

2022 BUDGET – MODERNIZATION FUNDING REQUEST 15

New Initiative:	Digital Risk Management and Information System
Department/Division:	Corporate Services - Clerk
Strategic Plan Focus:	A County that Performs and Delivers Results
Strategic Plan Objective:	<i>5. ii. Deliver exceptional services by: Developing and tracking key performance indicators against goals and report results</i>

DESCRIPTION OF REQUEST

The Association of Municipalities of Ontario (AMO) has partnered with ClearRisk, a robust risk management software solution. This solution provides a centralized platform for insurance and risk management programs, including incidents and insurance claims, insurance certificate management, as well as reporting and analytics. Utilizing ClearRisk software will assist the County in identifying best practices and operational approaches to safeguard corporate assets.

DISCUSSION

Background

The Corporate Services department is responsible for the County's insurance and risk management programs as well as claim and incident management. In a large organization like the County, it is important to proactively identify financial, operational and strategic risks. Effective management of risk is an important function of corporate planning and financial health of the organization.

The County does not have an full-time equivalent position solely dedicated to Insurance and Risk Management, which is uncommon for a municipality of it's size. These activities are carried out as a function of the roles of the Director of Corporate Services and Coordinator of Legislative Services. Current processes involve manual filing, data entry in numerous desperate spreadsheet and manual analytical analysis. Implementation of a software solution would not only provide efficiencies to the Corporate Services department, but would minimize exposure to financial and physical asset, and reputational loss by optimizing risk mitigation.

ClearRisk is a configurable cloud-based solution that streamlines incident and claims management, offering ample automation opportunities and analytics.

Comments

Incident Management

All known incidents regarding property and vehicles, injuries of non-employees, impacts to productivity or financial loss are reported to the Corporate Services department. Currently, incidents are reported utilizing a fillable form completed by staff, which is then forwarded via e-mail for review. Incident reports often include requisite attachments such as photographs and correspondence. Incident files are maintained in the County's Electronic Document Management System and reports are prepared for senior management on a quarterly basis. All incident information is manually inputted from the reports by the Legislative Services Coordinator in excel spreadsheets in order to generate these quarterly reports. Incident trends are only identified by staff analysis.

ClearRisk enables staff to enter their own incident information based on a fully customizable template. This would ensure that the information regarding incidents is relayed in a concise and consistent manner. Subsequently, this information is automatically entered into the platform, while allowing for notification to staff and automated reporting.

The County experienced a slight decrease in incident frequency with the majority of County facilities being closed due to the COVID-19 pandemic. As operations return to business as usual, there is an upward trend of incidents occurring more frequently, which has exponentially increased by double with a quarter of the year remaining. The table below captures an incident count from the last two years and year to date:

Year	2019	2020	YTD 2021
Incident Count	93	60	117

ClearRisk has intuitive programming that recognizes incidents that often turn into claims. Currently, incidents and claims are handled individually and not simultaneously, causing significant overlap in reporting and manual electronic filing. Financial information and quantifying loss related to incidents and claims is only relayed on a per incident basis. The overall financial impacts are not quantified, causing significant gaps in insight both corporately and departmentally.

Claims Management

Claims received by the County are in various formats. A fillable claim form is posted on the County's website, but notification in the form of correspondence is also frequent. The County's under-deductible insurance claims are managed by Corporate Services with occasional support from an Independent Insurance Adjuster. All data concerning these claims is limited to the claim file and very high-level detail reported to senior management in excel format. When under-deductible claims are closed, the claim information is no longer subject to reporting. Therefore, there is no mechanism in place to monitor these claims year after to year to establish trends, emerging issues and financial impact. Rather, identifiable correlation can only be determined by relying on the memory of staff and manual compiling of information when needed.

For claims that meet the deductible threshold, the County relies on the County's insurer for claims audits and updates. These updates are then populated manually into the quarterly reporting spreadsheet. Claims audits for any time period can be obtained from our insurer but are not customizable. The audits include limited detail most of which is most relevant to the insurer, not the County. Again, these claims are not monitored year after year as part of reporting.

The current claims management process involves electronic filing through the storage of scanned or electronically received documents. Property claims in particular are paid upfront and reimbursed less deductible. Submitting a property claim involves manual reconciliation by staff from invoices coded to general ledger accounts and obtaining invoices. The current process is time consuming and does not generate data for any uninsured losses. ClearRisk enables the ability to track payments made both by the County and the insurer, which would enable insight into setting appropriate deductibles and reserves.

Asset Management

Scheduled assets on the County's insurance policy are maintained by the County's insurer and manually reconciled by staff at renewal time each year. The renewal process involves coordination of pulling various reports from other systems, asking staff about upgrades and disposals and staff analysis to determine if inflation rates applied are justified. The scheduled asset data as it pertains to insurance is limited to locations/description and estimated value. Other asset information is not recorded for insurance purposes, and only otherwise submitted to the County's insurer as assets are added or disposed of. The County is therefore accepting the rates set by the insurer for each asset rather than maintaining our own estimated insured values. Maintaining insured values in our own system would enable the County to obtain more accurate and competitive quotations for insurance. The insurance market is perpetually hardening and municipalities are seeing significant increases on property premiums.

Insurance Certificate Management

The County executes approximately 100 agreements a year, which generally require Certificates of Insurance to be provided by one or both parties. The County also requires proof of insurance for multi-year contracts and from most suppliers and contractors. The majority of departments keep their certificates in the contract file and is not centrally stored or tracked. There is currently no system in place to manage agreements and certificates at their expiration date.

ClearRisk enables a centralized approach to storing agreement and insurance information. Reports can be generated for approaching expiration dates and notification can be sent in an e-mail directly from the system to any County staff with all detail required for the action item. This platform would enable all departments to have a mechanism in place to ensure insurance and agreement dates do not lapse. Utilizing a centralized and report driven system would also ensure that agreements and insurance certificates are properly stored for retention and subsequent destruction.

Risk Management Plan

The ability to develop an informed risk management framework is vitally important for municipal government to manage the services provided to the public. The County's Risk Management Plan, when based on consolidated, compiled and intuitive data captured and reported on

through a robust and informative software solution, will yield optimal results ensuring the resulting plans fully identify known risks and are adequately addressed.

Conclusions

Implementation of ClearRisk will provide for improved financial and operational management of the County's risk management program by ensuring the organization is proactive rather than reactive in its approach to risk management and contributes to the overall success of corporate performance.

RISKS/IMPLICATIONS

Integrating insurance and risk with strategy setting and performance management mitigates risk management failure. Continuous improvement and identification of risks is paramount in operational decision making, consequently enabling cost savings and preserving financial health.

BUDGET REQUIREMENTS

	2022 One-time	2022 Base
Funding		
Modernization Grant – Implementation Stream (Intake 3)	\$31,200	\$-
Reserve Funding - General	16,800	-
Total Funding	48,000	-
Expenses		
Software License and Training	33,000	-
Setup and data Integration	15,000	-
Annual License and Support	-	33,000
Total Expenses	48,000	33,000
County Levy	\$-	\$33,000