

## Service Plan of the Division of Risk Management

July 2018

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 801-538-9576 or [benelson@utah.gov](mailto:benelson@utah.gov).

Services Rendered	Methods of Providing Services	Standards of Performance	Performance Measures Used to Gauge Compliance with Performance Standards
<p>Property / Casualty Insurance</p>	<ul style="list-style-type: none"> <li>Obtain actuarial review based upon actual loss history</li> <li>Submit rate proposals to the Rate Committee (UCA 63A-1-114)</li> <li>Receive rate approval from Legislature (UCA 63-38-3.5)</li> <li>Draft/revise insurance policy</li> <li>Gather property and contents information via online building survey form and statement of values portal</li> <li>Procure excess property and liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>Timely submit accurate, thorough loss history information to actuary</li> <li>Timely submit premium proposals to Rate Committee</li> <li>Issue copy of policy to all insureds</li> <li>Issue employee coverage information to each school district and charter school (UCA 63A-4-204 &amp; 204.5)</li> <li>Update property values from received surveys and statement of values portal</li> <li>Provide claims data to broker by May 1, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Complete and submit loss history analysis to actuary by July 1<sup>st</sup></li> <li>Complete and submit preliminary rate information to DAS Executive Director by August 1, 2018</li> <li>Send copy of policy to each insured on or before August 1, 2018</li> <li>Send employee coverage information to each school district and charter school by July 1, 2019</li> <li>Send every insured notice of the facilities covered by the Fund by June 15th of each year with a request for update</li> <li>Complete property value update by July 15, 2019</li> <li>Bind excess property and liability policies by July 1, 2019</li> </ul>

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Certificate of Coverage	Application for Certificate of Coverage available on website	Ensure application is available at all times during regular business hours	Issue a certificate of coverage within 48 hours after the receipt of a legitimate, appropriate application
Claims Administration	<ul style="list-style-type: none"> <li>• Provide claim intake and notification services for insureds and claimants</li> <li>• Review claims to determine coverage</li> <li>• Determine and establish appropriate reserve levels</li> <li>• Negotiate and communicate with claimants, witnesses, client agencies, and legal counsel</li> <li>• Request payment of deductibles from client agencies/insured's</li> <li>• Tender payment of negotiated settlements</li> <li>• Seek recovery subrogation interests</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct prompt, professional claim intake without jeopardizing notice requirements of Governmental Immunity Act</li> <li>• Conduct thorough, professional loss investigations by interviewing witnesses, evaluating physical evidence, and engaging appropriate experts</li> <li>• Communicate professionally with and respond promptly to all client agencies/insured's, claimants, witnesses, and legal representatives when appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance is measured by a quarterly in house claims audit conducted by the claims manager and another member of the claims staff</li> <li>• Compliance is measured by an independent claims audit conducted by a professional claims audit firm</li> <li>• Compliance with all claims handling requirements set forth by the Utah State Insurance Department</li> <li>• Promptly reply to all telephone messages from claimants, witnesses, and legal representatives</li> <li>• Review each open claim file at least monthly</li> <li>• Document all communications and interactions in Risk Management Information System</li> <li>• Process settlement payments and release/waiver documents promptly after a negotiated settlement</li> </ul>

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<p style="text-align: center;"><b>Loss Control Services</b></p>	<ul style="list-style-type: none"> <li>• Consult with insureds and AG's Office to address and avoid liability</li> <li>• Provide organization-specific and general liability awareness and avoidance training</li> <li>• Provide on-site inspections to effect training and assess/address hazardous conditions</li> <li>• Provide on-line self-inspection survey to assist insureds in understanding and identifying hazardous conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Provide prompt and competent guidance to our insured's to avoid liability and cure harmful conduct and/or conditions</li> <li>• Research and communicate general and agency-specific liability causes, trends, and effective cures</li> <li>• Provide competent, supportive, and relevant liability awareness and avoidance training</li> <li>• Online access to self-inspection survey</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in each assigned insured's risk control meeting as requested or needed to review results of the self-inspection survey and review agency-specific liability causes, trends, and effective cures</li> <li>• Conduct at least 25 site inspections monthly and follow up on life safety issues</li> <li>• Provide at least 8 liability awareness/avoidance training presentations to a total of 120 participants monthly</li> <li>• Quarterly insurance and loss prevention training seminars for insured entities</li> <li>• Self-inspection completion percentage of at least 80%</li> </ul>

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<p style="text-align: center;"><b>Workers' Compensation Coverage<sup>1</sup></b></p>	<ul style="list-style-type: none"> <li>• Provide a guaranteed-premium policy covering work-related injury claims for all state employees</li> <li>• Train agency workers' compensation administrators to manage workers' compensation claims</li> <li>• Consult with agency claim managers and confer with representatives/adjusters from the Workers Compensation Fund to foster the expeditious and fair handling of employee claims</li> <li>• Provide an effective disability prevention program</li> </ul>	<ul style="list-style-type: none"> <li>• Consistently track every workers' compensation claim that involves lost time</li> <li>• Regularly assess each agency's performance in claim management</li> <li>• Collaborate with Workers Compensation Fund representatives to provide relevant, effective training for agency claim managers</li> <li>• Assist each agency in developing and maintaining an effective return to work program</li> <li>• Provide competent, professional ergonomic assessments/worksite modification recommendations to all requesting agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Reply to all phone messages from agency claim managers and WCF representatives by the end of the next business day</li> <li>• Participate in each assigned insured's risk control meeting at least once per year to review claim causes, trends, treatment issues, return to work programs, and effective corrective measures</li> <li>• Meet at least quarterly with each large agency's claim manager and Workers Compensation Fund adjusters to track time-loss claims</li> <li>• Meet at least once per year with Workers Compensation Fund adjusters to track claim causes, trends, treatment modalities, return to work programs, and effective corrective measures</li> </ul>

<sup>1</sup> This coverage is currently provided to our state agencies through the Workers Compensation Fund (hereinafter "WCF"). All school districts, charter schools, and institutions of higher education are separately responsible to provide and maintain workers compensation coverage.

<b>COSTS ASSOCIATED WITH EACH SERVICE</b>		
<b>INSUREDS</b>	<b>COST ITEMS</b>	<b>COSTS CHARGED<sup>2</sup></b>
<b>All state agencies, school districts, institutions of higher education, and some charter schools</b>	<b>General Liability Premiums</b>	<b>\$17 MM</b>
<b>All state agencies, school districts, institutions of higher education, and some charter schools</b>	<b>Property Premiums</b>	<b>\$16 MM</b>
<b>All state agencies, school districts, institutions of higher education, and some charter schools</b>	<b>Automobile Premiums</b>	<b>\$2 MM</b>
<b>All state agencies</b>	<b>Workers Compensation Premiums</b>	<b>\$8 MM</b>

The Division of Risk Management (hereinafter “DRM”) provides property and casualty insurance, claims administration, and loss control services to the participating insureds of the Risk Management Fund (“Fund”). Among those insureds are all state agencies, all public school districts, all public institutions of higher education, and some of the public charter schools. 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 and the settlement authority of the risk manager.

<sup>2</sup> These figures represent costs charged for FY2018 and are rounded to the nearest million.