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 (HCPS) 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.

ANNUAL FISCAL PLAN SUMMARY

Description	FY25 Actual	FY26 Original	FY27 Approved	% Change
Personnel	$982,383	$1,079,620	$1,114,754	3.3%
Operation	17,618,095	9,789,701	10,590,766	8.2%
Capital	1,141	3,275	3,275	0.0%
Subtotal	$18,601,619	$10,872,596	$11,708,795	7.7%
Recommended Adjustment	0	0	-38,002	100.0%
Total	$18,601,619	$10,872,596	$11,670,793	7.3%
Personnel Complement	8	8	8	0

Risk Management

PERFORMANCE MEASURES

	FY25	FY26	FY27	26-27 Change
Workload Measures				
Workers' Compensation Claims Processed	1,150	1,174	1,199	25
Property Damage and Loss Claims Processed	977	975	975	0
Auto. Gen. Liability, Other Claims Processed	794	803	812	9

BUDGET HIGHLIGHTS

The FY27 budget is reflected within the Internal Service Fund series because Risk Management provides services to all areas and funds of the General Government and HCPS.

In FY27, the budget for Risk Management's Self-Insurance Administration function totals $1,413,934. This growth is the effect of a $35,134 increase to the personnel component for rising employee salary, health care, and benefit costs in addition to a $151,065 increase to the department's operating component for computer software licensing fees. As part of an exercise in fiscal prudence, this budget includes an operating decrease equivalent to 3% of the Self-Insurance Administration function's FY26 approved budget.

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 FY27, the risk assessment of programs and activities will continue to recognize, reduce, and control risk exposures.

In FY27, the budget for claims totals $7,070,811 and includes a $550,000 decrease from FY26. Should claims exceed the estimated budget during the fiscal year, the appropriations resolution adopted by the Board of Supervisors allows the appropriation to be increased to a sum sufficient to cover the claims costs from the Self-Insurance Reserve within the General Fund. Also included in the FY27 budget is $3,186,048 for insurance policies and premiums, a $1,200,000 increase from FY26. 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.