



TOWN OF HILLSBOROUGH

PERSONNEL POLICY

POLICY 300

CREATED 4/2006

SUBJECT: RISK MANAGEMENT

PURPOSE: The purpose of this policy is to establish guidelines for a Risk Management Program.

STATEMENT OF POLICY:

The Town of Hillsborough has a legal duty to its citizens, employees and assets to strive to preserve its human, physical and financial resources from the consequences of accidental loss, natural or man-made disaster. It will meet its duty by ensuring that risk management is an integral part in sound governance at both a strategic and operational level.

Risk Management Goals

- To eliminate or reduce the risk of loss for employees, residents, visitors and their property.
- To transfer the Town's risk of loss to others whenever possible and practical.
- To apply responsive post injury/accident and claims management techniques to losses that do occur.
- To strive to protect the Town budget from catastrophic losses, or an annual accumulation of losses, that would cause financial hardship.
- To actively monitor and measure the impact of the Town's Risk Management programs and keep the City Council and Management staff apprised.

Responsibilities

City Council: The City Council supports the risk management effort through setting policy in accordance with its Resolution No. 06-33.

City Manager: The City Manager or his/her designee shall have overall responsibility for the risk management program and for assigning responsibilities to the Town staff. S/He shall be responsible for monitoring accident and claim trends and their impact on the Town's financial status. S/he will review the Town's Risk Management goals and action plans to assure impact on reducing the Town's exposure to loss. S/he will hold Town staff accountable for implementation and management of risk management programs, including the Town's disaster preparedness program.

Assistant to the City Manager or Assistant City Manager: As the Risk Manager, along with the City Clerk, shall have responsibility for the day-to-day administration of the Town's risk coverage, overseeing claims processing, and safety/risk management training programs (non-sworn personnel). The Risk Manager shall serve as: board member of insurance JPA's to which the Town belongs; liaison to the Town's insurance brokers, carriers, and claims administrators; and chairman of the combined Safety and Risk Management Committee. The Risk Manager and City Clerk shall serve as advisors to the City Manager and Council on risk-related matters.

Chief of Police: The Chief of Police shall have responsibility for the day-to-day administration of the Police Department's risk management program and safety training program for sworn personnel and non-sworn employees of the police department. The Chief of Police or designee shall serve on the Safety and Risk Management Committee. Staff will identify and bring before the Safety and Risk Management Committee for review any significant plans for new programs, equipment, etc which may expose the Town to excessive risk.

Fire Chief: The Fire Chief shall have responsibility for the day-to-day administration of the Fire Department's risk management program and safety training program for sworn personnel and non-sworn employees of the Fire department. The Fire Chief or designee shall serve on the Safety and Risk Management Committee. Staff will identify and bring before the Safety and Risk Management Committee for review any significant plans for new programs, equipment, etc which may expose the Town to excessive risk.

Public Works: The Public Works Director shall have responsibility for the day-to-day administration of the Public Works Department's risk management program and safety training program for the employees of the Public Works department. Public Works Director or designee shall also serve on the Safety and Risk Management Committee. Staff will identify and bring before the Safety and Risk Management Committee for review any significant plans for new programs, equipment, etc which may expose the Town to significant risk.

The City Engineer shall be responsible for determining indemnity requirements for contractors and for monitoring certificates of insurance and endorsements for all Town public works projects.

City Attorney, in consultation with the Risk Manager and the program administrator of the Town's liability insurance provider, shall be responsible for determining indemnity requirements for Town contractors, facility users, and providers not described above. The Risk Manager shall be responsible for monitoring certificates of insurance and endorsements required from such entities.

Organization of Safety & Risk Management Committee

The Committee is responsible for reviewing the Town's Illness and Injury Prevention Program (IIPP) as presented periodically by Human Resources, the Town's Worker's Compensation Administrator or ABAG. The committee may make policy recommendations regarding the safety and health of Town

employees to Management and Human Resources. The Committee's organization and duties are prescribed in the City's IIPP.

The Committee shall review all incident reports and liability claims with the goal of identifying trends, risk exposure, and root cause of incidents. The committee will also serve to evaluate proposed programs, procedures, major equipment/vehicle purchases that may create a significant exposure to risk for the Town. If plans are accepted, the committee will recommend risk control requirements to reduce the exposure to loss. Meetings shall be held at least quarterly, and minutes prepared of the proceedings.

Accident Investigation & Claims Processing

Work-related injuries and illnesses shall be investigated as prescribed in the Town's IIPP. Vehicle collisions, citizen injuries, property and equipment damage or theft/vandalism shall be investigated by the Police Department with the full cooperation and assistance of other departments, as needed. The appropriate department will address hazard mitigation for prevention of reoccurrence.

The City Clerk shall review all draft incident reports and claims, sign off on them, and submit them to the appropriate claims investigator within 24 hours. Department heads and supervisors shall review all accident reports, incident reports, and claims affecting their departments and provide timely information to the City Clerk for forwarding to the appropriate claims investigator. The City Clerk and Risk Manager shall keep the City Manager apprised of all incidents and claims. The City Clerk shall be responsible for all paperwork & documentation of claims and Cal OSHA reporting.

Hazard Identification Program

Hazards which may create an exposure to employee injury are covered by the Town's IIPP. All Town employees who work in the field or travel through the Town are responsible for identifying and reporting hazards to the head of the department that is responsible for correcting them. Hazards may immediately be reported directly to the Risk Manager or responsible department head and corrected in a time-frame appropriate to their severity. Documentation of reporting and correction are essential to assure action and provide defense in the event an injury occurs. The Risk Manager shall work with the Department Heads and Safety & Risk Management Committee to formally document established and proven safety and maintenance programs of the Town.

Insurance Coverage, Litigation, and Settlement Authority

General Liability. The Town shall maintain a self-insured retention limit, with primary and excess coverage being purchased in appropriate amounts consistent with the Town's financial resources. A reserve account is created for legal fees and settlements associated with all claims, including sewer backups that damage private property, in an amount recommended by ABAG

based on its findings.

Property. The Town shall maintain insurance sufficient to cover the replacement cost of its real and personal property, with appropriate deductibles.

Employee Crime/Errors and Omissions. The Town shall maintain coverage for employee crime/errors and omissions with appropriate deductibles.

Workers' Compensation. The Town shall maintain an appropriate insured retention plan for workers' compensation. The Town shall maintain a self-insured retention limit, with primary and excess coverage being purchased in appropriate amounts consistent with the Town's financial resources.

Funding sources. All insurance premiums shall be paid out of the appropriate funds as a regular line item under Operations in the General Administration budget of the Town.

Claims administration. The Town may use outside professional claims management for all of its insurance claims.

Settlement authority. The City Council gives authority to the City Manager or designee to settle all general liability claims under \$5,000. The Administration Commissioner can approve settlements up to \$10,000 and the City Council has ultimate authority for resolving any general liability claim above \$10,000. Claim rejections are authorized by the City Council.