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CLARK COUNTY
WASHINGTON

Risk Management 2009 Update

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Risk Manager

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EXECUTIVE SUMMARY

The Risk Management Division (RMD) annual report for 2008 summarizes activities not only for 2008 but includes information regarding the first 8 months of 2009. Since submission of the 2008 report was delayed, inclusion of the additional information regarding the department's continued activities is appropriate and necessary to fully capture the events that have transpired since our last report.

This is the an ongoing report prepared by the Risk Management Division (RMD), which includes the offices of Occupational Health and Safety, Americans with Disabilities Compliance and Continuity of Operations. In a collaborative effort from the aforementioned offices, Risk Management has reduced the County's claim loss size and frequency while realizing a reduction in per unit costs in the insurance renewals of:

- Workers' Compensation (State Fund),
- Workers' Compensation Excess,
- Aircraft Liability,
- Surety and Elected Bonds and
- Work-Crew Medical Pay renewal rate.

Though property and casualty rates have increased on a national level and loss experience frequency has also increased, Clark County continues to maintain a low experience rating. Much of this can be attributed to effective training of County personnel that targeted risk avoidance, mitigation, and fostering a culture of safety. Clark County still maintains the lowest experience rating among all 28 member Counties; lowest, third year in row.

The Department of Labor and Industries, as well as the County's Excess Workers' Compensation Coverage carrier, conducted audits of the Workers' Compensation (fund 5043) program. Suggested liability funding and assessments were published by an independent actuary for fund 5040. Major audit highlights identified structural shortfalls in

designated revenues and budget adequacy. Though revenues are currently adequate in the 5043 fund, there is insufficient budgetary authority for budget. At Readopt the budgetary authority will be requested. It was proposed that the 5040 budget and revenues be increased. A request was submitted respectively with no action taken at this time. In July 2009, an additional \$400K+ was added to keep 5040 solvent.

The Occupational Health and Safety Office (OHSO) continued to reduce potential liability by improving worker safety and addressing risk assessments such as non-ionizing radio frequency safety for county-owned communication towers, re-assessing hundreds of county confined spaces and re-visiting county procedures to ensure proper precautionary measures are in place for potential tuberculosis exposures infections in County jails and the Public Health Department. In addition, the OHSO office is assisting with the County's railroad project. As the date of this printing, the Risk Management Office is awaiting the complete cost of repair, functionality and overall County risk for railroad bridges. This assessment crossed over into Rail, Public Works and Parks. To date, initial findings have forced a shut down of the Lewis River Rail Bridge.

The Continuity of Operations (COOP) section has worked diligently with all county departments to identify essential functions and lay the foundation for preparation and planning of emergencies that could have a significant impact on the County's ability to deliver services. Additionally, the County's Emergency Management System and the Emergency Notification System were tested by actual incidents (snow/flood, a bomb threat and sudden high wind advisory). These real-world events identified some areas of needed improvement while demonstrating their worth for County continuity operations.

MISSION

The Risk Management Division (RMD) preserves the County's resources through the transfer, mitigation, financing, and segregation of risks. The RMD administers the County's Property and Casualty program, the Self-Insured Workers' Compensation Program and Claims against the County in general. Also, the RMD consults, trains, and advises County personnel and citizens in liability exposure reduction, both operational as well as contractual, and all Occupational Health and Safety issues and Americans with Disabilities Act concerns.

STRUCTURE

The Risk Management Division completed its 22nd year administering Clark County's Self-Insurance program. The RMD directs much effort toward training, consulting, and monitoring programs that affect the County as well as its citizens. Primary activities, though not exhaustive, include the following:

- Proactive Risk/Loss Mitigation and Consulting
- Occupational Health and Safety training, reporting, compliance, and program adjustment based on constantly monitored performance measures
- Claims Management, subrogation, negotiation and mitigation in Liability, Property and Workers' Compensation interfacing with the Prosecuting Attorney's Office and the Washington Counties Risk Pool
- Self-Insured Insurance Program design, purchase, management and compliance

- Management of funds 5040, 5043, and ADA and COOP Grants respectively
- Contractual review, interfacing with Purchasing and Public Works engineering for Insurance sufficiency in type, amount, and coverage(s)
- The design, planning, execution, and maintenance of an effective Continuity of Operations Plan
- Americans with Disabilities Compliance which not only mitigates County exposure to potential civil litigation but, more importantly, improves access to county programs and services for individuals with disabilities.

The Risk Management Division is comprised of 5 personnel; the Risk Manager, Occupational Health and Safety Program Specialist, The Continuity of Operations Coordinator, the Claims and Risk Analyst, and an Office Assistant II.

ASSESSMENTS

Previously, Risk Management provided monthly reports, deemed too narrow in scope; the reports got lost in the morass of paper, did not include trends or indicators of significance, and were not indicative of a "green organization." By switching to a longer time-frame report, trends become clear and measurable over time with analysis more statistically significant. In conjunction with HR, develop training plans designed to adjust for the highest frequency and costliest losses.

The last two years have focused risk assessments on controllable exposures. These are workers' compensation frequency and severity and more obscure, but very dangerous areas, such as confined space and radio frequency exposure.

RISK ANALYSIS

Prior to the 2nd Quarter of 2007, the focus of the Clark County Risk Management Office was primarily seen as an office that responded to property, casualty and Workers' Compensation claims; serving as a claims office instead of a risk management office. Since that time, the newly re-organized Risk Management Division has recognized the need to become proactive by not only addressing property and casualty claims but by reducing potential liability through outreach, policy development and training of county personnel.

Following the initial risk assessment of the County, over the course of 2007, it became apparent that the RMD had several areas to address to reduce liability exposures. The RMD has since combined the strategies of the old RMD office regime with those of the new and now utilizes a multi-prong approach to reduce liability while improving workplace safety and increasing production. This approach includes:

- Utilization of safety and risk assessments
- Proactive requests for internal and external audits
- Immediate, courteous and thorough response to claims
- Cross training of RMD staff to fill voids due to vacation and/or sick time
- Identification of training needs and coordination of high-level training for county personnel

- Recognition of county employees' experience and incorporation of their talents in safety and COOP committees
- Use of questionnaires for employee input
- Creation of internal safety checklists to ensure safety equipment and required publications are made available to staff.
- Creation of a "Return-to-Work" program to assist employees that have been on extended medical or injury leave to return to work as soon as possible.
- RMD bolstered the County's assessment capability by restructuring the responsibilities and assignments of one of its employee positions, changing culture internally while expecting more from RMD team members.

An example of a proactive action by the RMD was the recognition, through employee input, of a need to assess worker security and safety at the Center for Community Health. Steps were taken to clearly identify the concern by conducting interviews, circulating questionnaires and fostering discussion through safety and COOP committees. The RMD then sought assistance from the County's insurance broker, AJ Gallagher, and a "threat assessment" is being performed which will identify areas where improvements can be made.

Table #1 (pg 6) displays a trend recognized by the RMD, based on historical frequency (F) and severity (S) records, where the highest value targets are to reduce claims costs to the County. It is clear that employment claims are the least frequent, but the most expensive per loss. Infrastructure losses are typically road hazards, gravel, snow removal, etc.

However, the largest aggregate dollar losses occur in the smaller, more frequent claims. In '08-'09+, the most frequent liability loss was *slow-speed* backing ... a continued problem and liability for the County Primarily in Public Works and Law Enforcement. Utilizing this data, Risk Management increased training for employees significantly through additional hands-on, classroom and on-line drivers training. A new, cost free, Driver's Training 6-module training set is currently in use on the County's Learning Management System.

Other areas of potential liability were the apparent need for supervisors and managers to understand the Public Records Act and supervisory responsibilities in a number of areas. As a response to this need, the RMD coordinated Public Records Act courses as well as a variety of supervisory classes. In total, fifty-one risk management and occupational health and safety courses were coordinated for county staff. Ergonomics, which poses a significant number of worker's compensation claims, was also identified as a specific training area of need. The RMD is collaborating with the County's Human Resources Office to increase training in subject matter, courses quantity and quality, and class locations that are most advantageous and beneficial to County staff. This should flatten or at least decrease the County's exposures and help maintain a good experience rating at minimal cost.

TABLE 1 – RISK MATRIX

FREQUENCY				
S E V E R I T Y		Low	Moderate	High
	High	Employment Losses F(2%) S(\$97K)		
	Moderate		Vehicle Operation F(24%) (\$4.7K)	Law Enforcement F(34%) S(\$2.7K)
	Low			Infrastructure F(40%) S(\$2.2K)

EFFICIENCIES BENCHMARKS

In benchmarking RMD's internal efficiencies, the RMD measured two major areas against Spokane County, a County relatively similar to Clark County in size, scope, legislative constraints and demographics.

- Cost of Risk

A major measure of efficiency is the "Cost of Risk". This is the overall cost of the Risk program as measured against the County Budget. This includes all costs such as policy renewals, workers' compensation and liability costs as well as wage and benefit totals. Ideally, nationally, costs should be 2% or less. It has taken Spokane County three years to shave theirs from 2.35% to 2.00%. Clark County's Cost of Risk is generally equal to or less than one percent, half of Spokane County's. In 2007, Clark County was at 8/10ths of one percent, 2008 is one percent even; 2009 will be about 1.1%. Not because the costs of risk went up, (no budget change) rather the denominator, the countywide budget, went down so significantly. In 2010, with premium rates rising, investment returns stagnate, and claims costs growing larger, the cost of risk should be about 1.4%. It should level out here with all the preceding improving thereafter.

- Compliance Claim Audit

An additional noteworthy benchmark comes for a WCRP Compliance Claims Audit of the twenty-eight counties in the Washington Counties Risk Pool (WCRP) (see Addendum). Approximately, every three years, Clark County receives an audit of its complete program. In this case, the auditor, David Goldsmith, noted that Clark County reported 3.9% of all Pool hours worked, yet Clark County represented only 3.3% of the Pool's total claims. In addition, Clark County was only responsible for 1 percent of the Pool's total payouts. This highlights the effective preventive training, claim/loss mitigation, and operating efficiency of the Clark County Risk Management program. (Table #10)

- Staffing

Another favorable measure of efficiency is the number of staff RMD employs to execute its program based on the County population. In RMD's case, even after addition of the Continuity of Operations position (COOP), the RMD has one employee per 84,000 citizens verses Spokane County that has one employee per 41,000. The Clark County RMD does nearly as much work with half the employees, at half the cost. If the RMD were staffed on an equivalent and proportional basis, Clark County would have to hire six additional personnel and double cost of operation.

PROPERTY AND CASUALTY POLICY CHANGES

(JSLIP) In July 2009, the Washington Counties Risk Pool Board approved some coverage be suspended in its joint liability agreement. The Pool agreed to no longer pay for claims from Public Records requests. Some Small Deductible Counties were abusing the system. The Pool also now permits a County to "go it alone" if they choose not to follow the direction of the Risk Pool. When a BOCC of any given county decide to do this, the complete exposure is theirs to own, without coverage. This is for those rare occurrences where the WCRP Board wants to settle and the County Board for various reasons does not. To stem lawsuits from this situation, the BOCC must approve the individual act as an amendment to the Interlocal agreement; this stems lawsuits against the WCRP but exposes the County with NO insurance coverage. Clark County still maintains a \$500,000 deductible and \$25,000,000 of liability coverage,

WORKERS COMPENSATION, FUND 5043

Through analysis, it became apparent that the Risk Management Interfund transfer was insufficient and was going to deplete the Workers' Compensation Fund if additional hourly assessments were not made. The need for additional funding was discovered many years before but nothing had been done to repair the drain of the 5043 account. As an example of what can happen, the RMD went to the Board for \$680,000 and \$740,000 in FY '06 and '04 respectively as an unplanned cash shortfall. RMD's immediate intervention should preclude any other future, unplanned, cash infusion.

Reserves had gone from over \$1,000,000 in FY 2000 down to just over \$200,000 in mid FY 2007 and in mid 2009, bounces between 250 and 450K. The end of FY 2008 the cash balance was \$483,658. As of the publishing of this report, 24 months later, it appears as though the adjustments worked. RMD submitted a staff report in January of 2009 to raise the rates based on current rates as stated by Labor and Industries. It has been two-years since the last raise and the RMD is holding off as long as possible, based on current economic conditions. The risk rate for each position in the County was reviewed and individually checked which extended the window of time before rates will have to be increased again. The proper adjustment by individual did buy some additional revenue. At the end of 2009, readopt time, RMD will seek additional budgetary authority to utilize the revenue it is currently receiving.

Risk Management will continue this trend until it can achieve and maintain the \$750,000 Self Insured Retention (SIR) required by the County's Excess Workers' Compensation Policy plus an operational level equal to the same. Effectively, the average balance will need to be \$1,500,000 to accomplish this. This would become important especially in the event the County experiences a work-related death of an employee. It would affect the County's deductible, which has occurred in the past. The County needs to be prepared with another deductible behind that one. Clark County Risk Management believes it will eventually achieve this deductible funding level, given the new rates, by the end of the next Biennium, '11-'12.

The total incurred CY2008 Workers' Compensation (W/C) expenditures of \$583,105 was a 26% increase of \$122,142 from \$460,963. To date, Clark County is on track to have about \$600,000 in losses annually, a negligible increase. Labor and Industries assessments have increased by 20%. Though Clark County has reduced open claims from 53 to 33, the lowest end of year number recorded, the costs assessed by the State of Washington continue to increase. To date, Clark County has not passed any cost increase on to the employees.

Clark County employees pay 1 cent per hour when they could be assessed 4.004 cents per hour. Instead of charging 80 cents per pay period, Clark County would average \$3.52 per pay period. This would bring in about \$128K annually. This is why the ergonomic assessments and training systems noted above are so important; they help reduce the frequency, severity and time loss from injury. In spite of the medical CPI going up over the last three years, we have reduced County average cost of workers' compensation claims from 4956 to 3989 per claim. See Table(s) #2

THIRD PARTY ADMINISTRATOR - UPDATE

In May of 2007, Nova Pro Risk Solutions LLC was hired as the County's third party administrator. In June of 2008, one year after selection, Clark County Risk Management had an independent audit by A.J. Gallagher RMS Inc., as well as the State of Washington. The purpose of the audit was to review Nova Pro Risk Solutions LLC's legal and service standards as well as contract compliance. Within 6 months of being hired, Nova Pro's level of service declined and corporately they decided to withdraw from the State of Washington. Their current contract expires in June of 2009 and but RMD went for an RFP earlier based on their withdrawal. This was, in fact, fortuitous given the poor audit results.

RMD awarded a 5-year contract with two one-year extensions to AJ Gallagher RMS INC as Clark County's Broker of Record and Gallagher Bassett Services Inc. as County third party administrator (TPA) for workers compensation. A contractual requirement was that there is an affiliation with a parent, such as a broker of record, to get more service advantage. RMD also wanted the TPA to be within driving distance to improve communication.

ACCIDENTAL DEATH AND DISMEMBERMENT POLICY

Through the County's Insurance Broker, and on behalf of the Washington Counties Risk Pool (WCRP-see Addendum), the Insurer ACE has provided, at no additional cost to the County, an Accidental Death and Dismemberment Policy (A.D. & D.). This is for up to \$100,000 for such items as a limb severance, sight, or function loss, all in addition to Workers' Compensation, Long Term Disability (LTD), or Social Security funds received. ACE paid for driver's training, educational monies up to \$50,000 and the initial costs of the CCSO joining Lexipol, an organization that aids in law enforcement certification. Clark County is no longer insured by AIG except for a \$2,500 inmate work-crew policy only.

Over the course of 2008+, through aggressive file/claim management, Risk Management saw a reduction in open/active Workers' Compensation files by 70% over the last 2.5 years. This positively affected the County's Excess-Coverage Renewal as a reduction in premium cost. There were 30 claims open at August'09 end (33 EOY); 70% of the 100 claims open when Nova Pro Risk Solutions took over as County Third Party Administrator (TPA) in May 2007. This provides a favorable rate treatment for Workers' Compensation Excess-Coverage renewal in spite of all other insured organizations undergoing a 3.3% rate increase. Clark County suffered no cost per hour increase all while maintaining nearly the same number of hours worked. Maintaining a good claims experience rate, while transitioning to a new TPA, Gallagher Bassett Services Inc., is difficult and commendable for the Risk Management team and the County.

RETURN TO WORK PROGRAM

In 2007, at the direction of the BOCC, Clark County Risk Management started a return-to-work program in cooperation with Gallagher Bassett and Clark County Human Resources Department. According to the Public Entities Risk Institute (PERI), Counties are the best of any public or private organizations for having low malingering or recidivism rates. A return-to-work program reduces time loss by 43% overall across all organizational types and job classes. A return-to-work program is also better for employee morale, encourages and increases productivity, and is simply better for an overall consistent service level to County citizens. For costs by year, injury type, department, and amount spent, see Tables #3, #4, #5, #6, and #7.

WORKER'S COMPENSATION LOSS INFORMATION

The following charts give a tabular description of the County's last 29 years of Workers' Compensation losses by count, loss size, and frequency by settlement range and total dollars incurred. Risk Management utilizes this information, in part, to derive a targeted training and mitigation plan. The average, nearly \$5,000 per loss, is a strong impetus to train with a goal of loss reduction. Of particular concern are the numbers of reported strains.

Table(s) - 2

STRATIFICATION ANALYSIS FOR DATES OF LOSS: (1/1/1980 - 12/31/2008)				
INCURRED / SETTLEMENT COSTS *	CLAIMS	CT. PCT.	TOTAL INCURRED	INC. PCT.
\$0.00 - \$1,500.00	829	68.70%	\$319,142.97	4.70%
\$1,500.01 - \$5,000.00	198	16.40%	\$488,664.65	7.20%
\$5,000.01 - \$25,000.00	122	10.10%	\$1,438,088.38	21.20%
\$25,000.01 - \$100,000.00	43	3.60%	\$1,852,199.11	27.30%
\$100,000.01 - \$250,000.00	11	0.90%	\$1,531,223.90	22.60%
\$250,000.01 +	3	0.20%	\$1,158,856.13	17.10%
TOTALS	1206	100.00%	\$6,788,175.14	100.00%
The following chart narrows the period from the 29 years just to one.				
STRATIFICATION ANALYSIS FOR DATES OF LOSS: (1/1/2008 - 12/31/2008)				
INCURRED / SETTLEMENT COSTS *	CLAIMS	CT. PCT.	TOTAL INCURRED	INC. PCT.
\$0.00 - \$1,500.00	9	15.50%	\$5,653.61	1.40%
\$1,500.01 - \$5,000.00	38	65.50%	\$79,397.34	20.20%
\$5,000.01 - \$25,000.00	6	10.30%	\$91,621.22	23.40%
\$25,000.01 - \$100,000.00	5	8.60%	\$215,489.24	54.90%
\$100,000.01 - \$250,000.00	0	0.00%	\$0.00	0.00%
\$250,000.01 +	0	0.00%	\$0.00	0.00%
TOTALS	58	100.00%	\$392,161.41	100.00%

In a simplistic manner, the total incurred 2008 Workers' Comp expenditures of \$460,963.92 divided by 93 losses average \$4,956 per loss. The difference between the \$392,161 and \$460,963 is for time loss. Effectively, this is an average of \$5,000 for every loss! This is why the ergonomic assessments are so important and safety training is paramount. The RMD has reduced the County's rolling average loss in 2009 to \$3,989! ... a testament to proactive training, claims management, and good return to work policies.

Strains and sprains are the number one loss category with much of this coming from improper lifting

With an aging workforce, Clark County will continue to experience large losses in this area coupled with ergonomic concerns. Nationally, this is the number one loss area among all worker injuries.

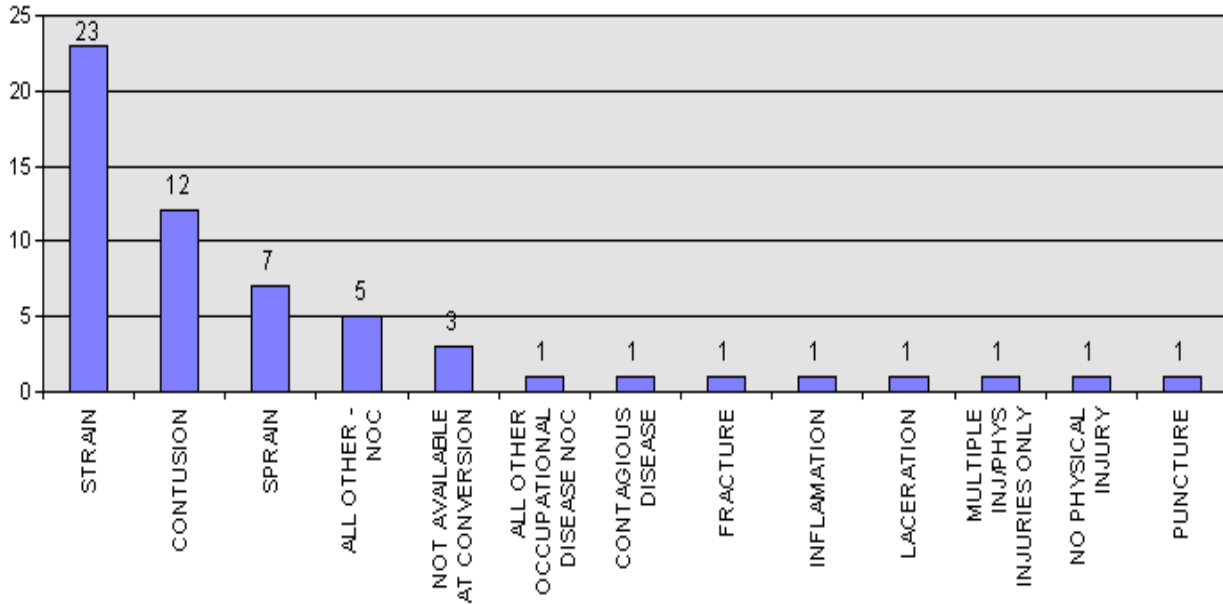
Table - 3

INJURY FREQUENCY REPORTING BY TOTAL NUMBER OF CLAIMS DATES OF LOSS: 1/1/1980-12/31/2008 EXCLUDES PROPERTY DAMAGE CLAIMS	
Severance	1
Mental Stress	1
Gunshot Wound	1
Electric Shock	1
Contagious Disease	1
All other occupational diseases	1
HEP/HIV Exposure	2
Concussion	2
No Physical Injury	3
Vision loss	4
Not Available at Conversion	5
Dislocation	5
Infection	7
Burn	7
Carpal Tunnel Syndrome	8
Poisoning General	9
Crushing	10
Hernia	11
Loss of Hearing	12
Inflammation	12
All other Cumulative Injury NOC	14
Foreign Body	21
Puncture	22
Multiple Injury/Physical Injuries Only	36
Fracture	47
Laceration	93
All Other NOC	128
Sprain	157
Contusion	164
Strain	421

Table #5 is an annual tabular accounting for Workers' Compensation Losses back to 1980. These continue to update annually as additional subrogation funds are collected, files are closed, and long-tail costs continue to accrue. Therefore, the further back one goes, the more fully matured is the expense of each loss. In fact, those with zero reserve means there is nothing left and no claims still open.

Table #4 2008 Injury Types

CLARK COUNTY
INJURY FREQUENCY REPORTING BY TOTAL NUMBER OF CLAIMS
DATES OF LOSS: 1/1/2008- 12/31/2008
EXCLUDES PROPERTY DAMAGE CLAIMS
RUN DATE/TIME: 7/15/2009 1:32:32 PM PT
VALUATION DATE: 7/14/2009



Unfortunately, what can occur is an exacerbation of an old injury. It will be reopened under the prior year's loss statistics. For a few, it is opened under the original wage loss rate and can become a real hardship for the employee. They may be paid 60% of a lower wage than they are currently earning. This is where County internal partnership with Clark County Benefits is so important to ensure the employee can use sick leave, vacation, or long-term disability to bolster their disability check in a "top off".

In addition, RMD must remind the employee that they need to fund their retirement under PERS. Because, they may be out for a longer-term recovery, PERS is not deducted from the employees disability check because they are not "wages". This is another reason why a return-to-work program is so important.

Though the losses show a total of \$460,963.92, this includes the wage loss and other benefits. In the later highlighted savings from Medical Bill Review, the amounts differ because the bill review deals with medical costs only. Over the course of 2007-2009, Clark County Risk Management has reduced open Workers' Compensation files by half. This positively affects the County's Excess Coverage Renewal as a reduction in cost. It shows a reduction in exposure since open files require additional loss reserves.

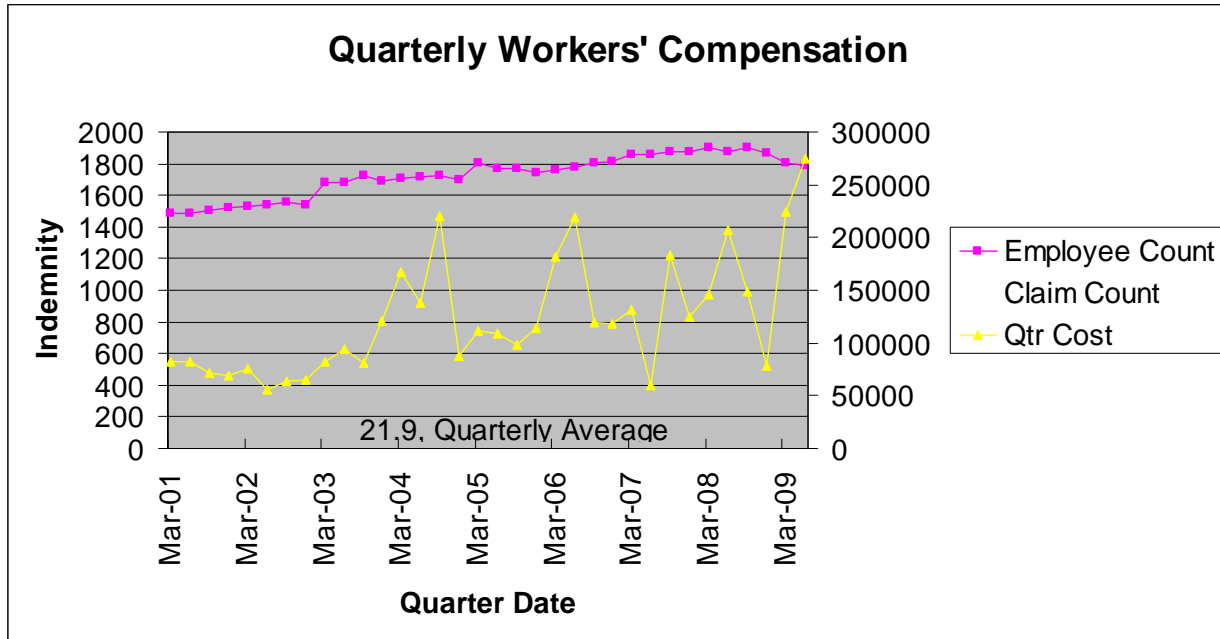
Table - 5

INJURY	CLAIMS	CT. PCT.	TOTAL INCURRED	INC. PCT.	PAID TO DATE	AVERAGE
STRAIN	421	34.90%	\$2,556,495.18	37.70%	\$2,176,890.24	\$6,072.44
CONTUSION	164	13.60%	\$806,930.69	11.90%	\$615,810.06	\$4,920.31
SPRAIN	157	13.00%	\$688,064.80	10.10%	\$519,727.30	\$4,382.58
ALL OTHER - NOC	128	10.60%	\$227,776.47	3.40%	\$156,682.07	\$1,779.50
LACERATION	93	7.70%	\$109,916.08	1.60%	\$97,639.24	\$1,181.89
FRACTURE	47	3.90%	\$1,064,515.93	15.70%	\$787,382.37	\$22,649.28
MULTIPLE INJ/PHYS INJURIES ONLY	36	3.00%	\$774,103.57	11.40%	\$738,872.07	\$21,502.88
PUNCTURE	22	1.80%	\$17,330.82	0.30%	\$11,886.69	\$787.76
FOREIGN BODY	21	1.70%	\$5,109.39	0.10%	\$3,855.26	\$243.30
ALL OTHER CUMULATIVE INJURY	14	1.20%	\$15,107.99	0.20%	\$15,107.99	\$1,079.14
INFLAMATION	12	1.00%	\$21,309.90	0.30%	\$19,927.28	\$1,775.83
LOSS OF HEARING	12	1.00%	\$170,599.01	2.50%	\$170,599.01	\$14,216.58
HERNIA	11	0.90%	\$30,597.62	0.50%	\$22,597.62	\$2,781.60
CRUSHING	10	0.80%	\$110,267.53	1.60%	\$110,267.53	\$11,026.75
POISONING GENERAL	9	0.70%	\$5,089.97	0.10%	\$5,089.97	\$565.55
CARPAL TUNNEL	8	0.70%	\$69,929.02	1.00%	\$51,358.11	\$8,741.13
BURN	7	0.60%	\$6,892.72	0.10%	\$6,892.72	\$984.67
INFECTION	7	0.60%	\$2,005.46	0.00%	\$2,005.46	\$286.49
DISLOCATION	5	0.40%	\$5,645.17	0.10%	\$5,645.17	\$1,129.03
NOT AVAILABLE AT CONVERSION	5	0.40%	\$8,504.21	0.10%	\$3,413.85	\$1,700.84
VISION LOSS	4	0.30%	\$17,144.71	0.30%	\$17,144.71	\$4,286.18
NO PHYSICAL INJURY	3	0.20%	\$731.62	0.00%	\$21.62	\$243.87
CONCUSSION	2	0.20%	\$453.85	0.00%	\$453.85	\$226.93
HEP/HIV EXPOSURE	2	0.20%	\$1,000.16	0.00%	\$1,000.16	\$500.08
ALL OTHER OCCUPA DISEASE NOC	1	0.10%	\$1,600.00	0.00%	\$0.00	\$1,600.00
GUN SHOT WOUND	1	0.10%	\$13,811.16	0.20%	\$13,811.16	\$13,811.16
ELECTRIC SHOCK	1	0.10%	\$4,353.09	0.10%	\$4,353.09	\$4,353.09
SEVERANCE	1	0.10%	\$23,368.87	0.30%	\$15,005.42	\$23,368.87
MENTAL STRESS	1	0.10%	\$28,920.15	0.40%	\$28,920.15	\$28,920.15
CONTAGIOUS DISEASE	1	0.10%	\$600.00	0.00%	\$0.00	\$600.00
TOTALS	1206	100.00%	\$6,788,175.14	100%	\$5,602,360.17	\$5,628.67

Our 5043 Biennial Budget is about \$2.4 million, the current expenses are running about \$3.4 million. Revenue is sufficient to meet the growing costs but at Readopt, we will need to get authority to increase the budget to \$3.4 million.

In the following Table #6, you will note the slowly reducing manpower count. This will reduce the loss exposure and per hour revenue received, but may not reduce the amount paid in medical. Even though hours worked usually drives cost, the moral issues involved in layoffs often triggers injuries that may have been ignored for some time. We have experienced this over the last year.

Table - 6



This favorable rate treatment of the County for Excess Coverage renewal was in spite of most other W/C insured organizations undergoing a 3.9% rate increase. Clark County suffered no cost per hour increase all while maintaining County average hours worked for FY 2008 of 3.2 million. Next, in Table #6, is a graphic display of the number of full time employees (FTE), the FTE increase over time, and the frequency and quarterly loss amounts that continually grow. This growth rate is typically of the Medical Consumer Price Index (CPI) Rate.

Every medical bill paid by Clark County through Gallagher Bassett Services Inc., undergoes a complete review. The amounts payable are based on the proper Medical Procedure Code (CPT) pairing and contract rates negotiated with Labor and Industries users. For 2007 and 2008, the average amount of medical expenses billed to Clark County was \$321,454.92. Through bill-review, this was reduced by an average of \$190,724.45, for an average reduction of 59.33%. Out of average 805 bills paid, Clark County Risk Management saved \$190,724.45. Clark County paid \$130,730.47 with an associated process cost of \$13,498.93. Most current bill review savings are:

Data Detail for All States			
	Number of Bills	Total Savings	Savings %
WA	1,337	\$207,560.35	48.6%
Summary	1,337	\$207,560.35	48.6%

With the help of Gallagher Bassett Services Inc., Clark County Human Resources, the BOCC and Clark County Senior Management Team, Risk Management maintains a return-to-work program. It simply commits the County to a faster processing of injured workers. It facilitates the worker either returning to work, temporarily working at another job, retraining in another field (inside or outside the County), or have a disability "retirement" due to the inability to work any further. It expedites the process, improves productivity and morale, reduces recidivisms and eliminates the worker from languishing in a non-working

status. A swifter adjudication program is needed. We must be proactive in dealing with County employees. The County needs to get the employee back to work, either retrained for another field, internally or externally, or if they will never be medically stationary or sufficiently healed, sent out on a permanent disability.

LIABILITY, FUND 5040

Toward the end of 2007, Willis North America sold their Book of Business (the WCRP Account), the Washington County Risk Pool, all 28 Counties Property and Casualty business, to A.J. Gallagher RMS Inc. This is the third largest Broker in the World with great resources for us to draw upon. However, because the County's contract period with Willis NA was nearly up, this sale seemed like a natural point to solicit for a new insurance broker and an affiliated workers' comp TPA, solicited for another RFP, under #578. This was for everything except the Liability and Property Program. Willis North America had the prior RFP #276 award. The five years and one optional year had elapsed. Willis North America has agreed for A.J. Gallagher RMS Inc. to take the county's accounts through their sale. Clark County now has A.J. Gallagher RMS Inc. as its Broker of Record and Gallagher Bassett Services Inc. as County affiliated Workers' Compensation Provider.

LIABILITY, PROPERTY AND CASUALTY

Clark County purchases its Liability and Property Insurance through the Washington Counties Risk Pool (WCRP) in a joint program through AJ Gallagher RMS Inc. This provides greater purchasing power and economies of scale. Clark County uses the same insurance broker for the balance of coverage such as the Notary and Schedule Position Bonds, Crime and Employee Theft, Aircraft Liability, and Excess Workers' Compensation Coverage. See Tables #7 and #8 (pg 16 & 18) for the County's Currently Scheduled Position Bond, County insurance policies that rotationally renew each year, and their respective annual renewal premium. We requested and received permission through County Staff Report and approved Ordinance to increase the Treasurer's and Clerk's Bond level to their statutory maximum of \$250,000 each for negligible cost.

Given the negative investment market conditions as well as negative loss experience for national and statewide pools, rates for primary liability and property coverage as well as excess are going up. In the County's case, the liability policy, all three aggregate levels, for PY 2009-2010 is going up 91% to \$561,558 and property is going up 34% from \$141,805 to \$191,154. The increase for property is two fold, first the countywide schedule is now properly updated and assessed and contents were properly accounted for as well as a general premium increase.

The costs are skyrocketing; the renewal for the County's Casualty Coverage has again been a huge success. For the policy that renews October 2009 through October 2010, the County's experience modification factor shrank for the third year in a row. From 2007 to the 2009-2010 PY, the County's experience modification factor has been the lowest of all 28 Counties in the pool. It went from .907 to .895 to .885 to .907. All Pool participants experience rating went up, due to overall Pool losses, but County's is still the lowest. A 1.00 or "par" equals the expected loss rate, and therefore premium required. Because of the County's good claims experience rating (relative low cost and frequency compared to other like Counties), Clark County saved \$25,000+ in Premium Costs for each of the last three years with the savings for next policy period exceeding \$55,000 per year. Therefore, because the County had the best experience of all 28 counties, it *only* experienced an 87% increase. See Tables #7 and #8 (pg 16 and 18 respectively) for the County's Currently

Following is the Scheduled Position Bond, the County's insurance policies that rotationally renew each year, and their respective annual renewal premium. We received Ordinance Authority to raise both the Treasurer and Clerk from \$200K to \$250K respectively. The maximum amount allowed by Washington State Law.

Table - 7

Effective Date: October 1, 2009					
Schedule of Position					
Column No. 1	Column No. 2	Column No. 3	Column No. 4	Column No. 5	Column No. 6
Date Liability Effective	Position	Total No. of Employees in Bonded Position	Amount of Bond per Employee	Total Amt of Bonds on this Position	Total Premium on Position
10/1/2009	County Clerk	1	\$250,000.00	1	\$250,000.00
10/1/2009	Assessor	1	\$5,000.00	1	\$5,000.00
10/1/2009	County Commissioner	3	\$25,000.00	3	\$75,000.00
10/1/2009	County Sheriff	1	\$50,000.00	1	\$50,000.00
10/1/2009	Treasurer	1	\$250,000.00	1	\$250,000.00
10/1/2009	Prosecuting Attorney	1	\$25,000.00	1	\$25,000.00
10/1/2009	Auditor	1	\$100,000.00	1	\$100,000.00
10/1/2009	Coroner	1	\$5,000.00	1	\$5,000.00
10/1/2009	District Court Judges	6	\$5,000.00	6	\$30,000.00
10/1/2009	Pro Tem Judges	2	\$5,000.00	2	\$10,000.00
TOTAL					\$700,000.00

At the last annual report, the total premium for all coverages for the year was \$495,374, now it is \$867,311. At the publishing of this report, the budgeted biennial line for insurance premium in 5040.000.309.514700.460 is \$1,019,000. The new premium amounts for the Biennium will be 2 X \$867,311 for \$1,734,622, a short fall in budget and cash of \$715,622.

Claims are currently budgeted at \$1,558,970 for the Biennium. To date we are at \$1,242,911 remaining. If we can keep claims to about \$500,000 over the remainder of the Biennium, then I should be able to afford the balance of premiums budgeted the way we are. The \$715,622 plus claims may balance and allow us to make the budget and cash adjustment at the next Biennium ('11-'12) instead of readopt. We have received a once-time claim subrogation recovery of \$90,000 that will go back into 5040...460 that will allow us \$590,000 in claims payment capacity for the remaining 15 month.

The budget erosion based on inflation alone is no less than \$68,748 annually. The last rate adjustment was in 2001-2002. Three and ½ Biennium ago was County last rate adjustment for an aggregate budget erosion of \$453,570. The system of departmental apportionment was designed and affirmed, by Richard A. Sherman and Associates, County Actuary. It was implemented to be properly based on FTE's worked, loss rate (amount and frequency) and mileages traveled. It was confirmed this again this year from County Actuary.

"It is intuitive, and seems reasonable that we may be reaching an inflection point. County reduction in rates, loss experience, and maximum efficiencies may begin to cycle upward. We have to ask, how low can we go? Statistics will eventually catch up to us based on the Law of Large Numbers." The risk manager made this prediction about two and ½ years ago, it looks as though it has come true based on basic actuarial math.

Table - 8

Insurance Coverage Type	Effective Date		Limit of Liability		2010 Premium, Paid in 2009	
Property	10/1/2009-2010		\$500,000,000		\$50,000	\$191,154
Previous			\$141,805			
Liability	10/1/2009-2010		\$25,000,000		\$500,000	\$561,558
Previous			\$292,950			
Crime/ Employee	6/30/2009-2010		\$250/\$500,000		\$5,000	\$7,270
Aircraft Liability	9/1/2009-2010		\$10,000,000		NA	\$7,000
Workers' Comp	8/15/2009-2010		\$1,000,000		\$750,000	\$41,081
Excess						
Pollution Coverage	7/1/2009-2010		\$2,000,000 \$4,000,000		\$25,000	\$49,348
Workers' Comp	Yr. of Injury	2005	\$199,951	Smith L.	NA	\$2,550
Pension Bonds		1980	\$78,741	Stam M.	NA	
		2004	\$596,923	Crawford B.	NA	
Work crew Medical	5/4/09-10		\$2,500		\$50.00	\$500.00
Public Official Bonds	12/29/2009- 2010		\$700,000		NA	\$2,800.00
Notary Bonds	Various		\$10,000		NA	\$1,050.00
Total					Total	\$867,311

Another Benchmark, the following chart/table (Table #9) shows County average costs per claim, verses the 28 Counties who belong to the Washington Counties Risk Pool. The Pool's numbers are based on a 21-year average; the County's is over the last 8 years. Clark County clearly enjoys a low cost advantage.

Table – 9

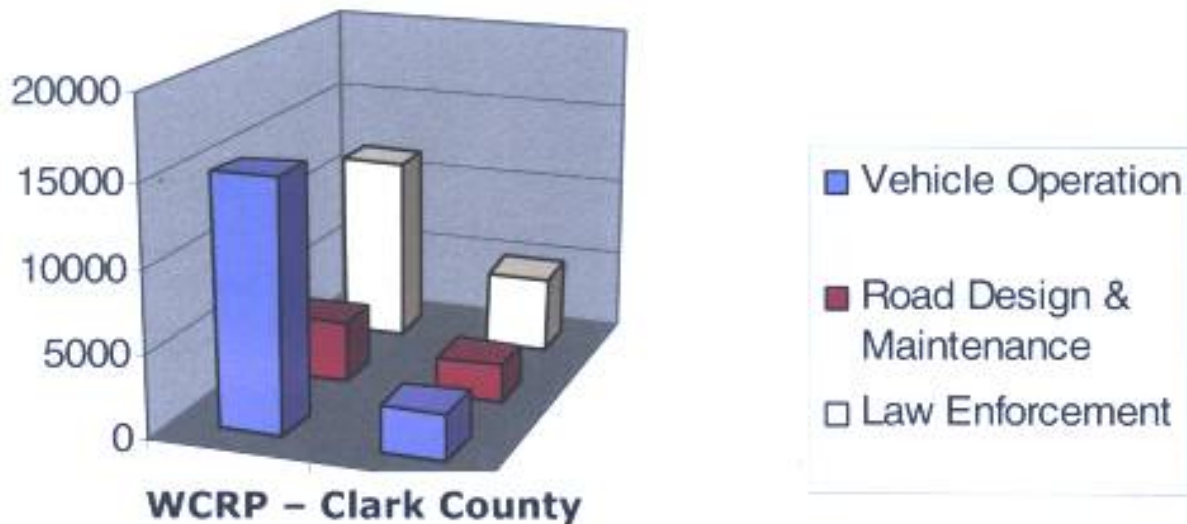
Type of Loss with Expected Results from Pool Totaling-Benchmarking Against the Pool			
Category	Claims	Results	Statistics
Law Enforcement	4.71% of all Hours Worked	1.66% of all Pool Claims	65% < Expected
Negligent Vehicle Operation	4.71 % Hours Worked 3.21% of vehicles	2.91% of all Pool Claims	9.4% to 38% < Expected
Personnel Losses	4.71% of all Hours Worked	1.93% of all Pool Claims	51% < Expected
Road Design and Maintenance	4.71% of all Hours Worked	.77% of all Pool Claims	83% < Expected
All other misc. Claims, Civil Rights, Etc	4.71% of all Hours Worked	1.33% of all Pool Claims	71% < Expected

Table – 10

Category	Risk Pool	Clark County
Law Enforcement	\$15,173.00	\$2,724.00
Road Design and Maintenance	\$3,792.00	\$2,250.00
Vehicle Operations	\$11,535.00	\$4,782.00

Table 10 – Chart Addendum

WCRP – Clark County Claim/Loss Comparison



In November of 1995, April of 1998, and subsequently April 11, 2007, Richard E. Sherman and Associates audited the County's Liability Program. In conjunction with the Washington Counties Risk Pool, both recommended an 85% Confidence Level in funding of the Liability Self-Insurance Program Fund. Given the County \$500,000 Deductible, an 85% or better is recommended as the Reserve for County Self-Insured Program Fund. On December 31, 2006, the amount required was \$3,513,990 and December 31 2008, is now \$4,415,240. Risk Management actually had \$3,171,719 at the close of business December 2008.

Over the last two biennium, the difference between required reserve and current is the continued growth in IBNR and current reserves on open developing claims. Clark County has dropped below County minimum reserve by \$237,809 in 2006 and \$1,243,521 in 2008. If the budget and revenue lines for 5040...460 (Premiums) are not brought current and funded, the County's ability to maintain a reserve will continue to diminish and jeopardize the County's ability to maintain a self-funded program. The WCRP and the Actuary believe it is worthwhile to attain a liability reserve with the 95% Confidence Level but in light of current budget realities this may be impossible for the short term. A 95% confidence level for Clark County is a reserve of \$5,486,990, about a \$2.5 million stretch from today's numbers.

Clark County Risk Management believes that the County's proactive stance has helped not only to maintain a low loss and premium rate, but continues to save the County money and loss experience over time. For example, Clark County has spent money on proactively getting professional structural inspections in homes/businesses adjacent to the Kline Bridge prior to the construction. This will mitigate or eliminate future associated losses for foundation claims on that project. Other proactive loss reduction or mitigation programs Clark County began in 2007 are implementation of the Vehicle Use Policy (new policy also rewritten waiting Union negotiation), addition of Drivers Training, adding three more three-day sessions of Management and Supervisory training, expanded Learning Management System classes, and making the CERT and New Employee Orientation more comprehensive.

OCCUPATIONAL HEALTH AND SAFETY

Clark County offers a robust Occupational Health and Safety Program. Over the last several years, RMD has trained hundreds of employees in everything from first aid, to blood-borne pathogens. The favorable loss experience rating enjoyed by Clark County is due directly to the efforts of County Health and Safety leadership. RMD keeps the department's safety/COOP representatives engaged and on top of their unique respective risks.



In 2007, 1,404 of 1,899 (74%) of County employees completed at least one or more of the classes increasing to 1,904 by mid 2009. Effectively there is a class for every employee. RMD made them available through Clark County's online Learning Management System (LMS). Over one-third of those classes have been online instruction, resulting in a significant time and cost savings to the County. Additionally, as discussed previously, based on the high cost of employment claims, RMD have held seven Supervisory Management and Training Workshops independent of the Pool's offerings, to help reduce future losses and provide information and resources to management-level staff to share with their respective employees.

Risk Management has identified this area of training with management as important and effective in supporting County Occupational Health and Safety program, reducing County liability exposures, and making for a more productive work place. Therefore, we have scheduled two additional 3-day classes for 2009, educating now over 260 Managers (15% of all personnel), Supervisors, and Lead personnel, as well as a few additional employees identified as leaders in their field.

Another area that Occupational Health and Safety focuses on is the importance of outreach to the individual departments within the county through Safety Committees and Safety Coordinators who represent their departments. This year, RMD is integrating County Safety Committees with County COOP Committees; its efficient and a natural progression. The County also has lost personnel due to layoffs and now the COOP Committee is in the COOP mode itself.

Occupational Health and Safety developed and implemented several large-scale safety audits (Risk Assessments). Of note were assessments of the Radiation Hazards County wide, Confined Space locations and ratings, Noise and Heat Exposures and a large overdue project, assessing all bridges County Wide, including auto, pedestrian and rail with their associated costs to fix. In fact, RMD discovered sufficient damage and decay to one of County major rail bridges sufficient to shut part of the line down.



RMK has subsequently written and implemented policies for all, except the bridges, which are not yet completed. In the balance of this report, we have taken all major accomplishments for both Occupational Health and Safety and COOP and used bullets to more clearly define and highlight County accomplishments

2008/Mid-09 Safety, ADA and Training Annual Summary

Safety and Health:

Confined Space Inventory and Training

- Conducting comprehensive audit of all confined spaces for Clark County
- Ensured Public Works conducted survey of confined spaces in Salmon Creek Waste Water Treatment Plant addition
- Preparing hazard assessment reports for each confined space which will be assessable on the intranet
- Signing all confined spaces as either permit or non-permit spaces
- Coordinated confined entry and supervisor/attendant training for Facilities Management Staff
- Provided instruction in: First Aid, CPR, Respiratory Protection, Respirator Fit Testing, Hearing Conservation, Working in Hot Outdoor Environments, New Employee Safety Orientation, Bloodborne Pathogens, Asbestos Awareness
- Created new and updated existing online training programs as required
- Reviewed training requirements to ensure department employees met all training mandates (i.e. Facilities management, Animal Control and Fire Marshal)

- Provided training upon request to County departments
- Worked with several County departments to instruct staff on how to use and develop training programs in the Learning Management System
- Worked extensively with Information Technology in applying LMS upgrades to the current software
- Per the LMS 1,904 courses were completed by County employees between June 1, 2008 and June 1, 2009

Safety Issues:

- Emergency Notification System was implemented. Tenants of Center for Community Health were also connected to the ENS as requested
- Addressing safety issues and concerns as required
- Working with Labor and Industries Consultation Division in conducting noise exposure assessments for Facilities Management Staff and Juvenile Clerk's Office
- Ordered additional uni-hoist for Facilities Management for Confined Space entry. Currently, there is only one hoist located at the Operations Center. New Confined Space assessments revealed that approximately 95% of County's spaces are permit entry which in many cases will require use of a uni-hoist. Additional hoist will reduce travel time and increase safety
- Replaced AED batteries and pads as needed
- Conducted hazard assessments with assistance from the Washington State Department of Health – Radiation Division of all county owned tower sights and antenna locations to determine level of radiation exposure
- Installing radiation hazard warning signs on all county tower sights as required by law
- Assisting Facilities Management regarding private entities that lease county space for erection of communication towers and/or antennas to ensure employee and public safety considerations are addressed
- Public Works – Labor and Industries Citation for violation of trenching and shoring regulations

Return to Work

Clark County Risk Management's Return to Work Program and Policy is being reintroduced to department heads, managers, supervisors and timekeepers in an informational meeting and work session. Departments will identify transitional tasks and the skills needed to perform them, allowing meaningful and productive work opportunities for employees who have been injured.

Ergonomics



Ergonomics is an ongoing program that focuses on safety issues and concerns identified by supervisors and/or staff. The program provides preventative and informative training for staff on-line in the Learning Management System and on the Risk Management Intranet webpage. The ergonomics team at Risk Management provides on-site assessments upon request and record on a database that provides risk reports.

Safety Committees

Safety Coordinators, acting as volunteers in their respective departments, hold safety meetings and bring their departmental concerns to a monthly meeting. The safety analyst attends the monthly meetings, serving as liaison between the departments and Risk Management.

CERT (Community Emergency Response Team) Training

In 2005, 72 employees were trained in CERT. In 2008, 47 employees took CERT training. In 2009, 32 were trained. With over 150 staff trained in CERT, a third refresher course is planned in the fall.

Fire Drills

In 2008, fire drills were announced and staff was made aware of the date and time. In order to provide a more realistic experience, unannounced fire drills are being held in 2009.

Monthly Safety Inspection Audits

Safety Coordinators complete department equipment safety inspections and submit at the end of each month. Responses are tracked and missing reports are requested during the monthly review.

Annual Safety Inspection Audits

Annual safety inspection reports are completed and submitted by department safety coordinators.

Safety Conference

The second annual safety conference will be held September 2009. This popular venue allows interaction and sharing of information amongst all safety coordinators and safety committee members, and provides ongoing safety training in a conference setting.

Policy Development Summary

Non-ionizing Radiation Policy:

- Completed draft policy regarding Non-ionizing Radiation Safety. Policy is currently undergoing legal review

Ballistic Vest Policy:

- Wrote ballistic vest policy for Prosecutor's Office investigators
- Policy adopted by PA Office

Print Shop Policy and Lockout Procedures:

- Updated Print Shop safety policies following acquisition of new printing equipment
- Wrote lockout procedures for print shop equipment

Confined Space Policy:

- Updated Confined Space Policy
- Policy reviewed by the Prosecutor's Office and approved by Bill Barron
Community Health Policies
- Assisting Community Health in updating their Tuberculosis, Bloodborne Pathogens and Respiratory Protection policies

Americans with Disabilities Act Policy:

- Updated county ADA policy pursuant to federal amendments to the Americans with Disabilities Act
- Policy is currently under review by the Prosecutor's Office

County ADA Policy:

- Updated the Superior Court and District Court ADA Policy and procedures to address requests for reasonable accommodations
- Courts ADA Web page has been updated to reflect changes

Public Works ADA Transition Plan/Policy:

- Assisted Public Works in preparing their ADA Transition Plan and Policy
- Policy/Plan is currently being reviewed by the Prosecutor's Office
- When approved, the plan will be linked to the County's ADA web page

Railroad Safety Policy:

- Prepared draft Clark County Railroad Safety Policy
- Policy still in development stages

Sheriff's Office ADA Policy:

- Updated Sheriff's Office ADA Policy

Facilities Management Respiratory Protection Policy:

- Prepared respiratory protection addendum policy for Facilities Management

Americans with Disabilities Act Compliance Program

Transition Plan:

- Accessibility surveys for all county buildings are complete. Information has been added to the County's Transition Plan
- Accessibility surveys of county parks are in progress. (City/County Parks conducted an initial survey of all parks by the County's Citizen Advisory Board and wanted to re-evaluate the parks to ensure all areas of concern are addressed)

District Court and Clerks' Office ADA Coordinator:

- Appointed to serve as the ADA Coordinator for District Court and the District Court and Superior Court Clerks' Offices
- Updated the Courts ADA Policy and web page
- Ballot Drop-off Accessibility Surveys
- Auditor's Office requested that accessibility surveys be conducted on 37 ballot drop-off locations
- Surveys were completed and forwarded to Greg Kimsey WSU/78th Street Site
- Assisted with site review of WSU Community Garden to ensure accessibility issues were addressed and received approval to add ADA monies to bring up to code
- Assisted WSU staff in conducting self-evaluation survey
- Surveyed WSU building for accessibility concerns

Fairgrounds:

- Assisted Facilities Management staff in identifying structural accessibility requirements for new buildings at fairgrounds

Self-Evaluations:

- Meeting with each county department to conduct countywide ADA self-evaluation surveys. This is a requirement of the ADA to ensure all services, programs and activities provided by the county are accessible to persons with disabilities
- Working with the Public Information Office to ensure county website meets accessibility requirements
- When complete, information will be posted on the County's ADA web page

EMERGENCY PREPAREDNESS

BUSINESS CONTINUITY PLANNING, EMERGENCY COMMUNICATIONS & FACILITY EMERGENCY PLANNING 2008-2009

Clark County government recognizes the importance of business continuity planning and the need to develop, implement, and sustain workable Continuity of Operations (COOP) plans to plan for emergencies that could impact daily operations. In 2008+, Clark County Risk Management developed a Continuity of Operations Coordinator position to facilitate and lead

the planning efforts, as well as coordinate with local and regional emergency management partners; all better to serve County citizens.

Over the course of 2008+, many changes have occurred within Clark County government, both planned and unplanned, highlighting the need for business continuity planning and emergency preparedness. In the last year, the COOP Coordinator, along with many partnering departments and agencies have developed several new products and plans, and have modified plans and procedures to support Clark County government through the recent and ongoing changes.

Significant Outcomes January 2008-June 2009:

- Engagement and coordination of COOP planning with County departments:
 - Worked with each department to develop COOP plans at the department level; identifying essential functions that must be continued and/or recovered following an emergency to support overall County critical services
 - Coordinated with Clark County Information Services to begin COOP planning, including Disaster Recovery plans and projects to support the sustainability and/or recovery of the information and technology infrastructure
 - Coordinated with regional partners, private and public, on business continuity planning and emergency management. Participated in Region IV Homeland Security and Portland UASI work groups and meetings. Developed a spending plan for the \$100,000 UASI preparedness Grant
- Coordination with Clark Regional Services Agency (CRESA) on local emergency preparedness and planning efforts:
 - Assisted with the review and update process of the Clark County Comprehensive Emergency Management Plan (CEMP)
 - Assisted with the review and update process of the Clark County ESF 15- External Affairs Plan, Annex of the CEMP
 - Coordinated with CRESA emergency management staff, County Telecommunications and Elections on the development of a procedure to use part of the Elections department as an emergency call center
 - Procedure and operations tested in May 2009 during H1N1 outbreak event
- Development and implementation of an upgraded Emergency Notification System (ENS):
 - Coordinated efforts between County Risk Management and Information Services to create, test, and implement a new internal ENS designed to communicate with County employees during emergent events. Other WCRP members are willing to buy this program
 - Risk Management trained County Sheriff's Office personnel on how to administer ENS messages.
 - Quarterly tested the ENS to ensure reliability and quality
 - ENS used in January 2009 for suspicious package investigation and notification and in June 2009 for serious weather (Tornado) warning.

- Evaluation of continuity emergency exercises (local and state):
 - Evaluated a full COOP-move exercise for CRESA EOC; July 2008
 - Evaluated Pandemic Flu Exercise for Washington State Department of Health; November 2008.
- Coordination of occupational health and safety and emergency management:
 - Provided New Employee Orientation (safety & emergency preparedness), First Aid, Bloodborne Pathogen, and other occupational health and safety training for County employees
 - Attendance and coordination with County Safety Committees on facility emergency response plans and procedures (e.g., evacuation, shelter-in-place, lockdown, security assessments, and health issues). The Center for Community Health currently undergoing a full Threat Assessment
 - Combined and integrated the COOP and Safety programs; an efficiency COOP measure.

Significant COOP-related Events 2008-June 2009:

- Economic emergency impacting County jobs and services; 2008-Present Time:
 - In the past year, due to severe budget deficits, there have been a number of program, project, and position cuts throughout the County. From July 2008 through July 2009, approximately 102 positions have been cut within Clark County government. The loss of funding and elimination of positions made for difficult discussions within departments and have led to business continuity practices, where departments are performing only mission-critical essential functions, by law or by directive

An example is Clark County Community Development, which has had to eliminate several programs and positions due to lack of funding and is providing only essential services to the public. Emergency plans that were developed to assess critical infrastructure following an emergency are on hold due to budget constraints. Until the County can hire a number of building inspectors, the plan cannot be fully implemented.
- Failure of critical information technology equipment; November, 2008
 - Equipment failure caused a significant information services outage throughout Clark County government and supported jurisdictions for several business hours. The outage emphasized the need for departments to have hard-copy forms, critical documents, and contact information available. A claim has been filed with an on going discussion as to coverage.
- Severe weather event limiting County services and closure of business; December, 2008
 - Severe winter weather, including many inches of snow and ice, closed County business for one working day and emphasized the need for departments to have their employee contact roster up-to-date, as well as the County to have their Inclement Weather Policy reviewed and shared with employees and the ability to work off-site.

In addition, the day that business was closed due to the weather, some employees had to come to work to complete an essential function of completing payroll processing. This emphasized the importance of ensuring critical positions have remote access capability from home, if needed, and plans in place to ensure payroll can be processed if normal business operations were interrupted.

- Severe weather event initiating activation of County Emergency Operations Center and coordination of local and regional response services; January 2009
 - Severe weather event within Clark County and southwest Washington region that caused flooding, landslides, and some evacuations, activated the Clark Emergency Operations Center and required County employees to assist with the coordination of response and recovery activities. County Departments who are not typically involved were asked to assist, including County Information Services in setting up a command post with internet capability.
- Suspicious package; January 2009
 - A suspicious package (unattended backpack) was noticed outside of the Public Service Center by an employee and 9-1-1 was notified, which activated Clark County Sheriff's Office and Vancouver Police Department to respond and cordon off the immediate area. The Clark County Emergency Notification System (ENS) was used to internally notify County buildings within the impacted area and inform employees of the situation and instructions on how to enter and exit the Public Service Center. Business services operated as normal, however foot-traffic in and out of the building was limited to certain areas for a length of time until law enforcement on-scene were able to give an all-clear.....oh yes, it was a transient's pack he forgot about.
- H1N1 outbreak and response; April 2009
 - Clark County Public Health Department became the lead agency in the spring of 2009 to respond to the H1N1 (Swine Flu) outbreak within southwest Washington. Due to the extensive amount of resources and personnel needed to respond to a regional event, Clark County Public Health modified their business continuity plan to address which services could be temporarily suspended and which personnel could be reassigned to support response activities, for duration of time, if needed. As of September 1, 2009, the incident command at CCH is reopened.
- Severe weather warning; June 2009
 - Severe weather warning was given for Clark County by the National Weather Service and the Clark County Emergency Notification System was used to notify employees before the end of the business day.

RISK MANAGEMENT, 2009 AND BEYOND

Over the last several years, the County has gone from a position of plenty, lots of personnel and budget, to an organization struggling to hang on and in some cases simply trying to perform their mandate. This creates conditions that in fact place us in the COOP Mode. We must reorganize what we do, how we do it, and with what level of service we do it. Many of the duties we perform are legally mandated and required under statute; local, State and

Federal. Because fewer personnel are carrying more weight, it often holds true that liability, property and workers' comp losses go up; simply because employees are less cautious and want to "cut corners". It will be our challenge to continue to maintain the lowest experience rating out of 28 member counties while going through such operational turmoil.

Through the Washington Counties Risk Pool, we have contracted for drivers' training services for all County employees. We also purchased, at a discount, a program called LEXIPOL. This is a program integral into the Clark County Sheriff's Office. It is a constantly updated program for keeping law enforcement policies updated from Patrol to Issues of Use of Force, etc. It encompasses State and Federal Law as well as current Case Law. It will update County policies based on what is current so we will never have out date policies with greater efficiency and effectiveness. Currently it does not involve jail operations, this will be online soon.

Clark County Risk Management has completed, with the assistance of the Clark County Office of Budget and Information Systems (OBIS), a County Emergency Notification System (ENS), giving the ability to notify all departments of the County. This includes vendors leasing County office space and City of Vancouver, of emergency issues or events that might need to be broadcast to individuals or facilities. The program works so well, other counties in the WCRP would like to purchase it.

In addition, to improve upon communication between Clark County departments, City of Vancouver departments, emergency preparedness, and awareness among County personnel, Clark County Risk Management has completed some exercises with some of the County departments with respect to COOP planning. The goal is the test the COOP plans as they are being developed to ensure that the content supports the department's emergency recovery intent and capabilities, with an eye toward conducting functional and perhaps full-scale COOP-related exercises in 2010.

County overall and major focus for 2010 is to continue County Risk Assessments as executed through Occupational Health and Safety Inspection Checklist as well as County partnership with the County Auditor. We will attend audits looking for Contract compliance (spec compliance), to include current insurance certificates, and proof of a current and valid drivers license and automobile liability coverage for drivers on County business.

Due to financial constraints, departments have sent back their County Vehicles and are relying more upon personally owned vehicles. This has created a large demand for classes teaching people what their rights and responsibilities are for liability, coverages and injuries.

The remaining Biennium will see a large increase in costs related to premium increases. This will continue for the next several biennium. At the next readopt, we are going to seek increased budget authority and revenue for both 5043 and 5040 interfunds, Workers' Comp and Risk respectively.

Addendum 1-State Auditor Requirement for Pool Membership

Clark County is a member of the Washington Counties Risk Pool ("Pool"). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk

management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed on August 18, 1988 when several counties in the state of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and related administrative services. Thirty counties have participated in the Pool, while twenty-eight counties remain as present members.

The Pool allows members to jointly purchase property and excess third-party liability insurance, to establish a plan of self-insurance, and to provide and/or obtain related services such as risk management, etc. All Pool joint self-insurance third-party liability coverages, including public officials' errors and omissions, and the property insurance program are on an "occurrence" basis. The Pool provides the following forms of group purchased insurance coverage for its members: "following form" excess liability, and property that includes vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc.

Members make an annual contribution to fund the Pool. The Pool acquires third-party liability reinsurance that is subject to a "per-occurrence" self-insured retention of the greater of \$100,000 or the member-selected deductible and "following form" excess insurances from unrelated underwriters. Based upon their individual deductible selections, members are responsible for the first \$10,000 to \$500,000 of each claim, while the Pool is responsible for the remaining self-insured retention up to \$100,000. Insurance carriers cover all losses above the (\$100,000 to \$500,000) self-insured retention to the maximum limits of each policy.

Since the Pool is a cooperative program, there is joint liability among the participating members. This contingent liability is established if a program's assets are insufficient to cover the program's liabilities. Deficits of the Pool are financed through reassessments of the responsible members. The Pool also acquires member-option property insurance from unrelated underwriters that is subject to a member-selected, "per-occurrence" deductible of between \$5,000 and \$50,000. Participating members are responsible for the entire deductible amount of each claim. Insurance carriers cover all losses over the member deductibles to the maximum limits of each policy.

Each new member pays the Pool an admittance fee. This amount covers the member's share of organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the Pool for a minimum of five years, and may terminate their memberships at the conclusion of any Pool fiscal year if the county timely files the required twelve months' notice. The Interlocal Governmental Agreement is renewed automatically each year after the initial 5-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members and handled by the Pool's claims staff. Reserves are established for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claims adjustment expenses. The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected from the member-designated directors and alternate directors at the annual meeting. Also at the annual meeting, the Pool's officers (president and secretary-treasurer) are elected from the executive committee members. The officers and the executive committee are responsible for conducting the business affairs of the Pool.

ADDENDUM 2-Regulatory Justifications

Annex, Legal Requirement and Justification for Risk Management Functions

Risk Management

(Rates assessed 7 years ago with 1500 personnel, no increase since)

Compact requirements under Washington Counties Risk Pool, approved under resolution with BOCC and approved by Washington State Risk Manager for Self-Insured Property and Casualty programs covered.

Risk Management is required and supported under the following local, state and federal programs:

County Code Sections:

--Clark County Code, 2.95, Risk Management

--Clark County Code, 2.97, Individual Liability of County Officials

Revised Code of Washington Section: RCW 4.96

4.96.010 Tortious conduct of local governmental entities -- Liability for damages.

4.96.020 Tortious conduct of local governmental entities and their agents -- Claims -- Presentment and filing -- Contents.

4.96.030 Interest on judgments against political subdivisions, municipal corporations or quasi-municipal corporations.

4.96.041 Action or proceeding against officer, employee, or volunteer of local governmental entity -- Payment of damages and expenses of defense.

RCW 36.... Bonding of Officials

Chapter 36.45.xxx and RCW Chapter 42.08 RCW

Official bonds

Claims against counties

Workers' Compensation

WAC

WAC Chapter 296-15

Workers' compensation self-insurance rules and regulations

WAC 296-15-350

Agency filings affecting this section

Handling of claims.

What elements must a self-insurer have in place to ensure appropriate handling of claims?
Every self-insurer must:

(1) Establish procedures for securing the confidentiality of claim information.

(2) Have sufficient numbers of department-approved claims administrators to ensure uninterrupted administration of claims.

(a) There must be at least one department-approved claim administrator involved in the daily management of the employer's claims.

(b) If claims are administered in more than one location, there must be at least one department-approved claims administrator in each location where claims are managed.

(3) Designate one department-approved claims administrator as the department's primary contact person for claim issues.

RCW Chapter 51.14 RCW

Self-insurers

Every employer under this title shall secure the payment of compensation under this title by:

(1) Insuring and keeping insured the payment of such benefits with the state fund; or

(2) Qualifying as a self-insurer under this title.

[1971 ex.s. c 289 § 26.]

Occupational Health & Safety

--The WCRP Interlocal requires each member County to have a dedicated Safety Officer.

WAC 296-800-11005

Provide a workplace free from recognized hazards

You must:

--Provide county employees a workplace free from recognized hazards that are causing, or are likely to cause, serious injury or death.

WAC 296-800-11035

--Establish, supervise, and enforce rules that lead to a safe and healthy work environment that are effective in practice

Chapter 43.21C RCW

State environmental policy

RCW 49.17.060

Employer — General safety standard — Compliance.

Each employer:

(1) Shall furnish to each of his employees a place of employment free from recognized hazards that are causing or likely to cause serious injury or death to his employees: PROVIDED, That no citation or order assessing a penalty shall be issued to any employer solely under the authority of this subsection except where no applicable rule or regulation has been adopted by the department covering the unsafe or unhealthful condition of employment at the work place; and

(2) Shall comply with the rules, regulations, and orders promulgated under this chapter. Under Washington Dept. of Labor and Industries We provide training in the following areas: Abandoned Waste Management, Airborne Pathogens (Tuberculosis), Animal to Human Diseases, American Red Cross Safety Bulletins, Anthrax – Mail Handling Procedures, Automatic External Defibrillators (AED), Autopsy Safety Procedures, Bloodborne Pathogens, Boiler and Pressure Vessel Certification, Campus Security, Center for Community Health – Employee Evacuation/Safety Procedures, Center for Disease Control, CDL Drug and Alcohol Testing, Chemical Hazard Communications (MSDS), Confined Space Entry, Construction Site Safety, Core Safety Rules (Washington Dept. of Labor and Industries), Crane and Hoists,

Electrical Extension Cords, Emergency Notification System, Emergency Preparedness Plan, Ergonomics and Assessment, Evacuation – See Emergency Preparedness Plan, Excavation, Trenching and Shoring, Fall Protection, Fire, Fire Extinguishers, Fire Extinguisher Training Bulletin and Video, First Aid, Flagger Safety, Addendum - Animal Control, Hand and Power Tool Safety, Hard Hat – Soft Cap, Hazardous Waste Handling and Storage, Hearing Conservation Program, Heavy Equipment Operation, Herbicide Spraying Operations, High Power Lines – Working Near, Ladders, Lockout; Tag out, Machete Safety – Weed Management, Material Safety Data Sheets, Office Safety, Parking Garage Safety, Pepper Spray (Aerosol Defense), Personal Protective Equipment, etc

RCW 36.32.460

Employee safety award programs.

Emergency Management & Business Continuity Planning

Chapter 296-24 WAC

General safety and health standards

Employee safety trainings, policies, procedures

WAC 296-24-567

Employee emergency plans and fire prevention plans.

Facility Emergency Plans for each County facility

WAC 118-30-050

Emergency management ordinance/resolution

WAC 118-30-060

Emergency plan

CEMP coordination, update, implementation

RCW 38.52.070

Local organizations and joint local organizations authorized – Establishment, operation.

Emergency powers, procedures.

Federal Law

ADA

28 CFR PART 35

{ 35.107 Designation of responsible employee and adoption of grievance procedures.

Consistent with { 35.105, Self-evaluation, the final rule requires that public entities with 50 or more employees designate a responsible employee and adopt grievance procedures.

45 CFR Part 84

Nondiscrimination on Basis of Handicap in Programs and Activities Receiving or Benefiting From Federal Financial Assistance

§ 84.7 Designation of responsible employee and adoption of grievance procedures.

Designation of responsible employee. A recipient that employs fifteen or more persons shall designate at least one person to coordinate its efforts to comply with this part.

Additionally, we provide the assessment, coordination and execution of programs for the deaf, physically handicapped and those challenged by various communication and physical barriers.

CFR 29--LABOR

CHAPTER XVII--OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR

Part 1904_Recording and Reporting Occupational Injuries and

Subpart C - Recordkeeping Forms and Recording Criteria Note to Subpart C: This Subpart describes the work-related injuries and illnesses that an employer must enter into the OSHA records and explains the OSHA forms that employers must use to record work-related fatalities, injuries, and illnesses.

Basic requirement. Each employer required by this Part to keep records of fatalities, injuries, and illnesses must record each fatality, injury and illness that:
Is work-related; and
Is a new case; and
Meets one or more of the general recording criteria of Sec. 1904.7 or the application to specific cases of Sec. 1904.8 through Sec. 1904.12.

Implementation--(1) What sections of this rule describe recording criteria for recording work-related injuries and illnesses? The table below indicates which sections of the rule address each topic.

Determination of work-relatedness. See Sec. 1904.5.

Determination of a new case. See Sec. 1904.6.

General recording criteria. See Sec. 1904.7.

Additional criteria. (Needlestick and sharps injury cases, tuberculosis cases, hearing loss cases, medical removal cases, and musculoskeletal disorder cases). See Sec. 1904.8 through Sec. 1904.12.

(2) How do I decide whether a particular injury or illness is recordable? The decision tree for recording work-related injuries and illnesses below shows the steps involved in making this determination.

CHAPTER XVII--OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR

PART 1910_OCCUPATIONAL SAFETY AND HEALTH STANDARDS--Table of Contents

Subpart A_General

TITLE 29--LABOR

CHAPTER XVII--OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR

PART 1910_OCCUPATIONAL SAFETY AND HEALTH STANDARDS--Table of Contents

Subpart T -Commercial Diving Operations

Sec. 1910.440 Recordkeeping requirements.

Emergency Management- Clark County liaison to CRESA

Continuity of Operations Planning (COOP)

FPC 65- FEDERAL EXECUTIVE BRANCH CONTINUITY OF OPERATIONS (COOP)

Federal Continuity Directive 1 (FCD 1), February 2008

Federal Continuity Directive 2 (FCD 2), February 2008

NATIONAL SECURITY PRESIDENTIAL DIRECTIVE/NSPD 51 HOMELAND SECURITY
PRESIDENTIAL DIRECTIVE/HSPD-20

TITLE 6--DOMESTIC SECURITY
CHAPTER I--DEPARTMENT OF HOMELAND SECURITY, OFFICE OF THE SECRETARY

PART 29_PROTECTED CRITICAL INFRASTRUCTURE INFORMATION--Table of Contents

Sec. 29.5 Requirements for protection.

All Federal, State and local government entities shall protect and maintain information as required by these rules or by the provisions of the CII Act when that information is provided to the entity by the PCII Program Manager or the PCII Program Manager's designee and is marked as required in 6 CFR 29.6(c).

TITLE 44--EMERGENCY MANAGEMENT AND ASSISTANCE
CHAPTER I--FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

PART 11_CLAIMS--Table of Contents

Subpart A_General

Sec. 11.1 General collection standards.

The general standards and procedures governing the collection, compromise, termination and referral to the Department of Justice of claims for money and property that are prescribed in the regulations issued jointly by the General Accounting Office and the Department of Justice pursuant to the Federal Claims Collection Act of 1966 (4 CFR part 101 et seq.), apply to the administrative claim collection activities of the Federal Emergency Management Agency (FEMA).

TITLE 44--EMERGENCY MANAGEMENT AND ASSISTANCE
CHAPTER I--FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

PART 361_NATIONAL EARTHQUAKE HAZARDS REDUCTION ASSISTANCE TO STATE AND LOCAL

Subpart A_Earthquake Hazards Reduction Assistance Program

Sec. 361.1 Purpose.

This part prescribes the policies to be followed by the Federal Emergency Management Agency (FEMA) and States in the administration of FEMA's earthquake hazards reduction assistance program, and establishes the criteria for cost-sharing. This is necessary for the recovery of insured and non-insured losses.