POLICY

Citrus County recognizes the need to protect its assets and preserve operational continuity from risks and hazards that may arise from County activities or events that may affect the County.

The County is committed to providing a safe and healthy environment for its employees, citizens and guests.

This Administrative Regulation for the County has, as its ultimate objective, the preservation of the County's assets. As a means to that end, Risk Management has the responsibility of formulating and implementing programs that will minimize the County's property, revenue, and personnel losses and protect the County's assets – its property, its citizens and its employees.

PROCEDURES

1. Risk Management shall review each reported incident from a safety perspective and provide recommendations as needed to minimize loss and provide guidance to prevent recurrence. Risk Management may ask for assistance from a Safety Council comprised of County staff, and/or from other County employees who have knowledge of the issue at hand.

2. Risk Management, in conjunction with department directors, will provide a resource for safety training of its employees.

3. Risk Management shall monitor ongoing claims administered by third party administrators to ensure prompt, efficient and effective claims handling.

4. Risk Management shall be responsible for the procurement of insurance at appropriate levels based on County risk, budgetary considerations, and prior claims experience.

   Efficient risk management is considered essential to the successful overall management of the County. The goal of risk management is efficient minimization of the following categories of potential risk:
   - Property
   - Operational Interruption
   - Liability
   - Personnel

Risk from catastrophic losses is to be given the County's fullest attention. All reasonable practical techniques to avoid, control or finance such catastrophic risks shall be given due consideration.

AUTHORITY AND RESPONSIBILITY

Citrus County's Board of County Commissioners and individual Constitutional Officers retain ultimate authority and responsibility for risk management.

Responsibility for ongoing administration of the risk management program is granted to Human Resources/Risk Management.

Recommendations to the Board and Constitutional Officers to facilitate major risk management decisions shall be submitted through the County Administrator.

All employees are expected to act responsibly in the conduct of their duties and shall be required to participate in the County's risk management and safety programs to the extent required by the Board, the individual Constitutional Officers and their designees.

Recognition shall be given to federal, state and local laws in formulating and applying the Risk Management program and in all subsequent changes to the program.

DISPOSITION OF CLAIMS

It is the policy of the Board that the County shall, wholly or in part, carry its own insurance risks in order to affect savings on premiums heretofore paid to insurance companies.

The County Administrator, through his/her staff and with Board approval, shall obtain the services of a person or agency to function as a service agent for the County in its Risk Management self-insurance program. The service agent shall be responsible for administering a claims management program.

Whenever a claim loss occurs, it shall be the duty of the head of the department or his/her designee in which the claim loss occurs, to report the loss to Risk Management. Such report may include full details concerning the loss including any reports, pictures, statements or other data as well as an estimate of the value of such claim losses.

The service agent shall pay all expenses relating to the claim and provide documentation of such expenses to the County at regular intervals.

RISK MANAGEMENT TECHNIQUES

1. Risk Identification and Analysis: The County will continuously seek to identify and analyze possibilities of loss with potentially significant financial or personal impact.

2. Risk Avoidance: Where future undertakings of the County shall be accompanied by risks of such a hazardous nature that control or financing of the potential risks of financial loss is impossible or impractical, then the County shall consider avoiding such undertakings.

3. Risk Control: Wherever possible, and within reasonable cost, the County shall reduce the frequency and the severity of potential loss. Efforts at risk control shall be continuous. Insurers chosen by the County shall be asked to what extent their premium charges contemplate provision of risk control services, and such services shall be required when judged to be in the best interests of the County.

4. Risk Finance: Upon evaluation of its risks of financial loss, the County shall provide for appropriate financing measures. Depending on the nature of the individual risks, the

County shall decide whether to retain risks of loss on an uninsured basis, transfer risk of loss to an insurer, or transfer risks of loss to another party (such as through a "hold-harmless" agreement with indemnification agreement).

The County shall consider transferring risks of loss to others when:
- There is a significant risk of loss that outweighs the risk of self-insuring or insuring.
- The other party can prove that it can successfully finance the amounts of loss transferred either by providing adequate financial position if insurance is not required or by purchase of insurance (preferable).

5. Risk Retention: The County shall consider being uninsured or shall consider acceptance of insurance deductibles, exclusions or restrictions when:
   - Potential amounts of loss are small and can be absorbed in the operating budget
   - Insurance premium is unreasonably expensive or insurance is unavailable
   - Risk of loss is so remote that insurance would not ordinarily be purchased
   - Budgetary considerations do not permit purchase of all insurance deemed necessary. (Priorities shall be set as to which types and amounts of insurance are most important.)

6. Insurance Purchase: The County shall consider purchase of insurance when it is determined that the cost of premium is less than the risk of uninsured claims.

INSURANCE MARKETING PROCEDURE

The County shall seek insurance through capable insurance brokers in accordance with applicable statutes. Competition shall be periodically required in choosing brokers and shall not be restricted to local agents/brokers.

Although cost should not be sole consideration, it should receive major emphasis. Other qualifiers should include the markets available to the broker, any "value-added" services such as safety training assistance, valuation assistance, public sector experience, and solid references from other agencies.

RISK MANAGEMENT COMMUNICATIONS

Open and frequent communications about organizational and operational changes within an organization are critical to maintenance of an effective and current risk management program.

It is important that Risk Management be made aware of any actions which should require a revision of risk management techniques or changes in insurance or self-insurance programs or in agreements, contracts or leases.

The County's Constitutional Officers, key management personnel, department heads, etc., should be constantly aware of the risk management/insurance implications of their ongoing decisions and actions and should not delay notification to Risk Management of changes of risk which may require corresponding changes in programs of safety, insurance, self-insurance, etc.

Failure to provide prompt communications about significant changes of risk may result in unacceptable time delays and gaps in implementing important safety procedures or insurance coverage.

In instances where significant changes of risk should require purchase of insurance and the changes of risk are not communicated, the County may be subject to major financial loss without any source of recovery.

Although the following list is not intended to be all-inclusive, it is an indication of the types of changes which should generate prompt communication to Risk Management for effecting modifications, if necessary, to the Risk Management program:

- Formation or dissolution of authorities, boards, councils, commissions, etc.
- Restructuring of authority or responsibility
- Engaging in agreements with other organizations or individuals
- Changes in real or personal property occasioned by lease agreements, purchases, sales or properties placed in the County's care, custody and control
- Pursuit of, or discontinuance of, activities that may change potential liability
- Changes in loss control activities, new standards affecting employee safety, and new equipment which may alter loss control procedures

Said communications may be formalized by the use of forms and written procedures to assure prompt notification.

RISK MANAGEMENT RECORD KEEPING

Risk Management shall be responsible for maintaining and updating as necessary the following records:

- Risk Management Policy Statement (AR 2.13)
- Insurance Policies
- Property Insurance Statement of Values
- Third Party Administrator contracts
- State of Florida forms required to maintain Worker's Compensation self-insured status
- Claim Reports

FOOTNOTES & REFERENCES TO RELATED AR's: Supersedes AR 2.13 dated May 28, 1985