

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. The Division is responsible for the management of the self-insurance reserve, administration of workers’ compensation, auto, property and liability claims, loss prevention, and the environmental program. Protection is provided through a combination of self-insurance, purchased insurance, and risk transfer mechanisms. Administrative support is provided to the Accident Review Board. The safety staff provides training and guidance to all county agencies and Henrico County Public Schools to ensure compliance with state and federal regulations. The environmental coordinator provides administration for the county’s environmental program, including the communication of policy, program implementation, and employee awareness training.

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 FY2021-22 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 2022 SUMMARY

Description	FY20 Actual	FY21 Original	FY22 Proposed	Change 21 to 22
Personnel	\$ 587,736	\$ 696,061	\$ 700,594	0.7%
Operation*	13,042,193	9,800,281	9,789,701	(0.1%)
Capital	225	3,275	3,275	0.0%
Total	\$ 13,630,154	\$ 10,499,617	\$ 10,493,570	(0.1%)
Personnel Complement	7	7	7	0

*\$5,200,000 of FY2019-20 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

Risk Management

PERFORMANCE MEASURES

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>Change 21 to 22</u>
Workload Measures				
Workers' Compensation Claims Processed	1,095	760	970	210
Auto. Gen. Liability, Other Claims Processed	1,194	700	960	260
Property Damage and Loss Claims Processed	250	185	200	15

BUDGET HIGHLIGHTS (CONTINUED)

The Risk Management budget for FY2021-22 totals \$10,500,876 and is funded with a transfer of \$9,493,570 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 FY2019-20, the Workplace Safety component was separated from Risk Management.

In FY2021-22, the budget for the Self-Insurance Administration function of Risk Management totals \$883,436. Within the Self-Insurance Administration area, seven employees provide services including claims administration, loss prevention, loss control, managing the safety program, managing the environmental program as well as administration of the Self-Insurance Reserve for General Government and Schools. During FY2021-22, the risk assessment of programs and activities will continue in order to recognize, reduce, and control risk exposures.

In FY2021-22, 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. In FY2020-21, this transfer was not needed due to savings attributable to the COVID-19 pandemic. Also included in the FY2021-22 budget is \$1,986,048 for insurance policies/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, which on June 30, 2020 had a balance of \$7,500,000. Costs are continuing to be monitored and if an amendment is necessary it would come forward in a May or June amendment.



Department Operating Budget
Henrico County, Virginia
FY2021-22
RISK MANAGEMENT

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50100 Full-Time Salaries and Wages - Regular	399,830	459,533	474,100	14,567	3.2%
50101 Full-Time Salaries and Wages - Overtime	203	500	500	0	0.0%
50104 Temporary Salaries and Wages - Regular	44,043	57,000	57,000	0	0.0%
50108 Hybrid Disability Prgm (Prev Wage Adj)	2,348	2,648	2,797	149	5.6%
50109 Vacancy Savings	0	0	-17,499	-17,499	-100.0%
50110 FICA	32,012	39,553	40,667	1,114	2.8%
50111 Retirement VRS	52,879	64,335	66,374	2,039	3.2%
50112 Hospital/Medical Plans	51,204	66,150	70,112	3,962	6.0%
50113 Group Insurance - Life (VRS)	5,217	6,342	6,543	201	3.2%
50207 Professional Education Services	2,900	9,825	6,551	-3,274	-33.3%
50209 Other Professional Services	91,038	142,198	134,892	-7,306	-5.1%
50210 Maintenance and Repairs	0	250	250	0	0.0%
50220 Lease/Rent Of Equipment	1,388	2,500	2,500	0	0.0%
50230 Temporary Help Service Fees	0	10,000	10,000	0	0.0%
50240 Printing and Binding	274	950	950	0	0.0%
50250 Advertising	0	300	300	0	0.0%
50270 Other Contractual Services	907	1,000	1,000	0	0.0%
50310 Automotive/Motor Pool	10,878	6,000	6,000	0	0.0%
50410 Postal Services	802	1,500	1,500	0	0.0%
50411 Messenger Services	0	150	150	0	0.0%
50412 Telecommunications	6,033	3,150	3,150	0	0.0%
50420 Insurance	1,378,949	1,345,000	1,345,000	0	0.0%
50421 Insurance - Workers' Compensation	638,155	641,048	641,048	0	0.0%
50430 Mileage	0	250	250	0	0.0%
50431 Education and Training	7,020	3,720	3,720	0	0.0%
50450 Dues And Association Memberships	650	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	10,899,502	7,620,811	7,620,811	0	0.0%
50453 Freight Charges	0	150	150	0	0.0%
50459 Other Charges Miscellaneous	1,736	5,141	5,141	0	0.0%
50500 Office Supplies	1,802	2,250	2,250	0	0.0%
50506 Repair and Maintenance Supplies	0	100	100	0	0.0%
50511 Uniforms/Wearing Apparel/ITEMS	8	125	125	0	0.0%
50512 Books and Subscriptions	114	2,300	2,300	0	0.0%
50513 Educational and Recreational Supplies	0	1,000	1,000	0	0.0%
50514 Other Operating Supplies	37	63	63	0	0.0%
50813 Telecommunications Equipment-New Less Than \$5000	225	175	175	0	0.0%
50832 Furniture and Fixtures-Replacement Less Than \$5000	0	3,100	3,100	0	0.0%
Total Department	13,630,154	10,499,617	10,493,570	-6,047	-0.1%