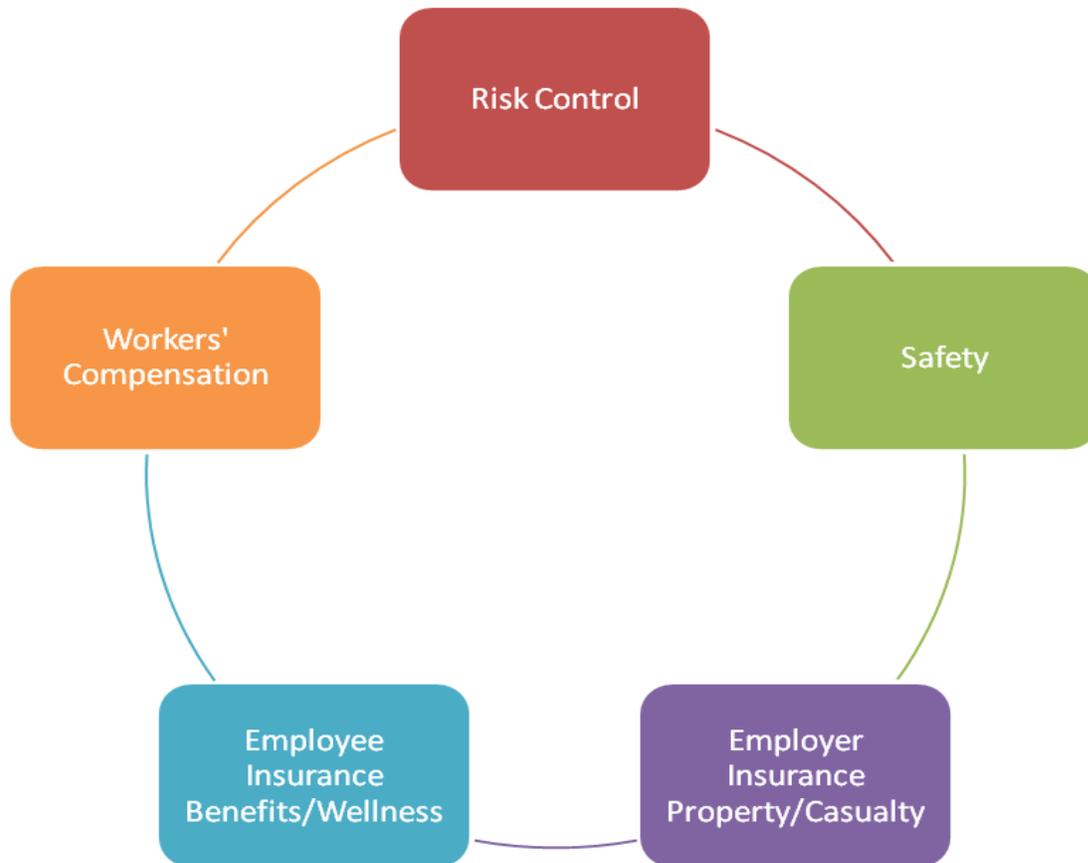




MARION COUNTY BOARD OF COUNTY COMMISSIONERS

# RISK AND BENEFIT SERVICES

**Business Plan**  
Fiscal Year 2012-2013



*QR code for department external website*

*QR code for department business plan*





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## Executive Summary

Risk and Benefit Services is responsible for directing and managing the Employer Insurance programs for General Liability, Auto Liability, Property, Workers' Compensation, Safety and the Employee Insurance programs for Health, Vision, Dental, Life, Disability, and IRS Section 125 Flexible Spending Accounts.

Services are provided to the Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector for a combined total of approximately 2,500 full-time employees and 461 retirees. The cost of personnel and operating supplies is funded through the Insurance Fund and allocated out to various departments and entities.

Risk and Benefit Services is located within Human Resources and adjacent to the Employee Clinic which provides the opportunity to communicate and streamline functions involving HR, Risk and the Clinic. When an employee is hired, resigns or retires, Human Resources and Risk work together to process the appropriate paperwork for employment, retirement and insurance enrollment. We obtain prompt and accurate information from the Clinic on injuries which enables us to effectively monitor loss time, restricted duty and other essential factors required in the overall management of the Workers' Compensation program.

The essential functions of Risk and Benefit Services include:

- identifying potential risks and analyzing loss exposures;
- determining a combination of controls and financing mechanisms that are most effective in controlling the County's exposures and overall cost;
- providing effective and proactive loss prevention programs that minimize or eliminate the condition and practices that cause loss and damage;
- reviewing policies and procedures and making recommendations for eliminating or reducing overall risk;
- developing safety programs and training for employees;
- continually monitoring the employee insurance program to ensure cost effective coverage is provided to Marion County and its employees;
- evaluating, recommending and implementing initiatives and options that can assist in reducing the cost of healthcare to Marion County.

We continually strive to evaluate and review all options and financing methods for reducing the cost of health insurance to Marion County while continuing to provide adequate healthcare to employees. During FY12, we implemented a county-wide health and wellness program for employees called "Health Happens – Commit, Inspire, Achieve". The program focuses on increasing the number of employees that get their annual wellness exam including lab work, complete a Personal Health Assessment, and participate in educational preventive classes. Obtaining a yearly physical allows members to address health conditions early on before they become more expensive and uncontrollable. The program also provides employees with on-going resources and activities that promote healthier lifestyles. Improving employee health not

only increases productivity, boosts morale and vitality, reduces stress and reduces absenteeism but also over the long term should help to reduce preventable healthcare costs.

**Risk and Benefit Services accomplishments and successes:**

- Transfer of workers' compensation and liability litigation files to in-house County Attorney's office. Attorney fees were reduced by approximately \$195,000 from FY10 to FY11.
- Restructured Health Insurance plan designs reducing a proposed 15% or 2.7 million increase to a zero increase to the FY12 county budget.
- Reduced the Workers' Compensation Medical Provider contract by 10% or \$22,190 for FY11 and renewed the FY12 contract with no rate increase.
- Reduced the Third Party Workers' Compensation and Liability Claims Service by 2% or \$2,900 for FY11 and renewed the FY12 contract with no rate increase.
- Reduced the Life and Disability insurance rates by 10% or \$80,500 and obtained a three year rate guarantee for FY11, FY12 and FY13.
- Provided and accomplished NIMS emergency management employee training bringing the County in compliance with FEMA requirements. The training is necessary to be awarded the maximum FEMA Reimbursement in the event that Marion County is faced with a disaster recovery effort.
- Improved communication with Departments and Constitutional Officers through individual meetings, on-going monthly insurance committee meetings, pro-active management of claims, and effective customer service to employees and retirees.

**Risk and Benefit Services challenges:**

Workers' Compensation – FL Statute 440

- FL Statute 440 – statute requires additional Employer responsibilities and requirements that increase exposure and cost.

Healthcare Cost

- Rising cost of healthcare.
- Healthcare Reform, modern technology, increasing pharmaceuticals and aging workforce.
- FL Statute 112.0801 requiring public entities to provide the same coverage to retirees as is provided to active employees. While this is a very important benefit it has a significant impact on the cost of public entity group insurance.



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## Business Description & Vision

Risk and Benefit Services is charged with administering the Employer Insurance programs for General and Auto Liability, Property, Workers' Compensation, Safety and the Employee Insurance programs for Health, Vision, Dental, Life, Disability, and IRS Section 125 Flexible Spending Accounts. Services are provided to the Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

We will effectively prevent, control, and minimize the County's human, financial and physical assets from the consequences of losses while providing optimum services to the employees and citizens through the identification of loss exposures and the proactive and efficient administration of loss control programs.

We will protect and promote the safety and health of all employees through the development of and implementation of cost-effective employee benefits, training programs, procedures, processes and services.

### **Risk and Benefit Services History**

Risk and Benefit Services was created and implemented April 1, 2010. The County previously participated in an Interlocal Agreement with the City of Ocala for Risk Management administrative services in a 50/50 split of personnel and operating costs for many years. In September 2009, the City of Ocala proposed a revision to the administrative cost split of 60% County and 40% City requiring an additional \$58,000 budget impact to Marion County.

After a thorough review of the Risk Management services and additional cost, the Board of County Commissioners separated from the interlocal agreement and began administering their own Risk Management services effective April 1, 2010. For the FY10 partial year the County saved approximately \$33,000 and in FY11 approximately \$41,000. In addition to the administrative tangible savings there were other intangible areas identified where the County could benefit from managing their own Risk program. Areas identified included aggressively managing workers' compensation claims, identifying trends and strategies for reducing exposures and cost, reviewing alternative funding methods for all insurance coverage and improving communication with the Constitutional Officers and throughout the organization.

### **Goals and Objectives**

1. Identify potential risks, analyze loss exposures and determine combination of controls and financing mechanisms that are most effective in controlling the organization's exposures and overall cost.
  - Review and evaluate policies and procedures to eliminate or reduce overall risk.
  - Mitigate the cost of insurances through loss control, safety programs and pro-active claims management.
  - Aggressively evaluate all funding options to obtain the most feasible and cost effective program/renewals for Marion County.

2. Provide effective, proactive loss prevention programs, policies and procedures that minimize or eliminate the condition and practices that cause loss and damage.
  - Develop a Safety program for employees that creates a safe work environment and reduces overall exposure and costs.
  - Provide ongoing training for employees to assist in reducing the number of work related incidents and overall claims costs.
  - Aggressively review and manage workers compensation incidents/claims by evaluating preventable vs non-preventable, cause of incidents and make recommendations for policies/procedures that will help to alleviate or reduce future incidents.
  
3. Continually monitor and revise the Employee insurance programs to provide cost-effective coverage for Marion County and its employees.
  - Aggressively evaluate the health insurance program and explore all funding mechanisms and alternatives for reducing the cost to Marion County.
  - Monitor and follow federal legislative Health Care reform to evaluate possible impact to the Marion County's healthcare cost.
  - Develop and implement Wellness programs that will provide on-going education and possible incentives to encourage employees to make changes in their lifestyles and choices that should in the long-term have a positive impact on the number of claims and overall healthcare cost.

## **Safety Program**

The Risk and Benefit Services Safety division provides leadership through quality management, technical guidance, and consultation. We promote, implement and drive continuous improvement in safety through the development of procedures, training programs, processes and services ensuring a safe environment for employees and the community.

We believe that:

- Accidents and Injuries are preventable
- Safety is a culture not a department
- Safety can be managed
- Safety is an individual responsibility
- Safety is a way of life
- Nothing is more important than employee safety

Many of the departments have active safety programs that have been in place for many years. In FY11 Safety and Emergency Management was placed under Risk and Benefit Services to provide safety programs and trainings to all Board of County Commission departments and Constitutional Officers. We review all incidents to determine preventability vs non-preventability and work directly with individual departments and committees to review their own incidents and departmental concerns. We develop strategies, trainings, and procedures that are recommended to create a safe work environment,

minimize exposures, and reduce the number of incidents in an effort to decrease the overall claims cost to Marion County.

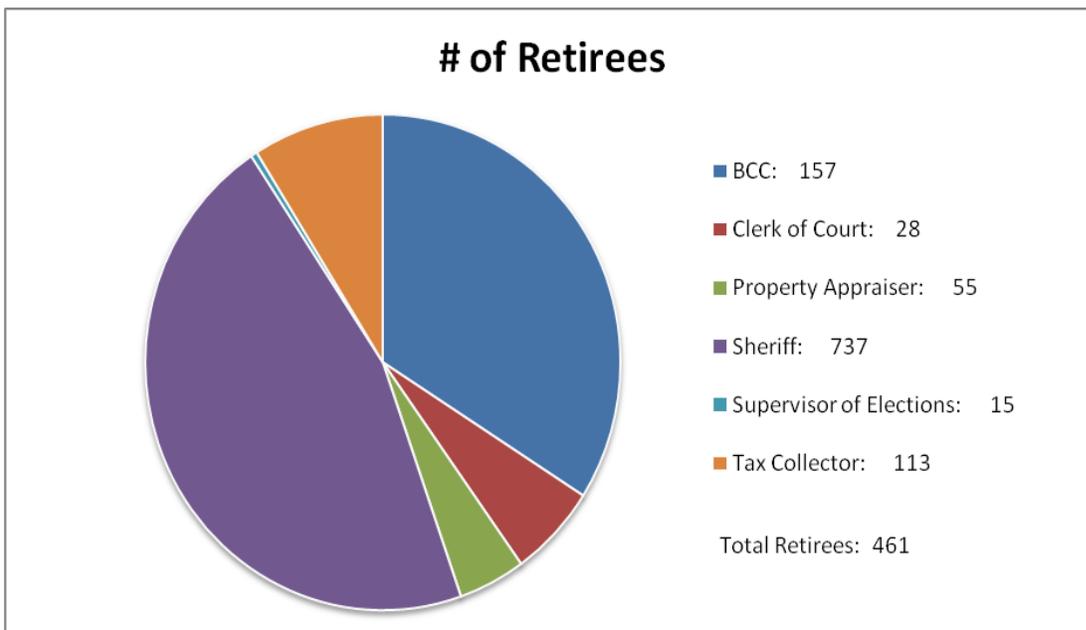
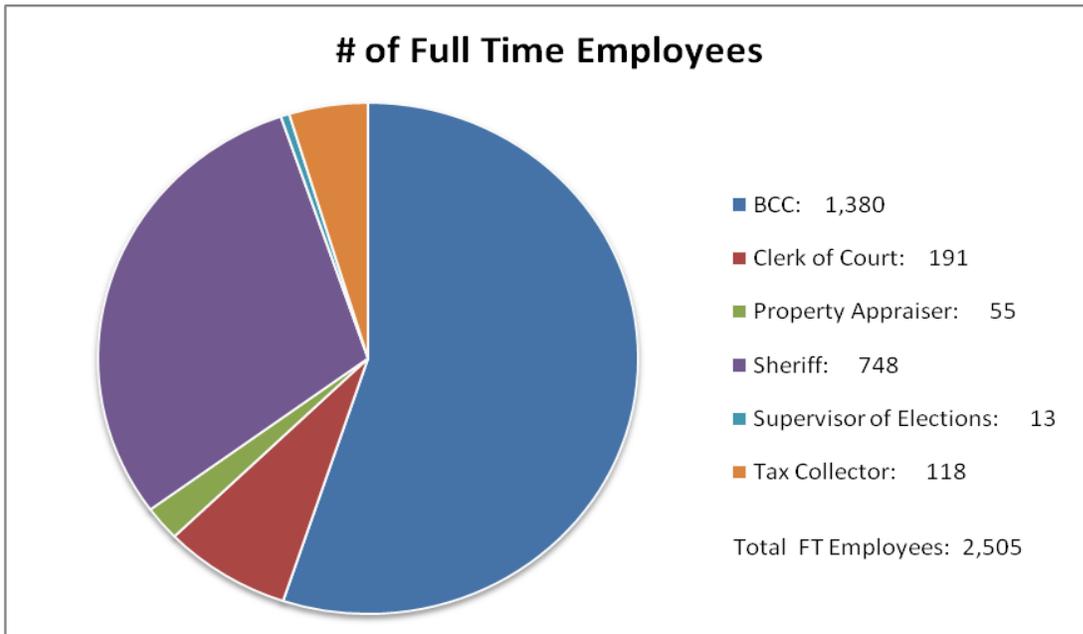
In 2011 our Safety Coordinator became an active member of the Local Emergency Planning Council (LEPC). The LEPC is responsible for preparing a regional hazardous materials emergency response plan, serves as a repository for regional hazardous materials information, and performs outreach functions to increase hazardous materials awareness. In 2011 Marion County BCC had 150 employees trained on Basic Hazard Awareness funded by the LEPC totaling approx \$4,500 and an 8 hour Annual HAZWOPER Recertification for 24 employees who hold a 40 or 24 hr certification which is mandated by law, totaling approximately \$3,000. Combined, the LEPC funding saved the County tax payers approx \$7,500.



## Definition of the Market

Risk and Benefit Services manages the Employer Insurance programs for General and Auto Liability, Property, Workers' Compensation, Safety and the Employee Insurance programs for Health, Vision, Dental, Life, Disability, and the IRS Section 125 Flexible Spending Accounts.

Services are provided to the Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector for a combined total of approximately 2,500 employees and 461 retirees.



The function and duties of Risk and Benefit Services can be categorized into the following areas:

- To identify and appraise the risks of the County and insure or self-insure those risks which cannot be controlled.
- To mitigate the cost of insurances and losses through pro-active claims management and loss prevention safety programs.
- To manage the Employee insurance and IRS 125 programs in an efficient and cost effective manner for Marion County and its employees.

The first step in the risk management process is to identify as clearly and as completely as possible the exposures that have a potential for loss. All possible losses by categories can be identified through experience and by years of observing the County organization and how it operates.

The process of risk identification involves determining the types of value exposed to loss, the perils that could cause a loss, and the potential consequences of a loss. Assets can be categorized as property, freedom from liability, net income, and key personnel.

- **Property** – Tangible property is classified as real property such as land and buildings or personal property such as equipment, vehicles, or furniture. Intangible property consists of rights, privileges, or even a reputation.
- **Freedom From Liability** - Liability is legal responsibility for harm to others. Public entities are exposed to statutory liability arising from violation of laws and common law liability from citizens and other parties citing negligence or wrongful conduct that violated certain rights or deprived the claimants in some way.
- **Net Income** – Although public entities are not for profit organizations, their survival relies on revenues that are equal to or greater than expenses. Net income losses result from a reduction of income and/or an increase in expenses because of an accident or other catastrophic event. Public entities have many sources of revenue, including taxes, fees for services, and special appropriations from the state or federal government. Any disruption in income affects the organization's ability to operate efficiently and to provide public services at a reasonable level of quality.
- **Key Personnel** – Any organization has key personnel – persons whose special knowledge, skills, or other characteristics are very valuable to the organization and who cannot be replaced readily if the organization loses their services because of death, disability, retirement, resignation, or other cause. Although all employees and volunteers are important, some are more vital to smooth operations on a daily basis. If the services of an employee who is a key person is lost because of an injury or illness arising out of or in the course of employment, workers compensation benefits are paid. The workers compensation obligation is a liability loss to the employer for both key and other employees. This liability loss is distinct from the key person loss to the employer that stems from the reduced income or increased-expense of being deprived of a key person's services.

The most effective risk management programs incorporate risk control methods to prevent or minimize losses and risk financing mechanisms to pay for losses that inevitably occur. Risk control programs are designed to reduce the frequency and severity of potential losses by preventing accidents and other loss-causing events and by taking measures to ensure that losses are kept to a minimum when an event occurs. Risk control techniques consist of exposure avoidance, loss prevention, loss reduction, segregation of loss exposure units, and contractual transfer for risk control.

After considering how various risk control and risk financing options might be applied to loss exposures, Risk and Benefit Services must determine the combination of risk control and risk financing techniques that would be most effective in controlling the County's overall exposures.

It is critical that we identify and appraise the risks of the County, determine appropriate insurance funding methods, and mitigate the cost of those insurances and losses through county-wide safety programs and proactive claims management.

We must continually evaluate all employee insurance programs, specifically reviewing all Health Insurance program options and funding mechanisms for reducing the County's overall cost while still providing effective and adequate healthcare to employees.



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## Description of Products and Service Processes

Risk and Benefit Services is responsible for providing many services to Marion County Board of County Commissioners, Constitutional Officers and the citizens of Marion County.

The department is charged with identifying and appraising the risk and exposures of the County and insuring or self-insuring those risks. We are also responsible for providing quality and affordable benefits to Marion County and its employees. We strive to mitigate the cost of insurance and losses through pro-active claims management and loss prevention programs.

We host a monthly insurance meeting comprised of members representing the Board of County Commission departments and each Constitutional Office. We review claims experience and data on health, dental, workers' compensation, general and auto liability. This monthly review enables us to proactively identify trends, address issues, safety concerns and make cost-effective policy and procedure recommendations.

The following is a list of the Core services provided by Risk and Benefit Services:

- **Negotiating and Obtaining Insurance**
  - Insurance Quotes and Renewals
  - Insurance Policy Research and Review
  - Insurance Meeting Agenda Preparation
  - Insurance Meeting and Minutes
- **Workers' Compensation (WC) Claims**
  - WC Claims processing and reporting
  - WC Claim Settlement Authorizations
  - WC Claim Mediations
  - WC Claim Settlement Agenda Items
  - WC/Third Party Invoice Reconciliation
  - Monthly WC Claims Meeting
- **Property, General Liability and Auto Liability Claims**
  - GL/AL/GP Claims Processing
  - Insurance First Party Claims
  - Insurance Third Party Claims
  - Claim Settlement Authorization and Agenda Items
  - Subrogation Claim Processing
  - Liability Claims Reconciliation
- **Incident Response and Investigation**
  - Claim Site Inspection and Investigation
  - Incident Review and Recommendations
- **Safety Resources and Training**
  - Safety Campaign Preparation/Presentations
  - NSC 4 hr Defensive Driver Class
  - Forklift Certification Classes

- Risk Assessments
- Facility Inspections
- Road/Worksite Observations
- New Hire/Supervisor Orientation
- Emergency Management
- Safety Portal Info/Maintenance
- Miscellaneous Safety Classes/Trainings
- **Employee Insurance Enrollment, Changes, Terminations**
  - New Hire Orientation
  - New Hire Insurance Enrollments
  - Employee Insurance Enrollment Changes
  - Employee Terminations/COBRA
  - Employee Terminations/Retirees
- **Customer Service to Employees and Retirees**
  - Coverage, Claims, and Enrollment Assistance
  - Open Enrollment
  - Life Insurance/Death Claims
  - Long Term Disability Applications
- **Property, Equipment and Auto Inventory Schedules**
  - Updating Property, Equipment and Auto Inventory Schedules
- **Administrative Services**
  - Department Budget Preparation
  - Insurance Budget Preparation
  - Insurance Premium Invoices/Reconciliation
  - Contract Agreement Review
  - Department and Administrative Staff Meetings, Purchasing, ordering supplies, etc.
- **Health and Wellness Programs**
  - Creation/implementation of Wellness Programs and Initiatives

**Marion County Board of County Commissioners  
Flow Chart Processes**

Fund number: 501  
Department number: 2555

Department Name: Risk and Benefit Services

**Current and Added Services**

Services (flow chart each service using Information Technology supplied software)	Mandated by Law (mark with an X)	Service Process Time for One Occurrence & add. hours for all	# of positions in this occurrence [B] memo	Personal Services cost for one Occurrence [C] (Includes fringe)	Volume (annual) [D]	Annual Service Hours (exclude s leave time) [E]	Annual Service Cost			Number of FTE's in this service	
							Personal Services (Includes fringe)	Operating Expenses	Total		
<b>Negotiating and Obtaining Insurance</b>											
Insurance Quotes, Renewals	X	32.00	3	1,205	10	320	12,053	2,130	14,183	0.17	
Insurance Meeting Preparation/Agenda		1.00	1	44	12	12	526	500	1,026	0.01	
Insurance Meeting and Minutes		3.00	2	53	12	36	637	400	1,037	0.02	
Insurance Policy research/review		2.00	2	79	10	20	785	200	985	0.01	
<b>Workers' Compensation Claims</b>											
WC Claims Processing/TPA Reporting	X	1.25	2	32	1,786	2,233	57,706	3,500	61,206	1.19	
WC Claim Settlement Authorizations	X	1.25	1	47	18	23	841	200	1,041	0.01	
WC Claim Mediations	X	4.25	2	176	30	128	5,269	300	5,569	0.07	
WC Claim Settlement Agenda Items	X	1.00	2	79	18	18	1,415	100	1,515	0.01	
WC/TPA Invoice Reconciliation		0.50	1	11	52	26	564	100	664	0.01	
Monthly WC Meetings		2.00	2	75	12	24	896		896	0.01	
<b>Property/Gen Liability/Auto Liability</b>											
GL/AL/GP/GV Claims Processing	X	1.25	1	45	944	1,180	42,433	991	43,424	0.63	
Ins First Party Claim	X	1.25	2	47	562	703	26,189	750	26,939	0.37	
Ins Third Party Claim	X	1.75	3	72	382	669	27,519	1,537	29,056	0.36	
Liability Claim Mediations	X	4.00	2	179	18	72	3,225	200	3,425	0.04	
Ins Claim Settlement Agenda Items	X	1.25	2	47	12	15	561	150	711	0.01	
Liability Claim Settlement Authorizations	X	1.75	2	68	24	42	1,632	300	1,932	0.02	
Subrogation Claim Processing		1.00	1	36	30	30	1,079		1,079	0.02	
Liability Claims Reconciliation		4.00	1	144	26	104	3,740	250	3,990	0.06	
<b>Incident Response and Investigation</b>											
Claim Site Inspection/Investigation		2.00	3	69	52	104	3,611	1,578	5,189	0.06	
Incident Review and Recommendation		3.50	3	127	52	182	6,601		6,601	0.10	
<b>Safety Resources and Training</b>											
Campaign Preparation/Presentation		24.00	2	743	18	432	13,376	1,373	14,749	0.23	
NSC 4 hr Defensive Driver Class		5.00	1	152	5	25	762	380	1,142	0.01	
Forklift Certification Classes		16.00	1	487	6	96	2,934	299	3,233	0.05	
Risk Assessments		6.50	2	204	48	312	9,794	870	10,664	0.17	
Facility Inspections		4.00	1	122	100	400	12,184	718	12,902	0.21	
Road/Worksite Observations		4.00	1	122	48	192	5,848		5,848	0.10	
New Hire/Supervisor Orientation		1.00	1	30	8	8	244	600	844	0.00	
Emergency Management		8.00	2	329	4	32	1,315	80	1,395	0.02	
Safety Portal Info/Maintenance		1.00	1	30	24	24	731	200	931	0.01	
Misc Safety Classes/Training		2.00	2	64	24	48	1,535	348	1,883	0.03	
<b>Employee Insurance Enrollment</b>											
New Hire Orientation		1.00	1	22	52	52	1,127	400	1,527	0.03	
New Hire Insurance Enrollments		1.00	2	22	185	185	4,009		4,009	0.10	
Employee Ins Enrollment Changes		1.00	2	22	900	900	19,503	650	20,153	0.48	
Employee Terminations/COBRA	X	2.00	2	43	260	520	11,268	750	12,018	0.28	
Employee Terminations/Retirees	X	2.00	3	49	60	120	2,914	500	3,414	0.06	
<b>Customer Service to Employees/Retirees</b>											
Coverage, claims, enrollment assistance		1.00	3	27	450	780	12,101	200	12,301	0.41	
Open Enrollment		120.00	3	2,809	1	120	2,809	2,300	5,109	0.06	
Life Ins/Death Claims		1.00	1	22	20	20	433	100	533	0.01	
LTD - Applications		1.50	2	33	10	15	325	200	525	0.01	
<b>Property, Equipment and Auto Schedules</b>											
Updating Property, Equip and Auto Schedules		16.00	1	575	2	32	1,151	100	1,251	0.02	
<b>Administrative Services</b>											
Dept Budget Preparation		64.00	3	2,470	1	64	2,470	200	2,670	0.03	
Insurance Budget Preparation		80.00	4	3,178	1	80	3,178	500	3,678	0.04	
Processing Ins Premium Invoices		10.00	3	205	50	500	10,274	1,000	11,274	0.27	
Contract/Agreement Review		1.00	2	38	15	15	564	100	664	0.01	
Dept. and Admin Staff Meetings		1.00	1	43	46	46	1,957		1,957	0.02	
Ordering Supplies/Purchasing		0.50	2	12	12	6	143		143	0.00	
<b>Wellness Programs</b>											
Review Health Data/Implementation		1.50	2	57	36	54	2,065	100	2,165	0.03	
<b>TOTAL</b>							<b>11,017</b>	<b>322,284</b>	<b>25,154</b>	<b>347,438</b>	<b>5.86</b>
divided by 1880 hours (235 work days) equals FTE							<b>5.86</b>				
Total 2012-13 Budget							<b>5.50</b>	<b>356,545</b>	<b>25,154</b>	<b>381,699</b>	
Difference							<b>(0.36)</b>	<b>34,261</b>	<b>-</b>	<b>34,261</b>	

**Marion County Board of County Commissioners  
Flow Chart Processes**

Streamlined Services								Priority	Variance	
Service Process time for One Occurrence—add hours for all personnel involved	Number of positions in this occurrence [B] memo	Personal Services cost for one Occurrence (Includes fringe)	Volume (annual) [D]	Annual Service Hours (excludes leave time) [E] Hours	Annual Service Cost			Number of FTE's in this service	Service Priority Number #	Service Cost Total Variance
					Services (Includes fringe benefits)	Operating Expenses	Total			
-	-	-	-	-	-	-	-	1	14,753	
-	-	-	-	-	-	-	-	1	1,026	
-	-	-	-	-	-	-	-	1	1,037	
-	-	-	-	-	-	-	-	1	985	
-	-	-	-	-	-	-	-	2	61,206	
-	-	-	-	-	-	-	-	2	1,041	
-	-	-	-	-	-	-	-	2	5,569	
-	-	-	-	-	-	-	-	2	1,515	
-	-	-	-	-	-	-	-	2	664	
-	-	-	-	-	-	-	-	2	896	
-	-	-	-	-	-	-	-	3	43,424	
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-	-	-	-	-	-	-	-	3	1,932	
-	-	-	-	-	-	-	-	3	1,079	
-	-	-	-	-	-	-	-	3	3,990	
-	-	-	-	-	-	-	-	4	5,189	
-	-	-	-	-	-	-	-	4	6,601	
-	-	-	-	-	-	-	-	6	14,749	
-	-	-	-	-	-	-	-	5	1,142	
-	-	-	-	-	-	-	-	5	3,223	
-	-	-	-	-	-	-	-	5	10,664	
-	-	-	-	-	-	-	-	5	12,902	
-	-	-	-	-	-	-	-	5	5,848	
-	-	-	-	-	-	-	-	5	844	
-	-	-	-	-	-	-	-	5	1,395	
-	-	-	-	-	-	-	-	5	931	
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-	-	-	-	-	-	-	-	9	3,678	
-	-	-	-	-	-	-	-	9	11,274	
-	-	-	-	-	-	-	-	9	654	
-	-	-	-	-	-	-	-	9	1,957	
-	-	-	-	-	-	-	-	9	143	
-	-	-	-	-	-	-	-	10	2,165	
-	-	-	-	-	-	-	-	<b>10</b>	<b>348,008</b>	



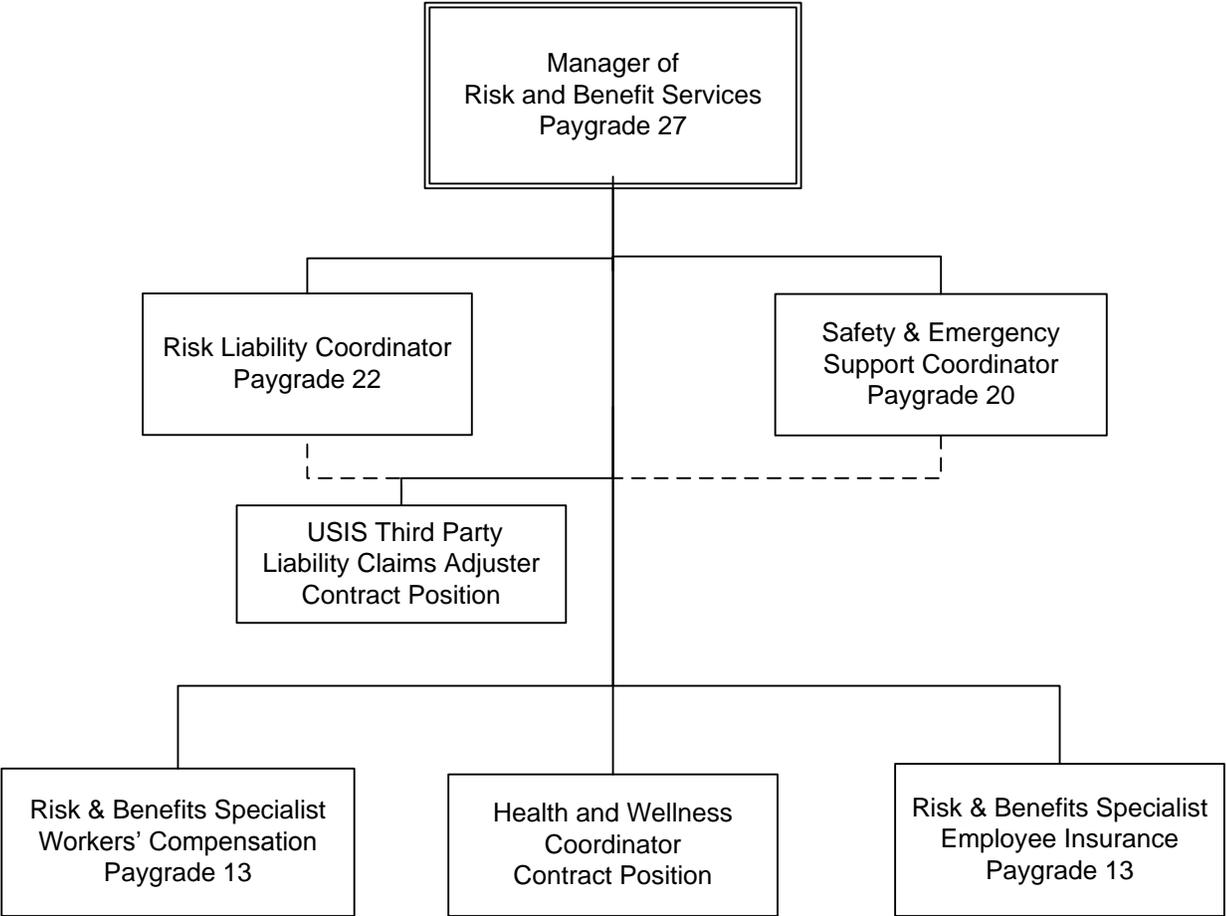
## Organization & Management

Risk and Benefit Services includes the administration and management of Workers' Compensation, Property, General Liability, Auto Liability, Safety Health Insurance, Dental, Vision, Life, Disability, and Flexible Spending Accounts,. Services are provided to the Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

### Department Structure:

- **Manager of Risk and Benefit Services** – Responsible for establishing strategic plans, developing goals and objectives, directing and managing the resources, staff and operations for Risk, Benefits and Safety.
- **Risk Liability Coordinator** – Responsible for processing liability claims, managing property schedules, responding to incidents, reviewing trends, identifying risks and ways to reduce or eliminate future potential risk exposures.
- **Safety & Emergency Support Coordinator** – Responsible for developing and coordinating safety programs, responding to incidents, reviewing trends and developing safety guidelines and programs that will create a safe work environment for Marion County and its citizens.
- **Risk and Benefit Specialist (Workers' Compensation)** – Responsible for processing workers' compensation claims, coordinating with Third Party Claims Administrator, processing insurance premium invoices, employee insurance enrollments and providing employee insurance customer service to employees and retirees.
- **Risk and Benefit Specialist (Employee Insurance)** – Responsible for processing employee and retiree insurance enrollments, changes and terminations, coordinating retiree premium collection, reconciling premium invoices and providing employee insurance customer service to employees and retirees.

# Marion County Board of County Commissioners Risk and Benefit Services





**Marion  
County**  
FLORIDA

## **Marketing and Customer Service**

Risk and Benefit Services is responsible for managing Marion County's Employee and Employer insurance programs which encompasses a broad range of customers, including elected officials, employees, retirees and citizens.

The department is charged with identifying and appraising the risk and exposures of the County and insuring or self-insuring those risks. We strive to mitigate the cost of insurance and losses through pro-active claims management and loss prevention programs.

There are two vitally important parts of customer service in Risk and Benefit Services. First, is the importance of prompt response to incidents that occur throughout the County involving employees and/or citizens. Our response time, procedures and methods for processing claims is critical in limiting the immediate and future liabilities to the County. Our main priority is investigating the cause of the incident, analyzing the exposure, identifying methods for risk alternatives and making recommendations for mitigating or eliminating future risks.

Our ability to proactively and effectively manage workers compensation and liability claims reduces the overall exposure and costs for Marion County. We must review, develop and implement Safety policies and procedures that ensure a safe environment and assist in reducing or eliminating future risk exposures.

Second, is the importance of providing excellent customer service to employees and retirees. Accurate and effective communication of employee insurance benefits, policies, procedures, rules and regulations is very important. It is necessary to provide employees and retirees with the appropriate information that will enable them to make the best decisions possible for their self and their families. Currently, we provide customer service to approximately 2,500 employees and 461 retirees.

Providing cost-effective health insurance to Marion County, employees and retirees is a significant part of Risk and Benefit Services responsibilities. We conduct monthly meetings with representatives from each Constitutional Office to review and evaluate all options and financing methods for reducing the cost of health insurance for Marion County while continuing to provide adequate healthcare to employees.

FL Statute 112.0801 requires public entities to provide the same coverage to retirees as is provided to active employees. While this is a very important benefit it has a significant impact on the cost of public entity group insurance. Healthcare Reform is also an important factor that is affecting the cost of healthcare. As healthcare reform evolves, with additional coverage and services mandated to Employers, the cost of medical care continues to rise. We continually monitor legislative issues and decisions that affect healthcare and could specifically impact Marion County Group insurance.



## Financial Management, Performance Measures, Benchmarks and Comparatives

MARION COUNTY BOARD OF COUNTY COMMISSIONERS  
BUSINESS PLAN BUDGET WORKSHEET  
January 3, 2012

Fund		Department					
501	Insurance Fund	2555	Risk and Benefit Services				
Account Code	Account Name	Actual Expenditures 2009-10	Unaudited Expenditures 2010-11	Amended Budget 2011-12	Business Plan 2012-13	Variance	%
<b>EXPENDITURES</b>							
512101	REGULAR SALARIES & WAGI	98,974	233,597	228,450	278,455	50,005	21.9%
521101	FICA TAXES	7,383	17,437	17,478	21,300	3,822	21.9%
522101	RETIREMENT CONTRIBUTIO	10,313	20,572	12,177	15,780	3,583	29.4%
523101	HEALTH INSURANCE	11,426	20,760	28,026	34,254	6,228	22.2%
523401	LIFE, AD&D, LTD INSURANCE	773	1,590	1,484	1,809	325	21.9%
524101	WORKERS' COMPENSATION	-	1,234	1,416	1,731	315	22.2%
526101	OTH POST EMPLOYMENT BE	13,742	-	3,236	3,236	0	0.0%
540101	TRAVEL & PER DIEM	-	373	1,470	1,957	487	33.1%
541101	COMMUNICATION SERVICES	624	911	1,380	1,620	240	17.4%
542201	POSTAGE & FREIGHT	1,751	1,076	998	536	(462)	-46.3%
545101	INSURANCE - PREMIUMS	-	600	1,700	2,359	659	38.8%
546257	REP & MAINT-FLEET MGT	982	605	400	600	200	50.0%
547101	PRINTING & BINDING	478	967	996	825	(171)	-17.2%
551101	OFFICE SUPPLIES	4,474	3,672	960	1,739	779	81.1%
552101	GASOLINE OIL & LUBRICANT	593	1,662	1,821	2,862	1,041	57.2%
552106	OPERATING - COMPUTER SF	21,600	5,000	5,000	5,000	0	0.0%
552107	CLOTHING & WEARING APP	-	-	75	0	(75)	-100.0%
552108	OPERATING SUPPLIES	1,877	679	1,250	865	(385)	-30.8%
552116	COMPUTER HARDWARE-OP	2,507	0	0	0	0	0.0%
554101	BOOKS/PUBS/SUBSCRIP/ME	587	2,295	1,978	1,775	(203)	-10.3%
554201	DUES & MEMBERSHIPS	1,030	1,390	1,450	1,695	245	16.9%
555301	TRAINING MATERIALS & SUF	-	-	500	2,026	1,526	305.2%
555501	TRAINING & EDUCATION	-	70	0	1,295	1,295	100.0%
559101	DEPRECIATION EXPENSE	1,008	2,216	-	-	-	0.0%
		180,123	316,705	312,245	381,699	69,454	634.7%

MARION COUNTY BOARD OF COUNTY COMMISSIONERS  
 BUSINESS PLAN BUDGET WORKSHEET  
 January 3, 2012

Fund		Department					
001	General Fund	2580 Safety Training & Emergency Support					
Account Code	Account Name	Actual Expenditure: 2009-10	Unaudited Expenditure: 2010-11	Amended Budget 2011-12	Business Plan 2012-13	Variance	%
<b>EXPENDITURES</b>							
512101	REGULAR SALARIES & WAGES	9,590	12,549	12,500	0	(12,500)	-100.0%
521101	FICA TAXES	722	830	956	0	(956)	-100.0%
522101	RETIREMENT CONTRIBUTIONS	983	1,128	868	0	(868)	-100.0%
523101	HEALTH INSURANCE	952	1,687	1,557	0	(1,557)	-100.0%
523401	LIFE, AD&D, LTD INSURANCE	74	103	81	0	(81)	-100.0%
524101	WORKERS' COMPENSATION	74	73	78	0	(78)	-100.0%
540101	TRAVEL & PER DIEM	-	365	735	0	(735)	-100.0%
541101	COMMUNICATION SERVICES	172	509	870	0	(870)	-100.0%
545101	INSURANCE - PREMIUMS	-	95	659	0	(659)	-100.0%
551101	OFFICE SUPPLIES	435	940	500	0	(500)	-100.0%
552101	GASOLINE OIL & LUBRICANTS	152	1,095	1,302	0	(1,302)	-100.0%
552107	CLOTHING & WEARING APP	75	-	75	0	(75)	-100.0%
552108	OPERATING SUPPLIES	-	430	465	0	(465)	-100.0%
554201	DUES & MEMBERSHIPS	75	75	80	0	(80)	-100.0%
555301	TRAINING MATERIALS & SUPP	1,545	1,145	845	0	(845)	-100.0%
555501	TRAINING & EDUCATION	-	370	800	0	(800)	-100.0%
564101	MACHINERY AND EQUIPMENT	-	1,528	0	0	0	0.0%
		<b>14,829</b>	<b>22,921</b>	<b>22,169</b>	<b>0</b>	<b>(22,169)</b>	
Fund 4121 25% split of Safety position:				15,839	0	(15,839)	-100.0%
Fund 4230 25% splits of Safety position:				15,839	0	(15,839)	-100.0%
Fund 7130 25% split of Safety position:				15,839	0	(15,839)	-100.0%
<b>TOTAL SAFETY COST transferred to Risk Fund:</b>				<b>69,686</b>		<b>(69,686)</b>	

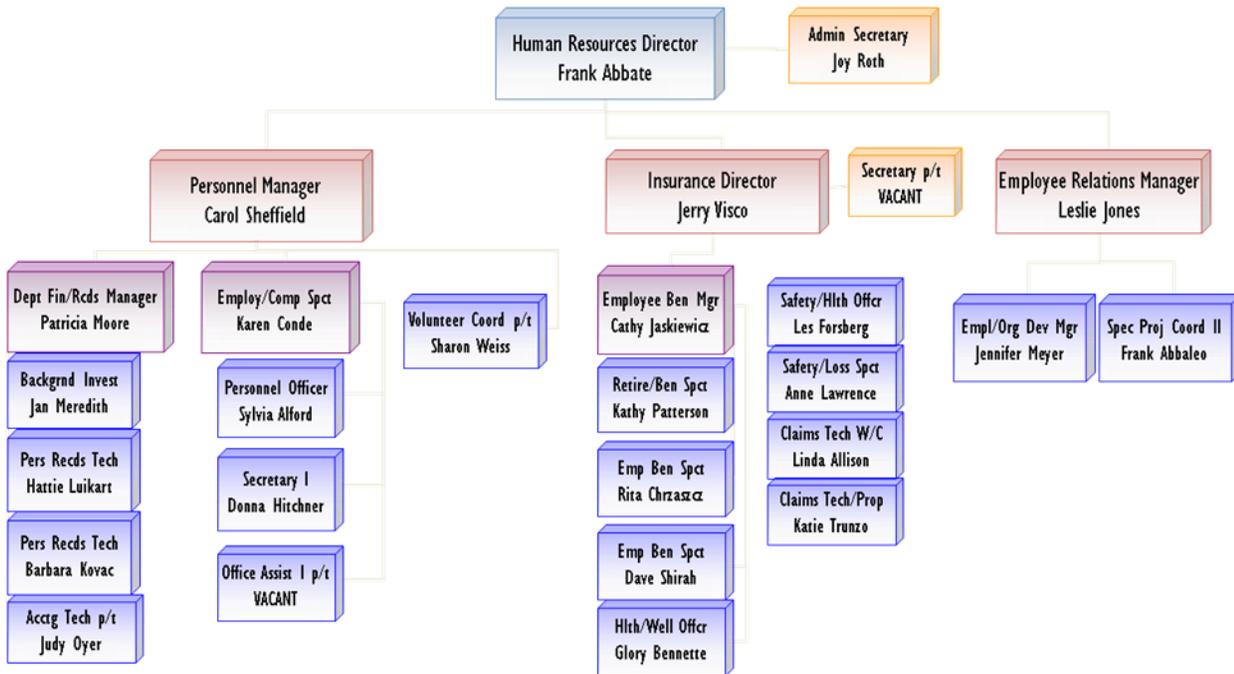
<b>Marion County Board of County Commissioners</b>			
Forecast Service Volume			
Fund number:	501		
Department number:	2555		
Department name:	Risk and Benefit Services		
	Current volume	Forecast volume 2012-13	Variance
<b>List Services provided:</b>			
<b>Negotiating and Obtaining Insurance</b>			0
Insurance Quotes, Renewals	10	10	0
Insurance Meeting Preparation/Agenda	12	12	0
Insurance Meeting and Minutes	12	12	0
Insurance Policy research/review	10	10	0
<b>Workers' Compensation Claims</b>			0
WC Claims Processing/TPA Reporting	1,786	1,786	0
WC Claim Settlement Authorizations	18	18	0
WC Claim Mediations	30	30	0
WC Claim Settlement Agenda Items	18	18	0
WC/TPA Invoice Reconciliation	52	52	0
Monthly WC Meetings	12	12	0
<b>Property/Gen Liability/Auto Liability</b>			0
GL/AL/GP/GV Claims Processing	944	944	0
Ins First Party Claim	562	562	0
Ins Third Party Claim	382	382	0
Liability Claim Mediations	18	18	0
Ins Claim Settlement Agenda Items	12	12	0
Liability Claim Settlement Authorizations	24	24	0
Subrogation Claim Processing	30	30	0
Liability Claims Reconciliation	26	26	0
<b>Incident Response and Investigation</b>			0
Claim Site Inspection/Investigation	52	52	0
Incident Review and Recommendation	52	52	0
<b>Safety Resources and Training</b>			0
Campaign Preparation/Presentation	18	18	0
NSC 4 hr Defensive Driver Class	5	5	0
Forklift Certification Classes	6	6	0
Risk Assessments	48	48	0
Facility Inspections	100	100	0
Road/Worksite Observations	48	48	0
New Hire/Supervisor Orientation	8	8	0
Emergency Management	4	4	0
Safety Portal Info/Maintenance	24	24	0
Misc Safety Classes/Training	24	24	0
<b>Employee Insurance Enrollment</b>			0
New Hire Orientation	52	52	0
New Hire Insurance Enrollments	185	185	0
Employee Ins Enrollment Changes	900	900	0
Employee Terminations/COBRA	260	260	0
Employee Terminations/Retirees	60	60	0
<b>Customer Service to Employees/Retirees</b>			0
Coverage, claims, enrollment assistance	450	450	0
Open Enrollment	1	1	0
Life Ins/Death Claims	20	20	0
LTD - Applications	10	10	0
<b>Property, Equipment and Auto Schedules</b>			0
Updating Property, Equip and Auto Schedules	2	2	0
<b>Administrative Services</b>			0
Dept Budget Preparation	1	1	0
Insurance Budget Preparation	1	1	0
Processing Ins Premium Invoices	50	50	0
Contract/Agreement Review	15	15	0
Dept. and Admin Staff Meetings	48	48	0
Ordering Supplies/Purchasing	12	12	0
<b>Wellness Programs</b>			0
Review Health Data/Implementation	36	36	0

## Marion County Board of County Commissioners

### Business Plan Performance Measures and Benchmarks

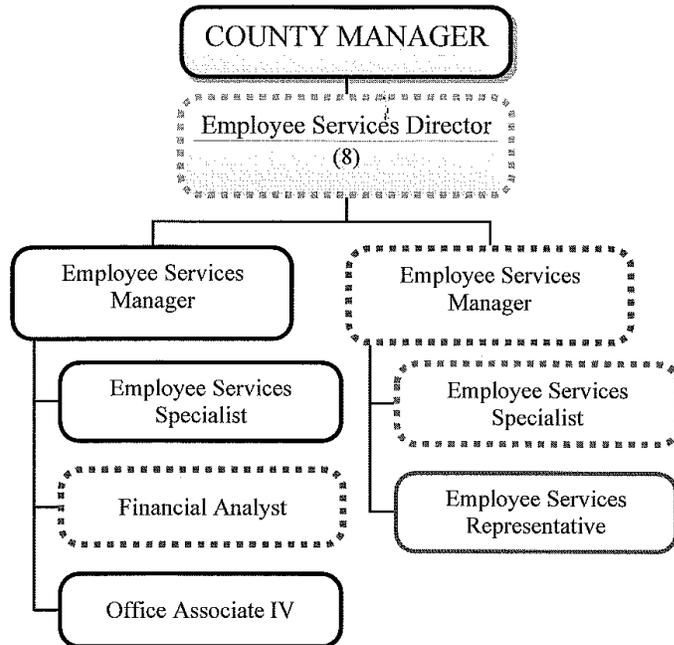
Fund number:	501					
Department number:	2555					
Department name:	Risk and Benefit Services					
<b>Performance Measure</b>	<b>Type of Measure: Workload, Efficiency, or Outcome</b>	<b>Enter Calculation formula</b>	<b>Marion</b>	<b>Brevard</b>	<b>Lake</b>	<b>Seminole</b>
<b>Benchmark Data</b>						
# of FTE's in Risk & Benefit Svcs		# of FTE Risk & Benefit Staff	5.5	10	2	4
# of FTE's in County		# of FTE's in County	2505	3941	1161	1652
# of Employees in County (FTE, PTE, Vols)		# of FT, PT and Volunteers in County	4706	4545	1161	1652
<b>Performance Measures</b>						
# of Risk FTE's to total # of FTE's served:	Workload	# of FTEs in County/# of FTEs in Risk	455	394	580	413
% of FTE's devoted to Risk & Benefit Svcs:	Workload	$(\# \text{ of FTEs} / \# \text{ of FTEs in County}) \times 100$	0.22%	0.25%	0.17%	0.24%
Risk and Benefit Svcs Cost per FTE:	Efficiency	Dept Budget/Total County FTEs	\$136	\$840	\$298	Not Available
Average Total WC Cost per Claimant:	Outcome	$(\text{Indemnity} + \text{Medical} + \text{Expenses}) / \# \text{ of Claimants Paid To}$	\$7,907	\$14,983	\$6,334	\$5,401
W/C Cost per 100 Employees:	Outcome	Total Cost/(Total County Employees/100)	\$86,670	\$147,025	\$36,402	\$39,588
<b>Benchmarks</b>						
Average WC Medical Cost per Claimant	Outcome	Total Medical/# Claimants Paid To	\$4,866	\$12,136	\$1,009	\$1,259
Average WC Indemnity Cost	Outcome	Total Indemnity/# Claimants Paid	\$22,648	\$18,950	\$10,086	\$14,110
* W/C Cost per 100 Employees	Outcome	Total Cost/(Total County Employees/100)	\$86,670	\$147,025	\$36,402	\$39,588
* General Liability Cost per 100 Employees	Outcome	Total GL Claim Costs/(Total County Employees/100)	\$3,301	\$1,198	\$1,264	\$9,551
Property Cost per \$1000 of TIV (Total Insured Value)	Outcome	Total Property Loss Payments/(TIV/1000)	0.74	0.07	0.16	0.62
Total Cost of Risk as a % of Total County Operating Expense	Outcome	$((\text{Total Incurred Claims} + \text{Total Annual Operating Expense for RM}) / \text{Total County Operating Expense}) \times 100$	1.18%	1.55%	2.63%	Not Available
<i>*Sheriff not included in Self-Insured Workers' Compensation or General Liability. Total # of employees in County excluding Sheriff is 2,600.</i>						

BREVARD COUNTY  
Office of Human Resources



# Lake County

## Employee Services Organization Chart Fiscal Year 2012



Legend:

( ) Current number of full time positions

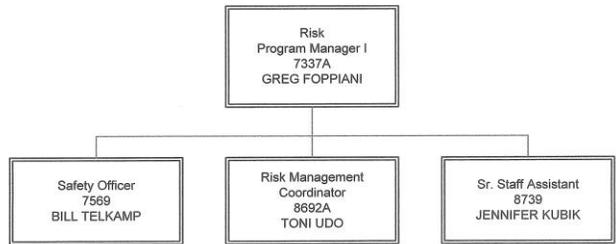
Funding Sources [Positions per Fund]:

- General Fund [3]
- Employee Group Benefits Fund [1]
- Property and Casualty Fund 50%, Employee Group Benefits Fund 50% [2]
- General Fund 50%, Property and Casualty Fund 25%, Employee Group Benefits Fund 25% [1]
- Property and Casualty Fund 75%, Employee Group Benefits 25% [1]

Fiscal Year 2012 - October 1, 2011

Seminole County/BCC  
Central Services Department  
Risk Management Program  
FY 2010/11

4 FTE



Estimated Splits:  
Property Liability Prog Mgr – 70% P&L, 30% WC  
Safety Officer – 70% P&L, 30% WC  
Risk Mgmt Coordinator – 100% WC  
Sr. Staff Assistant – 80% P&L, 20% WC

Central Svcs Dept Org Chart 07 20 11 - positions per FY 11-12

\*\* Employee Insurance benefits are not included in the Risk Management program Organizational chart.

## **SITE VISIT/CONVERSATION with Jerry Visco, Director of Insurance, Brevard County**

On Wednesday, March 28, 2012, a phone conversation was conducted with Jerry Visco, Director of Insurance for Brevard County. The general subject area's of the conversation included: staffing of the Risk departments, benefit programs; workers compensation related issues; property and casualty risk, claims handling and insurance premium allocations.

The risk function for Brevard County Board of County Commissioners is much like Marion County Risk and Benefit Services as the programs serve the Board of County Commissioners and all of the Constitutional Officers. The program encompasses employee benefit services, retirement benefit services, employee health and wellness programs, safety coordination, insurance management (self-insurance and commercial insurance procurement), and claims management.

Brevard County fully funds their medical/health insurance program which is administered by a TPA. The constitutional officers participate in the program as insured employees; however, all procurement and management of the coverage is the responsibility of the Risk department. Brevard County has had a trend of increased costs associated with three major factors: (1) the average age of Brevard County employee's is increasing; (2) spouse' of employee's are being added at an increasing rate; and (3) the addition of dependent children up to age 26. These factors are and will present the most challenging factors for this program in the future.

Brevard County self-insures their workers compensation program up to a retention level of \$350K per occurrence with statutory limits from a commercial re-insurer for claims that exceed this limit. The Sheriff's department and the other constitutional officers participate in this program. The Sheriff department had left the program for some time to independently cover the worker's comp exposure, but has returned to the BCC program due to the realization that the county can save significantly from the large number of participants and therefore have a larger spread of risk. This factor reduced the overall premium significantly. Other, workers compensation challenges relates to physical fitness and training programs from Sheriff and Fire. Many injury claims result from this activity and Risk is working to become more involved with these programs. Marion County faces these same challenges with Fire Services.

Like Marion County, Brevard County workers compensation and liability claims are handled through a third party administrator (TPA) in cooperation with and oversight from the county Risk. None of the adjusters are on site. Brevard County uses the "claim deductible" concept to the departments that have property losses much like Marion County. Brevard's deductible will range from \$500 to \$1,000 per claim. The concept is to use Risk and the insurance fund for larger loss items and allow each department to expense the smaller losses. Marion County's property "departmental claim deductible" is \$100. In an effort to introduce more "departmental" responsibility for property/equipment losses, Marion County Risk is planning to propose an increase of the "claim deductible" to \$500 in FY14.

Brevard County uses a relatively simple method for insurance cost allocation. An actuary is used to assess the funding for the general liability, auto liability and workers compensation. This recommendation is added to an administrative cost and the excess commercial insurance premium. Each department allocation is then pro-rated based on payroll, number of employees, etc.