

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, purchased insurance, and risk transfer mechanisms. 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 FY23 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 2023 SUMMARY

Annual Fiscal Plan

Description	FY21	FY22	FY23	Change
	Actual	Original	Proposed	22 to 23
Personnel	\$ 678,873	\$ 700,594	\$ 731,133	4.4%
Operation *	13,108,743	9,789,701	9,789,701	0.0%
Capital	755	3,275	3,275	0.0%
Total	<u>\$ 13,788,371</u>	<u>\$ 10,493,570</u>	<u>\$ 10,524,109</u>	<u>0.3%</u>
Personnel Complement	7	7	7	0

Risk Management

PERFORMANCE MEASURES

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>Change 22 to 23</u>
Workload Measures				
Workers' Compensation Claims Processed	875	415	996	581
Auto. Gen. Liability, Other Claims Processed	901	443	1,063	620
Property Damage and Loss Claims Processed	237	85	204	119

BUDGET HIGHLIGHTS (CONTINUED)

The Risk Management budget for FY23 totals \$10,524,109 and is funded with a transfer of \$9,524,109 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.

In FY23, the proposed personnel component of Risk Management's Self-Insurance Administration function totals \$731,133, a \$30,539, or 4.4% increase. This increase is the effect of rising health care and benefit costs. Within the Self-Insurance Administration function, seven 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 FY23, the risk assessment of programs and activities will continue in order to recognize, reduce, and control risk exposures.

In FY23, 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 FY22.

Also included in the FY23 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 FY22.



**Department Operating Budget
Henrico County, Virginia
FY2022-23
RISK MANAGEMENT**

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50100 Full-Time Salaries and Wages - Regular	455,785	474,100	487,546	13,446	2.8%
50101 Full-Time Salaries and Wages - Overtime	0	500	500	0	0.0%
50104 Temporary Salaries and Wages - Regular	54,906	57,000	57,000	0	0.0%
50108 Hybrid Disability Prgm (Prev Wage Adj)	2,415	2,797	2,877	80	2.9%
50109 Vacancy Savings	0	-17,499	-17,527	-28	-0.2%
50110 FICA	36,639	40,667	41,696	1,029	2.5%
50111 Retirement VRS	66,054	66,374	80,591	14,217	21.4%
50112 Hospital/Medical Plans	65,794	70,112	71,624	1,512	2.2%
50113 Group Insurance - Life (VRS)	6,104	6,543	6,826	283	4.3%
50207 Professional Education Services	0	6,551	6,551	0	0.0%
50209 Other Professional Services	124,603	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	36	950	950	0	0.0%
50250 Advertising	0	300	300	0	0.0%
50270 Other Contractual Services	2,351	1,000	1,000	0	0.0%
50310 Automotive/Motor Pool	8,881	6,000	6,000	0	0.0%
50410 Postal Services	194	1,500	1,500	0	0.0%
50411 Messenger Services	0	150	150	0	0.0%
50412 Telecommunications	3,261	3,150	3,150	0	0.0%
50420 Insurance	1,454,895	1,345,000	1,345,000	0	0.0%
50421 Insurance - Workers' Compensation	676,677	641,048	641,048	0	0.0%
50430 Mileage	0	250	250	0	0.0%
50431 Education and Training	6,574	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	9,502,675	7,620,811	7,620,811	0	0.0%
50453 Freight Charges	0	150	150	0	0.0%
50459 Other Charges Miscellaneous	566	5,141	5,141	0	0.0%
50500 Office Supplies	950	2,250	2,250	0	0.0%
50506 Repair and Maintenance Supplies	0	100	100	0	0.0%
50511 Uniforms/Wearing Apparel/ITEMS	0	125	125	0	0.0%
50512 Books and Subscriptions	0	2,300	2,300	0	0.0%
50513 Educational and Recreational Supplies	155	1,000	1,000	0	0.0%
50514 Other Operating Supplies	0	63	63	0	0.0%
50813 Telecommunications Equipment-New Less Than \$5000	705	175	175	0	0.0%
50832 Furniture and Fixtures-Replacement Less Than \$5000	0	3,100	3,100	0	0.0%
Total Department	12,472,802	10,493,570	10,524,109	30,539	0.3%