

RISK MANAGEMENT

DESCRIPTION

Risk Management is a division within the Department of Finance that provides protection from accidental losses arising out of the County’s General Government and Public Schools operations. Protection is provided through a combination of self-insurance and purchased insurance. The division is responsible for the management of the Self-Insurance fund, excess insurance coverages, certificates of insurance for proof of insurance, and provides oversight of workers’ compensation claim administration and the administration of auto, property, and liability claims. The Risk Management staff provides training and guidance to all county agencies and Henrico County Public Schools to help identify and manage operational risks to minimize potential loss and liabilities. Additionally, Risk Management works in collaboration with Workplace Safety and Emergency Management regarding loss prevention, safety training, and environmental concerns.

OBJECTIVES

- To protect the county against losses that could significantly impact its personnel, property, or financial stability in providing services to the general public.
- To provide comprehensive insurance coverage for the General Government and Schools at the lowest possible cost when considering the various risks involved.

BUDGET HIGHLIGHTS

The FY24 budget is reflected within the Internal Service Fund series because Risk Management provides services to all areas of General Government and Education, across all funds. Risk Management will continue to administer all applicable programs and services to all county agencies.

FISCAL YEAR 2024 SUMMARY

Annual Fiscal Plan

| Description | FY22 | FY23 | FY24 | Change |
|----------------------|----------------------|----------------------|----------------------|-------------|
| | Actual | Original | Proposed | 23 to 24 |
| Personnel | \$ 670,530 | \$ 731,133 | \$ 826,258 | 13.0% |
| Operation * | 11,764,058 | 9,789,701 | 9,789,701 | 0.0% |
| Capital | 0 | 3,275 | 3,275 | 0.0% |
| Total | \$ 12,434,588 | \$ 10,524,109 | \$ 10,619,234 | 0.9% |
| Personnel Complement | 7 | 8* | 8 | 0 |

* A position previously budgeted within Finance was transferred to Risk Management.

Risk Management

PERFORMANCE MEASURES

| | <u>FY22</u> | <u>FY23</u> | <u>FY24</u> | <u>Change 23 to 24</u> |
|--|-------------|-------------|-------------|----------------------------|
| Workload Measures | | | | |
| Workers' Compensation Claims Processed | 1,155 | 970 | 1,048 | 78 |
| Auto. Gen. Liability, Other Claims Processed | 1,194 | 1,296 | 1,401 | 105 |
| Property Damage and Loss Claims Processed | 188 | 122 | 132 | 10 |

BUDGET HIGHLIGHTS (CONTINUED)

The Risk Management budget for FY24 totals \$10,619,234 and is funded with a transfer of \$9,619,234 from the county's General Fund and projected revenue of \$1,000,000 from the Department of Public Utilities' Water & Sewer Enterprise and Solid Waste Funds. In FY20, the Workplace Safety component was separated from Risk Management and is currently with the Emergency Management department.

In FY24, the proposed budget for Risk Management's Self-Insurance Administration function totals \$1,012,375, a 10.4% increase. This increase is the effect of rising employee salary, health care, and benefit costs along with a position transferred from Finance Administration. Within the Self-Insurance Administration function, eight employees provide services including oversight and support of workers' compensation claim administration, auto, property, and liability claim administration, as well as administration of the Self-Insurance Reserve for the General Government and Schools. During FY24, the risk assessment of programs and activities will continue in order to recognize, reduce, and control risk exposures.

In FY24, the proposed budget for claims totals \$7,620,811. Funding for a portion of the Division's costs is typically provided in the December amendment via a transfer from the Self-Insurance Reserve within the General Fund. Funding remains unchanged from FY23.

Also included in the FY24 budget is a proposed \$1,986,048 for insurance policies and premiums. These funds are for costs associated with purchased commercial insurance for both property liability and workers' compensation. It should be noted that the county's costs in this area are supplemented by the Self-Insurance Reserve and remains unchanged from FY23.



**Department Operating Budget
Henrico County, Virginia
FY2023-24
RISK MANAGEMENT**

| Account Description | Prior Year Actual | Approved Budget | Proposed Budget | Dollar Inc/Dec | Percent Inc/Dec |
|---|-------------------|-----------------|-----------------|----------------|-----------------|
| 50100 Full-Time Salaries and Wages - Regular | 450,720 | 487,546 | 567,045 | 79,499 | 16.3% |
| 50101 Full-Time Salaries and Wages - Overtime | 15 | 500 | 500 | 0 | 0.0% |
| 50104 Temporary Salaries and Wages - Regular | 43,743 | 57,000 | 57,000 | 0 | 0.0% |
| 50108 Hybrid Disability Prgm (Prev Wage Adj) | 2,386 | 2,877 | 3,178 | 301 | 10.5% |
| 50109 Vacancy Savings | 0 | -17,527 | -18,877 | -1,350 | -7.7% |
| 50110 FICA | 35,176 | 41,696 | 45,605 | 3,909 | 9.4% |
| 50111 Retirement VRS | 65,693 | 80,591 | 89,037 | 8,446 | 10.5% |
| 50112 Hospital/Medical Plans | 66,872 | 71,624 | 75,229 | 3,605 | 5.0% |
| 50113 Group Insurance - Life (VRS) | 5,925 | 6,826 | 7,541 | 715 | 10.5% |
| 50207 Professional Education Services | 0 | 6,551 | 6,551 | 0 | 0.0% |
| 50209 Other Professional Services | 103,853 | 134,892 | 134,892 | 0 | 0.0% |
| 50210 Maintenance and Repairs | 0 | 250 | 250 | 0 | 0.0% |
| 50220 Lease/Rent Of Equipment | 2,082 | 2,500 | 2,500 | 0 | 0.0% |
| 50230 Temporary Help Service Fees | 0 | 10,000 | 10,000 | 0 | 0.0% |
| 50240 Printing and Binding | 50 | 950 | 950 | 0 | 0.0% |
| 50250 Advertising | 0 | 300 | 300 | 0 | 0.0% |
| 50270 Other Contractual Services | 2,247 | 1,000 | 1,000 | 0 | 0.0% |
| 50310 Automotive/Motor Pool | 9,747 | 6,000 | 6,000 | 0 | 0.0% |
| 50410 Postal Services | 228 | 1,500 | 1,500 | 0 | 0.0% |
| 50411 Messenger Services | 0 | 150 | 150 | 0 | 0.0% |
| 50412 Telecommunications | 4,903 | 3,150 | 3,150 | 0 | 0.0% |
| 50420 Insurance | 1,557,119 | 1,345,000 | 1,345,000 | 0 | 0.0% |
| 50421 Insurance - Workers' Compensation | 831,734 | 641,048 | 641,048 | 0 | 0.0% |
| 50430 Mileage | 0 | 250 | 250 | 0 | 0.0% |
| 50431 Education and Training | 884 | 3,720 | 3,720 | 0 | 0.0% |
| 50450 Dues And Association Memberships | 500 | 500 | 500 | 0 | 0.0% |

| Account Description | Prior Year Actual | Approved Budget | Proposed Budget | Dollar Inc/Dec | Percent Inc/Dec |
|---|--------------------------|------------------------|------------------------|-----------------------|------------------------|
| 50451 Claims And Contingencies - County | 9,246,760 | 7,620,811 | 7,620,811 | 0 | 0.0% |
| 50453 Freight Charges | 11 | 150 | 150 | 0 | 0.0% |
| 50459 Other Charges Miscellaneous | 381 | 5,141 | 5,141 | 0 | 0.0% |
| 50500 Office Supplies | 1,611 | 2,250 | 2,250 | 0 | 0.0% |
| 50501 Food Supplies and Food Service Supplies | 177 | 0 | 0 | 0 | 0.0% |
| 50506 Repair and Maintenance Supplies | 0 | 100 | 100 | 0 | 0.0% |
| 50511 Uniforms/Wearing Apparel/ITEMS | 509 | 125 | 125 | 0 | 0.0% |
| 50512 Books and Subscriptions | 641 | 2,300 | 2,300 | 0 | 0.0% |
| 50513 Educational and Recreational Supplies | 0 | 1,000 | 1,000 | 0 | 0.0% |
| 50514 Other Operating Supplies | 0 | 63 | 63 | 0 | 0.0% |
| 50521 Computer Software | 621 | 0 | 0 | 0 | 0.0% |
| 50813 Telecommunications Equipment-New Less Than \$10,000 | 0 | 175 | 175 | 0 | 0.0% |
| 50832 Furniture and Fixtures-Replacement Less Than \$10,000 | 0 | 3,100 | 3,100 | 0 | 0.0% |
| Total Department | 12,434,588 | 10,524,109 | 10,619,234 | 95,125 | 0.9% |