



Prineville City Council Meeting August 12, 2008

Issue Summary

Topic: Risk Management

Department: Human Resources

Staff: Mary Puddy

Overview

Our Insurance Agent of Record, Ron Cutter of Beecher Carlson, has contacted me regarding the large number of liability claims that the City has experienced within the last few years. City County Insurance is our provider for this type of coverage and they are concerned and hope that we will be able to improve our status. We have been with CIS for at least five years; formerly we were with Northland Insurance. Northland Insurance is no longer carrying liability coverage for public entities.

Solutions

As the City's Risk Manager (along with Wayne Van Matre) we will do our best to assist by better management of employee terminations. We rely on advice from CIS Pre-legal attorneys and also our contracted labor attorney and upon occasion our contracted legal counsel. Proper documentation will be in place. Department Managers will report discipline and/or termination requests to Wayne and I. We will assist them with the proper process as needed.

Budgetary Considerations

If for any reason CIS were to decide that our risk is too great, they could cancel our liability coverage. Should that happen, we would be hard pressed to obtain insurance coverage of CIS quality and the premium for coverage would be increased dramatically. (CIS is very proactive in Risk Management and they have procedures and best practices that we use consistently. Not all companies are that effective.)