County Safety Coordinator will assume additional duties implementing and overseeing this program. A contract medical provider will be relied upon to provide comprehensive, occupational health consultative and medical services directly for Departments.

### ***Budget Highlights***

#### ***Wage and Benefit Modifications***

**(\$53,294)**

This budget includes an expenditure reduction of \$53,294 based on the changes described in the non-departmental account for wage and benefit modifications (org-1972). There is a corresponding revenue offset of \$51,994 for a total tax levy savings of \$1,300.

#### ***Administration***

**(\$288)**

Direct revenue is budgeted at \$138,346, a slight decrease of \$288, and is comprised of \$54,346 from the Milwaukee Public Museum insurance premiums, \$40,000 of projected dividends from Wisconsin County Mutual, \$4,000 from Airport Liability profit share and \$40,000 from workers compensation subrogation recoveries. In 2010, direct revenue is used to reduce cross charges to departments.

## COUNTY EXECUTIVE'S 2010 BUDGET

DEPT: DAS-Risk Management

UNIT NO. 1150  
FUND: General - 0001

**Self-Insurance** **(\$11,000)**

Expenditures for property, general and automobile liability claim reporting, loss analysis, claim data and financing of self-retained losses decreased \$11,000 from \$967,500 in 2009 to \$956,500 in 2010. This expense is fully charged out to County departments based on exposure and loss experience. Direct revenue reduces this cross charge by \$40,000.

**Insurance Policy And Services** **(\$50,638)**

Insurance purchases decrease \$50,638, from \$1,919,116 to \$1,868,478 due to stable insurance market conditions and favorable insurance RFP results. This expense is fully charged out to County departments. Direct revenue reduces this cross charge by \$58,346.

**Claims Management**

**(Workers' Compensation)** **\$322,450**

Workers' Compensation self-insurance expenditures increase \$322,450 from \$3,434,797 to \$3,757,247. The frequency of claims has decreased but the severity, driven primarily by medical costs, has increased. This expense is fully charged out to County departments based on loss experience and payroll. Direct revenue reduces this cross charge by \$40,000.

**Transition of Occupational Health Services (Loss Control)** **\$225,000**

Occupational Health Services, which provides for the safety and health of employees in the workplace, will be transitioned from the Department of Health and Human Services to Risk Management in 2010. Historically, Occupational Health was a service formerly provided to employees through Doyne hospital. With the closure of Doyne, Occupational Health was transitioned to DHHS with services provided by a private healthcare agency.

Occupational Health services relate directly to compliance and safety and involve activities such as bloodborne pathogen prevention, exposure testing and vaccination, respirator fit testing, pre-employment exams and hearing conservation. Given the relationship to both Risk Management's existing loss control efforts and the correlation between Workers Compensation and Occupational exposure, the division is positioned to institute a centralized, cost effective Occupational Health program.

Operationally, Risk Management will assume management of the 2010 agreement with Aurora to establish and provide necessary Occupational Health Services. Aurora will offer and manage medical services, training, medical consultation and record keeping activities. The roles and responsibilities of the County Safety Coordinator will be expanded to encompass management of the Occupational Health Services. Expenditures related to this program are \$225,000 and will be fully charged out to County departments.

The transition of Occupational Health will provide the following benefits:

- Centralized administration of the Occupational Health Services contract with area medical provider resulting in monitored, uniform application of services and negotiated pricing reducing overall expenses.
- Integration of Safety and Occupational Health activities to facilitate injury prevention and promote Return to Work activities.
- Loss prevention, training and education resources that can be allocated to departments based on specific needs or related to claims history.
- Establishment of relationship with provider that understands the exposures and issues prevalent in our various Departments.
- Early notification to Risk Management of potential exposures that may result in Workers Compensation Claims.
- Established procedures for management and employees relating to Occupational Health issues.

**COUNTY EXECUTIVE'S 2010 BUDGET**

**DEPT: DAS-Risk Management**

**UNIT NO. 1150**  
**FUND: General - 0001**

**Activity and Statistical Summary**

**Insurance Premiums and Self Insurance**

	2008 Actual	2009 Budget	2010 Budget
Retained Losses (self insured/deductible)	\$935,500	\$927,500	\$916,500
Insurance Premiums	\$1,883,884	\$1,865,483	\$1,810,132

**Workers Compensation**

	2008 Actual	2009 Budget	2010 Budget
Workers Comp Claims Processed	709	700	700
Dollar Amount of Work Comp Claims Processed	\$3,988,187	\$3,394,797	\$3,492,247

**Property Claims**

	2008 Actual	2009 Estimate	2010 Estimate
Property Claims Processed	70	120	100
Insurance Recoveries	\$1,224,974	\$1,000,000	\$900,000

**Contract Review**

	2008 Actual	2009 Estimate	2010 Estimate
Relative to Insurance Requirements*	374	375	350

*\*Does not include language for RFP's*

**Capital Investments**

- The department has no capital projects in 2010.

**COUNTY EXECUTIVE'S 2010 BUDGET**

**DEPT: DAS-Risk Management**

**UNIT NO. 1150**  
**FUND: General - 0001**

<b>BUDGET SUMMARY</b>				
<b>Account Summary</b>	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2009/2010 Change</b>
Personal Services (w/o EFB)	\$ 344,576	\$ 336,936	\$ 317,191	\$ (19,745)
Employee Fringe Benefits (EFB)	298,534	294,928	316,956	22,028
Services	56,858	75,240	93,714	18,474
Commodities	2,798	8,760	8,410	(350)
Other Charges	7,550,794	6,321,413	6,557,225	235,812
Debt & Depreciation	1,157	18,939	19,919	980
Capital Outlay	0	0	0	0
Capital Contra	0	0	0	0
County Service Charges	135,167	137,289	170,405	33,116
Abatements	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 8,389,884</b>	<b>\$ 7,193,505</b>	<b>\$ 7,483,820</b>	<b>\$ 290,315</b>
Direct Revenue	119,257	138,634	138,345	(289)
State & Federal Revenue	0	0	0	0
Indirect Revenue	7,633,488	7,054,871	7,345,475	290,604
<b>Total Revenue</b>	<b>\$ 7,752,745</b>	<b>\$ 7,193,505</b>	<b>\$ 7,483,820</b>	<b>\$ 290,315</b>
<b>Direct Total Tax Levy</b>	<b>637,139</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>PERSONNEL SUMMARY</b>				
	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2009/2010 Change</b>
<b>Position Equivalent (Funded)*</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>% of Gross Wages Funded</b>	<b>88.7</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Overtime (Dollars)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Overtime (Equivalent to Position)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

\* For 2008 Actuals, the Position Equivalent is the budgeted amount.

<b>PERSONNEL CHANGES</b>						
<b>Job Title/Classification</b>	<b>Title Code</b>	<b>Action</b>	<b># of Positions</b>	<b>Total FTE</b>	<b>Division</b>	<b>Cost of Positions (Salary Only)</b>
None						
					<b>TOTAL</b>	<b>\$ 0</b>

*All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."*