

**HUMAN RESOURCES DEPARTMENT**

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Date: October 3, 2017  
To: Mahesh Sharma, County Administrator  
From: Mary J. Thee, Human Resources Director/Asst. County Administrator  
Subject: Policy Updates - Policy 12 Risk Management

The proposed updates were reviewed by the Department Heads/Elected Officials and any recommendations were incorporated. Here are the proposed changes to the Administration Policies:

General **Policy 12 "Risk Management"** revises the policy to reflect current practices as they relate to the processing of claims filed against the County.

## 12. RISK MANAGEMENT POLICY CLAIMS PROCESSING

### POLICY

It is the policy of Scott County to assume the risk of loss arising out of property damage, legal liability, and dishonesty in all cases which the exposure falls within the County's annually determined self-insured retention levels or is so small or dispersed that a loss would not significantly affect the operations or financial position of the county. It shall also be the policy of Scott County to provide safe working conditions for its employees. Under no circumstances will the needless risk of serious injury or death of employees be considered an acceptable risk.

### SCOPE

This policy is applicable to all offices and departments within Scott County government.

### ADMINISTRATIVE PROCEDURES

- A. Insurance will be purchased against all major loss exposures which might result in loss in excess of limits set by the Board of Supervisors through the purchase of the following types of insurance:

All risk insurance on real and personal property, General liability and automobile liability insurance public employees blanket bonds, cyber, medical professional liability and Worker's compensation insurance.

Insurance will not be purchased to cover loss exposures below the amount of ~~\$250,000~~ \$300,000 unless such insurance is required by statute or by contract, or in those instances in which it is desirable to obtain special services such as inspection or claim adjustment services in connection with insurance, or the cost of insurance is so low it would be in the County's best interest to purchase said insurance.

- B. The County will maintain a self insurance loss reserve at all times in an amount sufficient to cover costs incurred and projected claims and losses.

- C. Property will be insured on a replacement cost basis whenever possible, as determined by a competent appraisal service, against as wide a range of perils as possible.
- D. Loss prevention recommendation made by insurance companies, the state fire Marshall, or local fire authorities will be seriously considered and implemented whenever possible.
- E. Insurance will be placed in insurance companies rated A+ or A in "Best Policyholders Ratings" whenever possible.
- F. The County's in-house Risk Manager is responsible for claims processing services to provide for and implement accounting of all County losses, reserved amounts and claim information in addition to accident and loss investigation assistance and provide information to the Budget Manager for preparation of the ~~the~~ annual actuarial report.
- G. **Authority for Payment of Claims**

The following approval is required prior to settlement of individual claims in the following amounts:

<u>Amount of Claim</u>	<u>Required Approval</u>
Less than \$2,500	Risk Manager
\$2,500 - \$4,999	<del>Two Members of CRC*</del> <u>Civil Staff</u>
<u>Attorney</u>	
\$5,000 - \$9,999	<del>Three Members of CRC*</del> <u>County</u>
<u>Attorney and County Administrator</u>	
\$10,000 or more	and County Administrator Board of Supervisors

~~\*CRC = Claims Review Committee: Risk Manager;  
Director of FSS; County Attorney or Designee; County  
Auditor or Designee; Assistant County  
Administrator/Human Resources Director~~

H. **Records Retention**

Worker's Compensation and Liability claims will be retained for ~~(5)~~(6) years.

I. Any County department that is served with a notice of claim or

lawsuit shall immediately send a copy of said notice or lawsuit to the Risk Manager who will distribute additional copies accordingly.

~~J. The administration of the risk management policy will be under the direction of the following Risk Management Advisory Committee:~~

- ~~\_\_\_\_\_ FSS Director, Chairman~~
- ~~\_\_\_\_\_ Risk Manager~~
- ~~\_\_\_\_\_ Representative from each County Department~~
- ~~\_\_\_\_\_ Representative from The Independent Insurance Agents of Scott County (ex officio, non-voting member)~~

J. Administrative responsibilities to include placement of insurance coverage, maintenance of property appraisals and inventories, processing of claims and maintenance of loss records, and supervision of loss prevention activities.

The Risk Management Information System will include the following internal controls:

1. Invoice/claim payment information shall be entered in the system by ~~FSS~~ support staff at the direction of the Risk Manager;
2. Prior to payment, a claim payment listing shall be reviewed and approved by either the ~~Assistant County Attorney or designee~~ Administrator or ~~a member of the Claims Review Committee;~~ the affected a Department Head or designee, Departmental Elected Official or designee.
3. Checks shall require two signatures:
  - Risk Manager
  - Authorized Treasurer's Office representative (who also receives copy of approved claim payment list)
4. Bank statements and cancelled checks shall be sent directly to the Treasurer's office for reconciliation;
- ~~5. The Risk Manager shall distribute, at each Risk Management Advisory Committee meeting, a copy of all~~

~~open claims detail report for review and discussion.~~

5. Risk Management Payment Summary Reports for Workers Compensation and Liability payments will be posted monthly on the Scott County website.

- K. The Board of Supervisors shall be notified when and if the hiring of outside counsel is being recommended by the County Attorney's office for any specific claim or pending claim against the County.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 5, 2017

APPROVING CHANGES TO GENERAL POLICY 12 "RISK MANAGEMENT"

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. General Policy 12 "Risk Management" revises the policy to reflect current practices as they relate to the processing of claims filed against the County.

Section 2. This resolution shall take effect immediately.