



Office of Risk Management (ORM) – RK0

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Central Purpose

The mission of the Office of Risk Management, or ORM, is to (1) reduce the probability, occurrence and cost of risk by determining risk exposures to issues that may have the potential to create financial and reputational losses to the District; (2) mitigate losses by procuring and developing strategies to mitigate risk (i.e. through the purchase of insurance); and (3) investigate District operations, activities and facilities that may create unnecessary risks; and (4) set forth recommendations to prevent future risks. ORM's is also charged with efficiently and fairly administering the District's public workers' compensation, settling meritorious pre-litigation claims filed against the City, and administering the Captive's medical malpractice and real property insurance programs.

Key Facts

- ORM was created in 2003.
- ORM administers the District's workers' compensation program, the occupational safety and inspection health (OSHA) program, and the Employee Response Plans (ERPs). All pre-litigation claims filed against the City are handled and adjudicated by ORM's Tort Liability program.

Goals/Performance Measures

- Percentage of DC vendors in compliance with ORM minimum insurance requirements;
- Number of environmental and safety inspections of District Government buildings;
- Total Cost of the Public Sector Workers' Compensation Program (PSWCP);
- Average number of days a claimant receives workers' compensation benefits for claims opened within a fiscal year;
- Number of workers' compensation claims per 100 FTEs;

- Average payment on claims that are four years or less (in millions);
- Number of employees returning to work or participating in job club.

Programs/Services

Tort Liability Program - ORM houses the District's Tort Liability Claim Program. The purpose of this Program is to receive, investigate and resolve pre-litigation claims for damages that may be filed against the City. Claims may include auto accidents with government vehicles, property damage caused by a fallen tree located on city property, or injuries caused as a result of the negligent conduct of District employees.

The Tort Liability Program tracks and identifies trends and analyzes risks that could expose the District to liability and costs. For example, each year ORM identifies the top five agencies that have the highest numbers of claims settled by ORM. In addition, the Program began tracking District drivers whose driving conduct subjects the District to civil liability and costs against the District.

Public Sector Workers' Compensation Program - The Public Sector Workers' Program Compensation Program provides benefits to employees who sustain workplace injuries or to the beneficiary of an employee who dies in the performance of his or her duties. Benefits include medical treatment, lost wage compensation and vocational rehabilitation. The program also provides accident prevention training.

If an employee is injured while performing his or her government job, and the injury is brought about as a result of the negligence of a third party, which causes the District of Columbia Government to pay the employee workers' compensation benefits, the District will attempt to collect the money that it has paid out to the injured worker in workers'

compensation benefits from the negligent person or company that caused harm to the employee through a process that is called subrogation.

Insurance Program and Captive Insurance Agency -

Historically, the District is an exclusively self-insured entity. However, in FY 13, the District began moving towards a hybrid system made up of both self-insurance and private property insurance for D.C. Government buildings. In doing so, the Captive is now authorized to purchase and issue property insurance through the Captive for District-owned real property assets. Additionally, the legislation authorizes the D.C. Captive to purchase terrorism insurance for District real property. In FY 13, the Captive obtained earthquake insurance for the buildings damaged in the 2013 earthquake, which enabled the District to obtain approximately \$4,500,000 in FEMA public assistance funds.

The Captive Insurance Agency also provides medical malpractice insurance to non-profit community health centers in the District so that these entities can insure clinics and their medical staff. The D.C. Captive offers policies to local health centers that provide coverage of up to \$1 million per single occurrence and \$3 million at the program level. Thus, the total aggregate limit of insurance coverage for all four health care centers is \$3 million. The Captive is authorized to provide insurance policies to the clinics at a subsidized rate. Rather than spending these funds on private insurance, the clinics are able to spend it directly on medical care for the District's most vulnerable citizens. This valuable program provides access to low cost medical malpractice insurance and allows the clinics to provide medical care and services to a segment of the community who may not otherwise be able to afford quality health care.

ORM staff works with the Office of Contracting and Procurement (OCP) to ensure that the insurance provisions of government contracts or solicitations over \$100,000 are consistent with OCP policy requirements¹ that contractors maintain sufficient insurance during the entire time of the contract term

and/or until the work under the contract has been completed and/or accepted. In addition, agencies often seek advice from ORM on unique projects to determine if ORM can identify risk areas not addressed in OCP policies. Furthermore, ORM staff conducted risk management training for agency staff, including OCP agency contract specialists, and hosted risk management and insurance roundtables with agency senior risk management and legal staff in order to identify recurring risk issues in agencies, as well as policy gaps that can be addressed through greater collaboration with ORM.

ORM also collaborate with agencies for special events activities to outline the minimum insurance requirements required by private entities with respect to: (1) their use of District-owned buildings, (2) their access to and through District property for right of entry permits, and (3) their desire to host private events throughout the public streets of the District of Columbia. These operational policies are designed to protect the District from any liability that flows from the private use of and access to District-owned property.

Risk Identification, Analysis and Control Program -

The Risk, Identification, Analysis and Control Program, which is commonly referred to as RIAC, conducts risk management assessments of District facilities and operations by identifying gaps in risk management practices and conducting building inspections. The Program issues safety recommendations, drafts proposed policies, and oversees the implementation of recommendations on identified risk issues.

ORM staff conducts safety inspections to ensure the safety and health of District of Columbia employees in the workplace and by investigating occupational accidents, illnesses, injuries and fatalities. ORM staff also works with agency risk management representatives (ARMRs) on emergency response or evacuation planning in cooperation with the D.C Fire and Emergency Medical Services Department (DCFEMS). All agencies are required to submit Emergency Response Plans (ERPs) to ORM. ORM

¹ See OCP Policy 3002.00.

approves the ERPs and then submit them to DCFEMS for review and approval. ORM and the Fire Department must approve an agency ERP before it is an accepted ERP.

Recently, ORM began to develop Building Response Plans so that emergency and law enforcement officials will know where D.C. Government agencies and employees are located in government and private buildings, and how to navigate throughout the building during an emergency. ORM continues to manage the “How Am I Driving?” program, which is designed to promote a safe driving culture for District Government employees through the reporting of instances of safe and unsafe driving practices.

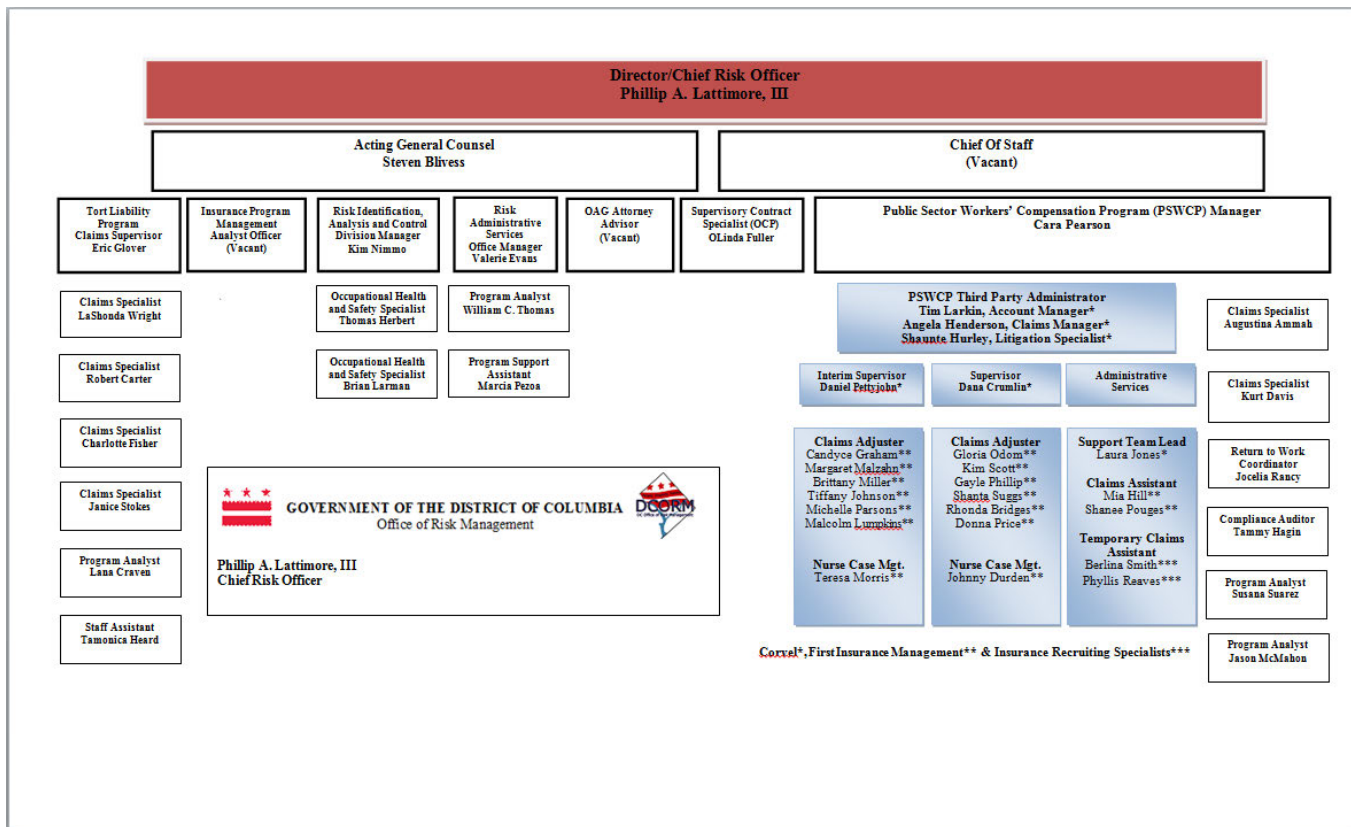
ORM receives final reports from the Office of the Inspector General (OIG), the D.C Auditor and other auditing entities so that ORM can review and analyze the reports and take the necessary action to make sure that their recommendations are properly addressed by agency officials. Each agency head is required to notify ORM of all outstanding audit recommendations, court orders, and other requirements that have to be met by the agency. In order to manage this responsibility, ORM recently created an audit tracking system that allows District of Columbia agencies, under the authority of the Mayor, to insert their responses to audit compliance recommendations into a web-based Quickbase application so that ORM and other government officials can ascertain whether agencies have resolved and/or closed out outstanding audit

recommendations by the Office of Inspector General, the D.C. Auditor or any other auditing entity. Office of the City Administrator staff will also have the ability to monitor and track how agencies are resolving their outstanding audit recommendations. After agencies responds to each of their audit recommendation, ORM staff will have the authority to review agency responses, the data or documents that supports the agency responses, and make edits, if necessary, and determine whether an agency has resolved its audit recommendation. The audit recommendation remains in the Quickbase system until ORM, with the input from the Office of the City Administrator, if necessary, determines that the agency has adequately resolved the audit recommendation. The tracking system allows ORM to run standard and *ad hoc* reports on a daily, quarterly or yearly basis, as needed, to determine how effectively agencies are in resolving their audit recommendations. The system is also able to publish information on the agency’s performance.

First Quarter CY2015 Hot Button Issue(s)

- Third Party Administrator of the Public Workers’ Compensation Program.
- Transferring day to day management of Settlement and Judgment Fund to ORM.
- Automobile Property Insurance.
- Risk Management Information System.

Organization Chart



Correl*, First Insurance Management** & Insurance Recruiting Specialists***

Boards and Commissions relevant to the agency (if any)

Board Name	Name of Chairperson	No. of Members
Captive Insurance Agency Advisory Board	Phillip A. Lattimore III	8

Budget FY2015

Total Budget	\$ 46,182,784.00
Risk Management (RKO)	\$ 3,124,189.00
Employees' Compensation Fund (BGO)	\$ 20,221,002.00
Captive Insurance Agency (RJO)	\$ 1,545,145.00
Settlement & Judgment Fund (RJO)	\$ 21,292,448

No. of Employees

Current No. of FTEs	25
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Union Representation

Union(s)	Union Representative	No. of Members
American Federation of State, County & Municipal Employees (AFSCME)		14

Facility Location(s)

Facility Name / ID	Address	Zip Code	Ward	Main Phone No.
ORM Main Office	441 Fourth Street, N.W., Suites 800 & 510	20001	2	(202) 727-8600

Key Projects/Initiatives

Project/Initiative Name	Brief Description	Delivery Date
Risk Cost Reduction	Reduce property damage claims filed against the District by providing defensive driver training to District employees who use government vehicles.	September 2015
Workers Compensation Return to Work	Launch a job bank and network with other government entities to return long-term unemployed injured claimants back into the workforce.	September - 2015
ORM	Improve data accuracy, auditing and analysis.	September - 2015
Tort Claim Division	Reduce the number of lawsuits against the District.	September - 2015
Tort Claim Division and Workers' Compensation Program	Increase the collection of money owed to the District as a result of the negligent acts of third parties.	September - 2015
Insurance Program	Offer in-house risk management seminar to Captive members.	September - 2015

Capital Program(s)

Project Name	Budget ID	Funding Source	Project Budget	Current Balance	Delivery Date
N/A					

Important/Significant Dates

Event	Brief Description	Delivery Date
N/A		

Key Contracts

Project Name	Vendor Name	Total Contract Value	Contract Term
Public Sector Workers' Compensation Program (PSWCP) Contract	CorVel	\$20,988,618.00	August – 2013 to September – 2018 (Three base years plus 2 option years)
Captive Insurance Agency Management Contract	AON	\$ 130,000.00	October – 2014 to September, 2017 (Base year plus 2 option years)

Key Agreement(s) / Memorandum(s) of Understanding

Project Name	Brief Description	Agreement Term
DCHR-ORM PSWCP	The MOU provides workers' compensation human resource/benefits assistance so that ORM can pay health, dental and life insurance for employees who are on workers' compensation.	October 2014 to September 2015
ORM-EOM	Administrative services, telecommunication, courier, transportation.	October 2014 to September 2015
ORM-DOC, DYRS, DCPS, FEMS, MPD MOU	Hiring staff to coordinate EEO activities, training, best practices, EEO investigations, quarterly training, EEO reports.	October 2014 to September 2015

Grant(s) Awarded (or Pending Award) to Agency

Grant Name	Name of Grantor	Total Grant Amount	Current Grant Balance	Grant Expiration
N/A				

Active Litigation(s)

Project Name	Brief Description
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Project Name	Brief Description
	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

Consent Decree(s)

Project Name	Brief Description	Agreement Term
N/A		