

RISK MANAGEMENT FUND

Fund Summary

		FY 2004 Actual	FY 2005 Adopted Budget	FY 2005 Current Budget	FY 2006 Adopted Budget
Claims and Natural Disasters	\$	2,808,220	1,672,853	1,672,853	1,926,143
Dental Insurance		1,285,380	1,303,119	1,311,317	1,446,906
Health Insurance: Active Employees		14,759,850	15,150,000	15,150,000	19,765,000
Health Insurance: Retirees		1,953,468	1,626,864	1,626,864	2,580,000
Insurance Premiums (Non-health)		665,331	926,129	926,129	797,427
Non-personnel Operating Costs		150,528	158,012	173,208	182,879
Personnel Services		215,872	241,163	241,163	260,445
Total Expenditures	\$	21,838,649	21,078,140	21,101,534	26,958,800
Appropriated Risk Management Fund Balance	\$	0	3,232,237	3,255,631	1,899,894
Employee and County Share of Dental Premiums		1,269,908	1,293,119	1,303,119	1,446,906
Employee, Retiree and County Share of Health Premiums		14,964,873	15,327,784	15,392,784	20,274,000
General Fund Transfer		2,629,000	1,000,000	1,000,000	3,133,000
Interest Income		120,705	150,000	150,000	150,000
Other Sources		79,350	75,000	0	55,000
Total Revenues	\$	19,063,836	21,078,140	21,101,534	26,958,800
FTEs		3.00	4.00	4.00	4.00

Fund Purpose and Goals

The Finance Department is responsible for managing the Risk Management Internal Service Fund, which is used to pay for the administration and claims for Workers' Compensation, liability and property insurance and health and dental premiums for employees and retirees. The Risk Management Fund supports an ongoing effort to identify and control exposures so that operations and services are uninterrupted. Finance's

Risk Management division is responsible for protecting physical, financial and human resources by reducing losses sustained through accidents, lawsuits or other occurrences that could jeopardize the County's financial integrity. When losses cannot be prevented, Risk Management's efforts ensure that the impact on County operations and finances is as minimal as possible.

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Major Accomplishments

During the next three years, the Finance Department's Risk Management division will focus on the following:

Disaster Response and Recovery Planning

Planning for a catastrophe, whether natural or man-made, can make a tremendous difference in mitigating the loss of life and property. Risk Management will continue efforts to formalize disaster plans from each department into a coordinated Countywide Business Continuity Plan

Continued monitoring and development of the Owner Controlled Insurance Programs (OCIP)

An OCIP is a financial tool to consolidate and handle construction risks of County facilities. The successful FY04 referenda for schools and library construction increased the opportunities for the use of OCIP. Also, the Raleigh Convention Center Task Force has authorized a feasibility study of using OCIP for the Center's construction costs; if an OCIP proceeds, Risk Management will monitor the OCIP administration.

Employee Training

Wake County's favorable claims experience is due primarily to the fact that there are many experienced employees who have a good understanding of their risks and how to manage them. However, these demographics are beginning to change as long-term employees begin to retire. This transition creates an exposure that will be addressed through job-specific training, including training required by OSHA and training necessitated by any policy changes resulting from Risk Management's policy review.

Automating Exposure Identification and Statistical Information

The Safety Officer performs periodic, documented inspections of all premises and follows up on the correction of identified problems. Automating some of these processes could facilitate this work; accord-

ingly, Risk Management is exploring the possibility of automating the tracking of employee training and immunizations, site inspections, and other related work.