

COUNCIL POLICY STATEMENT

Policy No. 20
General Subject: Risk Management
Specific Subject: Worker's Compensation
Date Approved: April 20, 1980

PURPOSE

To reduce the cost of risk connected with worker's compensation to a prudent minimum by applying the risk management process in conjunction with a self-insured program.

RATIONALE

A careful, risk management program incorporating a strong safety program should control the costs, reduce absenteeism due to accidents and safeguard the health of the municipal employees.

POLICY STATEMENT

1. The City shall become self-insured for worker's compensation with the exception of purchase of excess insurance for extraordinary costs. A professional outside agency shall be employed for claims administration and loss prevention service.

2. A risk management reserve fund shall be established from which payments will be made for losses, excess insurance claims and loss services, and State required bonds. This fund shall be accumulated up to \$400,000. Thereafter, the funding of the reserve will be evaluated based upon claims paid, reserves established, and protection from excess insurance. This fund will be separate from other City funds and the reserves shall not be utilized for any purpose other than worker's compensation related costs.

3. A strong safety program shall be implemented designed to reduce accidents and control costs. A safety coordinator shall be designated by the City Manager. This person, together with the loss prevention service agency, shall develop and coordinate the following:
 - a. Safety inspection by supervisors;

 - b. Safety Board to evaluate accidents, determine whether they were preventable and make safety recommendations;

- c. Establish job descriptions and performance appraisal forms that place safety as a supervisory responsibility;
- d. Conduct safety training programs for supervisors and employees;
- e. Physical fitness testing for employees whose jobs require a great deal of physical strength and stamina;
- f. A safety suggestion program;
- g. Safety investigation by supervisors and Safety Inspector;
- h. Establishment of department safety rules, policies, procedures and disciplinary standards;
- i. Safety reporting methods.