

RULES FOR IMPLEMENTATION AND ADMINISTRATION OF COUNTY RISK MANAGEMENT PROGRAM

1. RISK MANAGEMENT PROGRAM

1.1. PURPOSE The Board of Commissioners has promulgated a Risk Management Policy for Douglas County, referred to herein as the Policy. The Policy establishes a Risk Management Program, referred to herein as the Program. These Rules are adopted pursuant to the Policy to govern, implement, and administer the Program. The provisions of the Policy are incorporated in these Rules. In the event of any inconsistency between the provisions of the Policy and these Rules, the Policy shall take precedence.

1.2. DELEGATION OF AUTHORITY The Policy delegates authority to govern and implement the Program to the Risk Management Committee, referred to herein as the Committee. Pursuant to the Policy, a Risk Manager has been appointed and delegated authority to assist the Committee in administering the Program. The Committee may specify what actions of the Risk Manager should be reviewed by the Committee consistent with the Policy. In the absence of specific directives from the Committee, actions of the Risk Manager shall be deemed approved by the Committee, if such actions are consistent with these Rules and the Policy and are taken with the implied consent of the Committee.

1.3. MEETINGS The Risk Manager shall facilitate meetings of the Committee and shall be responsible for compliance with all requirements of ORS Chapter 192 concerning records and meetings of the Committee. Meetings will be held on a periodic basis as necessary for efficient implementation of the Program.

2. RISK MANAGEMENT CONSULTANT

2.1. SELECTION A Risk Management Consultant may be retained in accordance with the County's Rules for Selection of Persons to Perform Personal Services. The Committee shall select the person or firm to serve as Risk Management Consultant subject to the approval of the Board of Commissioners.

2.2. CONSULTANT QUALIFICATIONS The Risk Management Consultant shall be experienced in all fields of insurance for which the Risk Management Consultant is appointed, and shall have had prior experience in either consulting or brokering insurance for public entities. The Risk Management Consultant shall have staff adequate to assist in technical areas as may be required from time to time by the Committee.

2.3. COMPENSATION The Risk Management Consultant shall be compensated on a fee basis as specified in the personal services contract. The Risk Management Consultant shall not participate in any commissions on insurance contracts placed on behalf of Douglas County, or receive any other direct or indirect financial benefit arising out of placement of the insurance..

2.4. SERVICES OF CONSULTANT The Risk Management Consultant shall assist and advise the Risk Manager, the Committee, and the Board of Commissioners on placement of insurance in each type of coverage for which the Risk Management Consultant is retained.

3. INSURANCE

3.1. DETERMINATION OF INSURANCE NEEDS The Committee shall determine the need for procurement of insurance. The Committee also shall determine whether workers' compensation and certain perils shall be fully self-insured, partially self-insured, or entirely commercially insured. The Committee's determinations shall be based on sufficient reliable, relevant information provided by the Risk Management Consultant, the Risk Manager, and other competent sources. Such information shall include availability of insurance, cost of coverage, magnitude of risk, and the financial ability of the County to implement partial or full self-insurance.

3.2. APPROVAL BY BOARD OF COMMISSIONERS The Committee shall make written recommendations to the Board of Commissioners based on its determinations under subsection 3.1. The Board shall make the final decision on whether to procure insurance or implement self-insurance.

3.3. PLACEMENT OF INSURANCE All insurance shall be purchased by the County in accordance with this section, or as otherwise approved by the Board of Commissioners in writing, and no insurance shall be purchased directly by any County department. Upon approval of the Board of Commissioners, the Risk Manager shall coordinate placement of insurance and shall report on placement of such coverage at the next Committee meeting.

3.4. METHOD OF PROCUREMENT Insurance shall be procured from insurance agents and companies who will furnish the most advantageous coverage required at the lowest and best price, consistent with good service and security. Insurance may be procured through negotiation, competitive bids, or requests for proposals. The Risk Management Consultant shall recommend the appropriate method of procurement of insurance.

4. POLICIES ON SPECIFIC TYPES OF COVERAGE

4.1. WORKERS' COMPENSATION INSURANCE Workers' compensation coverage shall be provided only for subject workers that the County is required to cover by ORS Chapter 656. No workers' compensation insurance shall be carried on inmates under ORS 656.041, juveniles sentenced to perform community services, or volunteers under ORS 656.031.

4.2. VOLUNTARY MEDICAL PAYMENTS In lieu of coverage under ORS 656.031, persons who perform duly authorized volunteer services for the County including, but not limited to, reserve deputies, search and rescue personnel, and juvenile offenders sentenced to perform community service work, may be reimbursed for medical costs resulting from an injury incurred while performing such service. Inmates in the County jail shall not be covered by this section. The maximum amount of medical costs for which volunteers may be reimbursed is \$500. The Risk Manager and the County Accountant shall approve any reimbursement under this section.

4.3. BONDS Fiduciary bond shall be purchased by the County for its officers and employees as required by law. No other fiduciary bond will be purchased unless specifically required by statute, ordinance, or other law, or as a condition of a written agreement or grant.

5. TRANSFER OF RISK OF LOSS

5.1. GENERAL POLICY Contracts for procurement of goods or services; leases, rental agreements, licenses, easements, and permits governing use of real property; leases and rental agreements governing use of personal property; intergovernmental agreements; and other agreements to which the County is a party shall be in writing and shall be executed by the Board of Commissioners or officers, agents, or employees of the County who have been delegated authority to execute such agreements. All agreements shall include appropriate provisions to implement this risk of loss policy and shall, if feasible, transfer the risk of loss to other parties. The Office of the County counsel shall review all agreements to determine compliance with this section.

5.2. CONTRACTS FOR PUBLIC IMPROVEMENTS AND OTHER CONTRACTS FOR SERVICES Contracts for public improvement projects, contract for services that will be provided at County facilities, and other contracts that could pose an appreciable risk to persons or property shall require the contractor to provide appropriate liability insurance, property insurance, and workers' compensation coverage. This provision generally will not apply to sales contracts for goods unless the goods are inherently dangerous or the sales contract involves activities at county projects or facilities. Coverage required by this subsection may be waived pursuant to subsection 5.4.

5.3. USE OF COUNTY FACILITIES Except as provided in this section, no person shall use County facilities for any purpose other than the transaction of County business unless authorized to do so by written lease, license, or permit executed by the Board of Commissioners or an officer, agent, or employee of the County who has been delegated authority to execute such lease or permit.

5.3.1. No written lease, license, or permit shall be necessary for use of rooms in the Courthouse, Justice Hall, or Courthouse annex if permission for use of such rooms is obtained as provided in the Rules Governing Public Use of County Facilities adopted by the Board of Commissioners.

5.3.2. A permit may be used for discrete events of short duration. A written license should be required instead of a permit if the County facility will be used on a continual or periodic basis. A written lease shall be required instead of a permit or license if the County facility will be used on an exclusive, continuous basis for a fixed term.

5.3.3. All written permits shall require insurance be provided by the permittee, except permits for low hazard activities such as meetings, seminars, exhibitions or social gatherings where no alcohol is served or consumed, attendance does not exceed 50, no admission is charged, and no goods or services are sold.

5.3.4. All licenses and leases shall require the licensee or lessee to provide insurance to protect the County from liability, unless such insurance is waived pursuant to subsection 5.4. The license or lease may require the licensee or lessee to provide property insurance coverage for the facility.

5.4. WAIVER OF REQUIREMENTS FOR TRANSFER OF RISK OF LOSS The County Counsel or the Risk Manager may waive requirements for transferring risk of loss as necessary for execution of agreements covered by this section. In making such decisions, the County Counsel and the Risk Manager shall consider the need for the proposed agreement, benefits to the public provided by the transaction, the availability of insurance, the financial impact of requiring insurance, the magnitude of risk involved in the transaction, the relative bargaining power of the parties to the agreement, public policy concerning transfer of risk, legal restrictions on indemnification, and other relevant factors.

6. ACCIDENT REPORTS

6.1. VEHICLE ACCIDENTS INVOLVING COUNTY EMPLOYEES OR VOLUNTEERS This subsection supplements the Douglas County Driver Policy and requirements of the Douglas County Personnel Rules concerning driving. Every employee or volunteer involved in a vehicle accident shall immediately file a written vehicle accident report, on forms supplied by the Risk Manager, with the employee's or volunteer's department head.

6.2. ACCIDENTS INVOLVING INJURIES TO NON-COUNTY PERSONNEL OR INVOLVING PROPERTY DAMAGE OTHER THAN VEHICLES Every employee or volunteer involved in any accident (other than one involving vehicles) resulting in damage to property or injury to persons (other than County personnel) shall immediately file an incident report, on forms supplied by the Risk Manager, with the employee's or volunteer's department head.

6.3. REPORTING THIRD PARTY LOSS CLAIMS Every employee or volunteer who receives notice of a claim alleging that a loss was suffered by the claimant for which the County is responsible shall request the claimant to file an written claim, on a damages claim form supplied by the Risk Manager, with the employee's department head or the Risk Manager.

6.4. RESPONSIBILITY OF DEPARTMENT HEAD Any department head who receives a report or claim under this section shall immediately forward it to the Risk Manager.

7. SETTLEMENT OF CLAIMS

7.1. CLAIMS ADMINISTRATOR A claims administrator may be retained in accordance with the County's Rules for Selection of Persons to perform Personal Services. The Committee shall select the person or firm to serve as claims administrator subject to the approval of the Board of Commissioners. The claims administrator shall be licensed in the State of Oregon and shall carry professional liability coverage in amounts set by the Committee.

7.2. ADMINISTRATION OF CLAIMS Claims of loss asserted by or against the County shall be administered and adjusted by the claims administrator retained pursuant to this section, as directed by the Committee. The Risk Manager, with the assistance of the County Counsel, shall oversee services provided by the claims administrator. The Risk manager shall facilitate appropriate communication with the Committee and the Board of Commissioners regarding adjustment of claims.

7.3. CLAIMS ADMINISTRATOR AUTHORITY LIMITS The claims administrator shall have authority to settle any claim for an amount not exceeding \$5000 per occurrence.

7.4. RISK MANAGER The Risk Manager shall have authority to settle any claim for an amount not exceeding \$5000 per occurrence. (Board Order 4/19/2006)

7.5. COMMITTEE AUTHORITY LIMITS The Committee shall have authority to settle any claim for an amount not exceeding \$25,000 per occurrence, provided that the Committee first obtains the approval of at least one County Commissioner. Any settlement of a claim in excess of \$25,000 must be approved by the Board of County Commissioners.

7.6 SPECIAL COUNSEL Claims which involve litigation may be referred to special counsel for defense. Any special counsel shall be selected by the claims administrator subject to approval by the County Counsel. Because of the urgent need to respond vigorously to liability claims, contracts with special counsel shall be deemed emergency contracts that are exempt from competitive selection under the County's Rules for Selection of Persons to Perform Personal Services. The contract with the claims administrator may delegate authority to the claims administrator to sign contracts with special counsel.