

RISK MANAGEMENT DIVISION

Purpose:

To evaluate, recommend, and effect policies and procedures that protect the City against accidental loss which, in the aggregate during any financial period, would significantly affect personnel, property, the budget, or the ability of City departments to continue to fulfill their responsibilities to taxpayers and the public.

Functions:

Risk Identification:

Identify loss exposures on a systematic and continuous basis by reviewing contracts, leases, agreements, etc.; by completing risk identification surveys and checklists; and by reviewing loss experience reports.

Risk Analysis:

Analyze loss exposures by applying the risk management frequency/severity matrix to the City's actual loss experience and appropriately applying the techniques of avoiding, reducing, retaining or transferring risk.

Risk Control:

Provide valid loss experience information for formulating sound risk control procedures by developing claims database, periodically preparing loss experience reports, and submitting significant loss experience trend information to the Safety Division of the Human Resources Department.

Risk Financing:

Determine the appropriate mix of self-insurance and insurance to adequately cover the City's exposures and accommodate the City's ability to pay, and conduct actuarial studies to establish reasonable levels of reserves to support the self-insured portion of the City's program

Risk Transfer:

Protect the City against loss due to third-party claims by continually reviewing and revising the City's standard insurance and indemnification requirements and ensuring that certificates of insurance are submitted, reviewed, and renewed.

Useful Information:

Insurance & Indemnification Requirements:

The City has tried to standardize the language describing its basic insurance and indemnification requirements. This has been done for a variety of reasons including: (1) to consistently and equitably transfer risk to third-parties doing business with the City, and (2) to simplify the administration of the risk transfer function for both the City and those insurance professionals who assist third-parties in meeting the City's insurance and indemnification requirements. The City's basic or standard insurance requirements include Workers Compensation, Commercial General Liability and Automobile Liability coverage. Additional coverages may be added depending on the nature of the contract, agreement, lease, license, permit, etc. involved. A Waiver of Subrogation is normally required when the use or occupancy of City property is involved.

Insurance Policy Endorsements:

The City requires several types of endorsements to be included on the insurance policies used to meet the City's insurance requirements. Several of these endorsements have been manuscripted by the City and generally require insurance carrier underwriter's approval in be added to a policy. These are the City's "Additional Insured Endorsement, Governmental Immunities Endorsement, and Cancellation and Material Change Endorsement.

In addition to the above, general liability policies are almost always required to include the Insurance Services Office's (ISO) "Designated Location(s) General Aggregate Limit" endorsement (CG 25 04 03 97). When appropriate the ISO "Auto Cargo Pollution" endorsement (CA 99 48 12 93) is also required.

EXAMPLES:

1. Workers Compensation:
 - a. Cancellation & Material Change Endorsement
 - b. Additional Insured Endorsement
2. General Liability:
 - a. Governmental Immunities Endorsement
 - b. Cancellation & Material Change Endorsement
 - c. Designated Location(s) General Aggregate Limit Endorsement
3. Automobile Liability:
 - a. Additional Insured Endorsement
 - b. Governmental Immunities Endorsement
 - c. Auto Cargo Pollution Endorsement (if hazardous materials are involved)