



# Risk Management

ANNUAL REPORT

2016-2017



City of Portland

Office of Management and Finance | Bureau of Internal Business Services

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## EXECUTIVE SUMMARY

**City Risk is the City of Portland's centralized, operational risk management function. The staff of twenty provide services to all Bureaus. Staff are responsible for risk financing, claims administration, related statutory compliance, and advising on loss prevention and employee safety. City Risk influences risk-adjusted business decisions through expert advice and consultation and loss related data and analysis.**

The City retains almost all cost for workers' compensation, general liability and auto liability. The claims are centrally administered in City Risk. Retained claims tend to be frequent, low cost occurrences. City Risk investigates every claim. Active management and expert adjusting helps keep claim cost low. Over the past five years, claims with incurred costs under \$5,000.00 are:

- 90% of the general liability claims
- 84% of the auto claims
- 75% of workers' compensation claims.

Employee safety and occupational health efforts help minimize injuries. Serious traumatic employee injuries are rare. Sworn police and fire personnel are covered by workers' compensation during their first six months on the job. Bureaus do an excellent job in providing modified assignments to help injured workers back to work. City Risk uses Managed Care Organizations and medical bill review to contain medical expense. Employment liability claims also tend to be infrequent, although costly. Law enforcement use of force has been the City's most expensive risk. But those claims are fewer and less costly in the past five years. Driver safety loss prevention contributes to reduced auto claims.

Two self-insurance funds pay costs of these claims. An independent actuary projects expected losses annually. The cost of claims, insurance, services, and City Risk operations are allocated to all covered bureaus.

In addition to self-insurance, City Risk transfers some risk to commercial insurance. Two excess policies layover the two self-insurance funds to limit the impact of any single event. The City retains the first \$850,000 for an employee injury. Liability is capped at \$1m for most occurrences and \$2.5m for law enforcement liability. An all risk property insurance policy covers ~\$1.8 billion essential buildings and contents values. Other policies cover risks not self-insured or that may be required by contract. City Risk contracts with an Insurance Broker to market the City's risks to national and international insurers.

- Commercial insurance policies purchased in 2015-16: 21
- Commercial insurance premiums paid for 2015-16 ~\$2.57million

Currently, no open liability claim is reserved above the self-insured retentions. The City's excess workers' compensation carriers reimburse the City for two open claims. There is currently, only one new employee injury claim reserved above the retention. The City uses the Fine Arts policy to restore damage to public art. Portland International Raceway (PIR) contracts require commercial liability coverage which has paid out over \$1m on a past claim. And currently, the City has one property claim opened for losses from the December 2015 floods. It is expected to close before the end of the fiscal year. Then bureaus will tap Federal Emergency Management Administration (FEMA) for eligible, uninsured losses.

The City's insured risk profile is changing. The City has recently taken on residential property risk. And as cyber exposures grow, it is reasonable to consider some risk transfer to a commercial policy in the future. City Risk is actively monitoring and gathering information to help decide if insurance is a wise option.

It is important that the City presents itself as a preferred risk. This increases the likelihood of favorable pricing from the insurance market. It has become increasingly more difficult to place law enforcement liability and earthquake property coverage. The commercial workers' compensation market has been of concern.

City Risk invited liability underwriters to meet with the Police Chief and City Attorneys who defend tort lawsuits. The Workers' Compensation and Loss Preventions teams work with the Workers' Compensation Excess carrier to improve safety and claims management.

In the last few years, City Risk has changed staff assignments to increase focus on real property loss prevention. City Risk works closely with bureau Asset and Facility managers to use the current insurer's Loss Prevention Engineering services. The focus is to limit fire loss. But this also improves post disaster recovery. This partnership helped the City obtain and keep additional, affordable earthquake limits following the quake market retraction.

City Risk provides special services related to Disaster Response. In the event of a bioterrorism attack, the Occupational Health and Infectious Disease Program leads Points of Dispensing (PODs) for City employees. City Risk is also responsible to submit proof of loss for insurance recovery following an event that causes significant insured property damage. The Insurance and Loss Prevention team has sponsored training on FEMA loss reporting and insurance reporting. City Risk has an insurance disaster loss reporting process in development.

The self-insurance program does not handle contract liability claims. However, City Risk is often asked to review and comment on insurance needs of complex or unusual contracts, leases or agreements.

- Estimated number of contracts, leases or agreements reviewed: average 2/week; 20 since January 2017

And it is called upon to assist with the assessment of new activities and pending disruptions. This may be for safety and health concerns or risk retention/transfer advice.

- Examples of pending disruptions: Insuring aspect of unreinforced masonry buildings; Private For-Hire Transportation Companies (UBER and Lyft) insurance; Lead in air and water concerns; Ebola Employee Exposure/Safety concerns; active shooter protocol updates; Homeless Camp Clean-up protocol.

Teams of expert adjusters manage all self-insured claims. The skill of these adjusters enable them to manage and resolve the vast majority of claims within their financial authority and without litigation. Adjusters also monitor and pay for the defense or resolution of negligence lawsuits managed by the Office of the City Attorney. Adjuster caseloads had been creeping up due to backlog following staff reductions several years ago. Numbers have come down with the temporary availability of Assistant Claim Tech services. Each Liability adjuster manages or monitors about 245 cases during a fiscal year. The Workers' compensation adjusters manage about 250 open files each. Other claims related activities

include indexing all claims, reports to Medicare, and monitoring claims made on commercial insurance policies. Adjusters make claims against third parties responsible for City losses. And City Risk submits claims to the State to recover some costs of bringing injured workers back to modified duty.

City Risk also pursues recovery for damage to City owned property. The Subrogation specialist manages about 700 open claims to repay bureaus for property damaged by the public. Recoveries have averaged over \$800,000 per year for the last five years.

The City uses a decentralized loss prevention model. Bureaus are responsible to protect property, prevent losses and assure employee on-the-job safety and health. City Risk works with bureaus to prevent accidental loss to insured property. Occupational Health and Safety experts provide services to reduce the risk of vehicle crashes, repetitive motion injuries from seated work, exposure to blood borne pathogens and infectious diseases. They assist bureaus in identifying hazards to employee safety and complying with OSHA requirements.

By sharing its expertise, providing services, complying with statutes, and collecting and analyzing claims and loss data, City Risk supports bureau success, improves safety, reduces uncertainty and minimizes loss due to the failure of property, processes or people.

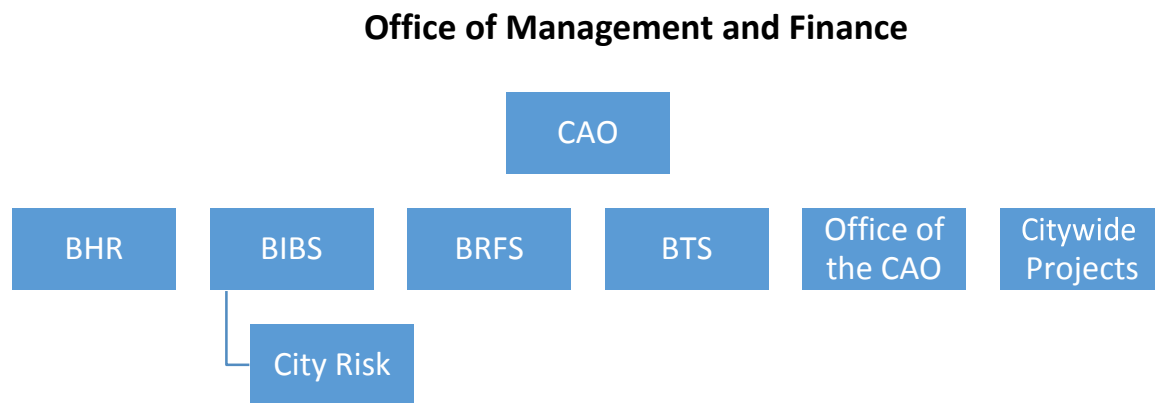
## Challenges in 2017-18

- Risk retention or transfer to insurance:
  - In recent years, the insurance market has reduced coverage for earthquake risk. In addition to working to maximizing affordable coverage, City Risk has worked to help bureaus increase resiliency to property loss. Work continues to develop and implement property protection policies, procedures and programs to control exposures, minimize loss, improve mitigation and restore essential properties to resume operations as quickly as possible.
  - During 2016 the City began to acquire residential properties. This new line of business changed the City's property risk profile. City Risk has been working with an Office of Management and Finance (OMF) team to help the Housing Bureau manage this new exposure. City Risk is researching several options for property and liability coverage for current properties and to plan for new acquisitions.
  - Cyber risk is a fast developing exposure. The insurance market is developing as well. City Risk has been monitoring both developments. As the Information Technology Security information develops, it is likely the City will want to explore some risk transfer options in the near future.
  - Water Bureau Hydro works is returning to the City property portfolio. City Risk will be researching coverage options for physical damage.
  - The earthquake market remains limited. Recent floods also point out vulnerabilities. The National Flood Insurance Program is up for renewal in September and may affect the City's ability to buy coverage to meet FEMA expectations.
- Miscellaneous exposures being researched for coverage. Examples are: employee personal property required for jobs; homeless camps; Last Thursday street fair.

- Statutory compliance.
  - As a self-insured entity for workers' compensation, City Risk continually monitors and adjusts to changes in state rules and regulations. For the first time since 1990, the 2015 Legislature passed significant statutory changes to the workers' compensation rules. Over 70 rule changes became effective on January 1, 2017. The adjuster team has been monitoring, training and adjusting to the uncertainty posed by these many rule changes.
- Retaining and recruiting specialized talent for data management and technical risk management roles in claims, insurance and loss prevention, safety and occupational health:
  - In the past decade, City Risk has had an almost 100% staff turnover. Long term employees retired. Current staff have taken on new assignments or promotions. More than half the staff were hires new to the City. While this has been disruptive, it has also brought new perspective and current best practice knowledge.
- Risk recognition and management in agreements and contracts is a potentially significant exposure to the City. While City Risk is not staffed to cover contract risk, the Insurance Manager does review the most sensitive or complex contracts. In addition, as resources allow, City Risk will help with insurance and indemnity reviews of Inter-Governmental Agreements.
- Disruption from the Portland Building remodel:
  - Internal City Risk disruption. City Risk has been reviewing and archiving documents. New space limitations will affect operations.
  - Office Ergonomics services. Over 1300 employees from the Portland Building will be moved to new workstations. City Risk is developing a plan to assist bureaus in setting up new work stations.
  - Risk of remote work, telework and traveling employee. City Risk is preparing for a change in workers' compensation exposure as more employees must travel to different buildings for meetings or may be expected to work remotely or from home.
  - Employee indoor air quality and security concerns in new locations. Bureaus will need to adjust to shared space with non-City tenants and to different lease requirements and amenities.
  - Adjusting safety programs to meet new configurations. This includes adjusting safety committee structures, reporting, and injury log posting.
  - City Risk is also planning for tracking City property that may be moved to other locations for property insurance coverage.

## INTRODUCTION

The City established a centralized office (City Risk) to perform some risk management functions. This report will describe the centralized activities conducted by City Risk.



Risk is not an event; it is an effect. It can be defined as the effect of uncertainty on objectives. Operational risk is often defined as the potential effect of the failure of people, processes and property.

The City of Portland limits the financial uncertainty of some of these “operational” risks using a combination of insurance and funded, self-insured reserves. It self-insures most of the losses of two of its major operational risks: negligence tort liability and employee on-the-job injury and illness. Other risks, such as accidental loss to critical property, are covered by commercial insurance.

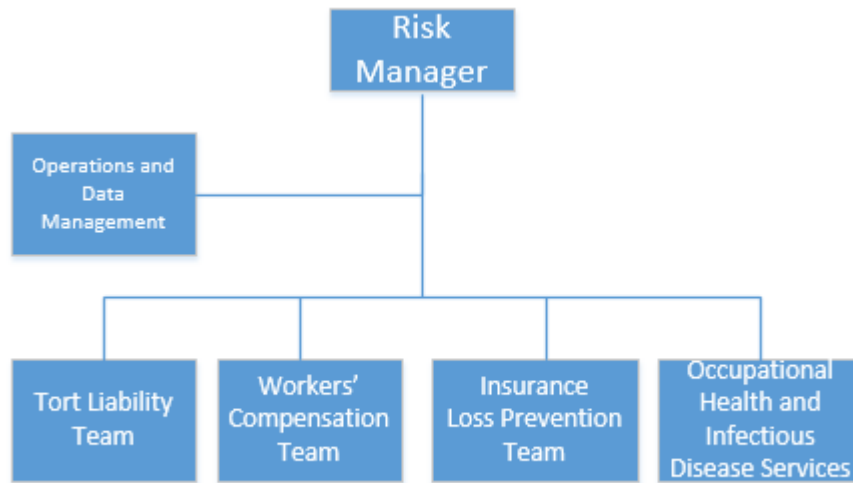
## Overview

**Objectives:** Finance the retention or transfer of recognized risks; Adjust associated claims; Comply with rules and statutes; Collect useful data; and, Share actionable information to influence risk adjusted business decisions to support bureaus’ success.

City Risk is a program in the Office of Management and Finance, Bureau of Internal Business Services. City Risk provides services to help bureaus manage major operational risks. City Risk is responsible for three main risk management functions:

- **Risk Financing** using funded reserves (self-insurance) for recognized retained risks and commercial insurance for financial risk transfer.
- **Claims Administration** using expert, specialized adjusting staff to manage almost all of the retained risk claims and suits and monitoring commercial policy claims.
- **Loss Prevention Advice, Service and Assistance** using expert staff to influence, advise and assist bureaus in avoiding unnecessary risk, minimizing loss, promoting employee safety and occupational health and protecting the public and property.

## City Risk Organizational Chart



### Background

The City uses funded reserves to pay for two major operational risks: employee error that creates tort liability and employee on-the-job injury and illness. Other risks are transferred to commercial insurance.

It is reasonable for an organization to retain risks that are relatively predictable and low cost. For the City, this includes auto liability, general tort liability and workers' compensation. Risks are closely associated with regular, frequently performed business activities. And losses are typically low. This combination of predictable frequency and projectable losses is most suitable for funded retention, i.e. self-insurance. Future claims costs and losses are projected in annual studies conducted by an independent actuary. This allows the City to plan for uncertainties and protect bureau operating budgets.

The funded reserve for liability was established in 1976. It pays for the defense and resolution of third party negligence claims and lawsuits under the Oregon Tort Claims Act (OTCA ORS 30.260 to .300.) The fund includes auto liability. The State of Oregon authorized the City to self-insure auto liability to meet ORS 806.130. This fund also covers the cost of Excess Liability Insurance and most of the commercial policies that cover operational risks not self-insured.

In 1978, the State of Oregon authorized the City to self-insure Workers' Compensation. The State requires a separate, audited, self-insurance fund. In addition to claims, the City is subject to State Workers' Compensation Division audit and reporting demands. And it is subject to state rules for loss prevention, occupational health and employee safety duties.

Costs to operate City Risk, and its administrative overhead, are assigned proportionally to the two self-insured funds. In addition to the cost of claims and compliance, program services costs include:

- Personnel, internal material and services and administrative overhead; and,
- Services to bureaus required by rule, statute or best practice including occupational health, infectious disease, driver safety, ergonomics, loss control assistance and guidance.



## Risk Financing

The City uses funded reserves to pay most losses from two major operational risks: employee error that creates tort liability; and, employee on-the-job injury and illness. Other risks are transferred to commercial insurance.

### Self-Insurance

**Objectives:** Collect adequate reserves to pay for claims in the year in which the claim is filed in order to protect bureau operating budgets.

Established in 1976, the Insurance and Claims fund pays for the defense and resolution of third party negligence claims and lawsuits. This includes general and auto liability as well as employment torts. Reserves are set at 80% of projected loss. Costs for all commercial insurance policies except workers' compensation excess coverage are paid from this fund.

The State of Oregon authorized the City to self-insure Workers' Compensation in 1978. The State requires a separate, audited fund. Workers' Compensation is reserved at 75% of projected loss. In addition to claims, workers' compensation excess insurance premiums and the State Premium Tax are paid from this fund. The City is subject to state Workers' Compensation Division audit and reporting demands. And it is subject to State rules for loss prevention, occupational health and employee safety duties.

Working closely with the OMF Business Operations, costs are allocated to bureaus in the annual budget cycle. Future claims costs are projected in annual studies conducted by an independent actuary. The allocation considers exposure based on payroll for workers' compensation and tort liability and miles driven for auto liability. Experience is based on each bureaus rolling four-year average incurred claim cost.

### Insurance

**Objectives:** Risk profile differentiation to present the City as a preferred risk for most favorable coverage and pricing; and, effective retention or transfer of known risks to protect bureaus operating budgets and assist bureaus in achieving their mission.

The Insurance program obtains commercial coverage of risks not self-insured. The Insurance Team performs a complete analysis of all insurance policies. They also research, monitor and propose changes to coverage or new coverage options as seem reasonable. When losses occur, the team files and monitors claims made against these commercial insurance policies.

Bureaus must, at times, present proof of insurance to others. The Insurance team reviews all agreements before issuing Certificates of Self-insurance Coverage. They have worked closely with City Attorney to standardize basic indemnification language for these agreements. The team reviews agreements and issues about 70 certificates a year.

The Insurance Manager oversees the contract for the City's Broker of Record. The Insurance Team works closely with the Broker to evaluate the City's coverage needs and market changes. More importantly, the team works with Bureaus to present the City as a preferred risk and assure favorable rating by the

market. This means coordinating safety and loss prevention efforts and claims management processes to demonstrate the City's commitment to managing risk. City Risk coordinates meetings with insurer underwriters to introduce them to key City managers and the Office of the City Attorney.

City Risk places 21 insurance policies to limit the exposure of the self-insurance funds, transfer financial risk for Citywide exposure, or to meet individual bureaus' business or contractual requirements. The Insurance team works with bureaus to determine the types of insurance coverages needed for their specific exposure.

<b>Commercial Insurance Policy</b>	<b>2016-17 Premium</b>	<b>Bureau Covered</b>
<b>Property Insurance</b>	\$1,166,652	All property owning bureaus
<b>Public Employee Excess Liability</b>	\$955,716	All bureaus
<b>Excess Workers' Compensation</b>	\$259,596	All bureaus
<b>TRAM Property Policy</b>	\$58,473	PBOT
<b>Fire Boats liability and physical damage to boats</b>	\$53,132	Fire
<b>Portland International Raceway General Liability</b>	\$13,860	Parks
<b>Pioneer Garage General Liability</b>	\$12,047	PBOT
<b>Aircraft Liability and Hull Damage</b>	\$10,449	Police
<b>Heliport Liability (Premises Liability)</b>	\$8,804	PBOT
<b>Fine Arts</b>	\$7,800	RACC and Parks
<b>Portland International Raceway Accidental Death &amp; Dismemberment</b>	\$6,920	Parks
<b>Crime</b>	\$6,080	All bureaus
<b>Portland International Raceway Excess Liability</b>	\$5,180	Parks
<b>National Flood Insurance Program (NFIP) Fire Station at SE Madison</b>	\$3,688	Fire
<b>Pioneer Garage Excess Liability</b>	\$2,987	PBOT
<b>Fire Boat Excess liability</b>	\$2,500	Fire
<b>Fire Boat Spillage Pollution Liability</b>	\$2,275	Fire
<b>Fire Bureau Cadets Accidental Death &amp; Dismemberment (ADD)</b>	\$340	Fire
<b>DEQ Bonds</b>	\$182 each bond	BIBS - CityFleet
<b>Public Official Bond (Treasurer)</b>	\$125	OMF – Revenue & Financial Services
<b>Tenant User Liability Insurance Program (TULIP)</b>	Premium paid by users of City property	Parks

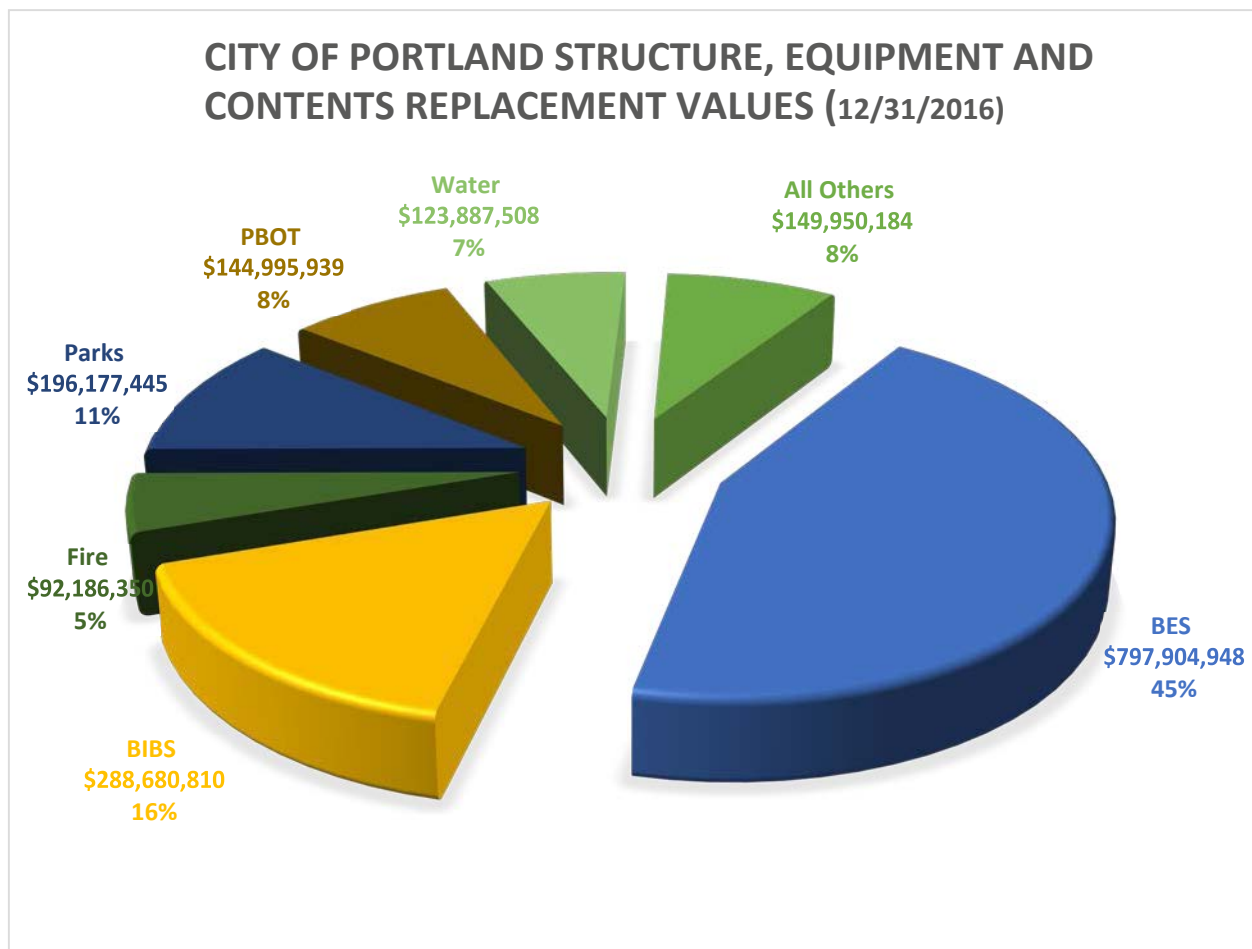
Graphic 01- Commercial Insurance Policies and Premiums in place during 2016.

## Property Insurance

The City purchases an All Risk Policy to protect ~\$1.8 billion in City owned buildings, structures, equipment and contents. City Risk maintains a list of insured properties. City Risk also collects COPE (Construction, Occupancy, Protection and Exposure) information and obtains assessed insured values studies every five or six years. This policy is intended to help property owning bureaus recover from a loss, restore the damaged property and quickly resume normal operations. Bureaus select properties to be insured. The Insurance Team advises bureaus on coverage and assists bureaus in completing coverage applications.

Two major exposures to catastrophic property loss are earthquake and flood. Both these exposures have higher deductibles and lower coverage limits than standard losses. City Risk works with bureaus to help them collect loss information and assess loss prevention engineering recommendations.

Bureau of Environmental Services property accounts for almost half of the total insured values for the City. The following chart shows the insured value breakdown among bureaus.



Graphic 02- Value of City-owned property covered by commercial property insurance, by bureau, as of 12/31/2016.

### **Disaster Response**

After a declared disaster, City Risk works closely with Grants Coordinators. Bureaus report loss information. The Insurance team reviews the loss reports to identify insured property. City Risk refines the loss report and files a claim with the City's Property insurer. Follow up includes updating loss reports and meeting with insurer's claims adjuster. Once the claim is finalized, Grants Coordinator can provide FEMA with required information. City Risk continues to work with Grants to maximize financial recovery and restore operations.

### **Contracts and Agreements**

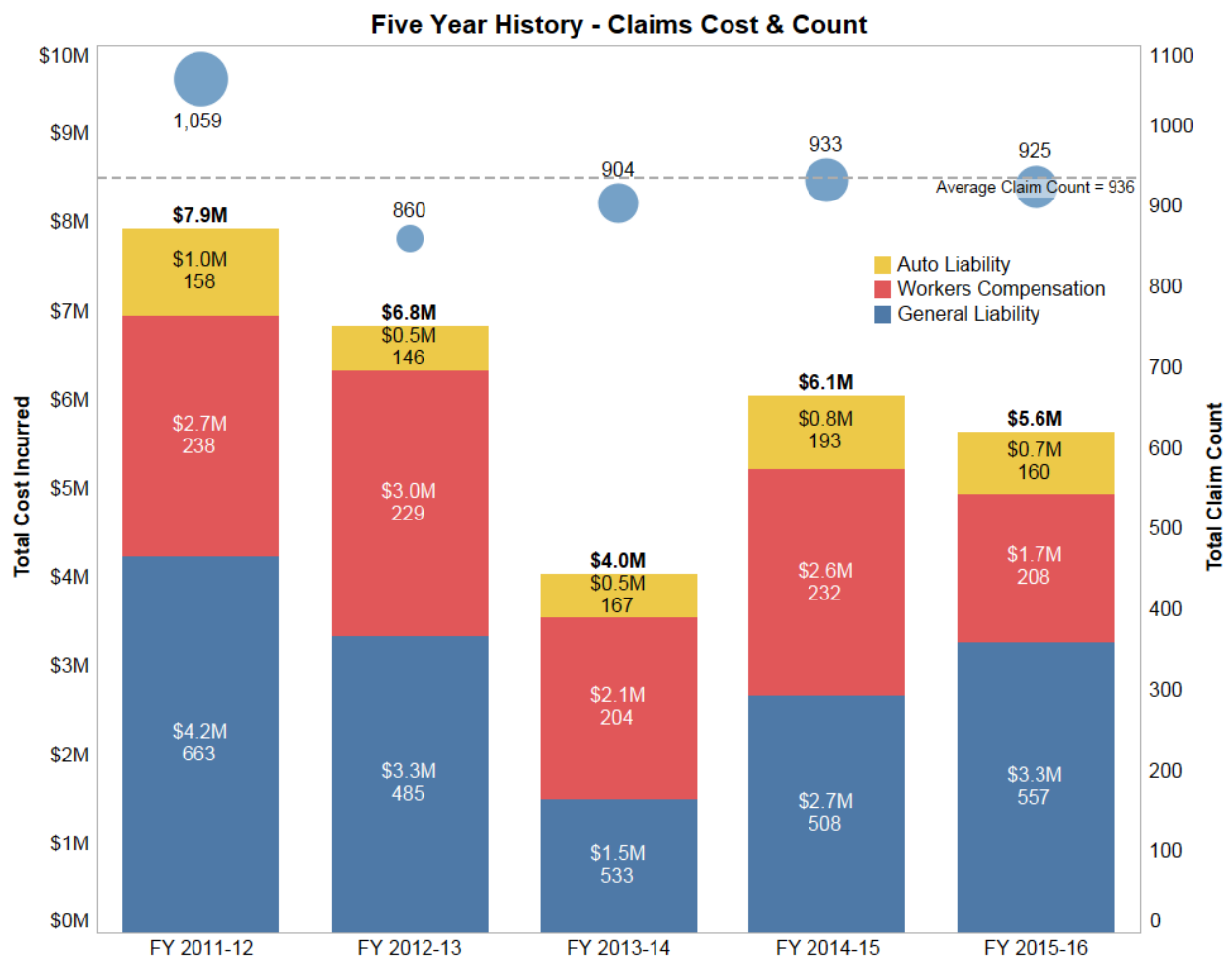
City Risk does not handle contract torts. However, the Insurance Manager advises on indemnity, insurance or other options of risk transfer in an average of two unusual or high-profile contracts and agreements every week. In the first two months of calendar year 2017, the manager reviewed 20. As resource allows, the Team will research and advise bureaus on possible coverage options beyond the usual review.

# Claims

**Objectives:** Timely processing; accurate transaction/data recording; thorough evaluation and proper and timely resolution of individual claims.

City Risk centrally administers self-insured claims filed against all bureaus under three lines of coverage: Workers' Compensation; General Liability; and Auto Liability. Commercial insurance policy claims, are managed directly with the insurer. In addition, City Risk pursues claims for subrogation, files claims for State reimbursements and reports non-health care claims to Medicare. More than half the City Risk staff work full time to manage claims. A snap shot of self-insured claims filed over the past five years indicates a general, downward trend in incurred costs. The number of claims, shown by blue dots above the bars, while slightly lower, tends to be flat overall.

## Claims Administration



Graphic 03- Incurred cost and claim count by line of coverage of all self-insured claims by dates of loss between FY 2011-12 through FY 2015-16 valued as of 12/31/2016.

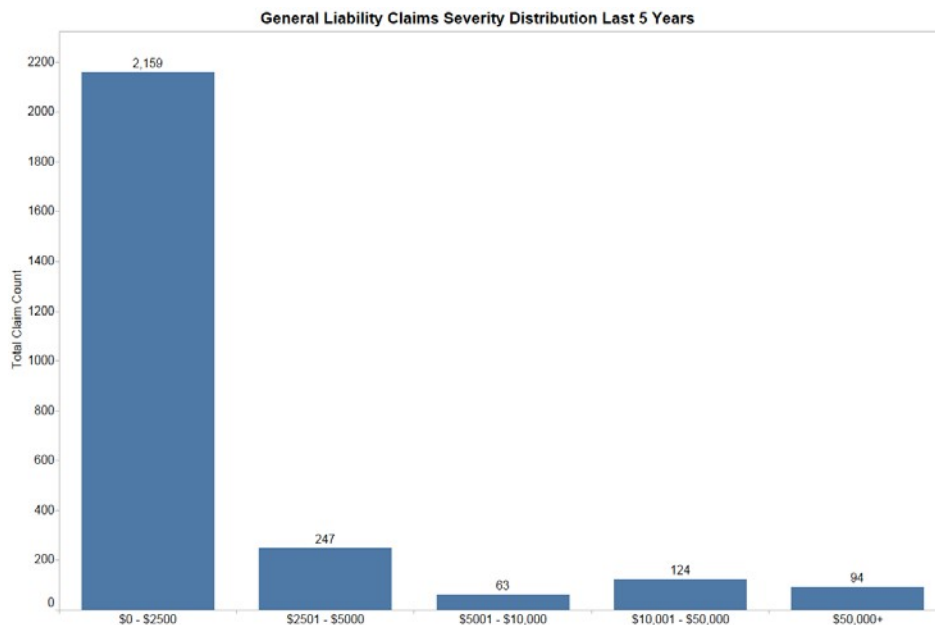
Because the majority of claims are relatively low cost, a few, high cost claims have a significant effect on any average claim costs. And so, costs are more susceptible to wide swings than the claim frequency.

### General Liability

These are claims and lawsuits filed against the City alleging negligence by employees, elected officials and legal agents. The City self-insures the costs to process, investigate, evaluate and defend or resolve its general and auto liability claims. City Risk Tort team manages the claims on behalf of all Bureaus. City Attorney manages negligence suits. City Risk pays for the defense and resolution of these suits.

Self-insurance is designed to handle low cost, high probability claims. These are claims with expected costs that can reasonably be projected and funded. The following graphic shows this to be the case for the City's general liability exposure. City Risk adjusters managed 90% of the claims filed within their \$5000 settlement authority. Reasonable settlements are reached through their expert adjusting skills.

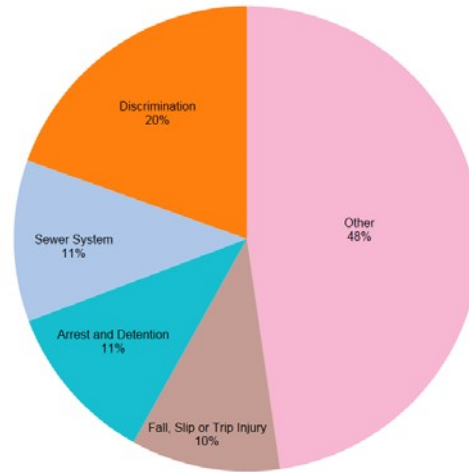
- 47% of General Liability claims closed without payment to claimant;
- 6% of General Liability claims went on to be litigated.



Graphic 04 - The number of general liability claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N=2687 total number of claims.

City Risk's Risk Information System has dozens of cause codes available. The most expensive cause of losses in general liability fall into four categories either because there are many low cost claims or a few of high cost.

**General Liability Total Claims Cost**  
FY 2011-12 through FY 2015-16



Graphic 05 - Major causes of general liability claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.

City Risk manages employee civil rights claims under the general liability program. While infrequent they tend to be costly. Slips and falls and sewer back ups are high frequency and cumulatively result in notable claim costs. Arrest and detention is also a high risk activity.

### **General Liability Claims Cost by Bureau FY 2011-12 through FY 2015-16**

City Bureau	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Police	\$1,866,453	\$994,648	\$402,874	\$691,814	\$681,831
PBOT	\$466,343	\$1,521,969	\$294,845	\$924,896	\$888,042
BES	\$555,187	\$249,436	\$375,987	\$167,824	\$760,533
Parks	\$721,355	\$75,666	\$50,532	\$205,704	\$278,010
Water	\$301,411	\$175,618	\$164,585	\$127,248	\$488,201
BDS	\$0	\$219,666	\$31,193	\$162,568	\$132,250
OMF	\$189,214	\$84,237	\$67,208	\$167,085	\$34,941
Fire	\$10,780	\$76,273	\$30,751	\$165,819	\$116,179
ONI	\$0	\$0	\$0	\$0	\$150,000
Other	\$438	\$0	\$47,700	\$8,606	\$750
<b>Grand Total</b>	<b>\$4,111,182</b>	<b>\$3,397,513</b>	<b>\$1,465,675</b>	<b>\$2,621,564</b>	<b>\$3,530,738</b>

Graphic 06 - General Liability Claim incurred cost valued as of 12/31/2016 with dates of loss in each FY sorted by Bureau.

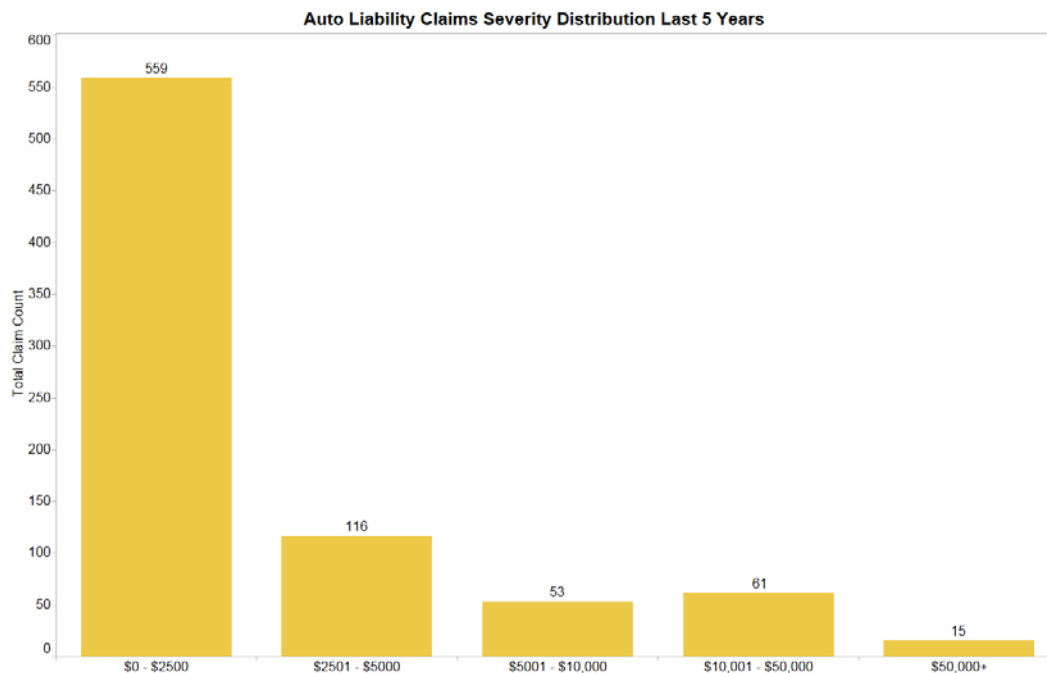
When broken down by bureau the value of a pooled risk fund becomes clearer. Individually each bureau would be challenged to be able to budget for such unplanned losses from year to year.

## Auto Liability

The City operates a fleet of over 3000 vehicles. The following are claims from the public for bodily injury and/or property damage due to the operation of a City vehicle. The State of Oregon authorized the City of Portland to self-insure the liability risk of operating a vehicle fleet. City Risk provides the self-insurance cards carried in all City vehicles as required by state law.

As in general liability, high probability claims with generally predictable losses are best handled by self-insurance. Again the expert adjusting enables City Risk to manage 85% of auto claims within its \$5000.00 authority.

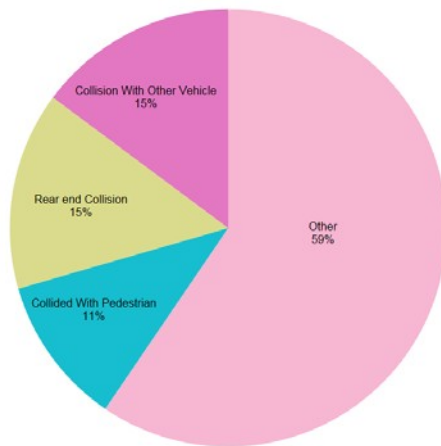
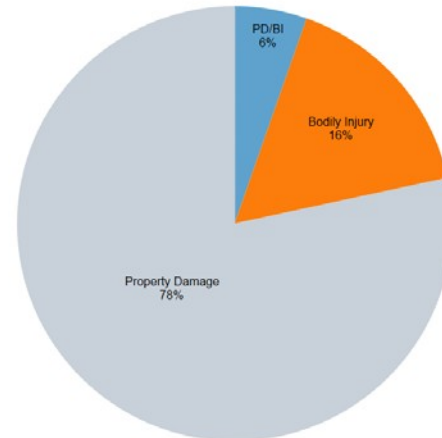
- 7% of Auto Liability claims closed without cost;
- 5% of Auto Liability claims went on to be litigated.



Graphic 07 - The number of auto liability claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N= 804.

Auto claims can have a property and/or bodily injury component. Property damage tends to be less costly and more quickly resolved. However, the cost of vehicle damage repair is expected to trend upward as automobile technology continues to develop. Bodily injury claims are more expensive and take longer to settle.



Auto Liability Total Claims Cost  
FY 2011-12 through FY 2015-16Type of Auto Liability Claims  
FY 2011-12 through FY 2015-16

Graphic 08 - Major cause and type of auto liability claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.

The costliest causes of auto liability stem from rear end crashes and collisions with other vehicles. Costs are always high when a pedestrian is involved.

### Auto Liability Claims Cost by Bureau FY 2011-12 through FY 2015-16

City Bureau	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Police	\$257,047	\$249,996	\$220,628	\$395,909	\$403,859
PBOT	\$227,999	\$55,466	\$146,863	\$123,020	\$138,190
Fire	\$155,869	\$55,739	\$27,541	\$84,281	\$39,447
BDS	\$210,566	\$0	\$29,262	\$6,969	\$7,963
Parks	\$20,387	\$70,600	\$45,071	\$72,288	\$43,371
Water	\$54,203	\$53,065	\$15,840	\$81,240	\$44,843
BES	\$34,931	\$3,200	\$5,863	\$4,791	\$102,408
OMF	\$13,226	\$13,400	\$402	\$50,817	\$2,678
Other	\$2,765	\$0	\$1,000	\$1,856	\$0
BOEC	\$0	\$0	\$765	\$0	\$0
<b>Grand Total</b>	<b>\$976,993</b>	<b>\$501,466</b>	<b>\$493,235</b>	<b>\$821,171</b>	<b>\$782,758</b>

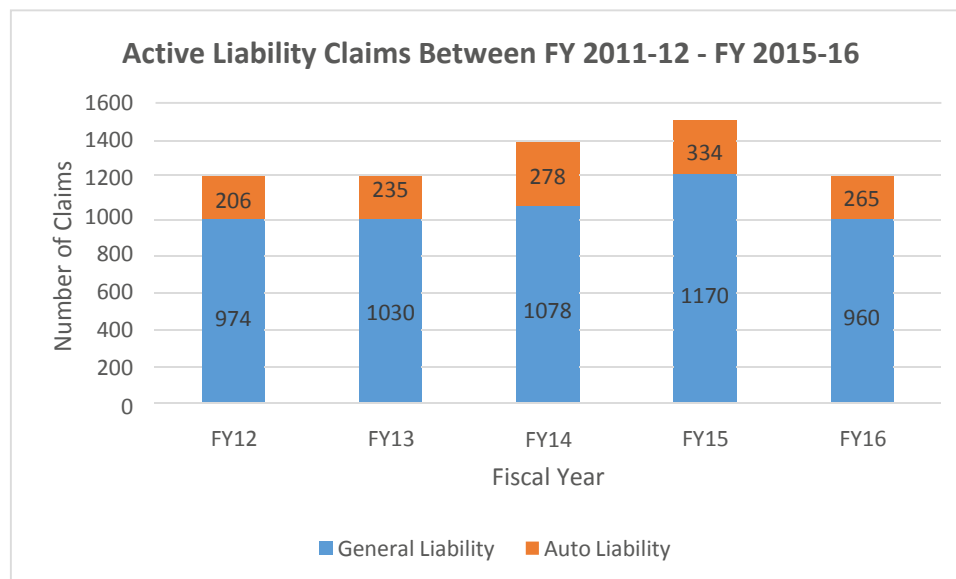
Graphic 09 - Auto Liability Claims incurred cost valued as of 12/31/2016, with dates of loss in each FY sorted by Bureau.

Any bureau that allows an employee to drive City vehicles has an auto liability exposure. To help manage this, City Risk makes an online defensive driving class available through City Learner. City Risk checks driving records against the City standard and monitors the license status of registered City drivers who are Oregon residents. Current resources allow City Risk to offer extra services that include behind the wheel coaching and specialty vehicle operation.

### Self-Insured Claims Managed by City Risk

In any fiscal year, City Risk manages incoming new claims and open claims from prior years. Costs to process, investigate, and defend or settle claims is an ongoing expense. Each claim is assigned to an adjuster until it is closed. Claims require different levels of attention. But all open claims must be regularly monitored. Tort claims must be reported within 180 days of the event. But claimants have two years to perfect their case. Lawsuits and some claims can take several years to resolve.

The number of open claims for liability has been rising. The Claims Team Manager and Senior Adjusters carried about 300 open claims in FY 2014-15.



Graphic 10 - Number of all **General** liability and **Auto** liability claims in open status regardless of dates of loss.

During the final months of FY 2015-16, staff reassignments and temporary employees provided some relief to the Claims Teams. With this additional resource, the Liability Team conducted a focused review of all open claims. They were able to catch up on file archiving and claim closure. A backlog of 292 liability claims was formally closed in the final weeks of the fiscal year. This is expected to reduce the average open claim load for the Adjuster Team to 245 files going forward.

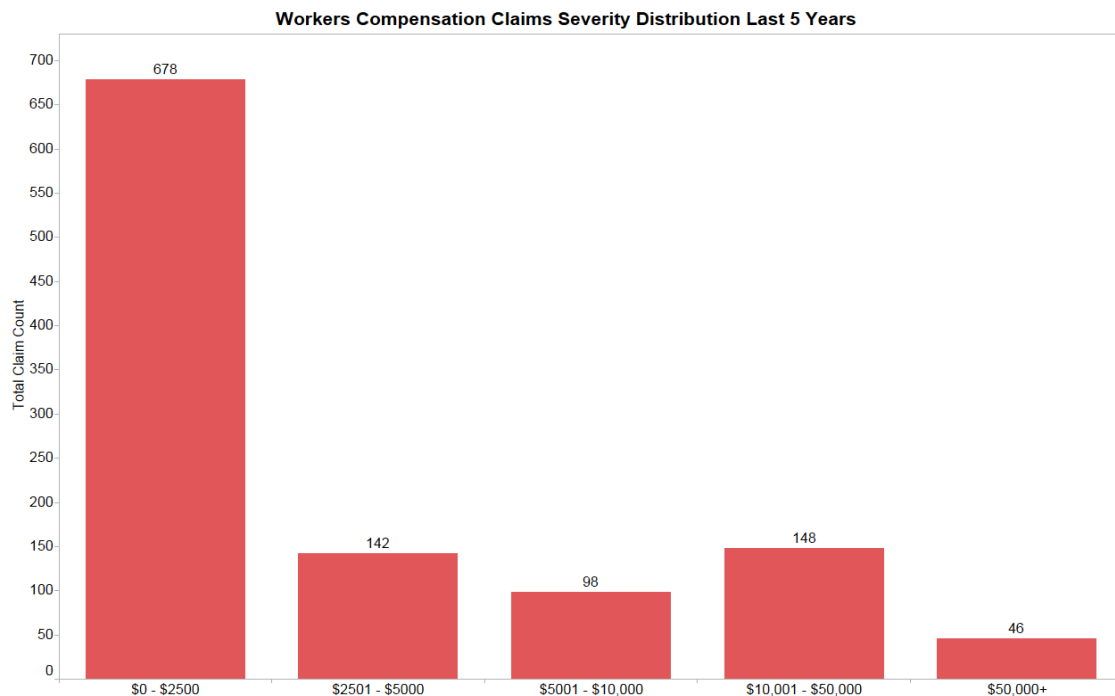
## Workers' Compensation

The City is authorized by the State to self-insure workers' compensation for ~ 6,000+ employees. Sworn police and fire personnel are covered by workers' compensation during their first six months on the job. After that, any new work-caused injury or illness is managed by the Fire and Police Disability and Retirement program. In addition to claims administration on behalf of all bureaus, the City Risk team of expert adjusters manage statutory compliance requirements of a self-insured entity. This includes complying with required timelines for claim processing and benefit calculations and payments. City Risk also manages three Managed Care Organization contracts, medical bill repricing, State audits, State required reporting and calculating and paying the quarterly Workers' Compensation Division premium tax.

Almost 75% of employee injury claims have incurred costs under \$5000. Expert adjusting and claims management by City Risk helps keep losses low. Over the past five years, of the claims managed by City Risk:

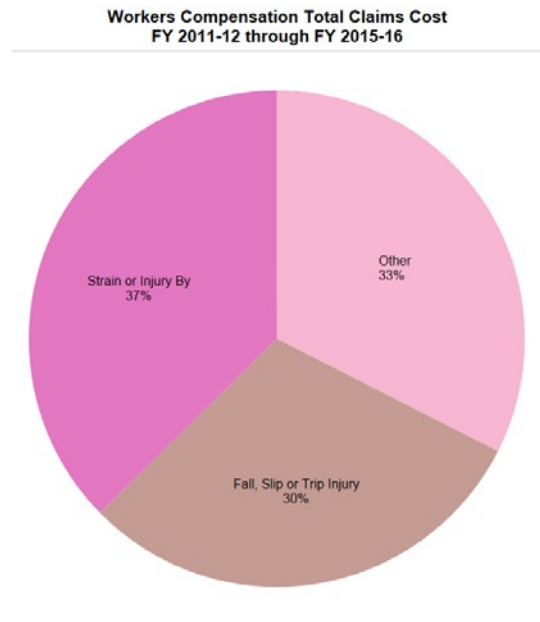
- 2% Workers' Compensation claims closed without cost;
- Fewer than one half of 1% of filed claims litigated;
- Fewer than 10% of filed claims found not compensable.

City Risk uses Managed Care Organizations and medical bill reviews to help contain medical costs. City Risk also helps bureaus develop modified duty assignments. This enables injured workers to quickly return to work they can safely perform. Return to work programs have been proven to reduce permanent disability and hasten recovery.

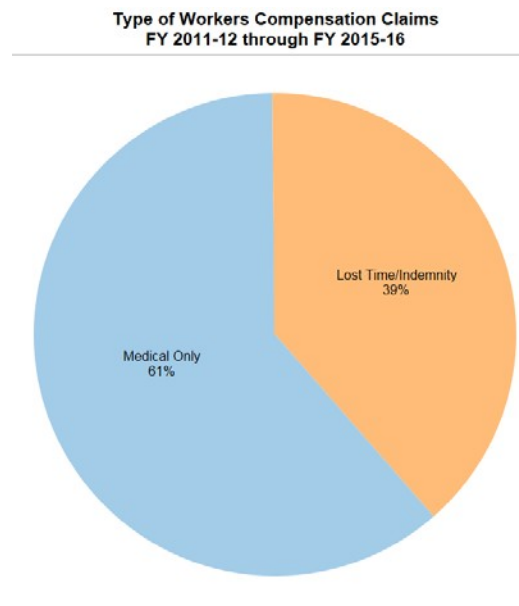


Graphic 11 - The number of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N= 1112.

Slips and falls and strains result in most costs. In the last five years, over two thirds of costs came from claims in these two cause categories.



Graphic 12 - Major cause of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.



Graphic 12.5 - Type of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16.

All workers' compensation claims have a medical component. Claims that require wage replacement, an award for permanent impairments or retraining are significantly more expensive. Effective return to work and modified duty assignments play an important role in keeping almost two thirds of the claims for injured City employees requiring only medical treatment.

## Workers Compensation Claims Cost by Bureau FY 2011-12 through FY 2015-16

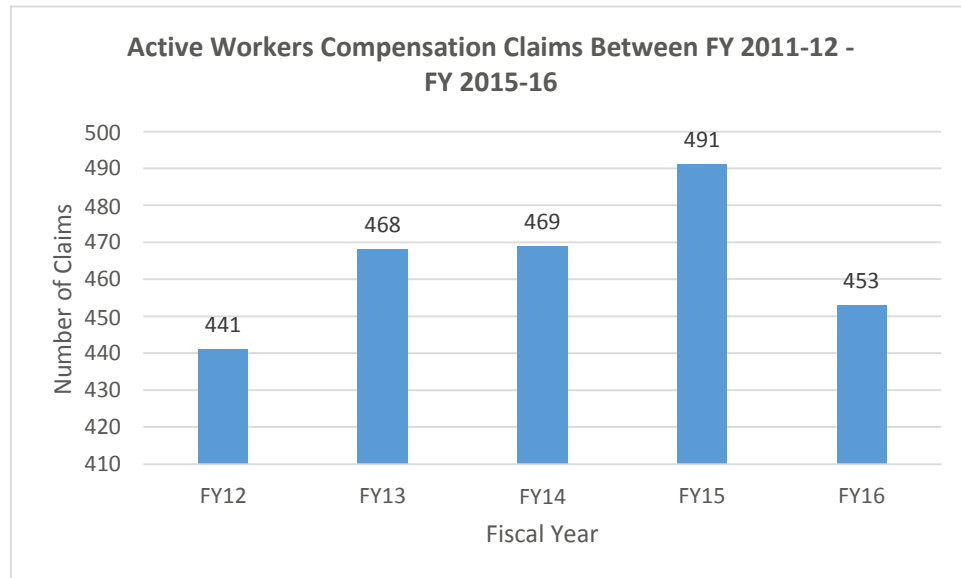
City Bureau	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
PBOT	\$1,291,738	\$788,687	\$512,909	\$1,244,503	\$482,108
Parks	\$550,445	\$141,365	\$634,808	\$556,703	\$612,877
Water	\$345,278	\$322,038	\$571,020	\$231,286	\$157,931
Fire	\$125,646	\$1,167,699	\$44,802	\$124,164	\$77,534
OMF	\$189,503	\$322,990	\$43,481	\$269,087	\$125,876
BES	\$141,512	\$195,176	\$84,875	\$51,293	\$119,158
BDS	\$2,903	\$13,674	\$43,784	\$68,014	\$69,594
Police	\$25,239	\$9,206	\$74,522	\$5,339	\$7,333
BOEC	\$38,601	\$18,879	\$396	\$32,682	\$5,376
ONI	\$5,295	\$5,982	\$16,701	\$3,279	\$0
Auditor	\$231	\$4,176	\$18,485	\$0	\$2,000
Other	\$6,159	\$585	\$3,888	\$3,980	\$5,873
<b>Grand Total</b>	<b>\$2,722,550</b>	<b>\$2,990,458</b>	<b>\$2,049,671</b>	<b>\$2,590,332</b>	<b>\$1,665,661</b>

Graphic 13 - Workers' Compensation Claims incurred cost valued as of 12/31/2016, with dates of loss in each FY sorted by Bureau.

### Self Insured Claims Handled by City Risk

Managing workers' compensation claims is time intensive. Since all of these claim involve medical treatment, they remain open until the worker is medically stationary. In some cases, such as compensable hearing loss or permanent disability, City Risk's expert adjusters manage these claims for the life of the claimants.

Over the past five years, the open files overseen by the Workers' Compensation team has been increasing. This is, in part due Medicare requirements to manage long term claims for which the City has financial responsibility. In addition, limited staffing made it difficult to keep up with the data input requirements to close a claim. Loss of staff to budget cuts caused a backlog of administrative tasks. In 2015-16, staff reassignment and temporary staffing helped catch up with the backlog.



Graphic 14 - Number of all **workers' compensation** claims in open status regardless of dates of loss.

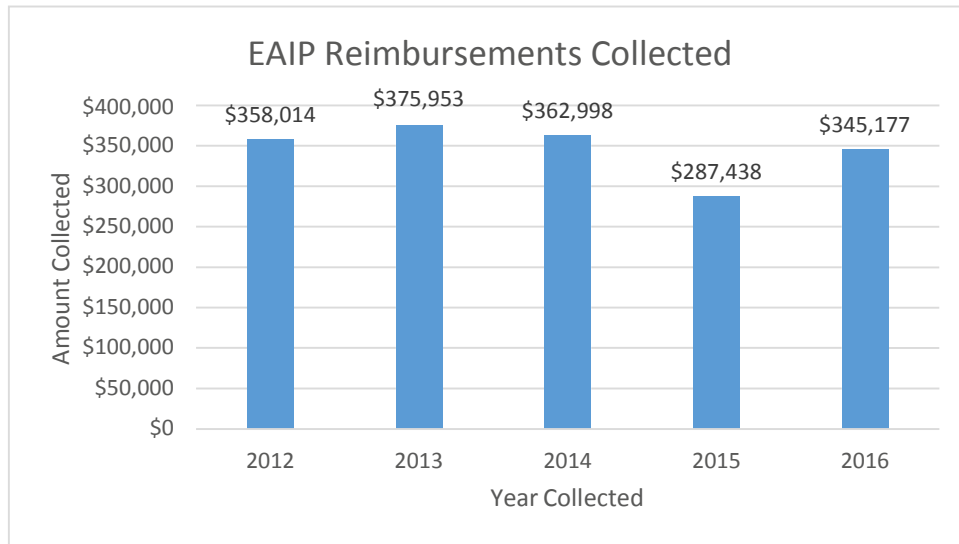
Workers' Compensation is a highly regulated coverage. Statutes change over time. Some changes are retrospective, others are not. So claims must be adjusted in compliance with the effective statute. In 2015, the Legislature made some of the most significant changes to the statutes since the 1990 "Mahonia Hall" reform. On January 1, 2017, over 70 new rules, implementing the statutory changes became fully effective. It is expected these changes will increase claim costs.

As a self-insured entity, the City is regularly audited by the State of Oregon. During 2015-16, the State conducted 3 separate audits of 448 files over the year.

- 2016 Annual Audit: 195 files Overall rating 98%
- 2016 Claim Reserve Audit: 184 files Overall rating 100%
- 2016 PTD, Fatal & Retroactive Reimbursement Audit: 9 files Overall rating 99%

### **State Fund for Injured Worker Return to Work**

The Workers' Compensation Team helps bureaus recover some of the costs to get injured employees back to work. City Risk can do a job analysis of regular and modified duty. The adjuster also researches tools and devices to make jobs easier for workers to safely perform. City Risk keeps records and files reimbursement requests to the State of Oregon's Employer at Injury Program (EAIP) fund.



Graphic 15 - Recoveries from the State Employer at Injury Program (EAIP) fund by year collected.

City Risk helps recover partial cost of wages, any specialized tools, and special training for the injured worker. These recoveries are returned to the bureaus. The State reduced EAIP wage reimbursements from 50% to 45% effective July 1, 2013.

### EAIP Reimbursements Returned to Bureaus

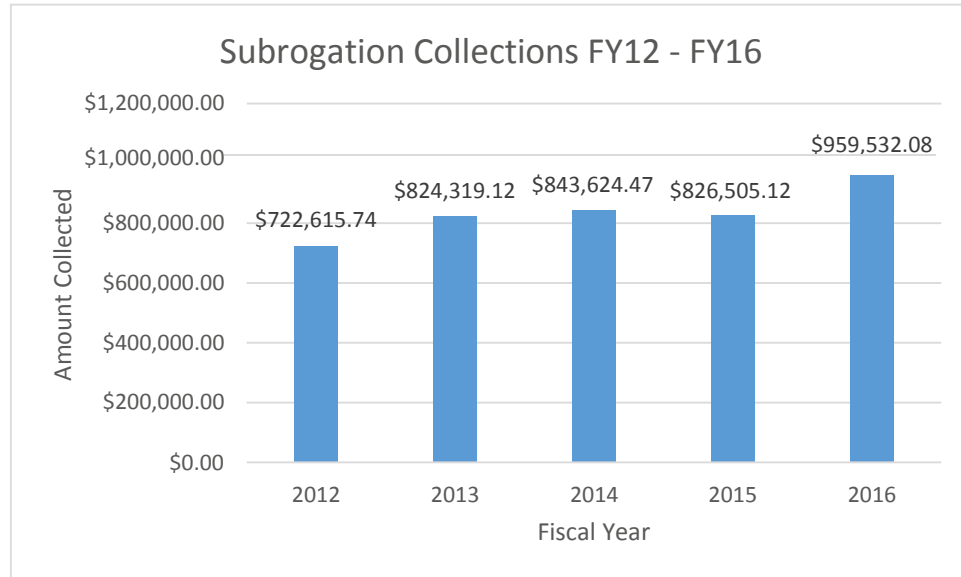
Bureau	Amount
PBOT	\$428,618
Parks	\$403,917
Water	\$335,239
BES	\$155,647
Fleet	\$87,011
Fire	\$72,441
OMF	\$62,132
Police	\$41,673
BTS	\$38,702
BDS	\$24,345
ONI	\$23,286
BGS	\$17,566
BOEC	\$11,225
EM	\$7,895
Auditor	\$5,130
BHCD	\$4,873
City Atty	\$4,077
BPS	\$3,123
Mayor	\$1,402
P & D	\$1,278

Graphic 16 - Recoveries from the State of Oregon Employer at Injury Program collected between FY 2011-12 through FY 2015-16, sorted by Bureau, valued as of 06/30/16.



## Subrogation

Under Portland City Code 5.50.010, City Risk investigates, bills, collects or compromises damage done by others to City owned property. Over the past five years, working closely with bureaus, City Risk's Subrogation Specialist has successfully collected over \$4 million on behalf of bureaus.



Graphic 17 - Total amount collected through subrogation, valued as of 12/31/2016 sorted by fiscal year.

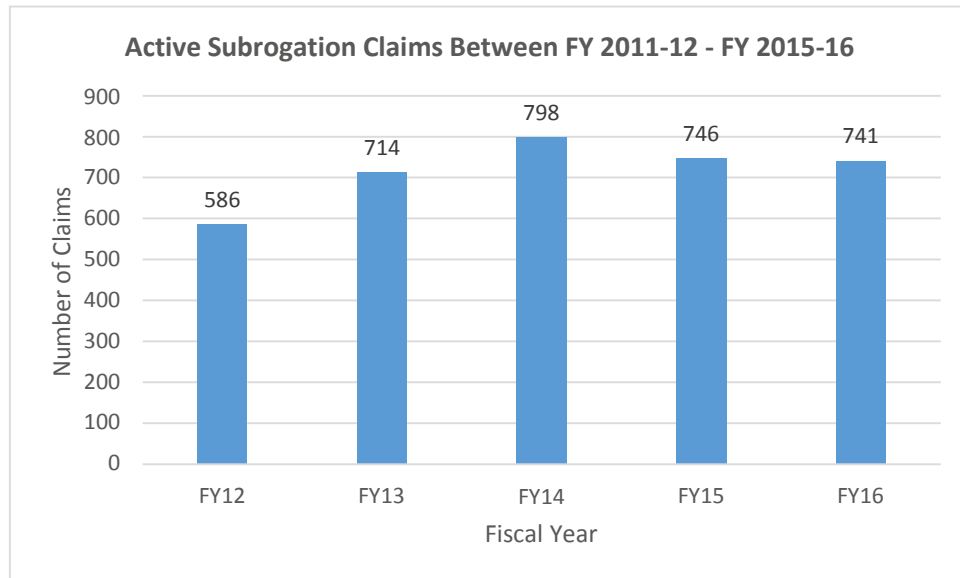
## Five Years Subrogation Collections by Bureau

Bureau	Amount
PBOT	\$1,928,952
Police	\$795,227
Water	\$650,828
Streetcar	\$293,127
Parks	\$215,095
Fire	\$140,358
BES	\$65,887
OMF	\$35,789
BDS	\$28,041
BTS	\$957
OSD	\$598

Graphic 18 - Total amount collected through subrogation between FY2011-12 through FY 2015-16, valued as of 12/31/2016, sorted by Bureaus.

During FY 2015-16, the Subrogation Specialist oversaw 754 open claims for damage to City-owned property. The Subrogation adjuster works with bureaus to document the loss. Then the adjuster may request direct payment from the person who damaged the property or from their insurance company if available. At times the adjuster will take the claim to Small Claims Court or request recovery from the State's Crime Victims fund.





Graphic 19 - Number of open claims to recover damage to City property by fiscal year.

## OTHER CLAIM SERVICES

### Medicare Reporting

City Risk handles the City's Medicare "Mandatory Insurer Reporting for Non-Group Health Plans." Under Section 111 Medicare, Medicaid, and SCHIP Extension Act of 2007, City Risk has reported a total of 255 claims to Medicare since 2009. These are claimants who are eligible for Medicare who filed tort liability or workers' compensation claims.

### Commercial Insurance Claims

The City transfers financial uncertainty for some operational risks that it does not self-insure. The City's overall insurance claims experience has been very positive. This has helped keep insurance cost down. Positive claim experience helps with meeting the objective of being a favorable customer.

City Risk reports and administers claims filed against the insurance policy. Bureaus notify City Risk of a loss. City Risk helps bureaus determine if the loss may be covered. Bureaus document the loss. City Risk submits a claim to the insurer. City Risk monitors the progress of the claim, coordinates with the insurer's claims adjuster, and helps gather more loss information if needed. Policies have varying deductibles. Not all reported losses reach the insured level.

### Property Insurance Claims

In December 2015, Portland experienced major rainfalls. Countywide losses triggered a disaster declaration. FEMA became involved. City Risk insurance team worked closely with bureau Grants Coordinators to document damage. City Risk then submitted a claim to the City's property insurer. City Risk also helped the Grants Coordinators prepare information for the Office of the Inspector General audit. This claim is ongoing as bureaus continue to document damage.

Other than the flood claim following the 2015 disaster declaration, no bureaus reported loss of or damage to property in excess of the policy's \$100,000 deductible in the past 5 years.

#### **Fine Art Insurance Claims**

During this same 5-year period, four damage claims have been filed against the Fine Art policy. A total of \$22,003 has been paid to the owning bureau.

#### **Excess Liability Insurance Claims**

The excess liability insurance placement has two self-insured retentions (SIR). For all torts, there is a \$1,000,000 SIR, except police activities is subject to \$2,500,000 self-insured retention. The policy has specific requirements for reportable incidents. Over the past five years, adjusters have reported 19 claims to the excess carriers. To date none of these reported claims have breached the retention into the excess policy. The City has only touched its excess coverage for six claims since 1976. Five occurred between 2006 and 2010. All are now closed.

#### **Excess Workers' Compensation**

This policy placement currently has a \$850,000 self-insured retention. Since 1978 retention levels have varied. City Risk has reported 27 claims to the Excess Carrier. Currently only seven claims are reserved in excess of that year's self-insured retention. Only two claims have so far exceeded the retention.

#### **Portland International Raceway General and Excess Liability**

Required by contract, there have been nine claims against these policies. Two are still open. The payout on the most serious claim from 2010 exceeded \$1,000,000 which was paid by the commercial insurance policy.

## Loss Prevention

**Objectives:** Influence, advise and assist bureaus to identify risks, manage hazards, minimize harm, assure compliance with safety requirements, and encourage best management practices to protect people and property.

## Loss Prevention

### Property Protection Program

City facility and asset managers prevent and mitigate accidental loss to City owned property. They also increase resilience through design, technology and loss prevention programs. City Risk brings Loss Prevention Engineering services to bureaus from the current insurer. Services include:

- Plan/Design Review of New Acquisitions, New Construction and Major Remodels;
- Human Factors Loss Prevention programs: Hot Work Permits; Red Tag Valve Impairment;
- Post-Qquake Fire Prevention equipment recommendations; and,
- Loss Prevention Engineering inspections, reports, and recommendations.

These services are available at no direct charge to insured property owning bureaus. Putting recommendations into practice reduces accidental loss and improves recovery time and cost following a loss. This program directly contributes to City disaster readiness.

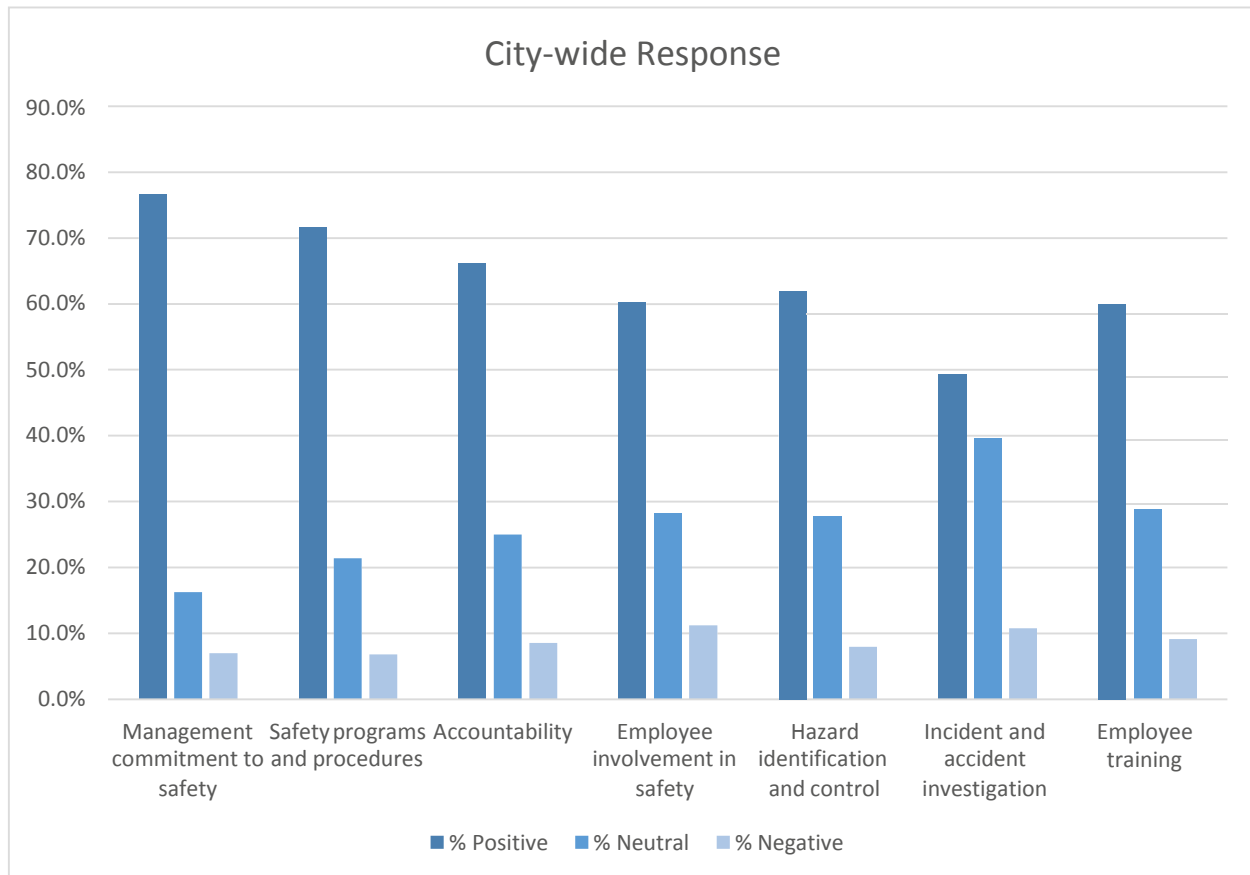
### Employee Safety Program Services

City Risk helps bureaus detect hazards and put in place required programs and best practices to improve safety. Services include: research, advice, consultation, procedure templates, and other assistance to aid the bureaus in addressing safety and loss prevention challenges. City Risk Safety experts help bureaus assess indoor air quality complaints, manage workstation setups, conduct required workplace noise surveys and hearing loss testing, organize required safety committees, and produce Occupational Safety and Health Act (OSHA) required injury logs.

### Monitoring Safety Culture – Employee Safety Perception Surveys.

In 2014 City Risk conducted the first Citywide Safety Perception Survey in almost 20 years. It provides an up-dated baseline to monitor safety culture and indicators of employee engagement. Over 1220 City employees responded. That is a response rate of 25%. They graded the City's Safety efforts on:

- Management Commitment
- Safety Programs and Procedures
- Accountability for Safety
- Employee Involvement in Safety
- Hazard Identification and Control
- Incident and Accident Investigation
- Employee Safety Training



Graphic 20 - Total 1221 Employee response to 2014 Safety Perception Survey broken down by positive, neutral and negative perception of the City's safety efforts.

The survey and analysis is based on a widely used survey tool with validated analysis techniques. Research shows the best improvements come from focusing on increasing the positive response to the questions. Any item with less than 80% positive needs “immediate” attention. Across each major bureau, Incident and Accident Investigation is the lowest ranking category.

In addition to identifying areas of weakness, the survey is designed to tease out perception gaps between employees, supervisors and managers. Combined, a survey allows an organization to focus on the areas that need to be strengthened.

Overall, supervisors had a more positive perception of safety efforts than workers or managers. Only managers graded “Management Commitment” as strong or good performance. Managers and supervisors had similar perceptions of safety performance. But employee perception was much less positive across all categories than either managers or supervisors.

Data was analyzed for each of the larger bureaus. Written reports were shared with bureau executives. City Risk is preparing to repeat the survey latter in 2017.

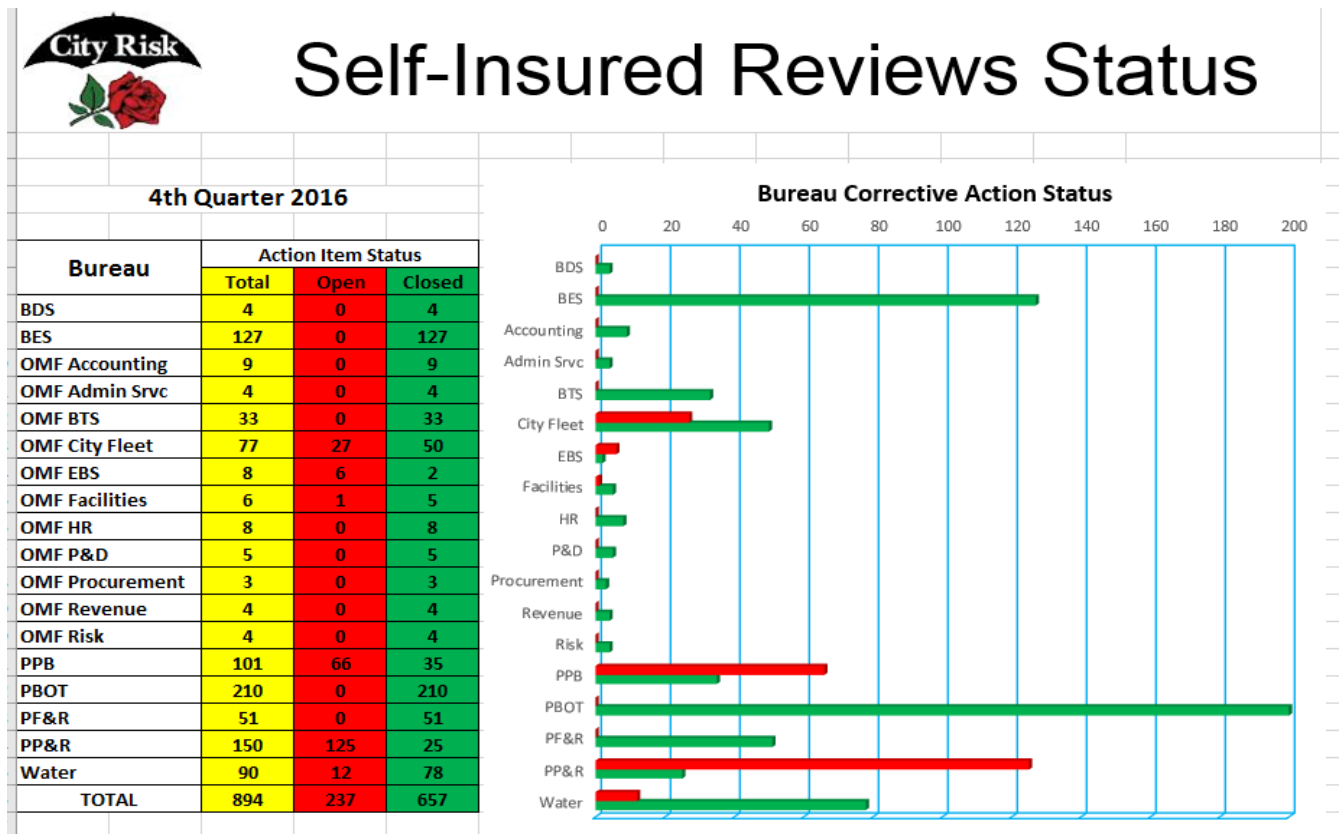
#### **Self-Insured Reviews of Safety and Loss Prevention Programs**

Oregon requires self-insured employers to assure safety and loss prevention at each work location. City Risk conducts required reviews of the decentralized bureau loss prevention

efforts. Between 2013 and 2015, the Loss Prevention team performed required reviews to assess the status of basic safety programs by:

- Review of bureau's written employee safety programs
- Selected worksite inspections
- Employee interviews
- Reports of observations and recommendations.

Bureau executives received written reports. City Risk Loss Prevention Specialists followed up to offer assistance in risk ranking noted hazards and implementing corrections. A progress report tracked success in closing outstanding recommendations.



Graphic 21 - 2015 Self-Insured Review Phase One. 2016 Final Quarter Corrective Action Report.

For the calendar year of 2016, City Risk Loss Prevention has focused on:

- Closure of Corrective Action Plans Self-Insured Reviews;
- Evaluations of 2015 OSHA 300 Logs recordable injuries and illnesses incident investigations and corrective actions; and,
- The system used by each bureau for investigating all recordable occupational injuries and illnesses that includes corrective actions and written findings.

## Driving Safety Services

City Risk provides services to bureaus to limit driving related claims and injuries to employees and other road users. These efforts also support the City's Vision Zero initiative.

City Risk is responsible to provide Core Driver Safety services that include defensive driving training, motor vehicle record checks, and driver license monitoring.

Between 2013 and 2016, City Risk proposed a refresh with multiple updates of the City's administrative rules HR 3.09 Driving Records and HR 4.13 Vehicle Loss Prevention.

- HR 3.09 Driving Records requires Motor Vehicle Record (MVR) reviews and Drivers' License monitoring. In the past five years, City Risk has conducted 1003 MVR and license reviews.
- HR 4.13 Vehicle Loss Prevention requires drivers of City vehicles to take a defensive driving class every three years. In 2016, City Risk launched an online class through City Learner. This program allows City drivers to meet the training requirement with less downtime than the classroom training.

Beginning in 2015, City Risk has access to a resource to provide the following specialty Driver Safety Services. These include:

- Behind the Wheel Coaching
- Special Conditions Driving Instruction
- Specialty Powered Equipment Training and Certification
- Van driver training

During 2015-16, bureaus used over 200 hours of these services to address special driver needs.

Legislative changes in the State of Washington has opened a new opportunity to regularly monitor City drivers who are Washington residents. City Risk has been working with City Attorney and Bureau of Human Resources to develop a program to take advantage of these changes.

Another update to HR 4.13 changed the Fleet Accident Review Board (FARB) to Crash Analysis and Recommendations (CAR.) City Risk coordinates a multi-bureau team. Bureaus can propose crashes to be reviewed. Drivers have an opportunity to participate in the review.

Recommendations are sent to the supervisor of the driver involved in the crash. In the past three years the Crash Analysis and Recommendations team has reviewed over 300 crash events.

## Ergonomics

City Risk coordinates Office and Seated Work Ergonomic services. This program has virtually eliminated claims for upper extremity, musculoskeletal injury due to repetitive motion or awkward postures. Ergonomic workstation setups improve employee comfort and productivity. Services include:

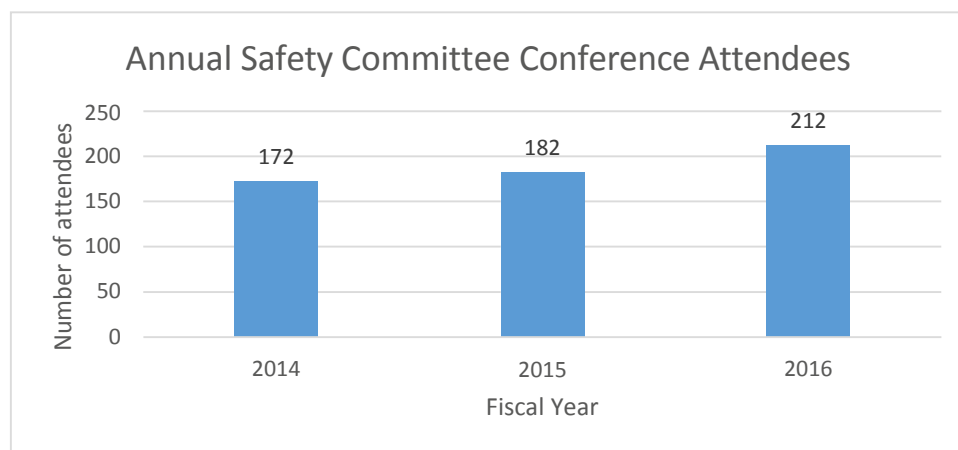
- Training Bureau Ergo Coordinators to do initial workstation assessment, set-up and equipment purchase

- Assist Procurement in setting technical specifications for adjustable seating, work surfaces and equipment in the purchasing agreements
- Conduct ergonomic assessments of special needs employees on site or in the City Risk Ergo Lab

In the last two years, City Risk has performed 577 ergonomic assessments for employees with special needs that could not be done by Bureau Ergo Coordinators.

### Safety Training

City Risk partners with bureau Safety and Risk staff to hold an annual conference for bureau safety committees. Working with bureau safety and safety committee representative, a full day conference features topics and speakers of interest to bureau safety committees. A special “boot camp” track is available to new committee members. Experienced members can attend more advanced sessions.



Graphic 22 - Attendees at the Annual Safety Committee Conference.

## Occupational Health and Infectious Disease

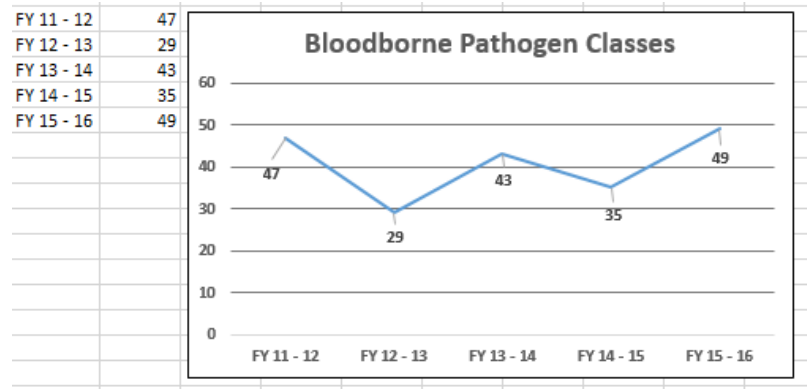
**Objectives:** Comply with certain OSHA rules; provide bureaus direct, professional occupational health services for workplace infectious disease exposures; lead Emergency Points of Dispensing program; conduct annual Seasonal Flu onsite clinics.

Occupational Health and Infectious Disease program is staffed by a licensed, professional registered nurse. This nurse specializes in Occupational Health. The Nurse oversees contracts for Occupational Medical Physician Services and 24/7 Blood and Body Fluid Triage call line. The Nurse’s services focuses on:

- **Blood Borne Pathogens(BBP):** Provide OSHA BBP training, preventive immunizations, and exposure management and counseling through the six-month follow-up period.
- **Seasonal Flu:** organize no cost, onsite flu clinics; recruit and schedule volunteer registered nurses to staff onsite clinics; coordinate clinic locations, scheduling and promotion with bureau liaisons.
- **Points of Dispensing (PODs):** Establish and train employee quick response teams to operate PODs as a partner with State and local Public Health agencies in the event of Bioterrorism attack.
- **Infectious Disease Research and Advice:** respond to bureau concerns about workplace infectious diseases; research and response to potential emerging infectious disease outbreak.

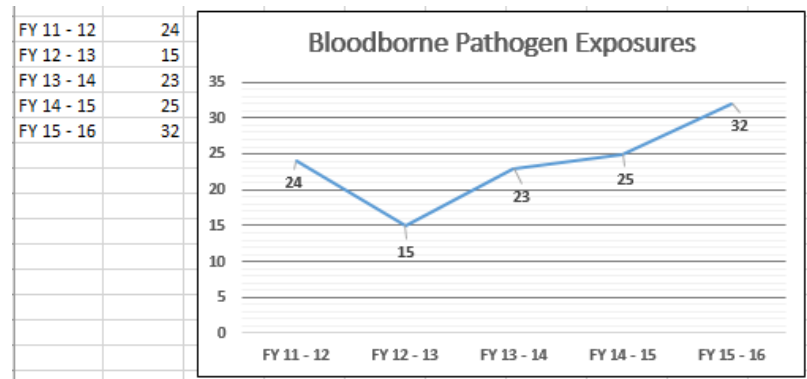
- **Respirator Program Medical Certification:** Review OSHA mandated Respirator Questionnaires and provide documentation for clearance for fit testing and respirator use.

**Blood Borne Pathogen** services are available to all bureaus who request them. Most services are used by Police Bureau. Fire Bureau relies on its own internal staff. The Nurse is available to provide OSHA required training to all City employees.



Graphic 23 - Number of OSHA mandated BBP courses requested by Bureaus. Participant numbers in each class varied from 3 to 450 per class.

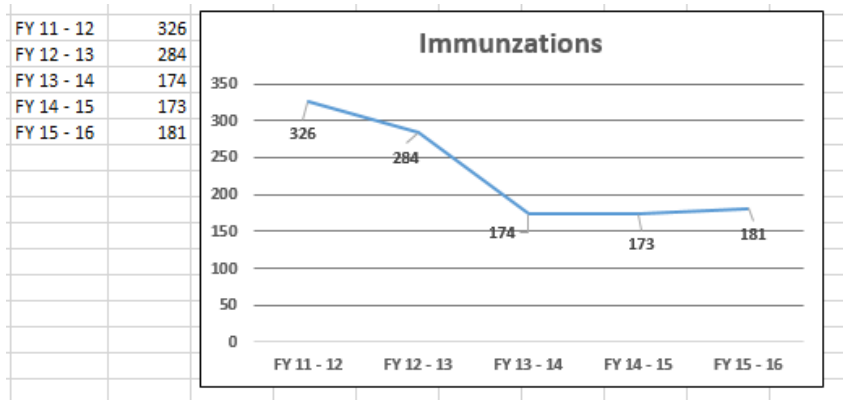
Employees may have contact with blood or other potentially infectious body fluids in the course of their jobs. They can call the 24/7 Triage line. A registered nurse will assess the incident. Some exposures are more serious. In those cases, the worker is directed to immediate medical care. City Risk will follow up on a call or a medical referral. We conduct follow-up lab testing, and the Nurse is available for counseling.



Graphic 24 - Number of serious blood borne exposure tracked by FY.

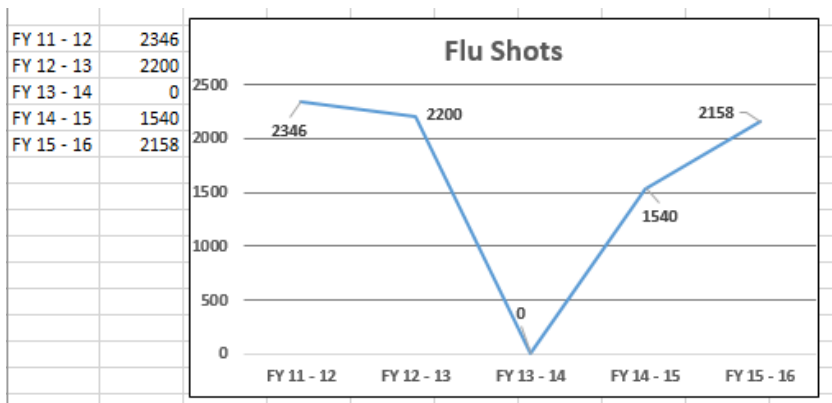
OSHA requires preventive Hepatitis B vaccine be offered to “occupationally exposed” workers. It is a series of three shots. The Nurse documents the vaccination or the Workers’ refusal. Numbers are expected to continue to decline. Most new workers entering the workforce now have been vaccinated for Hepatitis B as young children.





Graphic 25 - Number of preventive Hepatitis B vaccinations administered to occupationally exposed City employees by FY.

**Seasonal Flu Clinics.** Each year City Risk delivers flu shot clinics at City workplaces. Flu vaccine is offered at no cost to City employees. The program was cancelled as a budget savings in FY 13-14. Bureaus requested the service resume the next year.



Graphic 26 - City employees receiving seasonal flu vaccine at onsite clinics by FY.

The Centers for Disease Control and Prevention (CDC) provided the following evidence-based data that supports the Return on Investment (ROI) of Workplace Flu Immunizations.

The Flu Shot ROI Calculator only accounts for **direct** cost of absenteeism. It does not account for indirect costs. Indirect costs may be “presenteeism” prior to absent days, lost opportunity or lost productivity or costs to replace the sick employee. The calculator excludes doctor’s visits, hospitalizations, pharmacy or funeral costs.

The following is the results of the calculator, using data from the 2016-17 flu season.

Number of Employees	8088	<-- Total number of employees in your company
Price of flu shot	\$ 15.95	<-- Price of flu shot per employee
Other Misc. Flu Shot Costs	\$ -	<-- Add any other costs (travel, incentives, marketing materials, etc.)
Participation Rate	27%	<-- Enter your expected participation rate as a percent
Effectiveness of vaccine	48%	<-- Average effectiveness is between 47%-48% per CDC this season
Avg. Employee Salary (annual)	\$ 59,631	<-- Enter your average employee salary
Avg Work Days in a Year	260	
Avg. Employee Daily Rate	\$ 229	
Avg. employee absence due to flu (days)	6	

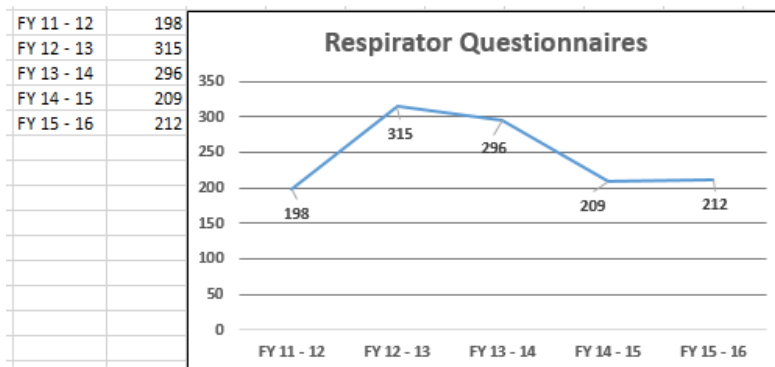
Calculations	Best Case	Likely Case	Worst Case
Prevalence of Flu	10%	15%	25%
Expected Employees Lost without Vaccine	809	1213	2022
# of Cases Prevented with Flu Vaccine	105	157	262
Cost of avg. employee absence	\$ 1,376	\$ 1,376	\$ 1,376
Total Savings of Absenteeism Reduction	\$ 144,243	\$ 216,365	\$ 360,609

Total Cost of Your Program	\$ 34,831	\$ 34,831	\$ 34,831
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ROI \$ Return	\$ 109,412	\$ 181,534	\$ 325,778
ROI % Return	214%	421%	835%

Based on the ROI Flu Calculator (from TotalWellnessHealth.com), the City could realize between **\$109,412 and \$325,778 in return on investment** with its Flu Immunization Program.

**Respirator Program Medical Certification.** OSHA requires workers exposed to dangerous levels of air borne contaminants use a well-fitting respirator. The worker must be medically able to wear the device. The Nurse is able to screen the required questionnaires to either allow fit-testing or refer the worker for further evaluation.



Graphic 27 - OSHA required medical review of respirator questionnaires conducted by the Occupational Health Nurse would typically cost \$20/questionnaire by an outside vendor.

**Points of Dispensing (PODs).** The Occupational Health Nurse leads the Citywide Point of Dispensing (POD) program in cooperation with Portland Bureau of Emergency Management (PBEM) and Multnomah County Public Health (MCPH.) Several bureaus have agreed to host PODs and have staff trained. PODs would open to dispense medical countermeasures in the event of a bioterrorism attack.

The Occupational Health Nurse is able to address a number of unplanned and unusual potential health events. She works closely with the City's Occupational Medicine physician and with Multnomah County Public Health. The Nurse has conducted City employee blood lead monitoring and tuberculosis testing as situations demand. She was able to vaccinate a work group exposed to pertussis. She regularly advises bureaus on infectious disease concerns from co-workers and visitors. And she researched information about potential Ebola events in preparation for coordinated response if necessary.

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Graphic 01: Commercial Insurance Policies and Premiums in place during 2016.

Graphic 02: Value of City-owned property covered by commercial property insurance, by bureau, as of 12/31/2016.

Graphic 03: Incurred cost and claim count by line of coverage of all self-insured claims by dates of loss between FY 2011-12 through FY 2015-16 valued as of 12/31/2016.

Graphic 04: The number of general liability claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N=2687 total number of claims.

Graphic 05: Major causes of general liability claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.

Graphic 06: General Liability Claim incurred cost valued as of 12/31/2016 with dates of loss in each FY sorted by Bureau.

Graphic 07: The number of auto liability claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N= 804.

Graphic 08: Major cause and type of auto liability claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.

Graphic 09: Auto Liability Claims incurred cost valued as of 12/31/2016, with dates of loss in each FY sorted by Bureau. Graphic 10: Number of all General liability and Auto liability claims in open status regardless of dates of loss.

Graphic 11: The number of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16, distributed by incurred cost. Valued as of 12/31/2016. N= 1112.

Graphic 12: Major cause of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16 based on incurred cost valued as of 12/31/2016.

Graphic 12.5 - Type of workers' compensation claims with dates of loss between FY 2011-12 through FY 2015-16.

Graphic 13: Workers' Compensation Claims incurred cost valued as of 12/31/2016, with dates of loss in each FY sorted by Bureau.

Graphic 14: Number of all workers' compensation claims in open status regardless of dates of loss.

Graphic 15: Recoveries from the State Employer at Injury fund by year collected.

Graphic 16: Recoveries from the State of Oregon Employer at Injury Program collected between FY 2011-12 through FY 2015-16, sorted by Bureau, valued as of 06/30/16.

Graphic 17: Total amount collected through subrogation, valued as of 12/31/2016 sorted by fiscal year.

Graphic 18: Total amount collected through subrogation between FY2011-12 through FY 2015-16, valued as of 12/31/2016, sorted by Bureaus.

Graphic 19: Number of open claims to recover damage to City property by fiscal year.

Graphic 20: Report Total 1221 Employee response to 2014 Safety Perception Survey broken down by positive, neutral and negative perception of the City's safety efforts.

Graphic 21: 2015 Self-Insured Review Phase One. 2016 Final Quarter Corrective Action.

Graphic 22: Attendees at the Annual Safety Committee Conference.

Graphic 23: Number of OSHA mandated BBP courses requested by Bureaus. Participant numbers in each class varied from 3 to 450 per class.

Graphic 24: Number of significant blood borne exposure tracked by FY.

Graphic 25: Number of preventive Hepatitis B vaccinations administered to occupationally exposed City employees by FY.

Graphic 26: City employees receiving seasonal flu vaccine at onsite clinics by FY.

Graphic 27: OSHA required medical review of respirator questionnaires conducted by the Occupational Health Nurse would typically cost \$20/questionnaire by an outside vendor.

Agenda No.

**REPORT TO COUNCIL**

Title

Accept the 2017 Risk Management Report (Report)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Ted Wheeler</b>	CLERK USE: DATE FILED <u>JUL 03 2017</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration —Wheeler <u>WD</u> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety – Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <u>[Signature]</u> Deputy
<b>BUREAU APPROVAL</b> OMF: Tom Rinehart <u>[Signature]</u> BIBS: Bryant Enge <u>[Signature]</u> Risk Management: Kate Wood <u>[Signature]</u>	<b>ACTION TAKEN:</b> JUL 13 2017 <b>ACCEPTED</b>
Prepared by: Deborah Hyde Date Prepared: June 20, 2017	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date: July 12, 2017	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> <span style="float: right;">26</span> Total amount of time needed: <u>45</u> minutes (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<u>          </u>	<u>          </u>
2. Fish	2. Fish	<u>          </u>	<u>          </u>
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	