

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, 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	Proposed	24 to 25
Personnel	\$ 734,535	\$ 826,258	\$ 997,799	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>\$ 10,790,775</u>	<u>1.6%</u>
Personnel Complement	7	7	8*	0

* Includes the addition of a reclassified senior claims adjuster position previously budgeted under Finance Administration as a management assistant.

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 \$10,790,775 and is funded with a transfer of \$9,790,775 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 \$1,183,916, a 16.9% 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.



**Department Operating Budget
Henrico County, Virginia
FY2024-25
RISK MANAGEMENT**

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50100 Full-Time Salaries and Wages - Regular	509,206	567,045	653,524	86,479	15.3%
50101 Full-Time Salaries and Wages - Overtime	55	500	500	0	0.0%
50104 Temporary Salaries and Wages - Regular	20,142	57,000	57,000	0	0.0%
50108 Hybrid Disability Prgm (Prev Wage Adj)	2,712	3,178	3,856	678	21.3%
50109 Vacancy Savings	0	-18,877	0	18,877	100.0%
50110 FICA	38,081	45,605	54,393	8,788	19.3%
50111 Retirement VRS	84,657	89,037	114,367	25,330	28.4%
50112 Hospital/Medical Plans	72,638	75,229	88,672	13,443	17.9%
50113 Group Insurance - Life (VRS)	6,863	7,541	9,149	1,608	21.3%
50114 Unemployment Insurance	181	0	0	0	0.0%
50121 VRS Hybrid Deferred Contribution	0	0	16,338	16,338	100.0%
50207 Professional Education Services	0	6,551	6,551	0	0.0%
50209 Other Professional Services	94,953	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	65	950	950	0	0.0%
50250 Advertising	0	300	300	0	0.0%
50270 Other Contractual Services	1,986	1,000	1,000	0	0.0%
50310 Automotive/Motor Pool	10,332	6,000	6,000	0	0.0%
50410 Postal Services	236	1,500	1,500	0	0.0%
50411 Messenger Services	0	150	150	0	0.0%
50412 Telecommunications	4,932	3,150	3,150	0	0.0%
50420 Insurance	1,635,452	1,345,000	1,345,000	0	0.0%
50421 Insurance - Workers' Compensation	886,550	641,048	641,048	0	0.0%
50430 Mileage	0	250	250	0	0.0%

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50431 Education and Training	1,196	3,720	3,720	0	0.0%
50450 Dues And Association Memberships	50	500	500	0	0.0%
50451 Claims And Contingencies - County	18,506,714	7,620,811	7,620,811	0	0.0%
50453 Freight Charges	0	150	150	0	0.0%
50459 Other Charges Miscellaneous	541	5,141	5,141	0	0.0%
50500 Office Supplies	401	2,250	2,250	0	0.0%
50506 Repair and Maintenance Supplies	0	100	100	0	0.0%
50511 Uniforms/Wearing Apparel/ITEMS	451	125	125	0	0.0%
50512 Books and Subscriptions	449	2,300	2,300	0	0.0%
50513 Educational and Recreational Supplies	196	1,000	1,000	0	0.0%
50514 Other Operating Supplies	0	63	63	0	0.0%
50521 Computer Software	682	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%
50835 Computer Equipment-Replacement Less Than \$10,000	8,187	0	0	0	0.0%
Total Department	21,889,990	10,619,234	10,790,775	171,541	1.6%