

Topic: LIABILITY PROGRAM PROCEDURES Page 1 of 4
Section: LIABILITY/PROPERTY Date Issued: Nov. 15, 1990
INSURANCE PROGRAM Date Revised: June 1, 2013
Number: XXIII.1.

PURPOSE:

To establish notification and approval procedures for all items to be charged to the Liability/Property Self Insurance Fund.

LEGAL BASIS:

Government Code Section 990.4. (General)
State Controller Guidelines for Self Insured Plans

POLICY:

Charges to the Liability/Property Self Insurance Fund shall be only for the following categories:

- A. Costs associated with investigating, adjusting, defending and settling liability claims and lawsuits seeking monetary damages against the County;
- B. Judgments in liability cases which the County is legally obligated to pay;
- C. Costs associated with investigating, adjusting, defending and settling threatened litigation seeking monetary damages against the County, when such costs have been determined appropriate by the County Liability Tort Team;
- D. Costs for self-insured property losses and deductibles when such costs have been determined appropriate by the County Administrative Officer.

I. County Liability Tort Team:

- A. Membership - The County Liability Tort Team shall consist of the County Counsel(or designee) and the Risk Manager (or designee).
- B. Purpose - The purpose of this review team shall be to review any threatened litigation against the County and assess how costs associated with such litigation shall be charged to departments and/or the Fund. The review team may also review its previous allocation decisions as necessary, if there are changes in the status of prior cases.
- C. Criteria - Costs in connection with threatened litigation against the County shall be evaluated on the following criteria:

1. Did the alleged damage result from adoption or application of regulations?
2. Is the threatened litigation of such a nature that incurring investigative/defense costs is necessary and reasonable before it is known whether an action will be filed against the County?
3. In all other cases, costs shall be charged to the Liability Self Insurance Fund.

II. County Counsel Duties:

- A. Immediately inform Risk Management of all lawsuits filed or served when notice is received;
- B. Immediately inform Risk Management of any threatened litigation which may involve costs to the Liability/Property Fund, prior to incurring cost other than for initial County Counsel review;
- C. Unless impractical due to immediate necessity, to discuss all subsequent outside legal, investigative and adjusting costs with Risk Management prior to contracting for such items;
- D. Prepare and provide Risk Management with copies of vendor contracts and all claims for legal services to be charged to liability cases;
- E. Meet with Risk Management to establish and review case reserves and to discuss legal and investigative options;
- F. Promptly advise Risk Management of any significant dates, case developments, and provide copies of relevant correspondence and documents;
- G. Promptly discuss settlement offers, options and Board recommendations with Risk Management;
- H. Meet with Risk Management to discuss any investigative and/or adjusting work to be overseen by County Counsel;
- I. Meet with Risk Management to determine recommendations for Board action on claims and to prepare and mail notices of such action with copies to Risk Management;
- J. Prepare cases for referral to outside legal defense;
- K. Assist Risk Management in working with County departments for risk reduction/elimination;

- L. Review legal/expert bills for appropriateness and accuracy, and forward to Risk Management for payment;
- M. Assist Risk Management in developing annual Liability Fund budget projections;
- N. Notify County departments of significant claims relating to their operations and the outcome of those cases.

III. Risk Management Duties:

- A. Set up meetings of the County Liability Tort Team as necessary to discuss threatened litigation;
- B. Receive, log and initially review all claims filed against the County;
- C. Investigate County department information and facts relevant to claims and promptly provide County Counsel with all relevant facts;
- D. Immediately notify County Counsel of all claims with serious loss potential or requiring special investigation/legal defense;
- E. Prepare cases for referral to outside investigation/adjustment, monitor progress of investigation and promptly advise County Counsel of significant discoveries/developments;
- F. Monitor Superior Court for filing of lawsuits or known claims and promptly notify County Counsel;
- G. Establish and maintain Liability Claims system information and reserves;
- H. Promptly review and process all claims on the County treasury received from County Counsel for payment and notify County Counsel and County Administrative Office of funding problems and potential reserve transfers;
- I. Develop and maintain the Cost Allocation system to distribute all Liability/Property Fund costs and collect fund reserves;
- J. Notify County departments of significant claims relating to their operations and the outcome of those cases;
- K. Analyze causal and trend factors for all liability claims and work with appropriate County departments to minimize or eliminate risks;

- L. Provide County Counsel with all relevant reports, information and documents received by Risk Management relating to liability cases;
- M. Meet with County Counsel to determine recommendations for Board Actions on claims, Board agendas and document such actions when approved;
- N. Promptly notify the County Administrative Office of all County property losses and obtain direction on how such losses shall be paid;
- O. Analyze property loss causes and trends and work with departments to minimize or eliminate losses;
- P. Review investigator/expert/County Counsel bills for appropriateness and accuracy prior to payment.
