

FY 20 BUDGET
PRESENTATION
APRIL 8, 2019

Risk Management

A decorative graphic consisting of several parallel white lines of varying thicknesses, slanted diagonally from the bottom-left towards the top-right, located on the right side of the slide.

▶ Risk Management Staff

RISK MANAGER-ERIC LAGSTROM
ASSOCIATE RISK MANAGER-CHRIS PARKS
P/T OFFICE ASSOCIATE-

Risk Management serves the Town of Ocean City government, the public and its visitors.

Our mission is to work with employees and citizens, managing risks arising out of the towns' operations.

Our goals are to protect the Town's assets and determine it's liabilities.

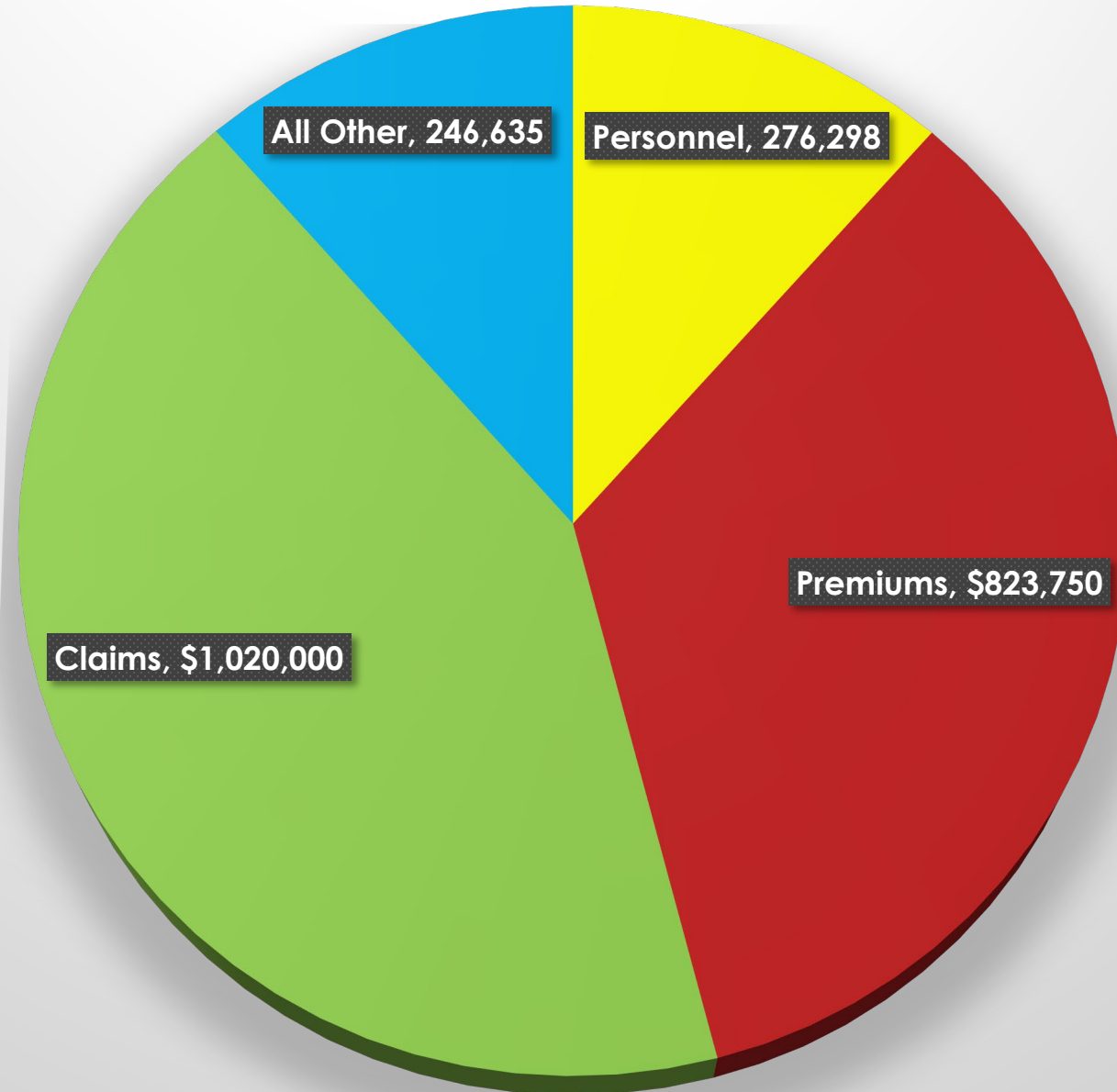
ABOUT RISK MANAGEMENT

A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom right towards the top right, set against a solid blue background.

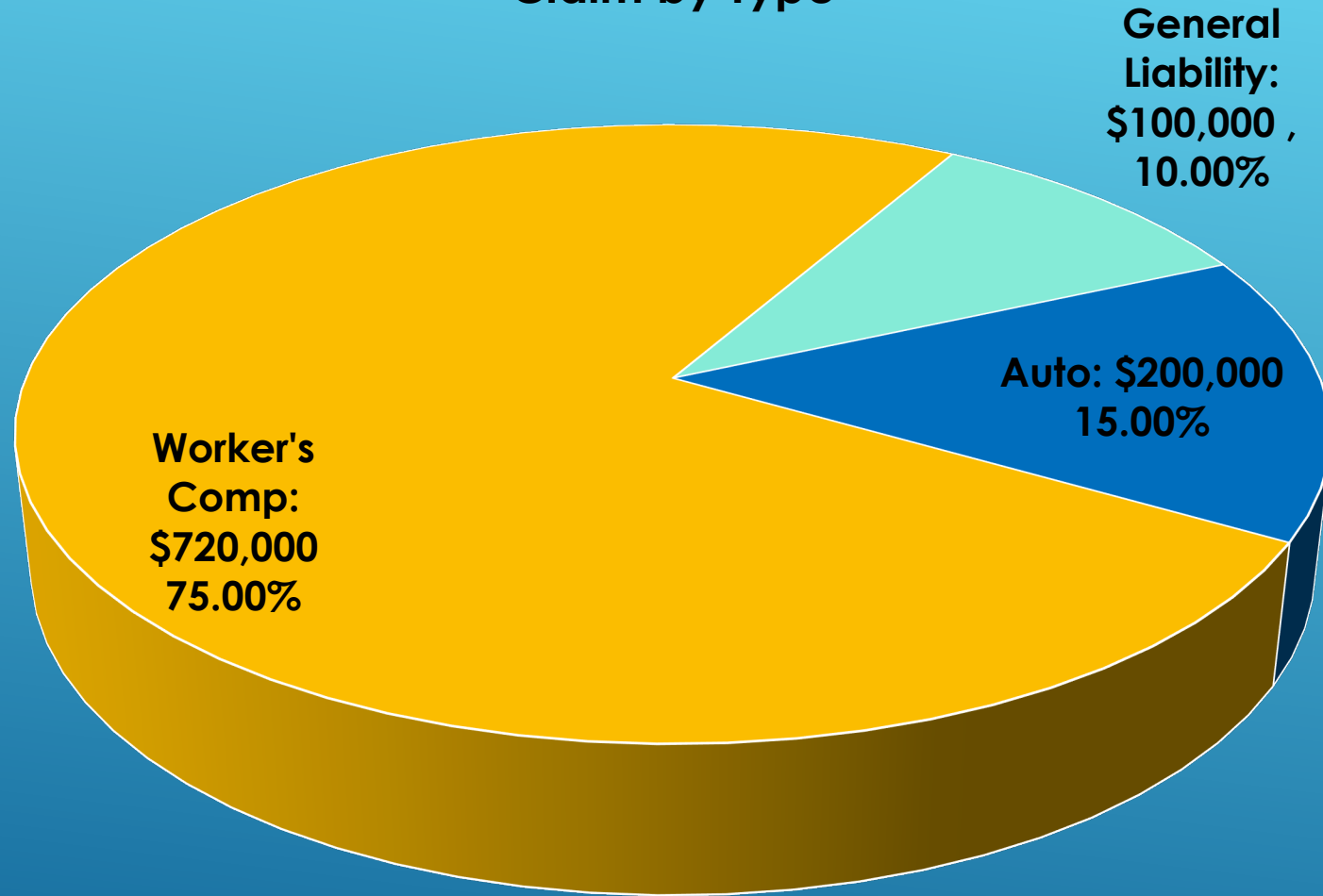
- ▶ Manage insurance program by purchasing all policies to protect the TOC to include Auto, General and Professional Liability, Workers' Compensation, Airport and Property
- ▶ Claims handling
- ▶ Subrogation/Recovery
- ▶ Loss Control and Safety
- ▶ Random and Post accident Drug/Alcohol testing
- ▶ Work closely with City Solicitor preparing cases for litigation and attend trials
- ▶ Attend Worker's Compensation hearings with counsel
- ▶ Submit required reports to Insurance carriers, MVA,WCC, FTA,OSHA
- ▶ Review MVA Employee Driving records
- ▶ Annual Hearing Testing
- ▶ Work closely with Human Resources and all other departments involving employee issues
- ▶ Preside over the Risk Management Committee
- ▶ And all other duties as assigned...

RISK MANAGEMENT FUNCTIONS

FY 20 Expenses by Type



Claim by Type



FY19

- ▶ Workers Compensation-\$750,000
- ▶ Auto Liability-\$200,000
- ▶ Insurance Premiums-\$834,950
- ▶ Actuary Study \$15,000

FY20

- ▶ Workers' Compensation-\$720,000
- ▶ Auto Liability-\$200,000
- ▶ Insurance Premiums-\$823,750

CHANGES IN BUDGET

- ▶ Workers Compensation costs continue to rise due to increased medical/prescription costs, lost time from work, and increases in the number and amount of permanent partial disability awards.
- ▶ MD State Tort Cap increased from \$200/400 to \$400/800 in 2015. The Notification Claim requirement went from 180 Days to one year. We have already seen how this affects the Town's future liability exposures in Auto/GL claims
- ▶ Continue to handle all claims aggressively and timely
- ▶ Review and adjust Reserves

CHALLENGES & SOLUTIONS