

CASH, RISK, & CAPITAL FUNDING

Risk Management Program 2015

Manager of Finance (Denver Revised Municipal Code Part 5 – Finance § 2.5.3):

- “The Manager of Finance shall administer any risk management and insurance program of the City and County, including any self-insurance fund; provided, however, the Mayor may assign a specific segment of risk management and insurance programs to another department whenever such assignment is in the interest of economy, organization, administration and efficiency of the City and County as a whole.”

Cash, Risk and Capital Funding - Risk Management Office:

- Oversees the identification, analysis and management of the City’s risk and exposure to loss related to the activities of the City and its departments, agencies and employees.

Our Mission:

- To provide a system of risk and loss exposure identification and analysis designed to protect the City and County of Denver, its capital assets, property and employees by managing the City’s self-insurance and loss control programs and the purchase of insurance, by developing and implementing appropriate risk management policies and procedures, and by educating and training all City employees in workplace safety.

The City self insures where cost/benefit analysis verifies this is fiscally the best option. Colorado Governmental Immunity protections and tort cap limits are utilized to the fullest extent.

Where we self insure:

- **Liability** - Negligence claims against the City and its employees: public entity liability, public officials liability, law enforcement legal, employment practices liability, professional liability . Exceptions:
 - Certain financial agreements (COP, LPA, Bonds) have required commercial insurance
 - Operating Agreements with cultural entities have required the City purchase insurance for the third party operator
- **Workers' Compensation** – Self insured and self administered, though carry a excess/umbrella policy as required by the State for self insured employers. This verifies funds are in place in the event of a catastrophic occurrence. Our policy carries a \$2,500,000 retention.

Commercial Insurance Program

Risk Management places and manages 27 insurance policies for the protection of City assets and liabilities.

Commercial insurance is purchased for:

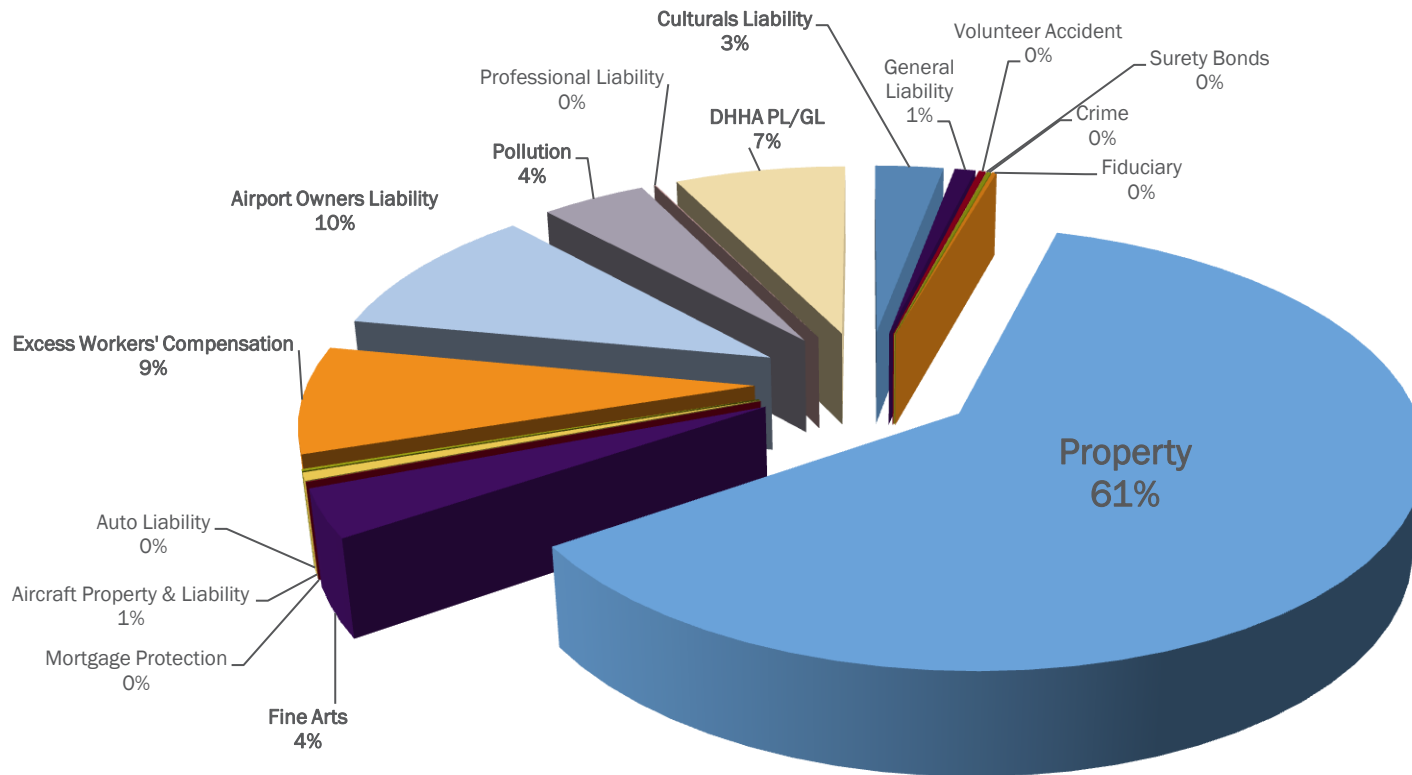
- Property Insurance (all City locations including DIA and cultural entities)
- Fine Arts Insurance (City public arts program, Denver Art Museum, Clyfford Still Museum, Denver Museum of Nature and Science)
- Liability policies where required by an agreement (\$500M Airport Owners Liability as required by bonding agreements, certain COP and LPA agreements, cultural operating agreements)
- Environmental/Pollution (DIA only)
- Volunteer benefit
- Crime
- Cyber Liability
- Excess/Umbrella where required

- Policy placement
 - *What to insure? What to self insure? What limits? What deductibles? What terms and conditions?*
 - Risk analysis
 - Emerging risks (cyber liability, Title Art, social media and reputational risk, drones)
 - Agency requests (Law Enforcement Legal, Sub-Guard, Sexual Abuse/Molestation master policy)
 - Loss prevention/mitigation/avoidance opportunities
 - Colorado Governmental Immunity
 - Cost/benefit analysis of commercial insurance vs. self insurance

- 2015 insurance premium total: \$3,308,167
 - General Fund: \$1,568,828;
 - DIA: \$1,286,143*;
 - Workers’ Compensation Special Revenue Fund: \$443,557
 - Agency/Department/Other Party: \$9,699

** Two DIA policies, Airport Owners Liability and Environmental/Pollution, were purchased in prior years for a multi-year term ending May 1, 2016. No premiums apply in 2015.*

Allocation of Insurance Premiums



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