



Office of Risk Management ORM (RK)

MISSION

The Office of Risk Management (ORM) provides risk identification, analyses, control and financing direction and support to District Agencies so they can minimize the total cost of risk and improve safety in the workplace.

SUMMARY OF SERVICES

The Office of Risk Management supports agencies' efforts to minimize the total cost of risk. ORM services include identifying gaps in agencies' risk management practices, recommending and overseeing the implementation of appropriate responses, administering the District of Columbia Government Employees' Disability Compensation Program and Tort Liability Program, providing risk management training to District employees and conducting risk management assessments of all District Government facilities and operations.

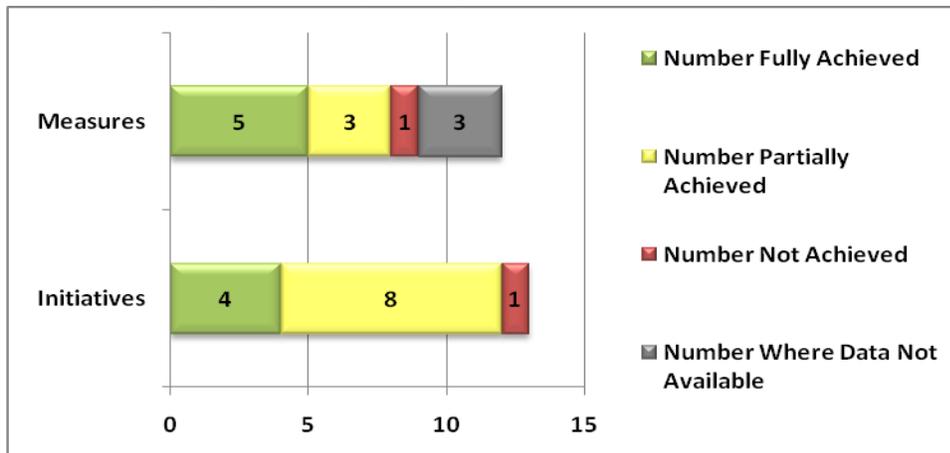
AGENCY OBJECTIVES

1. Reduce the District Government's financial risk by \$200M or more with the implementation of a comprehensive Property Insurance Program.
2. Enhance growth in the Medical Liability Captive Insurance Company (MLCIC) of 5% by soliciting participation from certain qualified Healthcare providers
3. Establish ORM as an insurance consultant for Contracting and Procurement through the authorizing agency of OCP to reduce risk assumed by the District.
4. Increase Public Occupational Safety and Health Awareness District-wide.
5. Implement a "How Am I Driving? Call 311" Program for District of Columbia Government Vehicles.
6. Implement various cost saving measures within the Disability Compensation Program (DCP) to help reduce DCP costs by 5 percent.

ACCOMPLISHMENTS

- ✓ 52% Vendor Compliance of Insurance Requirements
- ✓ Significant cost savings for DCP RTW Program

OVERVIEW OF AGENCY PERFORMANCE





Performance Initiatives – Assessment Details

Performance Assessment Key:

● Fully achieved ● Partially achieved ● Not achieved ● Data not reported

OBJECTIVE 1: REDUCE THE DISTRICT GOVERNMENT'S FINANCIAL RISK BY \$200M OR MORE WITH THE IMPLEMENTATION OF A COMPREHENSIVE PROPERTY INSURANCE PROGRAM.

INITIATIVE 1.1: Identify the District's insurable assets.

With the assistance of OCTO's GIS division, DCORM obtained a top down report of all the EOM DC Owned properties. Using the GIS list of over 4600 properties with a combined value of \$3.4B DCORM obtained quotes for property insurance premium and we have all pertinent information required to conduct property appraisals. For very basic insurance coverage, including Terrorism and Boiler/Machinery, the premium was over \$1.3M. If we obtain the funds to perform property insurance appraisals on all of the properties above 5M in value, the premium cost could change up to 15-25%. The property premium is calculated by multiplying the rate times the property value; therefore if the property is appraised higher than the documented value in the GIS database, the premium will increase. The properties will also have to be reconciled with DRES portfolio on record for accuracy. The completion of the project is pending obtaining the necessary funding to conduct the appraisals.

INITIATIVE 1.2: Conduct property valuations on the District's insurable fixed assets.

With the assistance of OCTO's GIS division, DCORM obtained a top down report of all the EOM DC Owned properties. Using the GIS list of over 4600 properties with a combined value of \$3.4B DCORM obtained quotes for property insurance premium and we have all pertinent information required to conduct property appraisals. For very basic insurance coverage, including Terrorism and Boiler/Machinery, the premium was over \$1.3M. If we obtain the funds to perform property insurance appraisals on all of the properties above 5M in value, the premium cost could change up to 15-25%. The property premium is calculated by multiplying the rate times the property value; therefore if the property is appraised higher than the documented value in the GIS database, the premium will increase. The properties will also have to be reconciled with DRES portfolio on record for accuracy. The completion of the project is pending obtaining the necessary funding to conduct the appraisals.

INITIATIVE 1.3: Select an Insurance Broker.

With the assistance of OCTO's GIS division, DCORM obtained a top down report of all the EOM DC Owned properties. Using the GIS list of over 4600 properties with a combined value of \$3.4B DCORM obtained quotes for property insurance premium and we have all pertinent information required to conduct property appraisals. For very basic insurance coverage, including Terrorism and Boiler/Machinery, the premium was over \$1.3M. If we obtain the funds to perform property insurance appraisals on all of the properties above 5M in value, the premium cost could change up to 15-25%. The property premium is calculated by multiplying



the rate times the property value; therefore if the property is appraised higher than the documented value in the GIS database, the premium will increase. The properties will also have to be reconciled with DRES portfolio on record for accuracy. The completion of the project is pending obtaining the necessary funding to conduct the appraisals.

OBJECTIVE 2: ENHANCE GROWTH IN THE MEDICAL LIABILITY CAPTIVE INSURANCE COMPANY (MLCIC) OF 5% BY SOLICITING PARTICIPATION FROM CERTAIN QUALIFIED HEALTHCARE PROVIDERS

INITIATIVE 2.1: Solicit additional MLCIC participants.

Medical providers and organizations can purchase three types of insurance through the Medical Liability Captive Insurance Company, "Captive". As the Captive continues to evolve, DCORM will pursue additional ways to enable growth of revenue. In FY09, we enrolled two doctors who currently work for one of our free medical health centers: both purchased 24HR coverage for the services they provide at other local health centers for a combined annual premium of \$14,100.

OBJECTIVE 3: ESTABLISH ORM AS AN INSURANCE CONSULTANT FOR CONTRACTING AND PROCUREMENT THROUGH THE AUTHORIZING AGENCY OF OCP TO REDUCE RISK ASSUMED BY THE DISTRICT.

INITIATIVE 3.1: Develop minimum insurance requirements that can be shared across all District Agencies.

DCORM established a comprehensive COI program in conjunction with OCP to ensure full contractual compliance with insurance requirements. Certificates of Insurance (COIs) were loaded into the new online tracking system COITS providing confirmation of compliance by 29 out of 55 agencies under OCP procurement authority, who submitted 195 COIs relating to 387 contracts. The COI tracking website has proven to be very useful for contracting officers who consult with DCORM for adequate insurance contract language and then submit the COI to DCORM for web-posting approval. COITS has been a key enforcement driver for the insurance contract compliance effort.

OBJECTIVE 4: INCREASE PUBLIC OCCUPATIONAL SAFETY AND HEALTH AWARENESS DISTRICT-WIDE.

INITIATIVE 4.1: Implement a District-wide public occupational safety and health awareness campaign.

DCORM successfully implemented a District-wide public occupational safety and health awareness campaign by training 13% of the District Government's employees exceeding the 10% goal.

INITIATIVE 4.2: Conduct environmental and structural inspections at District Government buildings.

Completed 60% of the occupational safety and health initial inspections of the DC Government property and/or owned/leased buildings 70% follow-up inspections of the locations from the initial inspections. This number was 5% short of the projection due to unanticipated staffing shortage.

INITIATIVE 4.3: Compile and analyze inspection results in preparation to submit an environmental/building improvement proposal to OPM and/or building "landlords" that focus on developing solutions to improve the safety and health environment for District



employees.

DCORM assisted with providing the requirements for the creation of a new database to compile and analyze inspection results. Implementation of the new system went live November 2009. This goal will continue into FY10. Recommendations to mitigate violations within 30 to 60 days were handled manually. Environmental proposal was not submitted, although individual agency inspections with recommendations were submitted to DRES and District agencies effected.

OBJECTIVE 5: IMPLEMENT A “HOW AM I DRIVING? CALL 311” PROGRAM FOR DISTRICT OF COLUMBIA GOVERNMENT VEHICLES.

INITIATIVE 5.1: Affix “How am I Driving? Call 311” bumper stickers and insert Accident Reporting Procedures packets into glove compartments of 100% of District government vehicles that are identified after the District-wide fleet reduction initiative.

- DCORMs “How Am I Driving?” Campaign promotes a safe driving culture for District government employees through reporting instances of safe and unsafe driving practices and mitigating exposures of risk while ensuring the safety of motorists and District government employees. In FY09, DCORM affixed 3210 bumper stickers and inserted Accident Reporting Procedure packets into District Government vehicles identified after the District-wide fleet reduction.

INITIATIVE 5.2: Work closely with the 311 Call Center Manager and all Agency Risk Management Representatives (ARMR’s) to track the calls from the 311 center by agency, by complaint versus compliment.

This measure was partially achieved. DCORM tracked the 1210 calls with the Call Center Manager and Agency Risk Management representatives. DCORM establish a standard operating procedure to include the following Responsibilities of DC Office of Risk Management (DCORM):

- On a daily basis, DCORM’s Analysts will monitor, extract and review the compliment/complaint information that is in the Motorola Premier One CSR System, which is entered by OUC’s Customer Service Representatives. At that point, the Analyst will extract the data and insert it into the monthly “How Am I Driving?” Tracking Log.
- ▪ Submit all complaints/compliments received to the Agency Risk Management Representatives (ARMR) and/or Certifying Fleet Officials at District Government Agencies within three (3) business days of the date of the incident.
- Once submitted to the agency official, the response to the complaint should be submitted back to DCORM within fifteen (15) business days of receipt of report.
- If a resolution is not received after the fifteen (15) business days, the ARMR and/or the FCO will receive an email reminder from DCORM Chief of Staff.

Submit a monthly “How Am I Driving?” summary to each agency that received compliments/complaints for employees in their agency. The reports are due to each ARMR by the 1st of each month. All monthly compliments/complaints from October 2008 to August 2009 are posted on the agency’s Google Applications page. As a result of OUC’s upgrade to a new Motorola database, complaints/compliments will no longer be posted on Google Applications starting September 2009 and thereafter.



<i>Month</i>	<i>Complaints</i>	<i>Compliments</i>
October 2008	123	4
November	93	2
December	91	2
January 2009	92	4
February	119	4
March	106	7
April	105	3
May	102	4
June	95	1
July	98	0
August	72	3
September	79	1

For Fiscal Year 2009, 1210 calls were received with 1175 being complaints and 35 being compliments. Thus, tracking the ratio was not as relevant as the types of complaints and the appropriate training to provide to offenders.

There is value in examining the types of calls that were

received and categorizing them by a designated code for tracking purposes. As a result, the nature of the Complaints and compliments by agency and volume can be best examined, which will allow safety professionals to recommend tailored training, where needed. The categories for call types are as follows:

- *CM- Compliment
- *SP- Speeding
- *CUT-Cutoff/Almost Hit Driver/Pedestrian
- *ART- Aggressive/Reckless Driving/Tailgating
- *RUN-Ran a stop light/sign(s)
- *BLOC-Blocking Traffic
- *CELL-Driver on Cell Phone
- *NS-Driver did not use signals
- *DRINK-Driver was drinking alcohol/beer/wine
- *PARK-Parking Violation (fire hydrant, handicap, assigned parking, double-parked, etc.)
- *IB-Inappropriate Behavior (cursing, profanity, loud music, littering, etc.)
- *TORT-Accident

OBJECTIVE 6: IMPLEMENT VARIOUS COST SAVING MEASURES WITHIN THE DISABILITY COMPENSATION PROGRAM (DCP) TO HELP REDUCE DCP COSTS BY 5 PERCENT.

INITIATIVE 6.1: Effectively measure the outcome of our program with a goal of an overall cost reduction of 5 percent.

In FY09 total paid was \$22,063,692.89. This represents a slight decrease of \$172,601.76 to FY08's figure of \$22,236,294.65. Average paid per claim in FY09 was \$10,694.96 which is an increase from the FY08 average of \$10,664.89. However, it is noted there were fewer claims paid in FY09. There were 2,063 claims with payments in FY09. This represents a decrease of 22 claims as compared to FY08. It is noted there were reductions in permanent total cases by (8) from 246 in FY08 with total payout of \$5,015,545 to 238 in FY09 with total payout of \$4,716,478. A review of settlements and large payments of \$10,000 or greater reveals a total payout of \$2,158,966.98. Payments include settlements, Temporary Total Disability payments due to order, back COLA adjustments.



INITIATIVE 6.2: Implement a District Wide Intranet Light/Modified Duty Job Depository.

There were a total of 118 injured workers. Seventy-four injured workers were provided light duty work and 44 referred to other agencies via District of Columbia's Return To Work Program. Eighteen Agencies made accommodations for light duty work. In reviewing the Return to Work/ light duty or modified duty Cost Savings there was a total of 3281 days with payments of \$84,131 and total savings of \$400,454. Savings are calculated based on what the injured Workers would have been paid in temporary total disability if the District was not able to provide temporary work modifications.

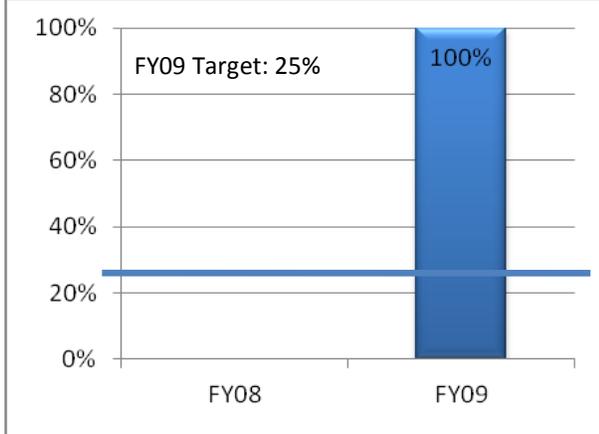
INITIATIVE 6.3: Reduce Lost Wage Payments to Injured Workers as a result of their Return to Work Light/Modified Duty.

There were a total of 118 injured workers. Seventy-four injured workers were provided light duty work and 44 referred to other agencies via District of Columbia's Return To Work Program. Eighteen Agencies made accommodations for light duty work. In reviewing the Return to Work/ light duty or modified duty Cost Savings there was a total of 3281 days with payments of \$84,131 and total savings of \$400,454. Savings are calculated based on what the injured Workers would have been paid in temporary total disability if the District was not able to provide temporary work modifications.



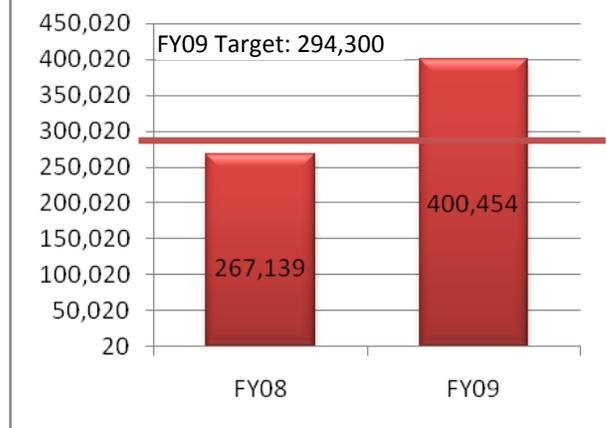
Key Performance Indicators – Highlights

From Objective 3: % of District agencies engaged by ORM (% of District Government vendors in compliance with ORM minimum Insurance requirements)



FULLY ACHIEVED

From Objective 5: Total cost savings for the Return to Work Program



FULLY ACHIEVED

More About These Indicators:

How did the agency's actions affect this indicator?

DCORM established a comprehensive Certificate of Insurance (COIs) program with OCP to ensure that District vendors fully comply with insurance requirements. COIs were loaded into a new online tracking system (COITS) providing confirmation of compliance by 29 out of 55 agencies under OCP procurement authority. The COI tracking website is useful for contracting officers who consult with ORM for adequate insurance contract language before submitting the COI to ORM for web-posting approval. COITS has been a key enforcement driver for insurance contract compliance.

What external factors influenced this indicator?

The COI tracking website has proven to be very useful for contracting officers who consult with ORM for adequate insurance contract language and then submit the COI to ORM for web-posting approval. COITS has been a key enforcement driver for the insurance contract compliance effort.

How did the agency's actions affect this indicator?

- DCORM initiated an aggressive RTW Campaign as a cost savings and containment strategy for the DCP Program.
- Savings are calculated based on the temporary disability payments injured workers would have received if the District did not provide temporary work modifications. This measure includes staff who returned to modified duty at their regular salary or in a temporary partial status and injured workers who missed no time from work because their temporary work restrictions were accommodated.

What external factors influenced this indicator?

None.



Key Performance Indicators – Details

Performance Assessment Key:

● Fully achieved
 ● Partially achieved
 ● Not achieved
 ● Data not reported

	Measure Name	FY2008 YE Actual	FY2009 YE Target	FY2009 YE Actual	FY2009 YE Rating	Budget Program
●	1.1 Reduce the District's % of insurable financial risk with the implementation of a comprehensive Property Insurance Program ¹	N/A	0%			
●	2.1 Annual incremental growth in the Medical Liability Captive Insurance Company (MLCIC)	0	8757902	\$8,929,736	101.96%	RISK FINANCING DIVISION
●	3.1 Percentage of District Government vendors in compliance with ORM minimum Insurance requirements ²	0	25	100%	400%	RISK FINANCING DIVISION
●	4.1 Number of environmental and safety inspections/ re-inspections at District Government buildings ³	0	470	430	91.49%	RISK IDENTIFICATION & ANALYSIS
●	5.1 Percentage of District vehicles with affixed "How's My Driving?" bumper sticker and Accident Reporting Procedure packets ⁴	0	100	100%	100%	RISK IDENTIFICATION & ANALYSIS

¹ No measure was established internally.

² Formerly referred to as “% of District agencies engaged by ORM” This goal was attained. This measure was exceeded by 24.5 % DCORM estimated that we would enlist 25% of the agencies under OCP authority (currently 55). We enlisted 52% of agencies under OCP authority (currently 29).

³ In FY 09 in 305 safety inspections and 125 re-inspections were conducted for a total of 430. Staffing changes contributed to the reduction of inspections

⁴ This goal was attained 100%. The FY 09 government vehicle total was based on the government vehicle reduction initiative. ORM is working to affix stickers on DCPS vehicles in FY2010.



5.2	Call Center Complaint to Compliment ratio ⁵	N/A	1.1			
6.1	Total Cost of Disability Compensation Program (these amounts reflect settlements and adverse awards against DCP). ⁶	21904135	20808929	\$22,063,692	94.31%	RISK FINANCING DIVISION
6.2	Total amount of lost time (days) in Disability Compensation Program	0	393843	327700	120.18%	RISK FINANCING DIVISION
6.3	Average cost per injury per claim	0	4317	10694.96	40.36%	RISK FINANCING DIVISION
6.4	Percentage of agencies participating in the Return to Work and/or District wide Intranet Light/Modified Job Depository ⁷	0	50			RISK FINANCING DIVISION
6.5	Number of agencies participating in the Return to Work and/or District wide Intranet Light/Modified Job Depository	0	19	18	94.74%	RISK FINANCING DIVISION
6.6	Total cost savings for the Return to Work ⁸ Program	267,139	294,300	400,454	111.48%	RISK FINANCING DIVISION

⁵ The Percentage of agencies participating in the RTW and/or District wide Intranet Light/Modified Job Depository is unattainable to capture because there are more District Agencies with injured workers participating or receiving benefits from the DCP program than the RTW Return to Work and/or District wide Intranet Light/Modified Job Depository. Many agencies do not have light duty positions available to their injured employees with work restrictions. In FY09, there were 118 injured workers – 74 who were provided light duty work in their respective agencies and 44 referred to other District agencies via the RTW Program. We currently have 18 District Agencies enrolled in the RTW Program.

⁶ Formerly referred to as “Total Cost of Disability Compensation Program (These amounts reflect settlements and adverse awards against the program.”

⁷ As the number of agencies eligible for light duty changes so frequently, ORM opted to collect KPI 6.5, the number of agencies participating in the Return to Work program rather than the percent participating.

⁸ In FY09 the Return to Work modified duty Cost Savings for Lost time and No Lost Time cases there was a total of 3281 days with payments of \$84,131 and total savings of \$400,454. Savings are calculated based on what the injured Workers would have been paid in temporary total disability if the District was not able to provide temporary work modifications. The first category tracks those who returned to modified duty either at their regular salary thereby eliminating a disability payment or returned in a temporary partial status there by reducing their benefits based on time worked. The other category consists of injured workers who missed no time from work because their temporary work restrictions were accommodated.