



Service Plan of the Division of Risk Management

July 2022

This Service Plan is prepared in compliance with Section 63A-1-111 of the Utah Code. Questions regarding the plan should be directed to Brian Nelson, Director, at 801-957-7162 or benelson@utah.gov.

| Services Rendered | Methods of Providing Services | Standards of Performance | Performance Measures Used to Gauge Compliance with Performance Standards |
|--|--|---|---|
| <p>Property / Casualty Coverage</p> | <ul style="list-style-type: none"> Obtain actuarial review based upon actual loss history Receive rate approval from the Rate Committee Draft/revise coverage agreement Gather property and contents information via online building survey form and statement of values portal Provide school district employee coverage information Procure excess insurance | <ul style="list-style-type: none"> Timely submit accurate, thorough data to actuary Timely submit premium proposals to Rate Committee(UCA 63A-1-114; UCA 63-38-3.5) Issue copy of coverage agreement to all covered entities Update property values from received surveys and statement of values portal Issue employee coverage information to school district and charter school (UCA 63A-4-204 & 204.5) | <ul style="list-style-type: none"> Complete and submit data to actuary by July 1st Complete and submit preliminary rate information to DGO Executive Director by August 8th Send copy of coverage agreement to each covered entity on or before July 1st Provide the opportunity to update the list of facilities covered by the Fund by April 15th of each year. Complete property value update by June 30th Send employee coverage information to each school district and charter school by July 1st Annually obtain excess insurance policies as appropriate |

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| <p align="center">Certificate of Coverage</p> | <p>Application for Certificate of Coverage available on website, or by email</p> | <p>Ensure application is always available during regular business hours</p> | <p>Issue a certificate of coverage within 72 hours after the receipt of a legitimate, appropriate application</p> |
| <p align="center">Claims Administration</p> | <ul style="list-style-type: none"> • Provide claim intake and notification services for covered entities and claimants • Review claims to determine coverage • Determine and establish appropriate reserve levels • Negotiate and communicate with claimants, witnesses, covered entities, and legal counsel • Request payment of deductibles from covered entities • Tender payment of negotiated settlements • Seek recovery of subrogation interests | <ul style="list-style-type: none"> • Conduct prompt, professional claim intake without jeopardizing notice requirements of Governmental Immunity Act • Conduct thorough, professional loss investigations by interviewing witnesses, evaluating physical evidence, and engaging appropriate experts • Communicate professionally with and respond promptly to all covered entities, claimants, witnesses, and legal representatives | <ul style="list-style-type: none"> • Compliance is measured by quarterly in-house claims audits conducted by the claims manager • Compliance is measured by an yearly independent claims audit conducted by a professional claims audit firm • Voluntary compliance with DOI claims handling guidelines. • Promptly reply to all telephone messages from claimants, witnesses, and legal representatives • Review each open claim file at least every 90 days • Document all communications and interactions in Risk Management Information System • Process settlement payments and release/waiver documents promptly after a negotiated settlement • Complete initial claim review and set reserves within 7 days after assignment |

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| <p>Loss Control Services</p> | <ul style="list-style-type: none"> • Consult with covered entities and AG's Office to address and avoid liability • Provide organization-specific and general liability awareness and avoidance training • Provide on-site inspections to effect training and assess/address hazardous conditions • Provide on-line self-inspection survey to assist covered entities in understanding, identifying, and removing hazardous conditions | <ul style="list-style-type: none"> • Provide prompt and competent guidance to our covered entities to avoid liability and cure harmful conduct and/or conditions • Research and communicate general and covered-entity-specific liability causes, trends, and effective mitigation • Provide competent, supportive, and relevant liability awareness and avoidance training • Online access to self-inspection survey | <ul style="list-style-type: none"> • AG Early Involvement in employment claims with a goal to maintain an average claim cost at or below \$34,000 • 100% Follow up on life safety issues found during inspections • 90% of life safety issues resolved or resolution in process within 30 days of inspection |

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| <p align="center">Workers' Compensation Coverage¹</p> | <ul style="list-style-type: none"> • Support HR specialists regarding effective coordination of workers' compensation claims • Confer with WCF claim managers and adjusters to foster the expeditious and fair handling of employee claims • Create awareness and assist Agency representatives with the development of a safety culture and disability prevention programs | <ul style="list-style-type: none"> • Consistently track every wage indemnification claim and identify return to work opportunities • Regularly assess each agency's performance in return-to-work programs • Collaborate with WCF representatives to provide relevant, effective training for agency claim managers • Assist each agency in developing and maintaining an effective return to work program • Provide competent, professional ergonomic assessments/worksites modification recommendations to all requesting agencies | <ul style="list-style-type: none"> • Participate in each assigned covered entity's risk control meeting at least once per year to review claim causes, trends, treatment issues, return to work programs, and effective corrective measures • Meet at least quarterly with each large agency's claim manager and WCF adjusters to track time-loss claims • Meet at least once per year with WCF adjusters to track claim causes, trends, treatment modalities, return to work programs, and effective corrective measures |

¹ This coverage is currently provided to our state agencies through WCF Mutual Insurance Company (hereinafter "WCF"). School districts, charter schools, and institutions of higher education do not participate in the State's workers' compensation program.

| PROJECTED COSTS ASSOCIATED WITH EACH SERVICE | | |
|---|--------------------------------------|-------------------------------------|
| Covered Entities | Cost Area | Premiums Charged² |
| All state agencies, school districts, institutions of higher education, and some charter schools | General Liability Premiums | \$29 MM |
| All state agencies, school districts, institutions of higher education, and some charter schools | Property Premiums | \$34 MM |
| All state agencies, school districts, institutions of higher education, and some charter schools | Automobile Premiums | \$3 MM |
| All state agencies | Workers Compensation Premiums | \$7 MM |

The Division of Risk Management (hereinafter “DRM”) provides property and casualty coverage, claims administration, and loss control services to the participants of the Risk Management Fund (“Fund”). Fund participants include all state agencies, all public school districts, all public institutions of higher education, some of the public charter schools, and some independent state agencies/entities. Utah Code Title 63A, Chapter 4, mandates the appointment of a risk manager, iterates the duties and powers of the risk manager, establishes the Risk Management Fund, and directs the administration of the Fund. Critical to the administration of the Fund is the Governmental Immunity Act, Utah Code Title 63G, Chapter 7, which limits the exposure of the Fund to state tort claims and prescribes the settlement authority of the risk manager.

² These figures represent costs projected for FY2022 and are rounded to the nearest million.