

## Members

Chairperson:  
Elizabeth Dickenson  
Director, Risk Management  
Oregon University System

Vice-Chairperson:  
Angie Patterson  
Business Operations Manager  
Department of Fish & Wildlife

Nathan Allen, Administrator  
Planning & Budget  
Department of Corrections

Gayla Andresen, Manager  
Safety & Health Unit  
Department of Human  
Services

Todd Brown, Manager  
Health & Safety  
Department of Environmental  
Quality

Nancy Cody  
Safety & Facilities Manager  
Department of Consumer &  
Business Services

Loren Collins  
Chief Trial Counsel  
Department of Justice

Julie Davie  
Safety & Risk Manager  
Department of Transportation

Maynard Hammer  
Deputy Superintendent  
State Hospital  
Department of Human  
Services

Kyle Knoll  
Budget Officer & Risk  
Manager  
PERS

Vena McCoy  
Internal Auditor & Risk  
Manager  
Department of State Lands

Sandy McDonnell,  
Manager  
Administrative Services  
Oregon Housing &  
Community Services

Marc Williams  
CIO/Deputy Director  
Department of Justice

Ex-Officio:  
Pamela Stroebel Valencia  
Chief Audit Executive  
Department of Administrative  
Services

# AGENDA Risk Management Advisory Council

**Meeting Date:** July 15, 2009

**Time:** 8:30 a.m. – 10:30 a.m.

**Location:** Department of Forestry / Tillamook Room  
2600 State Street  
Salem, OR 97301

**Facilitators:** Elizabeth Dickenson & Angie Patterson

**Recorder:** Deb Bogart                      **Timekeeper:** Teresa Boes



ITEM	PRESENTER	TIME	ACTION, NOTES
<b>Education</b>			
Risk Management Information System (RMIS) - Agency Overview	Sue Praegitzer	8:00 a.m.	
<b>Call to Order</b>			
1. Welcome	Elizabeth Dickenson	8:30 a.m.	
2. Review of Participation Ground Rules			
3. Approval of Recap			
<b>Information</b>			
4. Introduction and report on Advisory Council Planning Group	Angie Patterson	8:35 a.m.	
5. HB 3139 Update	Pamela Stroebel Valencia	8:40 a.m.	
<b>Action</b>			
6. Council Membership	Elizabeth Dickenson	8:45 a.m.	
a. Ex Officio to Statewide Audit Advisory Committee			
b. Council Member Selection			
7. Action Plan Status Reports			
a. Issue 1 – Reduce Claim Cost	Loren Collins	9:00 a.m.	
8. Issue Selection and Prioritization Process Review	Deborah Fifield	9:15 a.m.	

ITEM	PRESENTER	TIME	ACTION, NOTES
<b>Action</b>			
9. Issue Selection and Prioritization Summary	Deborah Fifield	9:30 a.m.	
a. Issue 2 – Employee Injury Data Collection			
b. Issue 3 – Risk Charge Methodology			
10. Develop ERM Program Plan			
a. Information Management Update	Teresa Boes	10:15 a.m.	
<b>Adjournment</b>			
11. Summary and Adjournment	Elizabeth Dickenson	10:25 a.m.	

**Teleconference:** (877) 214-5010

**Participant Code:** 433283

**Future Meeting Dates:**

August 26, 2009

October 7, 2009

November 18, 2009

December 30, 2009

February 10, 2010

March 24, 2010

**Time:**

8:30 am-10:30 am

8:30 am-10:30 am

8:30 am-10:30 am

8:30 am-10:30 am

8:30 am-10:30 am

8:30 am-10:30 am

**Location:**

1225 Ferry St. SE, Mt. Mazama

DOF, 2600 State St., Till.Rm.

TBD

1225 Ferry St. SE, Mt. Mazama

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1225 Ferry St. SE, Mt. Mazama

Risk Management Advisory Council  
Operating Guidelines

**Membership Composition**

The composition of the Council will be no less than seven and no more than fourteen members including one or more of the following:

1. Persons with responsibility for oversight of the Risk/Safety Management function, or
2. Persons with responsibility for budget development and implementation, or
3. Persons who perform Risk/Safety Management duties.

Council members may be nominated by agency heads or administrators of agency divisions. Council members will be selected by the State Services Division (SSD) Administrator based on diversity in representation of:

1. Type of agency
2. Mission
3. Business and services provided
4. Size
5. Types of exposure
6. Loss history
7. Geographic location

The Council Chairperson and Vice-Chairperson will be selected by Council members. Desirable attributes that will be considered as part of the selection process are that the individual is:

1. Ethical
2. Strategic
3. Effective Communicators
4. Responsive
5. Inclusive
6. Respectful
7. Cost conscious

**Membership Term**

Council member terms will be two years, with the exception of half the originating Council members, who will serve a three year term in order to provide for continuity of strategic planning and Action Plan oversight. Staggered terms of two and three years will be revisited at the end of the year. Council members and agencies may be considered for multiple terms.

## Risk Management Advisory Council Operating Guidelines

### **Council Member Orientation**

Orientation for new Council members will be provided by the State Risk Manager. New members will assume the outgoing member's assignments. Outgoing members are responsible for orienting their replacement to Council activities regarding their assigned Action Plan items.

### **Estimated Number and Frequency of Meetings**

Advisory Council meetings will be convened at least four times per year. Any Council member may request additional meetings by contacting the Chairperson or State Risk Manager. Council meetings will be open to the public unless a determination is made that the meeting should be closed.

### **Leadership**

The Advisory Council Chairperson will lead Advisory Council meetings. The agenda of each Advisory Council meeting will be developed with input from Council. The Vice-Chairperson will work in partnership with the Chairperson and in the absence of the Chairperson will assume that role.

DAS Risk Management will serve as a resource and provide support for Advisory Council activities, including preparation and distribution of the final agenda and meeting materials before the meeting, maintaining and distributing meeting minutes, issue papers, action plans, position papers, records, reports and other Council documents.

### **Council Member Participation**

#### 1. Council Participation

- a. Regularly attends meetings of the Council.
- b. Fosters a positive working relationship with Council members and support staff.
- c. Assists with succession planning.
- d. Members may send an alternate attendee

#### 2. Independent Judgment

- a. Each member shares equally in the responsibility of the Council to act in the best interests of the State.
- b. Each member is expected to exercise his or her independent and informed judgment on all risk management recommendations.

## Risk Management Advisory Council Operating Guidelines

- c. Members may reasonably rely on information and reports received from regular sources (i.e., support staff and service providers) that the member reasonably regards as trustworthy, reliable and competent.
- d. Members should seek and obtain additional information as needed regarding all matters for review and recommendation.

### 3. Additional Responsibilities

- a. Members may volunteer or be asked to participate in relevant teams, committees or initiatives.

## **Council Chairperson and Vice-Chairperson Participation**

### 1. Council Membership

The Chairperson and Vice-Chairperson must be actively participating Advisory Council members.

### 2. Leadership

- a. The Chairperson chairs meetings of the Advisory Council.
- b. The Vice-Chairperson chairs meetings of the Advisory Council in the absence of the Chairperson.
- c. The role of the Chairperson and Vice-Chairperson is to support and encourage the Council's role and to focus the Council's attention on governance.

## **Issue Submission**

Council members, agencies and other stakeholders may submit issues. These issues may be submitted in the form of an issue paper that addresses background, assessment and recommendation of issues to be addressed by the Advisory Council. An issue may also be submitted for review when substantial losses occur as a result of agency policies, litigation, defense practices, or other management practices.

DAS Risk Management is responsible for distributing and maintaining issue papers, action plans and position papers.

## **Actions**

The Council is responsible for determining an Action Plan that represents the list of issues it chooses to address. The Council may utilize speakers, technical experts, working groups and sub-committees to inform, collect information and draft recommendations in the form of a position paper. The Council is responsible for forwarding recommendations for action to DAS Risk Management when consensus has been reached on an issue being reviewed. Risk Management is responsible for carrying forward all position papers to DAS executive

Risk Management Advisory Council  
Operating Guidelines

management for consideration. The State Risk Manager is responsible for communicating back to the Council the decisions of DAS executive management in regard to the recommendations the Council submits.

# **Risk Management Advisory Council Charter**

## **Context**

Recent surveys and agency feedback to the Department of Administrative Services leadership indicate that Oregon State agencies desire a stronger partnership with Department of Administrative Services (DAS) DAS Risk Management and more involvement in the determination of how their budget contributions are spent. DAS Risk Management desires a multi-faceted forum for garnering understanding, acceptance and support of DAS Risk Management strategies, policies and practices. The purpose of the Risk Management Advisory Council (Council) is outreach to all Oregon State agencies, to provide a forum for stakeholders to exchange information, generate ideas, and make recommendations to DAS Risk Management in accordance with the Advisory Council Operating Guidelines.

DAS Risk Management's costs are the highest percentage of charges in many state agency budgets for administrative costs and services rendered. That cost is expected to increase due to many influencing factors including rising medical costs associated with workers' compensation medical services and a recent court ruling challenging tort liability caps.

## **Purpose and Authority**

The Risk Management Advisory Council is formed by authority and approval of the DAS State Services Division Administrator. The purpose of the Council is outreach to all Oregon State agencies, , and to provide a forum for stakeholders to exchange information, generate ideas, and make recommendations to DAS Risk Management in accordance with the Advisory Council Operating Guidelines.

## **Alignment and Guidelines**

The recommendations of the Risk Management Advisory Council must be in alignment with:

1. The statutory authority granted to the Department of Administrative Services and delegated to DAS Risk Management in the areas of providing property and tort liability insurance coverage, workers' compensation insurance coverage, claims management and risk management consultation;
2. Other applicable statutes; and
3. The DAS Risk Management strategic plan.

# **Risk Management Advisory Council Charter**

## **Goals and Objectives**

The goals and objectives of the Risk Management Advisory Council are to:

1. Strengthen relationships between DAS Risk Management and its stakeholders.
2. Identify and support stakeholder's priorities and needs that DAS Risk Management should strive to meet.
3. Influence the development of DAS Risk Management's service models to ensure its customers are well-served.
4. Provide organization perspectives to DAS Risk Management on its policy decisions that impact some or all stakeholders.
5. Provide a forum for stakeholders, to exchange information, generate ideas and make recommendations to DAS Risk Management in accordance with the Advisory Council Operating Guidelines.
6. Reduce the Direct Total Cost of Risk for the State

## **Council Composition**

The composition of the Council will be no less than seven and no more than fourteen members including one or more of the following:

1. Persons with responsibility for oversight of the Risk/Safety Management function
2. Persons with responsibility for budget development and implementation
3. Persons who perform Risk/Safety Management duties.

Council member terms will be two years, with the exception of half the originating Council members, who will serve a three year term in order to provide for continuity of strategic planning and Action Plan oversight. Council members may be considered for multiple terms. Originating Council member terms will be selected in November 2009.

## **Responsibilities of the Council**

1. Consider the perspectives of all state agencies, boards and commissions.
2. Delegated authority to represent their state agencies, boards or commissions.
3. Participate in Council discussions and provide the perspective of the organization they represent.
4. Engage in consensus decision-making.
5. Make recommendations that are considerate of global impacts.
6. Develop an Action Plan that addresses issues of strategic importance and utilizes the SMART principles:
  - a. Specific

## **Risk Management Advisory Council Charter**

- b. Measurable
  - c. Achievable
  - d. Reliable
  - e. Timely
7. Determine resources needed to meet Action Plan objectives.
  8. Adopt Operating Guidelines.

**State of Oregon  
Risk Management Advisory Council  
Issue Selection and Prioritization Summary**

**KEY:**

**Yes Issue will be addressed by Risk Management Advisory Council**

*1 Added to Risk Management Advisory Council Risk Mitigation Action Plan*

**No Issue will not be addressed by Risk Management Advisory Council**

*2 Agency actions addressed risk*

*3 Issue already subject of investigation, audit or similar review by external agency or entity, and Council review would interfere or duplicate that effort*

*4 Action Plan priorities preclude review at this time*

*5 Agency program not causally linked to issue*

*6 Although preliminary screening criteria met, upon assessment determined not to be a substantial loss*

*7 A review team is unlikely to identify strategies for reducing risk of future similar issue*

*8 Issue of a type substantially similar to other risk mitigation review*

*9 Other (accompanied by explanation)*

Tracking Number	Description	Date Submitted	Submitted by	Preliminary Screening Date	Council Review Date	Prioritization	Reason for Prioritization	Status/Disposition
1	Reduce Claim Cost	4/22/2009	DAS	4/22/2009	4/22/2009	1	Added to Risk Management Advisory Council Action Plan	Pending Work Group recommendations
2	Employee Injury Data Collection	6/1/2009	ODOT	6/2/2009				Pending Council review
3	Risk Charge Methodology	6/1/2009	OUS	6/1/2009				Pending Council review

**Risk Management Advisory Council  
PILOT Issue Selection and Prioritization Process  
7/15/2009**

**RISK IDENTIFICATION**

**Agency:**

- Submits Issue Paper to DAS Risk Management via e-mail

**RISK ANALYSIS**

**DAS Risk Management:**

- Auto-forwards all Issue Papers to Advisory Council Chair and Vice-Chair
- Auto-forwards all Issue Papers to Advisory Council Chair and Vice-Chair and provides status reports to disposition
- Auto-response to agency submitting Issue Paper
- Assignment of DAS Risk Analyst to coordinate Issue Paper management
- Makes initial agency contact within 2 business days via letter and provides status updates to final disposition
- Enters Issue to RMIS for tracking and maintains current documentation of status
- Completes Issue Paper Preliminary screening based upon agreed criteria
- Provides response to agency for issues addressed by existing policies, procedures and practices
- Coordinates internal Risk Management Program peer review
- Forward Issues to Risk Management Advisory Council for review
- Provides Risk Management Advisory Council with aggregate report of all Issues received

**Risk Management Advisory Council Planning Group:**

- Provides feedback on Issue Selection and Prioritization Summary, Issue Papers and Preliminary Screening as part of the agenda planning process

**ISSUE SELECTION AND PRIORITIZATION**

**Risk Management Advisory Council:**

- Reviews Issue Papers and Preliminary Screening
- Selects issues to be addressed by the Council based upon agreed criteria
- Uses speakers, technical experts, working groups and/or subcommittees to inform, collect information and draft recommendations in the form of a position paper.
- Develops an Action Plan that addresses issues of strategic importance using SMART principles (Specific, Measurable, Achievable, Reliable, Timely)

**DAS Risk Management:**

- Serves as a resource and provides support for Council activities
- Distributes and maintains issue papers, issue paper determinations, action plans, position papers, records, reports and other Council documents.

**KEY:**

<b>Yes</b>	<b>Issue will be addressed by Risk Management Advisory Council</b>
1	<i>Added to Risk Management Advisory Council Risk Mitigation Action Plan</i>
<b>No</b>	<b>Issue will not be addressed by Risk Management Advisory Council</b>
2	<i>Agency actions addressed risk</i>
3	<i>Issue already subject of investigation, audit or similar review by external agency or entity, and Council Review would interfere or duplicate that effort</i>
4	<i>Action Plan priorities preclude review at this time</i>
5	<i>Agency program not causally linked to issue</i>
6	<i>Although preliminary screening criteria met, upon assessment determined not to be a substantial loss</i>
7	<i>A review team is unlikely to identify strategies for reducing risk of future similar issue</i>
8	<i>Issue of a type substantially similar to other risk mitigation review<sup>9</sup>Other (accompanied by explanation)</i>



Attention:

Deborah E. Fifield  
State Risk Manager  
DAS/SSD Risk Management  
Phone: (503) 373-1585

Topic:

Capturing all employee injury data

Issue:

Database entries of all employee injuries (1<sup>st</sup> Aid, recordable and claims) are complex and time consuming with different processes and software used by state agencies. This paper will focus on the process utilized by ODOT.

Background Information:

ODOT recognizes the importance of capturing and analyzing all incidents that have or could have injured an employee. SAIF Corporation data cannot be used to analyze all incidents since it only captures injury information for which a claim was filed. In addition, the SAIF system cannot be used to compile the mandated OSHA reports of recordable incidences. In order to capture all incidences ODOT:

1. Uses PC Compliance Suite (Safety Tracker) to manually enter incidences for which no claim was filed.
2. Downloads SAIF claims to ODOT Information Systems (IS) department which merges the data with Safety Tracker.

At least one state agency does not capture data on non-claim injuries due to the labor involved and lack of software.

ODOT has not been satisfied with Safety Tracker due to the annual \$5,000 license fee, the complexity of the system, standardized labeling of data fields and charges for some upgrades. However, ODOT has not found other suitable software and has found that other agencies are purchasing Safety Tracker.

Recommendations:

1. Inventory which agencies are capturing data on non-claim injuries and near misses and, if so, using what software?
2. Form a multi-agency workgroup with representatives from SAIF, Risk Management, and possibly DAS IS to determine if a statewide system would be feasible, cost effective and advantageous to the state.

Submitted by: Julie Davie, Employee Safety & Risk Manager  
June 1, 2009  
Oregon Department of Transportation  
(503) 378.8513  
[julie.davie@odot.state.or.us](mailto:julie.davie@odot.state.or.us)

## RISK MANAGEMENT ISSUE PAPER

### Preliminary Screening Criteria

Issue Number: #3	Issue Name: Risk Charge Methodology	
Submitted by: Elizabeth Dickensen, OUS	Date Submitted: June 1, 2009	
Analyst: Deborah Fifield	Date Reviewed: June 1, 2009	

<b>SYSTEMS</b>	
1. Does the Issue significantly relate to all agency systems, policies, or practices?	Yes
<b>FREQUENCY OF ISSUE</b>	
2. Is this an isolated Issue or has there been more than one same or similar type of Issue within the past year?	Budget impact to all agencies
3. If more than one Issue has occurred, has there been a similar or increasing level of loss?	Budget impact to all agencies
4. Have these Issues occurred in the same general location or under the same supervision or structure, indicating a possible pattern or systemic problem?	Budget impact to all agencies
5. Based on information available, is there a high probability that the same or similar type of Issue will occur in the future?	Budget impact to all agencies
6. Could a future Issue result in the same or increased level of loss?	Budget impact to all agencies
<b>VULNERABLE PERSONS</b>	
7. Are the vulnerable persons, those having the reduced ability to protect themselves from outside harm considered? ORS 136 provides that "vulnerable person means a person under 18 years of age, a person who is 65 years of age or older, a person who meets the medical criteria for the receipt of services from a community program or facility as those terms are defined in ORS410.735, a person with a developmental disability as that term is defined in ORS 40.460 or a person who as the result of a diagnosed medical condition requires assistance in two or more activities of daily living."	Unknown
<b>SEVERITY OF ISSUE</b>	
8. Could the Issue result in death, serious injury to a person or persons, or substantial property damage or loss?	Unknown
9. Could a future Issue result in the same or similar loss?	Unknown
10. Does the Issue have other negative effects on the state, including loss of confidence in state government or its services?	Unknown
<b>IMPACT ACROSS STATE AGENCIES</b>	
11. Is this type of Issue one that could occur in more than one state agency	Yes
12. Could the results of a review benefit programs in more than the agency affected by the Issue under review?	Yes
13. Could the review have a broad impact?	Yes
<b>AGENCY INTERNAL REVIEW CONDUCTED</b>	
14. Did the agency perform its own internal review?	Yes
15. If yes, was the review comprehensive?	No
16. Did the review focus on agency policies and operations, making recommendations as to systemic changes to reduce the risk of future Issue?	N/A
17. Would an additional independent review add value or reduce future risk?	Yes
<b>EXTERNAL REVIEW(S) CONDUCTED</b>	
18. Did another agency perform a review of the Issue?	No
19. If yes, was the review comprehensive?	N/A
20. Did the review focus on the agency policies and operations, making findings or recommendations as to system changes to reduce the risk of future Issue?	N/A
21. Would an additional independent review add value or reduce future risk?	Yes
<b>RESOURCES</b>	
22. Are there sufficient resources available to conduct a comprehensive review of the Issue?	Yes

# Risk Management Advisory Council Issue Paper

## Topic: Risk Charges and payment of risk charges

**Risk charges are not readily predictable and transparent in their calculation and the total risk charges are assessed once a year.**

### **Background Information**

For a number of years, state agencies have been concerned because:

1. Calculation of risk charges was not transparent and agencies could not look at their losses and “predict” what future premiums were likely to be;
2. Agencies could not completely understand their total cost of risk by identifying what extent of the charges were attributable to DAS administration operating expenses, commercial and excess insurance policy premiums, and capped losses spread across all state agencies;
3. Agencies could not identify risk control and mitigation strategies likely to result in lower charges (given the extent of allocation of commercial policy premiums and spreading of capped losses across agencies;)
4. Deductibles have been one size fits all, not allowing agencies able to afford to do so, to benefit in future risk charges by paying a more sizable cost of losses up-front, and
5. Risk charges in some of the coverage areas have been very volatile.

An emerging issue, related to risk charges, has to do with the manner in which risk charges are assessed.

Risk charges are only assessed once a year at present. In these difficult economic times for those agencies that have had fund balances swept, or rely on a number of funding sources other than the General Fund, once a year risk charge assessment becomes increasingly difficult to sustain.

### **Recommendations**

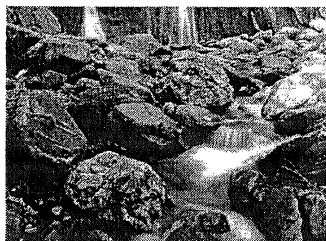
Review and analyze current calculation of risk charges and alternative methods for calculation. Review and analyze current once a year risk charges; explore more frequent charging across a calendar year.

Explore the possibility of higher deductibles for property and the possibility of allowing agencies to pay some amount of their third party liability losses or consider a “service recovery fund.”

Document any recommended changes which are adopted to be able to demonstrate savings to the Legislature so it is not viewed as cost shifting.

Submitted by: Elizabeth K. Dickenson  
Agency: Oregon University System  
Telephone: 503-373-7490  
E-mail: Elizabeth\_Dickenson@ous.edu

## Welcome to DAS Risk Management



Risk Management is the state's manager for self-insurance, insurance and risk control. Our primary goal is to assist state government with avoiding unnecessary costs of loss while achieving its mission. The major kinds of loss we work to prevent or pay include: employee injuries; loss to state buildings, contents and vehicles; employee theft or dishonesty and tort liability claims alleging the failure of state agencies or employees to perform duties owed by law. These include negligence and almost anything the state can do or fail to do that causes persons or their property harm.

### Information for the General Public

Filing a Liability Claim

Filing a Complaint About a State Vehicle

#### Risk Management Advisory Council

RMAC Issue Paper Template (doc)

June 3, 2009 Meeting (pdf)

\* ERM Educational Session (pdf)

April 22, 2009 Meeting (pdf)

January 28, 2009 Meeting (pdf)

November 17, 2008 Meeting (pdf)

#### Web Site Update

We appreciate your patience as Risk Management updates its Web site. If you have a question or need additional information, please give us a call at (503) 373-7475.

### Hot Topics - Risk Related Information

#### RMIS UPDATE

In June 2008 Risk Management began the implementation of our new Risk Management Information System (RMIS). The name of the program is STARS Enterprise. One of the modules will replace the ALIAS system which was the portal that agencies used to access their loss data.

Agency authorized personnel may sign up for training to learn how to access the system and run agency specific reports. Users will be required to sign a user agreement when they receive their assigned log-on.

The following currently scheduled trainings will be held at the General Services Building located at 1225 Ferry Street SE in the Mt. Hood computer lab in the basement.

July 7, 2009 1:30 p.m.-3:30 p.m.

July 22, 2009 1:30 p.m.-3:30 p.m.

Class size is limited to 12. The class will fill up fast, so please reply soon with your first & second choice of dates!!

Please send your request to Sue Praegitzer at [susan.g.praegitzer@state.or.us](mailto:susan.g.praegitzer@state.or.us) or feel free to call (503) 373-1037 if you have any questions.

#### Risk Highlights - New and Old

Biennium Risk Charges

Annual State Vehicle Report - 2005

Risk Management Seminars - Property Particulars & Tort Tips

SAIF's Ergonomic Tip Sheets

Loss Management Training

#### Frequently Requested Information

Popular Web Links