

RISK MANAGEMENT

DESCRIPTION

Risk Management is a division within the Department of Finance that provides protection from accidental losses arising from 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, the administration of auto, property, and liability claims, and the oversight of workers’ compensation claim administration. The division is also responsible for determining insurance requirements through the procurement process, in addition to approving as acceptable all certificates of insurance received from vendors. 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 Emergency Management and Workplace Safety regarding loss prevention, safety training, and environmental concerns. Risk Management is responsible for the placement of insurance for the Metro Aviation Unit, a multi-jurisdictional agreement between Henrico and Chesterfield Counties and the City of Richmond, in addition to management of the insurance program for any organization where the County is the fiscal agent.

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 FY25 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 2025 SUMMARY

Description	FY23	FY24	FY25	Change
	Actual	Original	Approved	24 to 25
Personnel	\$ 734,535	\$ 826,258	\$ 998,008	20.8%
Operation	21,147,268	9,789,701	9,789,701	0.0%
Capital	8,187	3,275	3,275	0.0%
Total	<u>\$ 21,889,990</u>	<u>\$ 10,619,234</u>	<u>\$ 10,790,984</u>	<u>1.6%</u>
Personnel Complement	8	8	8	0

Risk Management

PERFORMANCE MEASURES

	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Change 24 to 25</u>
Workload Measures				
Workers' Compensation Claims Processed	1,001	1,181	1,345	164
Auto. Gen. Liability, Other Claims Processed	1,338	1,248	1,421	173
Property Damage and Loss Claims Processed	187	271	308	37

BUDGET HIGHLIGHTS (CONTINUED)

The Risk Management budget for FY25 totals \$10,790,984 and is funded with a transfer of \$9,790,984 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 FY25, the budget for Risk Management's Self-Insurance Administration function totals \$1,184,125, a 17.0% increase. This increase is the effect of rising employee salary, health care, and benefit costs. In addition, Risk Management absorbed the salary costs of a transferred position previously budgeted within 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 FY25, the risk assessment of programs and activities will continue in order to recognize, reduce, and control risk exposures.

In FY25, the 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 FY24.

Also included in the FY25 budget is \$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 remain unchanged from FY24.