
Risk Management Division Municipal Manager

Anchorage: Performance. Value. Results.

Purpose

Minimize the financial impact and loss of "Human resources", from known and unknown events and accidents.

Core Services

- Process auto liability, general liability and workers' compensation claims timely and in compliance with prevailing statutes
- Pursue all recoveries of damage to Municipal property directly, through arbitration, MOA Prosecutor and the District Attorney's office
- Review all permits, contracts and Request for Proposal (RFP) to ensure contractors have adequate insurance to protect the MOA
- Market excess auto liability (AL), general liability (GL), workers' compensation (WC) and property coverage

Accomplishment Goals

- 24 hour claimant contact and zero Workers' Compensation late payment penalties
- Recover \$1,000,000 annually in damage to MOA property
- Assure a 24 hour turn around on all permits, contracts & Request for Proposal (RFP)
- Hold insurance renewals to expiring premiums or less annually for both the MOA and ASD. Inventory is added as acquired.

Performance Measures:

Progress in achieving goals will be measured by:

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| Measure #1: Length of time for reporting Departmental to Risk Management |
|---|

| 2012 | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Workers' Compensation reports received later than 48 hours | *115/72 63% | *116/82 71% | | |

*# of reports received / # of reports received late

| 2011 | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Workers' Compensation reports received later than 48 hours | *133/58 44% | *113/49 43% | *102/37 36% | *145/69 48% |

*# of reports received / # of reports received late

Measure #2: Receipts of all recoveries deposited by Risk Management through Cash Management

| 2012 | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Subrogation owed | \$170,466.08 | \$51,047 | | |
| Subrogation paid | \$76,111.87 | \$32,698 | | |
| % collected | 45% | 64% | | |
| WC, GL, AL cost | \$2,002,703 | \$797,539 | | |
| WC, GL, AL recovery | \$251,542 | \$320,403 | | |
| % Collected | 13% | 40% | | |

| 2011 | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Subrogation owed | \$197,058 | \$221,955 | \$209,624 | \$146,234 |
| Subrogation paid | \$116,888 | \$57,755 | \$133,830 | \$47,887 |
| % collected | 59% | 26% | 64% | 33% |
| WC, GL, AL cost | \$788,451 | \$618,740 | \$943,602 | \$2,265,053 |
| WC, GL, AL recovery | \$407,588 | \$442,663 | \$196,343 | \$278,298 |
| % Collected | 52% | 72% | 21% | 12% |

Measure #3: Incoming and outgoing permits, contracts and Request for Proposal log to process within 24 hours.

| 2012 | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| # of permits and contracts | 91 | 155 | | |
| # processed in 24 hrs | 91 | 155 | | |

| 2011 | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| # of permits and contracts | 80 | 168 | 90 | 130 |
| # processed in 24 hrs | 80 | 168 | 90 | 130 |

Measure #4: Insurance renewal cost to remain within 10% annual increase.

| | 2009 | 2010 | 2011 | 2012 |
|--|----------------------|-------------------|----------------------|----------------------|
| Auto and General Liability | \$318,622 | \$318,997 | \$307,584 | \$312,710 |
| % increase/decrease | | | -3.6% | 2% |
| Property Excess Insurance | \$947,710 | \$880,684 | *\$1,070,670 | \$1,116,710 |
| % increase/decrease | | | +18% | 4% |
| | No Membership Credit | Membership Credit | No Membership Credit | No Membership Credit |
| Workers' Compensation Excess Insurance | \$308,140 | \$310,405 | \$313,234 | \$292,023 |
| % increase/decrease | | | +1.1% | -7% |

Safety Division Municipal Manager

Anchorage: Performance. Value. Results.

Purpose

Protect the employees and citizens of the Municipality from unsafe conditions and acts.

Core Service

Determine frequency and severity as pertains to "Root Cause of Accidents"

Accomplishment Goal

Lower the cost of Municipal operations by reducing both the number of accidents and the severity of accidents in workers' compensation, auto liability and general liability exposures.

Performance Measures

Progress in achieving goal shall be measured by:

Measure #1: Reduction in the number of incidents/claims by 5% annually

| 2012 | 1 st Quarter # claims | \$ Amount | 2 nd Quarter # claims | \$ Amount | 3 rd Quarter # Claims | \$ Amount | 4 th Quarter # Claims | \$ Amount | Year End Total | |
|-----------------------|--|-------------|--|-----------|--|-----------|--|-----------|-------------------|--|
| General Liability | 1 | \$25,150 | 7 | \$52,858 | | | | | | |
| Auto Liability | 4 | \$96,211 | 5 | \$27,713 | | | | | | |
| Workers' Compensation | 108 | \$1,881,342 | 116 | \$716,968 | | | | | | |
| Total | 113 | \$2,002,703 | 128 | \$797,539 | | | | | | |

| 2011 | 1 st Quarter # claims | \$ Amount | 2 nd Quarter # claims | \$ Amount | 3 rd Quarter # Claims | \$ Amount | 4 th Quarter # Claims | \$ Amount | Year End Total | |
|-----------------------|--|-----------|--|-----------|--|-----------|--|-------------|-------------------|-------------|
| General Liability | 1 | \$7,650 | 4 | \$6,789 | 5 | \$14,473 | 1 | -\$5,150 | 11 | \$23,762 |
| Auto Liability | 4 | \$99,276 | 7 | \$58,150 | 8 | \$41,992 | 9 | \$184,510 | 28 | \$383,928 |
| Workers' Compensation | 116 | \$681,525 | 131 | \$553,801 | 106 | \$887,137 | 150 | \$2,085,693 | 503 | \$4,208,156 |
| Total | 121 | \$788,451 | 142 | \$681,740 | 119 | \$943,602 | 160 | \$2,265,053 | 542 | \$4,615,846 |

| | | | | | | | | | | |
|----------------------------|-----|------|------|------|--|--|--|--|--|--|
| 2012 Increase/ Decrease | -7% | +39% | -10% | +15% | | | | | | |
|----------------------------|-----|------|------|------|--|--|--|--|--|--|

Performance Measure Methodology Sheet
Risk Management Division
Municipal Manager

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|--|
| Measure #1: Length of time for reporting of Departmental reports, claims and incidents to Risk Management |
|--|

Type

Effectiveness

Accomplishment Goal Supported

Claim handling as required by the Alaska Fair Claims Settlement Act and Workers' Compensation Act

Definition

Workers Compensation Coordinator reviews reports to State of Alaska Department of Labor and seeks recovery of penalty from contractor.

Data Collection Method

Monthly, quarterly and annual reports to all department heads and Municipal Manager

Frequency

Monthly, quarterly and annually

Measured By

The Risk Manager and actuarial studies

Reporting

Risk Management will create monthly, quarterly and annual reports regarding claim handling and penalties

Used By

All division directors, department heads, supervisors and safety officers

Performance Measure Methodology Sheet
Risk Management Division
Municipal Manager

| |
|--|
| Measure #2: Receipts of all recoveries deposited by Risk Management through Cash Management |
|--|

Type

Efficiency

Accomplishment Goal Supported

Increase in percentage of recovery of damages

Definition

3rd party claims investigated and pursued by Risk Management

Data Collection Method

File Maker Pro data base and Cash Management

Frequency

Daily, monthly and annually

Measured By

The Risk Manager and Cash Management

Reporting

Monthly reports to Municipal Manager

Used By

OMB and Finance

Performance Measure Methodology Sheet
Risk Management Division
Municipal Manager

| |
|---|
| Measure #3: Incoming and outgoing permits, contracts and Request for Proposal log to process within 24 hours |
|---|

Type

Efficiency

Accomplishment Goal Supported

24 hour turn around on all permits, contracts and Request for Proposal (RFP)

Definition

All insurance issues contained in permits, contracts and Request for Proposal (RFP) are reviewed by Risk Manager

Data Collection Method

A daily log of incoming and outgoing items are recorded

Frequency

Daily

Measured By

The Risk Manager

Reporting

Monthly to Municipal Manager

Used By

Departments, purchasing and legal for tracking location of item

Performance Measure Methodology Sheet
Risk Management Division
Municipal Manager

| |
|--|
| Measure #4: Insurance renewal cost to remain within 10% annual increase |
|--|

Type

Effectiveness

Accomplishment Goal Supported

Maintain the most comprehensive and competitive coverage's available

Definition

Risk Management reviews quotes and coverage's twice a year for property, workers' compensation, auto liability and general liability coverage's and negotiates renewals

Data Collection Method

Insurance Broker and Risk Management

Frequency

Bi annually

Measured By

Risk Manager and Broker

Reporting

Bi annually to Municipal Manager, Finance and OMB

Used By

OMB and Finance

Performance Measure Methodology Sheet
Safety Division
Municipal Manager

| |
|---|
| Measure #1: Reduction in the number of incidents/claims by 5% annually |
|---|

Type

Effectiveness

Accomplishment Goal Supported

OSHA Act 1970, Workers' Compensation and Loss Runs

Definition

Incidents and injuries reported to Risk Management regarding MOA employees and citizens

Data Collection Method

Monthly, quarterly and annually reports from all Municipal departments

Frequency

Monthly, quarterly and annually

Measured By

OSHA 300 logs, near miss reports and Third Party Administrator loss runs

Reporting

Monthly, quarterly and annually and as requested by the Municipal Manager and Department Directors

Used By

All division directors, department heads, supervisors and safety officers