



## RISK MANAGEMENT

233 SOUTH 10TH STREET SUITE 220 LINCOLN, NEBRASKA 68508 FAX: 402 / 441-6465

### **Lancaster County Risk Management Department Risk Management Operational Plan**

#### **Risk Management**

Lancaster County recognizes its responsibility in protecting and conserving its human and financial resources. Each employee is required to show the highest possible concern for the safety of fellow employees and members of the public and do the utmost to prevent losses of these resources.

The Risk Management Department is responsible for the continuous development and implementation of the risk management program for Lancaster County.

The Risk Manager shall install and implement programs protecting Lancaster County against accidental and criminal losses which would significantly affect personnel, property, or budget. The Risk Management Department will emphasize the management of risk and overall cost reductions through the analysis of insurance premiums and retained losses. Lancaster County will purchase insurance for only those exposures to loss that cannot be better handled by other less costly means.

The Risk Management Department has developed and implemented the following operational plan:

#### **Identification of Exposures**

The risk management process includes a systematic and continuous identification of exposures, analysis of identified exposures in terms of frequency and severity probabilities and the application of sound risk control and financing techniques consistent with Lancaster County's financial resources and the overall ability to retain loss. Ultimate goals of this policy include the conservation of assets, non-interruption of cash flow, environment for employees and the general public.

#### **Risk Avoidance**

The Risk Management Department will weigh the rewards for risk taking against the exposures to accidental or criminal loss. The department will avoid incurring disproportionate risks in contractual agreements. Risk elements of all new undertakings shall be evaluated carefully and those already existing shall be re-evaluated periodically to determine if any exposures can be avoided.

# LANCASTER



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## **Loss Prevention**

Lancaster County believes that preventing losses should receive the highest priority. Each employee shall become familiar with the County's loss control program and be responsible for utilizing the program wherever and whenever possible.

## **Risk Retention**

Lancaster County will retain the maximum amount of risk possible, consistent with its financial condition and overall capabilities.

## **Non-Insurance Transfer**

In all contractual relationship, Lancaster County will transfer to others all risks of loss from chance events appropriate to the transaction and appropriate to the relationship of the parties. Risk Management will consider the other parties' ability to assume the risk, ability to control the loss and the customs and traditions of the parties and the industries involved. In the absence of adequate net worth of the parties, contractual transfers of risk shall be supported by insurance of the indemnitor and evidence of this insurance will be required.

## **Insurance Transfer**

Lancaster County will purchase insurance when it is required by law or contract, when the amount of potential loss is too large to be absorbed as a normal operating expense, when the probable annual cost variation is unacceptable and insurance is available on acceptable terms and when insurance can best provide for ancillary services such as inspections, claims handling, legal qualifications and loss prevention.

## **Joint Transfer and Retention**

Lancaster County will combine insurance transfer and retention through the use of deductibles, excess insurance and retrospectively rated insurance plans in instances when a portion of the total exposure can safely be retained.

## **Safety**

Lancaster County shall comply with all state safety and fire regulations as well as the safety regulations of all other agencies having jurisdiction. Lancaster County will have a program of safety, including appropriate instruction for all staff, routine safety checks and adequate safety records.