

Risk Management – MFR

County Vision: Citizens serving citizens by working collaboratively, efficiently and innovatively. We will be responsive to our customers while being fiscally prudent.

County Mission: The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services to its residents so they can enjoy living in healthy and safe communities.

Dept. Vision: The Risk Management Department will be recognized as a leader and relied upon for a county-wide risk management philosophy and culture.

Dept. Mission: The mission of the Risk Management Department is to provide loss prevention and control, and insurance and claims management services for Maricopa County Government, so they can reduce or eliminate their losses.

Dept. Goals:

- 1) Over the next two to five years, departmental decisions involving risk to County assets will be made consistent with established risk management protocols.
- 2) By 2005, departments will be able to identify and manage areas of risk and reduce losses as a result of timely and relevant information and assistance provided by Risk Management.
- 3) County losses will be reduced by a measurable amount over each of the next five years.
- 4) Risk Management will sustain appropriate level of expertise by maintaining a personnel attrition rate of less than 10% over each of the next five years.

Dept. Issues:

- 1) The County's failure to recognize the value of the risk management discipline and the impact it has on the protection of the County's assets, creates a lack of accountability and a failure to protect all the assets, and therefore, damages the credibility of County government.
- 2) The County's emphasis on managing for results presents us an opportunity, a challenge, and a forum to showcase our results for the County.
- 3) With an increasing population and workforce, the need for Risk Management services will become more integral in forecasting County financial liabilities.
- 4) As the number and costs of claims continue to increase and departments become more aware of their claim losses, demand for Risk Management services will increase and become more consultative in nature.
- 5) As the County's workforce and the regulatory environment continues to evolve, customers will demand more involvement from Risk Management to meet their needs for claims, environmental and safety services.
- 6) As County management stresses the need for a comprehensive county-wide loss prevention program, demand for Risk Management services will increase.

Program Name: **Claims Resolution and Litigation Management Program**

Program Purpose: The purpose of the **Claims Resolution and Litigation Management Program** is to provide claims disposition and litigation management services to the County so they can reduce the cost of claims and expenses.

Key Results:

% decrease/increase of third party claims costs compared to a 3-year average

% decrease/increase of third party indemnity payments compared to a 3-year average

% increase/decrease of collections compared to a 3-year quarterly average

Activity Name: **Claims and Litigation Management Services**

Activity Purpose: The purpose of the **Claims and Litigation Management Services Activity** is to provide management of claims and lawsuits and monetary collection services to the County so they can reduce the cost of claims and expenses.

Services that comprise the Activity:

Claims file management

Litigation action plans

Expense approvals and payments

Claims investigations

Claim/litigation settlement negotiations

Claims consultations

Monetary collections

Performance Measures:

RESULT: % decrease/increase of third party claims costs compared to a 3-year average

Calculation: Divide annual expense costs of general liability, medical malpractice and auto liability claims using paid date as the criteria by the expense costs of a 3-year average

Data Source: Risk Master

RESULT: % decrease/increase of third party indemnity payments compared to a 3-year average

Calculation: Divide annual indemnity payments of general liability, medical malpractice and auto liability claims using paid date as the criteria by the indemnity payments of a 3-year average.

Data Source: Risk Master

RESULT: % increase/decrease of collections compared to a 3-year quarterly average

Calculation: Divide the amount collected on claims closed in the quarter by a 3-year quarterly average.

Data Source: Risk Master

OUTPUTS: # of claims opened

Calculation: Number of claims opened in the quarter using claim date, excluding workers' compensation and unemployment

Data Source: Risk Master

OUTPUTS: # of claims closed

Calculation: Number of claims closed in the quarter excluding workers' compensation and unemployment

Data Source: Risk Master

OUTPUTS: # of collections handled

Calculation: Number of collections handled in the quarter

Data Source: Risk Master

DEMAND: # of claim openings expected

Calculation: Number of claim openings expected for the quarter using the past 3 years' quarterly average, excluding workers' compensation and unemployment

Data Source: Risk Master

DEMAND: # of claim closures expected

Calculation: Number of claim closures expected for the quarter using past 3 years' quarterly average, excluding workers' compensation and unemployment

Data Source: Risk Master

DEMAND: # of collections expected to be handled

Calculation: Number of collections expected to be handled in the quarter

Data Source: Risk Master

EFFICIENCY: \$ cost per claim

Calculation: Cost of claims paid in the quarter divided by the number of claims open excluding workers' compensation and unemployment

Data Source: Risk Master

Activity Leader: Claims Manager.

Program Name: **Safety Management Program**

Program Purpose: The purpose of the **Safety Management Program** is to provide safety management services to the County so they can ensure standards compliance and control and/or prevent losses.

Key Results:

% reduction/increase of County quarterly injury incident rate compared to a 3-year average rate

Activity Name: **Safety Management Services**

Activity Purpose: The purpose of the **Safety Management Services Activity** is to provide consultation, technical, and training services to the County so they can ensure standards compliance and control and/or prevent losses.

Services that comprise the Activity:

Safety consultations
Safety contract services
Safety training sessions
Safety inspections
OSHA compliance inspections
DOT vehicle inspections
Vehicle/Operator permits
Reports and records
CDL examinations/evaluations
CDL drug and alcohol testing
Accident investigations
Emergency responses

Performance Measures:

RESULT: % reduction/increase of County quarterly injury incident rate compared to a 3-year average rate

Calculation: Compare quarterly injury incident rate to a 3-year average rate. Injury incident rate =
number of injuries x 200,000 / hours of exposure
Data Source: Safety spreadsheet

RESULT: % of departments that have established the START safety management system

Calculation: Number of departments that have established the START safety management system
during the fiscal year divided by the number of County departments
Data Source: Safety spreadsheet

OUTPUTS: # of injury incident rate

Calculation: The actual injury incident rate
Data Source: Monthly safety report

OUTPUTS: # of departments that have the START safety management system

Calculation: Number of departments that have established the START safety management system
during the fiscal year
Data Source: Safety spreadsheet

DEMAND: # of injury incident rate expected

Calculation: Number of injury incident rate expected
Data Source: Monthly safety report

DEMAND: # of departments expected to establish the START safety management system expected

Calculation: Number of departments expected to establish the START safety management system during the fiscal year
Data Source: Safety spreadsheet

EFFICIENCY: \$ cost per workers' compensation claim

Calculation: Cost of workers' compensation claims paid in the quarter divided by the number of open claims
Data Source: Pinnacle Risk Master database

Activity Leader: Safety Mgr.

Program Name: **Environmental Management Program**

Program Purpose: The purpose of the **Environmental Management Program** is to provide environmental technical services to the County so they can minimize or eliminate liabilities.

Key Results:

% reduction/increase in environmental liability exposures

Activity Name: **Environmental Management Services**

Activity Purpose: The purpose of the **Environmental Management Services Activity** is to provide environmental management services for the County so they can identify and mitigate potential liabilities.

Services that comprise the Activity:

Environmental remediations

Property surveys

Environmental inspections

Contract review and management

Environmental training

Environmental consultations

Environmental monetary recoveries

Performance Measures:

RESULT: % reduction/increase in possible environmental liability exposures

Calculation: Compare the change in the amount of possible liability exposures from prior year

Data Source: Annual environmental liability statement

OUTPUTS: # of dollars of possible liability exposures

Calculation: The actual dollars for liability exposures

Data Source: Environmental database

DEMAND: # of dollars of possible liability exposures expected

Calculation: The actual dollars for liability exposures expected

Data Source: Environmental database

EFFICIENCY: \$ cost per reduction in possible liability exposures

Calculation: Divide the expenditures by the difference in possible liability exposures from the prior year to the current year

Data Source: Environmental database

Activity Leader: Environmental Consultants

Program Name: **Risk Management Self-Insurance Program**

Program Purpose: The purpose of the **Risk Management Self-Insurance Program** is to provide coverage and liability reduction services to the County so they will have adequate protection of County assets.

Key Results:

% of risk management expenditures to County expenditures showing the cost of risk

% of expenditures within budget

Activity Name: **Trust Fund Administration**

Activity Purpose: The purpose of the **Trust Fund Administration Activity** is to provide oversight of risk management services to the County so they can reduce the cost of risk.

Services that comprise the Activity:

Contract administration and services

Contract review

Insurance procurement

Insurance certifications

Reports and projections

Board of Trustee support services

Performance Measures:

RESULT: % of risk management expenditures to County expenditures showing the cost of risk

Calculation: Divide the risk management expenditures by the annual County expenditures

Data Source: Advantage system and CAFR

RESULT: % of expenditures within budget

Calculation: Divide the quarterly expenditures by the budget

Data Source: Advantage system and Adaytum system

OUTPUTS: # of dollars of risk management expenditures and County expenditures

Calculation: Actual risk management and County annual expenditures

Data Source: Advantage and CAFR

OUTPUTS: # of dollars of risk management expenditures and budget

Calculation: Actual quarterly risk management expenditures and budget amounts

Data Source: Advantage system and Adaytum system

DEMAND: # of dollars of risk management expenditures and County expenditures expected

Calculation: Actual risk management and County annual expenditures expected

Data Source: Advantage system and CAFR

DEMAND: # of dollars of risk management expenditures and budget expected

Calculation: Actual dollars of risk management expenditures and budget expected

Data Source: Advantage system and Adaytum system

EFFICIENCY: \$ cost per dollars managed

Calculation: Actual quarterly expenditures divided by the budgeted expenditures
Data Source: Advantage system and Adaytum system

Activity Leader: Risk Manager.