



# Risk Management Annual Report 2016

**City of Huntington Beach**

## INTRODUCTION

Huntington Beach Risk Management is primarily a service Division of the Human Resources Department for the City. In its capacity, Risk Management aids in the administration and facilitation of programs in an effort to minimize risks to our employees, property and citizens. Risk Management also makes recommendations and takes action to reduce the risk of loss or damage to City owned property.

Risk Management is responsible for providing advice and information, as well as coordinating all risk management functions to those with program responsibilities. This includes but is not limited to: assistance with risk identification and evaluation, special events insurance requirements, insurance review and compliance, issuing certificates of insurance when required, providing liability waivers and reviewing and maintaining certificates of insurance for vendors/contractors working for and within the City. Risk Management manages liability claims and works directly with our Third Party Administrator, Carl Warren and Co. to review and administer all liability claims filed against the City.

Risk Management also manages the City's Workers' Compensation program for our employees and oversees the claims handling by our Third Party Administrator, Acclamation Insurance Management Services (AIMS). Along with managing workers' compensation claims, Risk Management also provides methods for resolving disability and return-to-work issues for our employees, including Interactive Process Meetings.

# INSURING SURF CITY

The City of Huntington Beach is a founding member of the Big Independent Cities Excess Pool (BICEP), which was established in 1988 as a way to “risk-share” liability insurance coverage for medium to large cities within the state. This came about as a direct result of the municipal liability insurance crisis of 1985-86. When it became prohibitive to purchase standard insurance coverage within the marketplace, a pool was formed to finance catastrophic losses. Each member city of BICEP has a self-insured retention of \$1,000,000.00.

Currently, there are six member cities of BICEP: Huntington Beach, Santa Ana, West Covina, San Bernardino, Oxnard and the city of Ventura, which was added to the pool in 2013.

In addition to securing excess general liability insurance, Risk Management reviews and purchases many other types of insurance to protect the City’s assets and the public. Certain exposures are not covered under general liability policies and therefore, specific policies are purchased, such as Watercraft, Aircraft, Cyber, etc. The City also purchases property and physical damage insurance for our buildings, fleet, equipment and other assets.



# CLAIMS



The City of Huntington Beach receives an average of 160 liability claims annually. Risk Management reviews and investigates all incoming claims against the City.

Risk Management receives over 350 Workers' Compensation reports of workplace injury or exposure annually. We currently average approximately 450 open claims.

Risk Management receives and investigates an average of 66 automobile accidents each year involving City vehicles. Risk Management coordinates the payment of claims involving City liability and recovers the costs of City loss whenever possible.

## SAFETY and STATISTICS

Each year, every employer is required by law to post a log of each specific location's workplace OSHA recordable injuries and illnesses. Injuries resulting in only first aid or reports of exposure are not included in the data.

The Risk Management Division compiles City workplace injury/illness data in January of each year for every City employee occupied location and posts the summary logs by February 1<sup>st</sup>.

In addition, Risk Management is available to provide ergonomic training and assessments of work stations/hazards, as well as various training regarding workers' compensation and safety.

## ALTERNATIVE DISPUTE RESOLUTION (ADR)

The City and HBPOA, HBPMA, HBFA and HBFMA agreed to utilize an ADR process that governs and expedites how medical disputes are resolved for workers' compensation claims involving employees within the above mentioned unions. This program was designed to accelerate the timeline for dispute resolution.

The ADR process replaces the State's workers' compensation administrative procedures that govern the Agreed Medical Examiner (AME) and Panel Qualified Medical Examiner (PQME) processes. It is also used to determine the employee's ability to return to work at either their usual and customary duties or to a transitional duty assignment.





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## WORKERS' COMPENSATION CLAIMS STATISTICS

Below is a summary of workers' compensation claims costs and frequency by department for 2015, valued as of February 5, 2016.

