

Liability * Safety * Workers' Compensation



**Fiscal Year 2008
Safety & Risk Management
Annual Report**

Property * Training * Insurance * Security

Safety & Risk Management 2008 Annual Report

Mission Statement

The primary objective of the Safety & Risk Management process is to support the City's core mission by protecting the City against unexpected or unnecessary loss of resources.

Through collaboration and consultation with senior management, city staff and other outside partners, Safety & Risk Management shall work to ensure the preservation of the City's resources by integrating sound risk management techniques into all City operations. Safety & Risk Management will:

- Systematically identify and analyze risk exposures,
- Select and implement appropriate risk control strategies and
- Select fiscally prudent financing mechanisms to fund expected incurred losses.

Safety & Risk Management understands that in order to maintain a City-wide integrated risk management program, the commitment and support of senior management is required. Safety & Risk Management will work closely with Senior Management to develop and foster this support.

Report Layout

This report includes a summary of risk management issues broken into several categories for the FY 2008 reporting period (July 1, 2007 – June 30, 2008).

Risk management categories include: workers' compensation, auto liability and physical damage, general liability, public official liability, law enforcement liability, property, insurance, safety, and emergency management and security.

Current year and historical data has been arranged and graphed for ease of review.

Safety & Risk Management compiles data provided by City departments and the Kentucky League of Cities Insurance Services (the City's insurance carrier).

Additional claim specific information may be obtained upon request.

Workers' Compensation

2008 Claims

Injury occurrences and injury claims were right in line with the prior 5-year average. Lost-time injuries remained consistent with FY07 figures and stayed at their second lowest level in 12-years.

2008 Injury Rates

The attached "Injury Frequency Rates" chart provide information regarding the frequency (number of recordable injuries) and severity (number of lost-time injuries) for all injuries receiving more than first aid treatment.

The FY08 OSHA recordable injury rate increased to 6.9, up from 5.9 in FY07. In the last 12 years, this rate ranks 4th best. The OSHA lost-time injury rate remained at 1.7, bested only by the 2001 rate of 1.3. Likewise, injury rates for "Preventable Only" type injuries remain optimistically low.

Injury rates are based on 100 employees working an average 40-hour work week/year.

Costs (Actual and Incurred)

The City experienced no catastrophic claims during FY08. All workers' compensation claims (current and prior year claims) paid during FY08 totaled \$258,237. Of this amount, \$171,648 is considered "out-of-period" expense arising from prior year claims.

Catastrophic Losses

The City experienced no catastrophic claims (worker injury paid/reserved in excess of \$50,000) in FY08.

Workers' Compensation Fund

The City has a large deductible plan (\$100,000) for insuring costs associated with workers' compensation claims and maintains a workers' compensation trust fund from which claims and

premiums are paid. Claims paid from the fund include both those that occur during the fiscal year and those that are still active from prior years.

Eighty-six percent (86%) of the claims budget was used to pay for both current and prior year claims. As a result of a more aggressive approach toward closing claims, \$64,118 of the \$100,000 WC contingency was utilized to pay and close several prior year claims. The payment and closure of these claims will lessen future liabilities. Safety and Risk Management works closely with the Finance department to assure adequate claims funding levels are maintained.

Additional items funded thru the WC fund include loss preventative asset items (i.e. safety equipment, engineered safety systems). Asset items purchased from the fund serve to lessen the frequency or prevent future injury. Major asset items purchased during 2008 included:

- Police Forensic Work Station
- Police Traffic Safety Vests
- AED Cabinets
- Voltage Detectors – Fire and PW
- Voice Activated Ear Muffs – PW

Savings

The City continues to keep loss experience to a minimum and benefits through lower premiums. Due to recent prior year catastrophic claims, the experience modification (EM) factor for FY08 inched upward from .74 to .83 (expected EM = 1.00). Although the EM rate increased year over year, the still low rate created a premium savings of over \$63,000. The continued low lost-time injury rate should have a positive (lowering) effect on the EM factor for FY09.

In addition, an added \$10,000 of premium savings was negotiated for agreeing to a 3-year premium renewal.

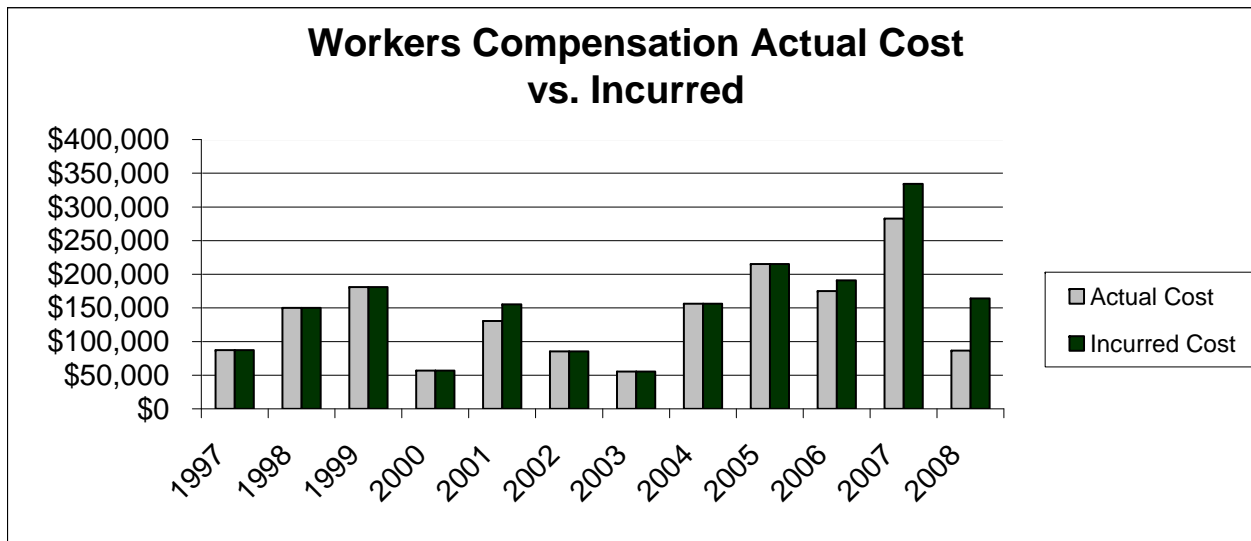
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WORKERS COMPENSATION EXPENSES

Actual Costs Vs. Incurred Cost (UPV)

PERIOD ENDING 06/30/08

FY 2008			FY 2007			FY 2006			FY 2005			FY 2004		
	Actual Cost	UPV		Actual Cost	UPV		Actual Cost	UPV		Actual Cost	UPV		Actual Cost	UPV
Police	\$40,867.34	\$65,013.50	Police	\$236,172.64	\$287,960.75	Police	\$110,917.04	\$125,566.61	Police	\$36,289.73	\$36,289.73	Police	\$19,321.89	\$19,321.89
Fire	\$27,204.30	\$58,969.09	Fire	\$17,074.16	\$17,074.16	Fire	\$34,350.69	\$35,501.69	Fire	\$24,714.12	\$24,714.12	Fire	\$3,213.54	\$3,213.54
PW	\$9,684.11	\$24,142.43	PW	\$19,311.70	\$19,311.70	PW	\$9,404.69	\$9,404.69	PW	\$61,783.73	\$61,783.73	PW	\$2,347.13	\$2,347.13
Parks	\$8,737.06	\$15,936.57	Parks	\$9,931.07	\$9,931.07	Parks	\$8,336.66	\$8,336.66	Parks	\$78,411.24	\$78,411.24	Parks	\$120,004.54	\$120,004.54
Other	\$96.26	\$96.26	Other	\$0.00	\$0.00	Other	\$11,905.64	\$11,905.64	Other	\$13,916.31	\$13,916.31	Other	\$11,274.46	\$11,274.46
Total	\$86,589.07	\$164,157.85	Total	\$282,489.57	\$334,277.68	Total	\$174,914.72	\$190,712.29	Total	\$215,115.13	\$215,115.13	Total	\$156,161.56	\$156,161.56



"Actual" Cost represents money that has already been spent by the City.
 "Incurred Cost (UPV)" represents the upper potential of claim values.

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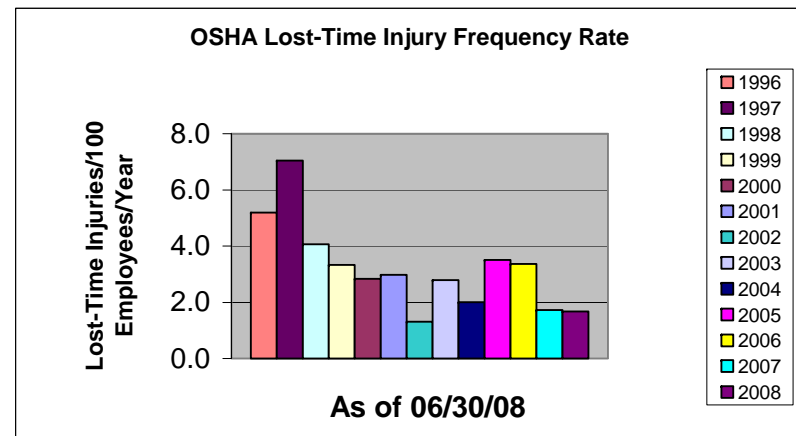
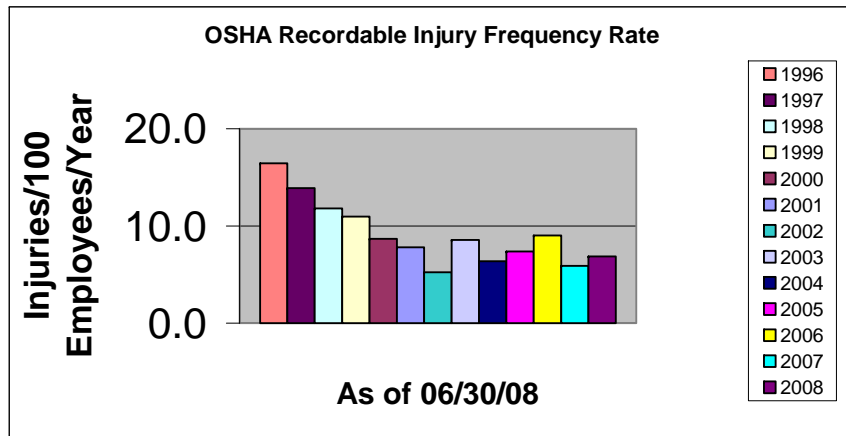
INJURY FREQUENCY RATES

OSHA Recordable Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2008	11.0	6.5	8.1	4.9	1.3	6.9
2007	10.2	2.4	8.3	7.7	0.0	5.9
2006	11.1	8.6	9.9	8.7	5.5	9.0
2005	8.8	6.8	4.8	9.0	5.2	7.4
2004	10.6	4.6	5.0	7.4	1.4	6.4
2003	12.7	4.6	10.7	9.0	5.9	8.6
2002	10.2	2.6	5.4	4.8	1.5	5.2
2001	10.9	7.3	5.5	9.4	1.5	7.8
2000	6.5	6.7	23.9	10.8	1.5	8.7
1999	13.1	7.6	17.7	12.1	6.3	11.0
1998	15.7	7.8	16.6	10.7	10.6	11.8
1997	22.5	6.7	19.4	13.8	5.4	13.9
1996	23.1	13.1	17.3	18.3	3.8	16.4

OSHA Lost-Time Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2008	3.7	1.8	1.6	0.0	0.0	1.7
2007	3.2	0.6	1.7	2.6	0.0	1.7
2006	4.6	4.3	1.7	0.9	4.1	3.4
2005	3.4	3.7	3.2	4.9	1.3	3.5
2004	3.5	1.3	1.7	2.5	0.0	2.0
2003	5.7	1.3	1.8	2.5	1.5	2.8
2002	2.2	0.7	0.0	1.6	1.5	1.3
2001	5.8	2.0	0.0	3.9	0.0	3.0
2000	4.3	2.0	1.8	4.1	0.0	2.8
1999	5.1	1.4	3.9	4.3	1.6	3.3
1998	3.0	4.3	4.1	4.5	5.3	4.1
1997	9.4	5.2	8.6	7.3	3.6	7.0
1996	3.8	6.1	8.7	4.8	3.8	5.2



OSHA Recordable cases do not include those injuries requiring only first-aid treatment.

Reporting Period: 07/01/07 - 06/30/08

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Preventable injuries are those that were caused without the influence of a 3rd party or some other outside force by which the employee had little or no control (i.e. suspect resisting arrest, insect bite, etc.).

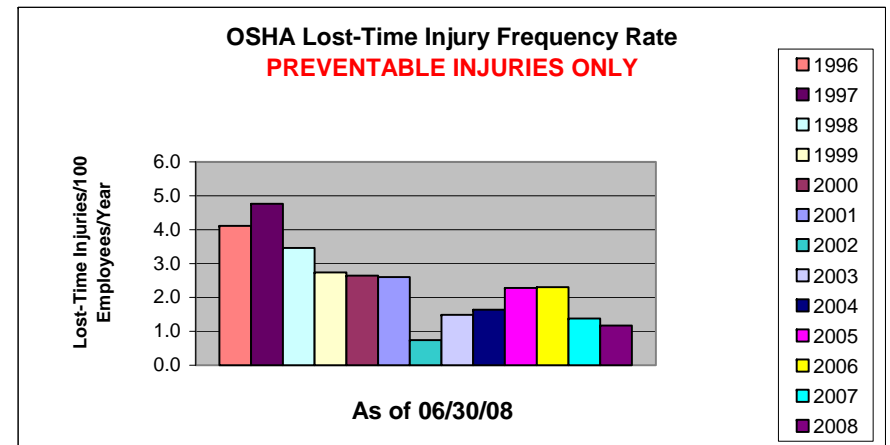
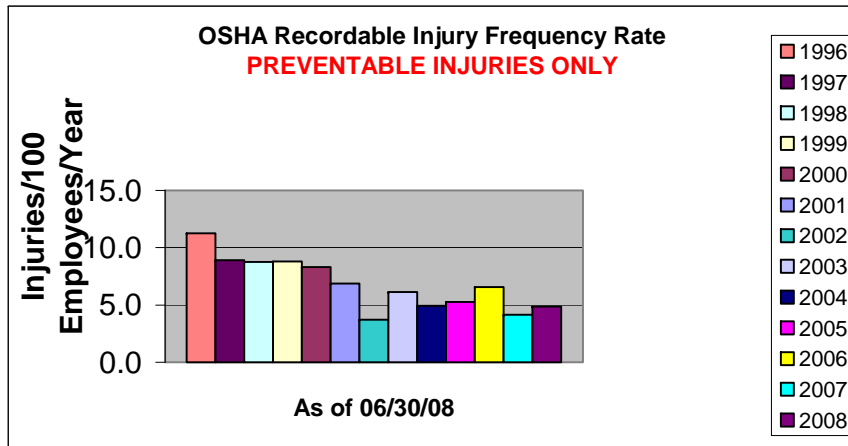
INJURY FREQUENCY RATES PREVENTABLE ONLY

OSHA Recordable Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2008	6.1	4.7	8.1	4.9	0.0	4.9
2007	5.1	2.4	8.3	6.0	0.0	4.2
2006	7.2	5.5	6.6	7.8	5.5	6.5
2005	5.4	3.7	3.2	9.0	3.9	5.3
2004	7.1	4.6	3.3	6.6	0.0	4.9
2003	5.0	4.0	10.7	9.0	4.4	6.1
2002	6.6	2.6	5.4	3.2	0.0	3.7
2001	8.0	6.0	5.5	9.4	3.0	6.9
2000	5.8	6.7	22.0	10.8	1.5	8.3
1999	7.3	6.2	17.7	11.3	6.3	8.8
1998	6.0	6.4	16.6	10.7	10.6	8.8
1997	7.2	5.2	19.4	12.9	5.4	8.9
1996	10.0	8.5	17.3	17.4	3.8	11.2

OSHA Lost-Time Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2008	1.8	1.8	1.6	0.0	0.0	1.2
2007	1.9	1.2	1.7	1.7	0.0	1.4
2006	2.6	1.8	3.3	0.9	4.1	2.3
2005	2.7	1.2	1.6	4.1	1.3	2.3
2004	2.8	1.3	1.7	1.6	0.0	1.6
2003	2.1	0.7	1.8	2.5	0.0	1.5
2002	0.7	0.7	0.0	1.6	0.0	0.7
2001	4.3	2.0	0.0	3.9	0.0	2.6
2000	3.6	2.0	1.8	4.1	0.0	2.6
1999	3.6	0.7	3.9	4.3	1.6	2.7
1998	0.7	3.5	6.2	4.5	5.3	3.5
1997	2.9	3.7	8.6	7.3	3.6	4.8
1996	1.5	4.6	8.7	4.8	3.8	4.1



OSHA Recordable cases do not include those injuries requiring only first-aid treatment.

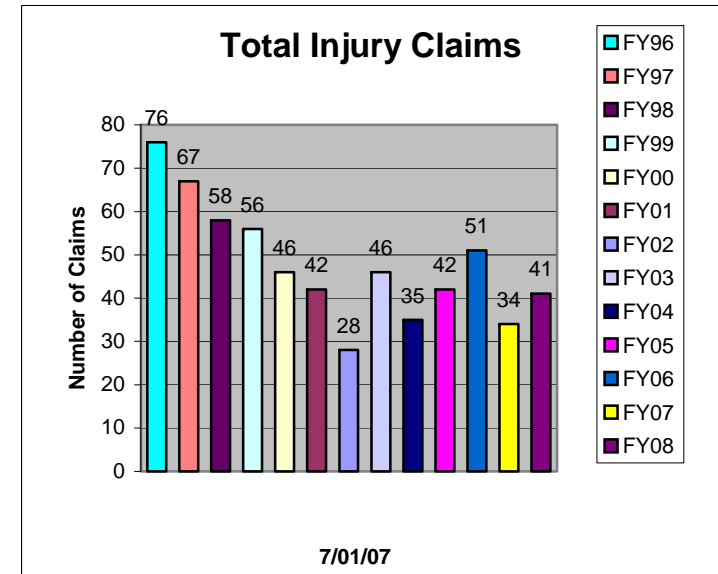
Reporting Period: 07/01/07 - 06/30/08

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WC RECORDABLE CLAIM TOTALS

Period Ending 06/30/08

		Police	Fire	PW	Parks	Other	Total
Number of Claims	FY08	18	11	5	6	1	41
	FY07	16	4	5	9	0	34
	FY06	17	14	6	10	4	51
	FY05	13	11	3	11	4	42
	FY04	15	7	3	9	1	35
	FY03	18	7	6	11	4	46
	FY02	14	4	3	6	1	28
	FY01	15	11	3	12	1	42
	FY00	9	10	13	13	1	46
	FY99	18	11	9	14	4	56
	FY98	21	11	8	12	6	58
	FY97	31	9	9	15	3	67
	FY96	30	17	8	19	2	76

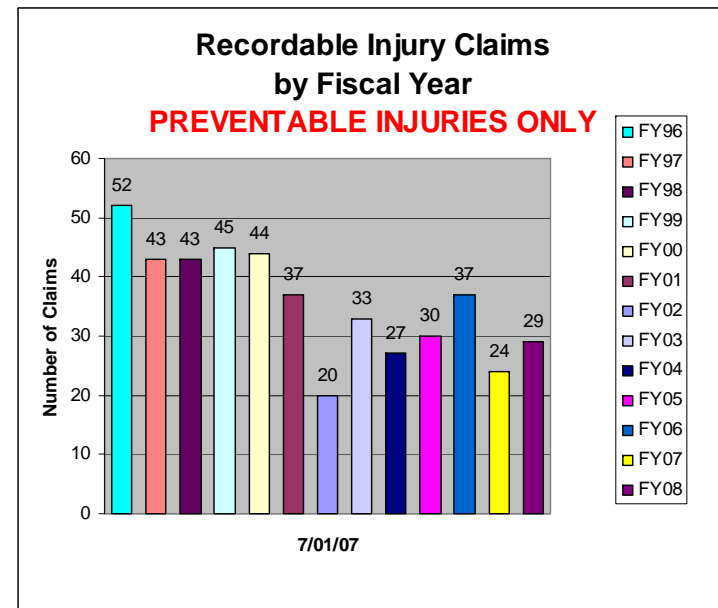


WC RECORDABLE CLAIM TOTALS

PREVENTABLE INJURIES ONLY

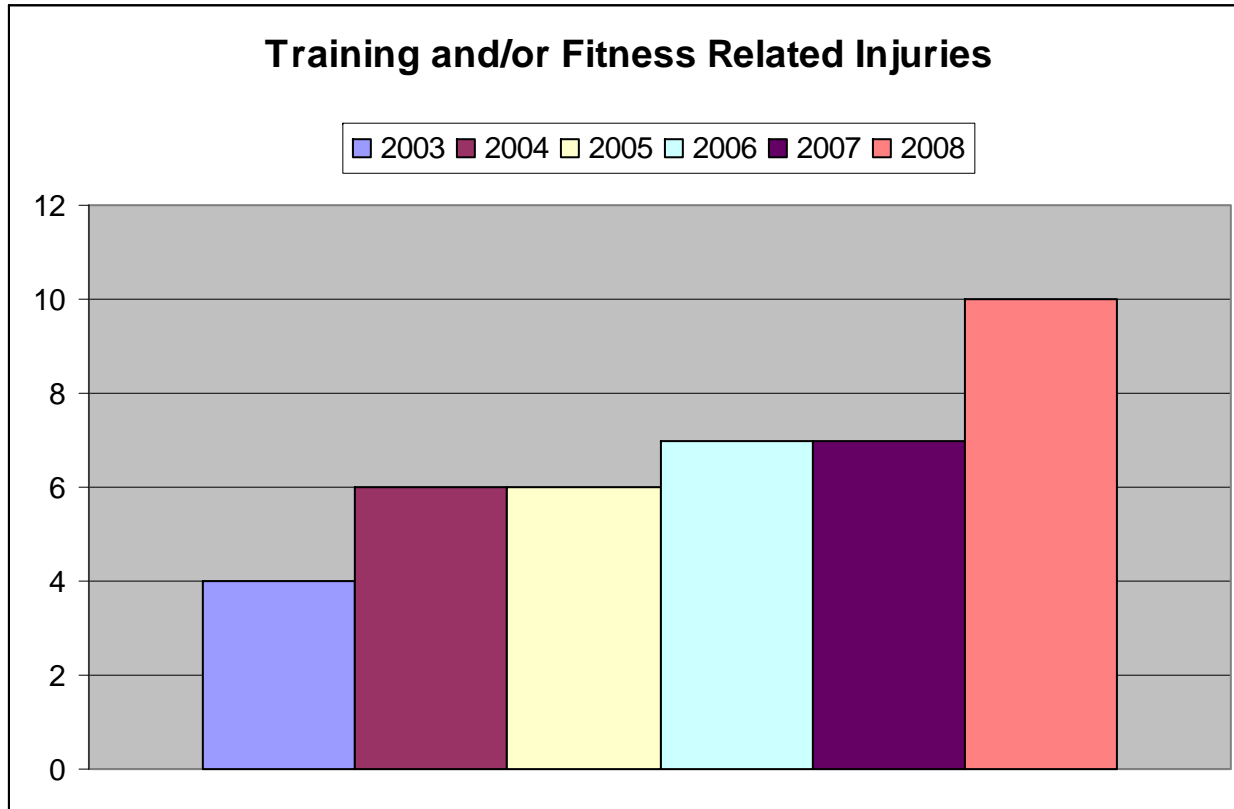
Period Ending 06/30/08

		Police	Fire	PW	Parks	Other	Total
Number of Claims	FY08	10	8	5	6	0	29
	FY07	8	4	5	7	0	24
	FY06	11	9	4	9	4	37
	FY05	8	6	2	11	3	30
	FY04	10	7	2	8	0	27
	FY03	7	6	6	11	3	33
	FY02	9	4	3	4	0	20
	FY01	11	9	3	12	2	37
	FY00	8	10	12	13	1	44
	FY99	10	9	9	13	4	45
	FY98	8	9	8	12	6	43
	FY97	10	7	9	14	3	43
	FY96	13	11	8	18	2	52



Injuries Occurring During Training/Fitness Activities

The number of reported occurrences during training and/or fitness related activities within the Public Safety departments has increased almost two-fold over the last few years. These type injury occurrences accounted for approximately 25% of all reportable injuries in FY08. A contributing factor to this increase is the higher number of new recruits in both the Police and Fire departments over the past several years. Both Public Safety departments will be communicating the importance of maintaining good physical fitness up to and during new recruit training.



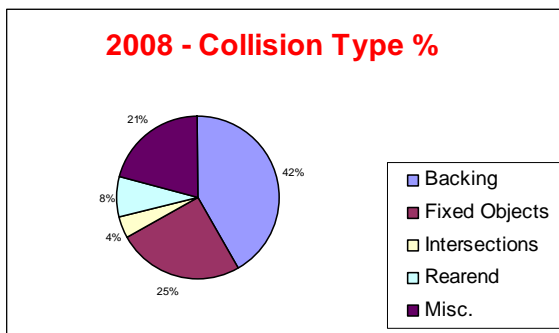
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Auto Liability & Physical Damage

Total Vehicle Claims

A total of 77 auto related loss occurrences were recorded during F08. The City has averaged 73 auto loss occurrences/year over the past 3-year period. Of the 77 occurrences in FY08, 24 were considered “preventable”, compared to 31 in FY07 and 36 in FY06. The overall “preventable” vehicle collision rate (number of preventable collisions/100 employees working a 40-hr. workweek/year) decreased by 15% when compared to FY07. This year marks the second year in a row we have seen a 15% decrease in the “preventable” collision rate.

Backing and striking fixed objects continues to account for the majority of the preventable vehicle collisions recorded.



Auto Liability (AL) Claims

Total incurred cost for AL stands at \$379,968. The majority of this amount is currently in reserve as actual paid liability to date accounts for \$29,491. Over 92% of the entire auto liability incurred during FY08 was the result of one claim.

Auto Physical Damage (APD)

City auto physical damage (APD) for the year totaled \$56,159. Of this amount, uninsured loss expense and or expense falling within the City’s deductible was \$27,428, compared to the prior 5-year historical non-insured cost equaling

\$19,516. It should be noted that \$7,000 of the APD was attributed to the PD Corvette fire. Due to its age, this vehicle was not insured for APD.

The City maintains collision insurance on all newer vehicles and those apparatus costing in excess of \$25,000.

Prevention

Preventative measures implemented during FY08 included:

- The Fire and Police department continue departmental driver training.
- The City adopted the “Smith System” driver training program as the City’s first official driver certification course. A total of twelve City employees were trained to administer the “Smith System” driver training program. This training went into effect in March, 2008.
- The Police department and all other non-public safety employee drivers will attend the “Smith System” driver training program prior to 2008 calendar year end.

FY09 will see continued emphasis placed on the “5 Smith System Keys for Safe Driving”. New employees will be provided with driver training and weekly safe driving tips will be sent to all employees via e-mail.

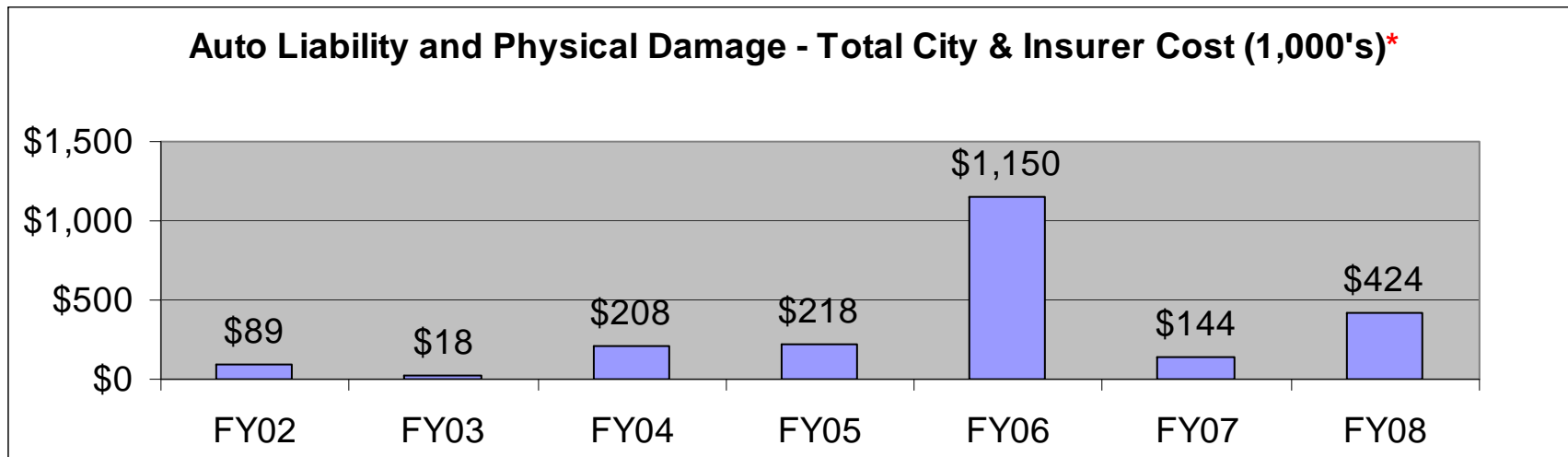
Recognition

The Police department reduced preventable vehicle collisions by 33% when compared to the prior 2 year history. For the second year in a row, the “Others” departments (HCD, CIA, Finance, IT, City Manager’s Office and HR&RM) recorded no preventable vehicle accidents for the fiscal year.

Fiscal Year 2008 Risk Management Annual Report

Auto Liability (AL) & Auto Physical Damage (APD)

The cost of any loss involving a City vehicle can basically be divided into two parts: 1) Auto Liability and 2) Auto Physical Damage. Auto liability is that which is paid to a third party for losses they incur to their property or person. Physical damage is those costs associated with the replacement and/or repair of the City vehicle. Note: The City insures all newer vehicles for physical damage and all vehicles that would involve major cost to replace (i.e. fire apparatus). For those newer and more costly vehicles, the City has a \$1,000 deductible on all APD claims (except glass breakage which has no deductible).



*** Total cost includes expected recovery from claimant**

For each of the last 5 years, the City has been involved in one serious auto accident. The total cost (liability and physical damage) of these 5 claims represent 85% of all incurred cost for the FY04 thru FY08 period.

Fiscal Year 2008 Risk Management Annual Report

Preventable Vehicle Collisions & Rate Calculations >\$100 Loss

Preventable Collisions	Police	Fire	PW	Parks	Other	Total
FY98	12	3	2	4	2	23
FY99	7	3	3	8	1	22
FY00	11	1	1	7	3	23
FY01	6	0	5	3	0	14
FY02	11	1	0	7	1	20
FY03	9	0	0	5	0	14
FY04	11	2	2	7	1	23
FY05	10	1	3	6	0	20
FY06	21	3	3	6	3	36
FY07	18	2	4	7	0	31
FY08	13	1	6	4	0	24
Collision Rate/100 employees	Police	Fire	PW	Parks	Other	Average Rate
FY98	8.97	2.13	4.15	3.58	3.53	4.47
FY99	5.09	2.08	5.89	6.93	1.58	4.32
FY00	7.96	0.67	1.84	5.81	4.50	4.15
FY01	4.34	0.00	9.16	2.35	0.00	3.17
FY02	8.04	0.66	0.00	5.60	1.50	3.16
FY03	6.37	0.00	0.00	4.11	0.00	2.10
FY04	7.76	1.30	3.33	5.77	1.39	3.91
FY05	6.80	0.62	4.79	4.92	0.00	3.43
FY06	13.68	1.83	4.96	5.22	4.14	5.97
FY07	11.44	1.19	6.64	6.01	0.00	5.05
FY08	7.91	0.59	9.76	3.25	0.00	4.30

Vehicle Collision Rate = Number of Collisions/Year for every 100 employees working a full 40-hour work week.

Fiscal Year 2008 Risk Management Annual Report

General Liability

General Liability

Protects the city or entity, elected and appointed officials and volunteers from claims and lawsuits alleging bodily injury, property damage or loss arising out of city operations or on city premises.

Claims

A total of 25 claims were filed against the City in FY08. This number is about twice the average when compared to prior year historical data and incurred but not reported (IBNR) claims. Of the 25 claims filed, the City made payment on 8, compared to 7 paid claims for FY07 and FY06.

Costs

Total claim costs for FY08 stand at \$15,157 with current reserves of \$0. The majority of this cost stems from a single claim (listed below):

- Claimant fell inside shower stall at the Parks & Recreation facility (\$13,590)

Insurance

The City took on a \$15,000 deductible option at the beginning of FY07 and resumed this option in FY08. The premium credit obtained by taking the small deductible option equaled \$42,820 (FY07) and \$40,803 (FY08). Accounting for all dollars paid within the new deductible, current savings to date total over \$55,000.

The City once again has selected the \$15,000 small deductible option for FY09. The resulting premium after the deductible discount was \$190,842. The City will again have the potential to save in upwards of \$40,000 by taking on the small deductible. The premium savings will remain in the premium account and will be available for claim deductible payments throughout the fiscal year.

Public Official & Law Enforcement Liability

Public Official Liability

Coverage is designed to protect against “wrongful acts”, covering claims for errors, omissions, neglect or breach of duty, violation of civil rights, wrongful termination or sexual harassment claims.

PO Claims

Historically, there have been no more than 3 claims brought against the City within a one year period. Two claims were filed in FY08, with one currently open. Other than reserves, no cost has been associated with either of these claims. Current incurred cost for FY08 is \$55,000.

Law Enforcement Liability

Coverage protects the City and its police personnel when a claim is made arising from police activities. Claims for false arrest, use of force, wrongful termination or discrimination and liability issues with canine units are included.

LE Claims

Ten claims in this category were recorded during FY08, including three (4) property damage claims as a result of forced entry or emergency response operations. Total incurred cost for FY08 currently stands at \$6,229. Historically, costs have ranged from \$0 to \$104,000 per year (depending largely on claim type and circumstances involved).

Fiscal Year 2007 Risk Management Annual Report

Property

Insurance

Kentucky League of Cities provides coverage for buildings, building contents and scheduled equipment. A thorough review of the insurance schedule was performed with all departments prior to the recent policy renewal. The City carries a \$1,000 per occurrence deductible. The City's policy is written on a replacement cost basis, thus providing the necessary resources to replace damaged property in the event of a loss. The premium for FY09 is \$196,151, insuring a total property value (building, contents, and mobile equipment) exceeding \$72,600,000.

Property Additions

Building contents and mobile equipment lists were reviewed during FY08 with key personnel within each department. The insurance schedule for covered items was updated and values adjusted where necessary. Major additions to the property schedule for FY08 included the new Greenwood Fire Station and Circus Square Fountain.



Occurrences

There were 56 losses reported in FY08, compared to 74 and 86 losses during FY07 and FY06 respectively. As with prior year totals, vandalism and theft account for a majority of all loss occurrences (see attached chart).

Losses

Total cost of loss was \$55,062, \$21,369 of which was absorbed by the City of Bowling Green and the remaining paid by the City's insurer. Property loss costs for FY08 were generally in line with past year data in which no major loss item was involved. Loss costs are depicted on the following page.

Losses >\$1,000

There were no significant structural property losses in FY08. Miscellaneous losses exceeding the \$1,000 deductible threshold included:

- Fence and fall protection equipment was damaged at Riverfront Park when a citizen drove over and landed in the Barren River, \$3,089
- Public Works Salt storage facility roof was blown off by straight line winds, \$22,575
- Antennae for wireless transmitters were found missing at BGMU warehouse, \$13,818
- Plumbing malfunction damaged carpet and flooring at Parker Bennett Center, \$1021
- Hit and run collision damaged trash can and bike rack at Roland Bland Park, \$1,200
- Ginko trees were vandalized and disc golf basket was stolen at Lovers Lane Soccer Complex, \$1,200

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Property Loss Occurrences

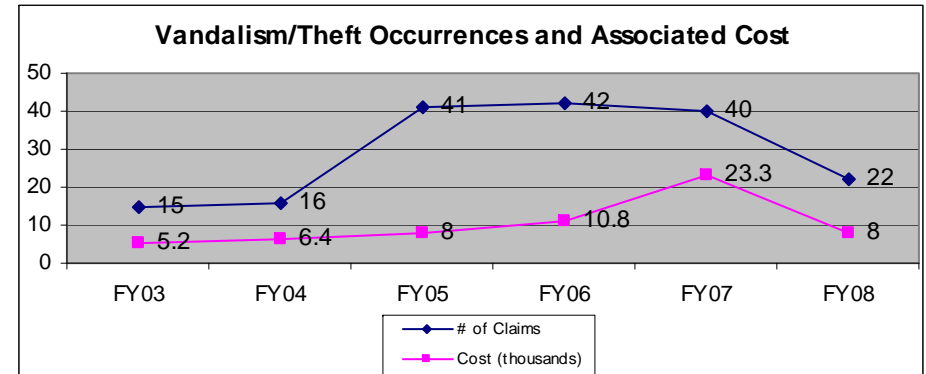
Property loss occurrences rose two-fold from FY04 to FY05 due mainly to the increased reporting of all vandalism occurrences within the City's park system. The numbers of property occurrences have dropped off significantly over the past year as reports of theft and vandalism have subsided. There were no major claims in FY08 and loss expense remains consistent with historical loss data.

Fiscal Year	All Occurrences	Total Loss Expense
2004	44	\$21,163.78
2005	83	\$25,872.41
2006	87	\$36,246.69
2007	76	\$27,437.59
2008	56	\$24,883.72

Vehicle losses began to be recorded in Auto Losses spreadsheet (FY07).

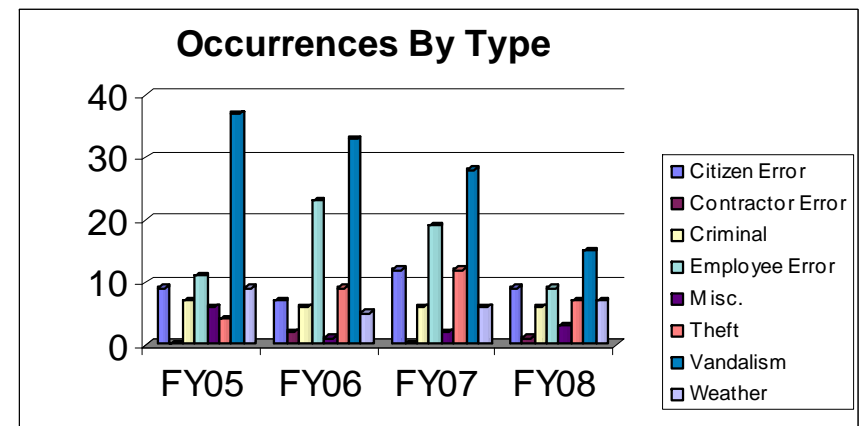
Vandalism & Theft

Vandalism and theft occurrences dropped off drastically during FY08, accounting for just under 40% of all loss reports (compared to 50% in FY07). Similar to last year, most vandalism occurrences are scattered throughout various park locations however Roland Bland Park accounts for over 30% of all loss reports. Theft of City property was down from last year, accounting for approximately \$3,700 (over \$10,000 in FY07). It is difficult to relate the reduction to any one cause however we can attribute at least some of it to additional police presence.



Occurrence Type

Property damage as a result of employee error saw a 50% year over year decrease. Employee error type claims include such things as, improper operation of mobile equipment and lost or damaged portable equipment (i.e. radios).



Fiscal Year 2008 Risk Management Annual Report

Insurance

All lines of insurance are provided through the Kentucky League of Cities Insurance Services (KLCIS). A summary and comparison of FY06 thru FY08 premiums by line of insurance is provided below along with loss history data. The City signed a 3-year renewal with KLCIS, to be effective FY09 thru FY11.

FISCAL 2008
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2007 - June 30, 2008

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$100,000	74	41	\$219,745	\$0	\$0	\$86,589	\$164,157	\$383,902
Automobile Liability/Auto Physical Damage	\$1000 (collision)	77	25	\$187,464	\$44,098	\$395,378	\$28,231	\$28,231	\$215,695
Property *	\$1,000	56	8	\$187,430	\$34,393	\$34,393	\$21,369	\$21,369	\$208,799
General Liability **	\$15,000	N/A	25	\$171,684	\$5,000	\$5,000	\$10,157	\$10,157	\$181,841
Law Enforcement Liability	\$0	N/A	10	\$140,931	\$6,229	\$7,229	\$0	\$0	\$140,931
Public Official Liability	\$0	N/A	2	\$158,604	\$0	\$50,000	\$0	\$0	\$158,604
TOTAL			111	\$1,065,858	\$89,720	\$492,000	\$146,346	\$223,914	\$1,289,772

Additional Notes:

* Property coverage includes new Kummer/Little facility

** General Liability Deductible Increased from \$0 to \$15,000, resulting in a \$43,000 premium reduction. Additional loss control credits were applied, resulting in a lower premium.

FISCAL 2007
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2006 - June 30, 2007

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$100,000	77	34	\$215,113	\$390,128	\$390,128	\$282,489	\$334,277	\$549,390
Automobile Liability/Auto Physical Damage	\$1000 (collision)	69	20	\$186,023	\$122,125	\$122,125	\$21,957	\$21,957	\$207,980
Property Damage	\$1,000	74	6	\$166,126	\$6,400	\$6,400	\$32,120	\$32,120	\$198,246
General Liability *	\$15,000	N/A	11	\$185,486	\$5,000	\$5,000	\$17,939	\$17,939	\$203,425
Law Enforcement Liability	\$0	N/A	9	\$132,003	\$1,995	\$2,007	\$1,765	\$1,765	\$133,768
Public Official Liability	\$0	N/A	1	\$167,123	\$6,642	\$25,000	\$0	\$0	\$167,123
TOTAL			81	\$1,051,874	\$532,290	\$550,660	\$356,270	\$408,058	\$1,459,932

Additional Notes:

* General Liability Deductible Increased from \$0 to \$15,000, resulting in a \$42,000 premium reduction.

FISCAL 2006
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2005 - June 30, 2006

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$100,000	97	51	\$158,711	\$0	\$0	\$174,914	\$190,712	\$349,423
Automobile Liability/Auto Physical Damage	\$1000 (collision)	74	26	\$200,632	\$1,122,767	\$1,122,767	\$27,613	\$27,613	\$228,245
Property Damage	\$1,000	86	5	\$127,421	\$23,062	\$23,062	\$33,192	\$33,192	\$160,613
General Liability *	\$0	N/A	13	\$199,533	\$19,180	\$10,030	\$33,047	\$0	\$199,533
Law Enforcement Liability	\$0	N/A	2	\$122,493	\$586	\$596	\$0	\$0	\$122,493
Public Official Liability	\$0	N/A	3	\$154,695	\$3,028	\$3,028	\$0	\$0	\$154,695
TOTAL			100	\$963,485	\$1,168,623	\$1,159,483	\$268,766	\$251,517	\$1,215,002

Additional Notes:

* General Liability Limits increased from 2 -million, to 5-million.

- (1) Actual expenses paid plus reserves.
- (2) Actual expenses paid plus reserves.
- (3) Incurred expenses plus insurance premium.

Fiscal Year 2008 Risk Management Annual Report

Training

Safety & Risk Management continues to offer a wide variety of training to City employees. Training is provided through multiple means including: 1) in-house presentations, 2) outside vendors and/or professional organizations, and 3) PureSafety computer based training. Our goal is to provide safety training to City employees that will voluntarily meet and/or exceed OSHA standards.

FY08 Training

A training series including all of the standard compliance safety courses was offered monthly for those employees who are newly hired and as a refresher for those who are due for retraining.

In addition to standard in-house compliance training, City employees also participated in the following:

Specialty training courses conducted in-house included:

- Claims Reporting Policy & Procedure
- Medication Administration
- Pool Employee Safety Orientation
- Confined Space Entry Operations
- 4 Gas Meter – Operator Course
- Fall Protection
- Backing Policy
- Smith System Driver Training
- Risk Transfer/Vendor Insurance Requirements
- Bus Driver Training Course
- Chipper/Shredder Training (PW & Parks - Landscape Division)

Courses coordinated w/outside vendors:

- Hearing Conservation Testing/Training
- Chainsaw Safety
- Fall Protection
- Work zone Safety (PW Coordinated)
- Excavation Safety (OSHA training)

FY09 Training

Scheduled training for FY09 will utilize the same standard format as FY08. Specialty courses planned for FY09 include:

- Managing Aggressive Behavior
- Aerial Lift Safety
- Smith System Driver Training
- Fall Protection
- Work zone & Flagger Safety

PureSafety – Web Training

PureSafety is web-based training media utilized by the Police, Parks, HCD, Finance, IT, CIA, and HR departments. Training received through PureSafety is mostly safety compliance related (required training) but can also include a variety of other non-safety related topics. PureSafety web training provides a convenient way for employees to complete required training at a time that is convenient to their schedule. PureSafety courses offered that were of particular interest in FY08 included:

- Safety & Lockout Tagout
- Basic First Aid
- Hand and Power Tool Safety
- Preventing Slips/Trips/Falls
- Heat Stress
- Ladder Safety
- Office Ergonomics
- Safe Backing & Turning

PureSafety FY09

The City plans to expand the use of this training media in FY09 as all departments will have access to the on-line training system.

Fiscal Year 2008 Risk Management Annual Report

Safety

Safety Committees

Each of the major departments has an established Safety Committee that meets with the Safety & Risk Manager at least bimonthly. Items of discussion can include virtually anything relating to safety, including but not limited to equipment, operational procedures, policies and training. The Safety Committee is also responsible for reviewing the facts of all accidents, injuries and property damage that occurs within their respective department, and for determining possible preventive measures for reducing the likelihood of reoccurrence.

Safety Committee projects and accomplishments for FY08 include:

Public Works

- Purchase of two way radio equipped ear muffs to be used by those working on drill rig.
- Chipper/Shredder training material obtained and training provided.
- Tree Trimming/Aerial Lift/Chainsaw training course was completed and items were purchased to allow for a safer operation.
- Two employees were trained to assist w/ the performance of the “Smith System” driver training program.

Police

- Researched driver training certification courses; visited the City of Charlotte, NC to review the “Smith System” Driver Training program. Six PD employees were trained to perform this training.
- New tear away traffic safety vests were tested and eventually purchased.
- Crime scene processing hood was purchased and installed. The new hood allows for the removal of potentially harmful vapors resulting from crime scene processing.

Parks

- Knox Box installed at the new Kummer Little Recreation Center. The Knox Box provides secured key storage to allow Fire department after hour access to building in the event of an emergency.
- Purchase of AED equipment for new Kummer Little facility, Pedigo, Lampkin and Kereiakes Parks.
- Distribution of instructions for jumping a battery.
- Trained one employee to assist w/ the performance of the “Smith System” driver training program.
- Provided the employee requested Power Tool Safety course training via PureSafety.
- Purchase of ladder extension equipment to allow a safer access into the Circus Square water collection sumps.

Fire

- Purchase of Warning Light Signage for 3 Fire Stations. The signs will provide a lighted signal to oncoming traffic, warning that Fire apparatus may be entering road way.
- Purchase of Personal Voltage Protectors. These devices will warn firefighters if they’re getting too close to nearby electrical lines.
- Modification of the City’s WC fitness allowance coverage to include the new Crossfit training program.
- Two employees were trained to assist w/ the performance of the “Smith System” driver training program.

Fiscal Year 2008 Risk Management Annual Report

Safety

Safety Incentive Program

The Department Safety Compliance Incentive and Accountability Program were discontinued during FY08. With the recent WC experience modification factor increase and loss of the 6% credit in all lines of liability, the ability to justify the expense of bond awards through hard dollar savings showed ineffective.

Although the City has suffered a few catastrophic losses over the past few years there were still many individual successes to highlight and reward, one of such is listed below. A safety recognition luncheon was held in honor of this department's achievement.

Safe Department of the Year

This year's Safe Department of the Year award goes to the Parks & Recreation Department for having one of its best loss prevention years on record. For the first time in at least the last 12 years (since data started being recorded), the Parks department went a whole year without a lost-time injury. In addition, Parks recorded their second best OSHA recordable frequency rate and vehicle collision rate, reducing accidents and injuries by almost 40% when compared to the most recent 4-year history. Most notably, the Cemetery Maintenance, Golf Division and Parks Maintenance Division have all gone over 1,000 days without a lost-time injury and the Aquatics Center had no recordable injuries for the 2nd straight year.

Besides injury and vehicle collision reduction, the Parks department's Safety Committee continues to play an active role in identifying and resolving safety issues to help improve overall department safety.



CONGRATULATIONS AND KEEP UP THE SAFE WORK IN FY09!

Fiscal Year 2008 Risk Management Annual Report

Safety

Facility Inspections

All City owned facilities were inspected at least once during the fiscal year by the Safety & Risk manager and/or the Department Compliance Team Member. Inspections performed by Safety & Risk Management identified a total of 193 findings were identified in FY08. Departments are required to correct findings or provide a projected completion date for those items needing funding or requiring much work. Inspection findings funded by the Safety & Risk division account included:

- Repair of the fall protection system at Riverview Park.
- Inspection of all City owned cranes/hoists
- Inspection of all City owned aerial lifts
- Lockout/Tagout equipment for Golf divisions
- MicroMax 4-gas multimeter for confined space entry (Parks Department)
- Flammable storage cabinets for Landscape division
- Chemical storage cabinets for PD Evidence room

It should be noted that most findings are very minor in nature and hazard and involve very little action to correct.

Community Involvement

Opportunities to work with the community in FY08 included:

- Neighboring governmental agencies were invited to attend a City coordinated Stihl - Chainsaw training class. Outside agency attendance included the Kentucky Department of Natural Resources, Kentucky Department of Transportation and the Army Corp of Engineers.
- Continued participation with the American Society of Safety Engineers (ASSE) Bowling Green Chapter as Treasurer.

City Facility - Emergency Management

Training

All City facilities are required to update their Emergency Action Plan and conduct emergency response drills annually. All new employees are provided with their department's emergency action plan upon initial hire and trained to respond appropriately to common emergency events. City employees are provided with refresher training each year and updated whenever there is a plan revision.

Indoor/Outdoor Warning Systems

Most City facilities are equipped with the Community Activated Lifesaving Voice Emergency System (C.A.L.V.E.S). CALVES is an indoor warning system that announces an approaching tornado, other threatening weather or emergency situation by emitting an intermittent tone or specific voice announcement. It is linked to the weather radio station for continuous weather updates and is located in most common areas of City buildings.

The Community Outdoor Warning System (C.O.W.S) siren is an intermittent wail of 3-minute duration and is commonly used to warn those who are outdoors, of impending severe weather. COWS can be heard from all City facilities. All City Golf courses are equipped with their own outdoor warning siren system.

Recovery

For the second straight year, Safety and Risk Management did not correspond with FEMA for request of disaster reimbursement funds. We can all hope that we are as fortunate in FY09.

Security

Security System Projects

Security system upgrades and/or installations during the fiscal year included:

- Installation of additional "panic alarm" hardware within City Hall Annex
- Installation of camera surveillance systems at City Hall, City Hall Annex
- Security system upgrade at 707 E. Main (LifeSkills building)
- The front office area of the Parks & Recreation facility was reconfigured and a glass partition was installed.

- Indoor video surveillance equipment installed at Kummer Little Recreation Center
- Video surveillance equipment installed at Russell Sims Aquatic Center

The majority of security upgrades in FY09 were coordinated through the respective department or through PW Facilities Management with input from the City Auditor.

Safety & Risk Management will continue to assess security issues at all City facilities and will continue to make recommendations for purposes of enhancing facility security.

Fiscal Year 2008 Risk Management Annual Report

Summary

Safety & Risk Management Commentary

Loss occurrence totals for all lines of coverage increased slightly year over year however most of the increase I attribute to the recent implementation of a new loss occurrence reporting method which utilizes The CLICK. The newer reporting requirements take a more proactive approach, putting the City on guard to defend possible future claims. Overall, claims that actually incur cost remain consistent or are lower when compared to prior years.

Workers' compensation (WC) claims frequency remains in check and for the first time since 2003, loss expenses were on the low side. Given this somewhat favorable year, the City's WC experience modification (EM) factor should remain the same or even decline a bit in FY09 which should help keep the EM premium credit (cost savings) in tact for FY10.

Switching gears to auto liability/physical damage claims, it appears we are starting to reap the benefits of added emphasis placed on driver safety. For the second straight year, vehicle collisions are down and are on track to be even lower in FY09. This is a welcomed turn in the right direction after experiencing a couple of major incidents in recent years.

Insurance premiums for FY09 were only slightly higher than FY08 due mostly to additional exposure (more units and employees). The City recently signed a 3-year rate guarantee agreement with Kentucky League of Cities Insurance Services (KLCIS) and continues to benefit through the acceptance of a higher deductible option for workers' compensation and general liability lines of coverage. As the City's risk management efforts progress, we will continue to explore financially sound deductible options that parallel the City's appetite for risk. As we do so, it will be all the more important for employees to recognize the City's "first dollar" responsibility toward the payment of claims. Safety & Risk Management will continue to look for opportunities to eliminate, control, reduce or transfer loss exposures, but the overall effort of every employee will be required if we are to build upon our successes.

Thank you again for your efforts in helping us to attain our current level of loss control.

Sincerely,

David Weisbrodt
Safety/Training Manager