October 13; 1987

INTRODUCED BY: RON SIMS

PROPOSED NO. 87-727

ORDINANCE NO.

:8428

AN ORDINANCE relating to the King County Risk Management Program; amending Ordinance 3581, Sections 2, 3, 4, 5, 6, 7, 8, 9, 10 and K.C.C. 4.12.020 through 4.12.090, and 4.08.050.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 3581, Section 2 and K.C.C. 4.12.020 are hereby amended as follows:

Definitions. As used in this ordinance, the following words and terms shall have the meanings set forth herein:

- A. (("CAO"-shall-mean-the-county-administrative-officer, department-of-executive-administration,-or-his-designee;))
- ((B+)) "Chief civil deputy" shall mean the chief deputy of the civil division, office of the King County prosecutor, or his designee;
- ((ε)) \underline{B} . "Civil division" shall mean the civil division of the office of the King County prosecutor.
- C. "Claims" shall mean any claim naming the county, and/or its officers, employees or authorized agents while acting in good faith within the scope of their official duties, as a cause or causes of injury or damage and which alleges a tort cause of action and asks for money damages.
- D. (("Etaims)) "Lawsuit" shall mean any lawsuit naming the county, and/or its officers ((er)), employees or authorized agents while acting in good faith within the scope of their official duties, as defendant(s), which lawsuit alleges a tort cause of action and asks for money damages;
- E. "Committee" shall mean the risk management committee established by Section 4.12.040;

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- F. "Council" shall mean the King County council, as defined by Article 2 of the King County Charter;
- G. "Executive" shall mean the King County executive, as defined by Article 3 of the King County Charter, or his designee;
- H. "Risk Management" means a coordinated and continuous management process to identify potential loss exposures, to apply reasonable and effective risk controls and to insure that the financial integrity of King County is not impaired after a loss.
 - I. "RM" shall mean the risk manager, or his designee;
- J. "Safety manager" shall mean the manager of the office of safety and ((workmen's)) workers compensation ((administration)) program.

SECTION 2. Ordinance 3581, Section 3 and K.C.C. 4.08.050 are hereby amended as follows:

Insurance Fund.

- A. CREATION. There is hereby created an intragovernmental service fund to be known as the insurance fund.
- B. PERMISSIBLE USES. Permissible uses of the insurance fund shall be limited to the following:
 - 1. Payment of claims and related costs;
 - 2. Payment of negotiated settlements and related costs;
 - 3. Payment of judgments and related costs;
- 4. Payment of costs incurred in ((ef)) litigation or in anticipation thereof, including but not limited to attorney's fees and the costs of discovery and witnesses;
 - 5. Payment of insurance premiums and related costs;
 - 6. Payment of program administration costs.

C. REVIEW. The operation of the insurance fund shall be reported and reviewed ((quarterly)) semi-annually on or about March 31st and August 31st with the appropriate committee of the council. The report shall include the amounts of all expenditures made from the insurance fund; settlements by insurance carriers in behalf of the county; and all moneys recovered by the risk manager or civil division for recovery of losses. Expenditures for claims, negotiated settlements, insurance settlements, judgments, litigation, and their related costs and costs of recovery, unrecovered losses, and recovered moneys shall be individually identified.

SECTION 3. Ordinance 3581, Section 4 and K.C.C. 4.12.030 are hereby amended as follows:

Office of Risk Management; Duties of RM.

- A. CREATION. There is hereby created an office of risk management within the office of finance. The supervisor of the office of risk management shall be the RM, who shall report directly to the finance director.
 - B. GENERAL DUTIES OF RM.
- 1. The RM shall be responsible for administration of the risk management program.
- 2. The RM shall coordinate with ((and-advise)) the civil division on contractual matters giving rise to ((possible)) potential liability on the part of the county. ((Specifically, the)) The RM shall ((advise-and-recommend-to-the)) seek the advice of the civil division ((and-King-County-departments)) as to appropriate ((contractual-clauses-providing-for-indemnity)) language regarding insurance, indemnification, releases ((7)) and hold harmless ((7and-insurance)) clauses. ((The-RM-shall insure-that-contractual-provisions-relating-to-indemnity-and

hold-harmless-requirements-are-reviewed-as-part-of-a-coordinated
process-prior-to-finalization-of-said-contracts.)) Thereafter,
the RM shall advise the director of executive administration and
other appropriate department heads and division managers
concerning these matters as part of a coordinated process prior to
finalization of county contracts.

((2-)) 3. The RM shall be the ((chairman)) chairperson of of the committee and ((7-at-the-request-of-the-committee;)) shall advise the committee concerning insurance ((and-self-insurance proposals-and-risk-management-needs-and-costs)), risk management policies, broker selection and other appropriate matters.

(((3+))) 4. With the approval of the committee, ((The))

the RM ((may-negotiate-with-insurance-brokers-for-any-type-of
insurance-and-may-recommend-that-the-commmittee-engage-the
services-of-such-brokers)) shall select appropriate insurance
brokers by use of a competitive bidding process for the marketing
of insurance and related services.

((+4.+)) 5. The RM shall be responsible for the purchasing
and administration of all such insurance policies, funded
self-insurance programs, and related services as are consistent
with good risk management policy and the needs of the county. In
purchasing ((risk-management)) insurance policies, the RM shall
obtain the ((advice)) approval of the committee ((and-the
approval-of-the-CAO)).

(((5,))) 6. The RM shall advise all county departments, divisions, and other county agencies regarding risk management and reduction of risk and exposure to loss, including programs and precautions for safety to reduce hazards to the public that may exist in county facilities and operations. The RM shall cooperate

with the safety manager in areas where, in the opinion of the RM, the safety of employees and safety of the public requires coordinated programs. The RM shall also be responsible for answering all insurance or funded self-insurance coverage questions. Further, the RM shall be responsible for the evaluation of current and future county/departmental insurance coverage programs and have the authority to make recommendations where such action is in the best interests of the county.

(((6++))) 7. The RM shall have the power, subject to budget
authorizations, to contract for such outside assistance and
perform such other acts as are necessary to carry out his
responsibilities in an expeditious manner

((f7.)) <u>8.</u> The RM shall have the responsibility to ((design-insurance-programs,-recommend-the-amount-of-reserves to-be-established,-determine-and-recommend-the-appropriate retention-levels)) establish reserve requirements for all claims and lawsuits and recommend financing plans and budget actions to assure that adequate resources are available to meet risk management financing requirements.

((+8-+)) 9. The RM shall have responsibility for risk identification, control and reduction; including authority to make recommendations to all county departments, divisions and agencies regarding safety of the public using county facilities or services. ((The-RM-shall-seek-the-advice-of-the-safety-manager and-cooperate-and-share-information-with-the-employee-safety program-but-shall-not-have-responsibility-for-employee-safety.))

((B.)) C. DUTIES OF RM RELATING TO CLAIMS.

1. The RM shall have the power to employ the services of such claims specialists or other parties as are necessary to process claims in an equitable and expeditious manner.

- 2. The RM shall cooperate with the civil division in coordinating information pertinent to claims and ((elaims)) lawsuits against the county.
- 3. For ((motor-vehicle-property-damage-claims-of-five thousand-dollars-or-less, and-for-all-other-claims-of-two thousand-dollars-or-less)) all claims of fifty thousand dollars or less, the RM shall make final disposition; Provided that, for all claims over two-thousand five-hundred dollars the RM shall seek the advice of the civil division prior to final disposition.
- 4. ((For-motor-vehicle-property-damage-claims-of-greater than-five-thousand-dollars,-and-for-all-other-claims-of-greater than-two-thousand-dollars,-the-RM-shall-have-the-authority-to-deny the-claim:--If-the-RM-determines-that-such-a-claim-should-be-paid, then-he-shall-recommend-payment-of-the-claim-to-the-committee:
- 5. The-RM-shall-review-all-claims-over-one-hundred fifty-dollars-with-the-civil-division-and-shall-consider-the advice-of-the-civil-division-when-taking-action-on-a-claim.
- 67)) The RM shall maintain complete histories of all claims and claims litigation, insured or funded self-insurance, loss histories, and investigations of claims ((and-incident-reports)). The RM shall be responsible to insure that complete files are maintained of all claims ((entered)) asserted against the county and all incidents reported to the office of risk management sufficient to document at least a five year claims history.
- ((e+)) D. REPORTS. The RM on or before ((January 20th))

 March 31st of the subsequent year shall report to the council the total number and amount of all claims filed against the county and the number and amounts of all claims paid by the county during the preceding calendar year, including totals of information required in the ((quarterly)) semi-annual report of the insurance fund.

The RM shall make an annual report to the committee and the council regarding insurance coverage and the level of retained risk ((and-monthly-report-to-the-committee-on-the-status-of-all elaims-and-the-level-of-reserves)).

SECTION 4. Ordinance 3581, Section 5 and K.C.C. 4.12.040 are hereby amended as follows:

Risk Management Committee.

- A. CREATION AND COMPOSITION. There is created a risk management committee to be composed of the following individuals, or their designee: RM, safety manager, chief civil deputy, and ((manager-of-the-budget-division)) budget director. The RM shall chair the committee. The safety manager shall be a nonvoting member of the committee and shall serve to inform and advise the committee on safety matters and coordinate employee safety programs with risk identification and control functions of the committee.
 - B. DUTIES OF COMMITTEE. The risk management committee shall:
- 1. ((The-committee-shall)) Make recommendations to the council and executive regarding risk management policy and shall cause such policy to be established and kept current $((\tau))$;
- 2. ((The-committee-shall)) Have the power to approve the selection of ((appoint)) all insurance brokers submitted to it, as a result of a competitive bidding process((*));
- 3. ((The-committee-shall)) Render advice to the RM on matters concerning the purchase of insurance policies and advise on the design of insurance and funded self-insurance programs((τ)):
- 4. ((The-committee-shall-review-any-recommendations-of-the RM-for-payment-of-claims-greater-than-two-thousand-dollars-(five thousand-dollars-for-motor-vehicle-damage-claims), and shall

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recommend-disposition-of-such-claims-to-the-final-payment authority;-as-designated-by-Section-8-of-this-ordinance.)) Advise the RM concerning matters of risk management policy; and

- 5. ((The-committee-shall-meet-on-a-regular-basis-at least-once-a-month---Special-meetings-may-be-called-by-the chairman-and-may-be-requested-by-any-member-of-the-committee.)) Approve the purchase of all insurance policies.
- ((6. The-committee-shall-submit-an-annual-report-to-the council-summarizing-decisions-made-by-the-committee-during-the year-and-other-pertinent-matters.
- The-committee-shall-review-risk-identification, prevention,-and-control-concerns-to-advise-the-RM-in-matters related-to-the-safety-of-the-public-in-county-facilities-and operations. -- The-RM-and-safety-manager-should, -as-members-of-the committee,-coordinate-safety-programs-and-share-information related-to-risk-in-each-of-their-respective-areas-of-concern.))

SECTION 5. Ordinance 3581, Section 6 and K.C.C. 4.12.050 are hereby amended as follows:

Role of Prosecuting Attorney.

- LEGAL ADVISOR OF COUNTY. This section is consistent with and implements in part state law, RCW 36.27.020, which makes the prosecuting attorney the legal advisor of the county.
 - B. DUTIES.
- The prosecuting attorney, in accordance with state law, RCW 36.27.020, shall be primarily responsible for the defense of all ((elaims)) lawsuits against the county, or against county officials ((er)), employees or authorized agents acting in good faith within the scope of their official county duties, except where insurance or service contracts provide for defense. The

prosecuting attorney may contract with outside counsel for legal services where appropriate ((7-such-as-in-the-defense-of-complex claims-lawsuits)).

- 2. The civil division shall provide legal advice to the RM regarding the disposition of all claims against the county.
- 3. The civil division shall keep the RM advised of the current status and progress of all claims litigation.
- 4. The civil division shall direct any recommendations for settlement of claims or lawsuits to the authority designated by Sections 4.12.030 and 4.12.080 as having final settlement authority. In recommending settlement of claims or lawsuits, the civil division shall consult, in conjunction with the risk management office, with the department, division or other county agency most involved with the litigation and/or named as a party to the lawsuit.
- 5. In reviewing contract ((elauses)) language involving ((indemnity)) indemnification, releases, hold harmless clauses or insurance matters, the civil division shall ((seek-the)) provide advice ((ef)) to the RM.
- 6. The chief civil deputy of the civil division shall resolve any and all questions relating to the following issues:
- a. Whether a county official((er)), employee or authorized agent acted in good faith within the scope of his or her official county duties; and
- b. Whether, for purposes of the issues raised by a particular ((elaims)) claim or lawsuit, a person is in fact a county official((er)), employee or authorized agent.
- SECTION 6. Ordinance 3581, Section 7 and K.C.C. 4.12.060 are hereby amended as follows:

Duties of County ((agencies)) officers, employees and authorized agents.

A. COOPERATION. All county departments, divisions ((and other-county)) or agencies and the officers, employees and authorized agents thereof are hereby directed to cooperate fully and in good faith with the RM and civil division in ((all-matters including)) the investigation ((involving-disposition)) and <u>defense</u> of claims and ((the-settlement-and-defense-of-claims)) ((All-departments,-divisions-and-other-county-agencies lawsuits. are-hereby-directed-to-provide-such-information-as-requested-and to-otherwise-assist-the-RM-and-civil-division-in-the-defense-of claims-lawsuits.)) When deemed necessary by the chief civil deputy or deputy prosecutor assigned to the case, such assistance may include, but not be limited to, the providing of testimony and exhibits for use in litigation. Any request for information by the office of risk management shall be considered a request by the civil division.

- B. FORBIDDEN ACTS. Except as specifically directed by the RM or civil division, no county department, division or other county agency, and no county official ((er)), employee, or authorized agent acting individually or collectively, may engage in the following acts:
- l. Negotiate or otherwise affect the settlement of a claim
 or ((elaims)) lawsuit against the county;
- 2. Make an admission of liability involving a claim or ((elaims)) lawsuit against the county.
- 3. Discuss with persons who are not county employees incidents which could reasonably lead to claims or ((elaims)) lawsuits against the county; or

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- ((The-CAO-through-the-RM-shall-cause-to-be-prepared such-information-as-is-necessary-and-the-implementation-of-such methods-of-dissemination,-as-are-required,-to-inform-county employees-of-their-responsibilities-in-relation-to-good-risk management-policy)) Discuss with persons who are not county employees incidents which are the subject of pending claims or lawsuits.
- REPORTING ACCIDENTS AND INCIDENTS. ((County-departments; divisions-and-other-county-agencies-shall-report-immediately-to the-RM-the-circumstances-of-any-accident-involving-county-vehicles or-other-county-property)) In the event of an accident, incident or occurrence causing bodily injury or property damage involving county vehicles, property or personnel acting within the scope of their employment, the knowledgeable county officers, agents, employees and authorized agents shall provide notice to the office of risk management as soon as practicable. Such notice shall include all reasonably obtainable information with respect to the time, place and circumstances of said accident, incident or occurrence and the names and addresses of all knowledgeable county personnel, injured or affected parties, and available witnesses.

SECTION 7. Ordinance 3581, Section 8 and K.C.C. 4.12.070 are hereby amended as follows:

Procedure for Handling Claims.

A. PLACE FOR FILING; CONTENT. ((The-place-for-filing-claims against-the-county-shall-be-the-office-of-the-clerk-of-the-council in-accordance-with-the-state-law,-RCW-36-45)) All claims against the county for damages arising out of tortious conduct shall be presented to and filed with the clerk of the council. All such claims shall be verified and shall accurately describe the conduct

and circumstances which brought about the injury or damage,
describe the injury or damage, state the time and place the injury
or damage occurred, state the names of all persons involved, if
known, and shall contain the amount of damages claimed, together
with a statement of the actual residence of the claimant at the
time of presenting and filing the claim and for a period of six
months immediately prior to the time the claim arose. If the
claimant is incapacitated from verifying, presenting, and filing
his claim or if the claimant is a minor, or is a nonresident of
the state, the claim may be verified, presented, and filed on
behalf of the claimant by any relative, attorney, or agent
representing him. With respect to the content of such claims this
section shall be liberally construed so that substantial
compliance will be deemed satisfactory.

- B. PERIOD AND REQUISITES. ((All-elaims-against-the-county shall-be-filed-within-the-period-specified-by-state-law,-Rew 36.45.010,-from-the-time-damage-occurred-or-injury-was-sustained. The-requisites-of-the-elaim-shall-comply-with-state-law,-Rew 36.45.020)) No action shall be commenced against the county for damages arising out of tortious conduct until a claim has first been presented to and filed with the clerk of the council. The requirements of this section shall not affect the applicable period of limitations within which an action must be commenced, but such period shall begin and shall continue to run as if no claim were required.
- C. TRANSMITTAL. The clerk of the council shall initiate the processing of claim by <u>immediately</u> transmitting the original of the claim to the RM ((within-three-days-of-filing)). The clerk of the council shall ((within)) at the same time ((period)) send a copy of the letter of transmittal to the civil division.

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D. DISPOSITION.

- l. For ((motor-vehicle-property-damage-claims-of-five thousand-dollars-or-less, and-for-all-other-claims-of-two thousand-dollars-or-less)) all claims of fifty thousand dollars or less, the RM shall be the final payment authority and shall make final disposition by either granting or denying such claim; Provided that, for all claims over two-thousand five-hundred dollars, the RM shall seek the advice of the civil division prior to final disposition.
- 2. ((For-motor-vehicle-property-damage-claims-of-greater than-five-thousand-dollars, and-for-all-other-claims-of-greater than-two-thousand-dollars, the council, upon-receipt-of-the-executive shall-recommend-payment-to-the-council, upon-receipt-of-the-executive's recommendation, fails-to-commence-consideration-thereof within-fifteen-working-days, the recommendation shall-be-deemed-to have-been-approved-by-the-council;) For all claims above fifty thousand dollars, the county executive shall make final disposition after receiving advice from the civil division and the RM.

SECTION 8. Ordinance 3581, Section 9, and K.C.C.

4.12.080 are hereby amended as follows:

Procedure for handling lawsuits.

A. SERVICE OF PROCESS. Service of ((process)) a summons and complaint on the clerk of the council shall constitute service on the county for purpose of state law, RCW 4.28.080.

- B. SERVICE ON OFFICER OR EMPLOYEE. Any county official or employee who is served with a summons and/or complaint in a ((elaims)) lawsuit against the county or against any of its officials ((er)), employees or authorized agents alleged to be acting in their official capacities shall immediately deliver ((such-process)) the summons and/or complaint to the clerk of the council.
- C. DISTRIBUTION. The clerk of the council, upon accepting service of the summons and/or complaint shall ((within-one-day)) immediately deliver copies ((of-such-process)) thereof to the civil division. The civil division shall docket the lawsuit and send a copy of the ((process)) summons and/or complaint to the office of risk management ((for-comments)).
- D. DEFENSE. The prosecuting attorney shall defend, or provide for the defense, of all self-insured ((elaims)) lawsuits against the county or any of its officials((er)), employees or authorized agents acting in good faith within the scope of their official duties; Provided that, such individuals discharge their obligations as set forth in Section 4.12.060.
- E. SETTLEMENT. Final authority for settlement of self-insured lawsuits shall be as follows:
- 1. The RM, acting with the advice of the civil division,
 may authorize settlements of ((five-thousand-dollars)) fifty
 thousand dollars or less ((for-motor-vehicle-property
 damage,-and-two-thousand-dollars-or-less-for-all-other-damages;)).
- 2. ((The-CAO7-acting-with-the-advice-of-the-civil division7-may-authorize-settlements-of-greater-than-five-thousand dollars-but-less-than-fifty-thousand-dollars-for-motor-vehicle

property-damage_-and-greater-than-two-thousand-dollars-but-less
than-fifty-thousand-dollars-for-all-other-damages;))

((+3++)) The executive, acting with the advice of the civil division and the RM, may authorize settlements of more than fifty thousand dollars ((er-greater)).

SECTION 9. Ordinance 3581, Section 10 and K.C.C. 4.12.090 are hereby amended as follows:

Defense of county officers ((and)), employees and authorized agents.

- A. PURPOSE. The purpose of this section is to protect county officers, employees, <u>authorized agents</u> and their marital communities from personal liability for acts committed by such ((officers-and-employees)) <u>individuals</u> in good faith and within the scope of their official county duties.
- B. DETERMINATIONS OF SCOPE AND STATUS. The ((eivil division)) chief civil deputy shall determine any and all questions relating to ((the-following-issues:
- (1) Whether-acts-performed-by-a-county-officer-or-employee were-within-the-scope-of-that-person's-official-county-duties;-and

2.--Whether,-for-purposes-of-the-issues-raised-by-a-claim
lawsuit,-a-particular-person-is-in-fact-a-county-official-or
employee scope and status in accordance with Section 4.12.050B.6.

C. RESPONSIBILITY FOR DEFENSE. Where a county officer, employee, authorized agent or the marital community of such ((efficer-er-employee)) person is sued in a ((elaims)) lawsuit for an act or alleged act falling within the scope of the officer's ((er)), employee's or authorized agent's official duties, the prosecuting attorney shall be responsible for defense of that person or community in accordance with the procedures and

<u>requirements</u> specified in Sections 4.12.050, <u>4.12.060</u>, 4.4.12.080, and 4.12.090.

- D. EXCLUSIONS. This section shall not apply where a ((elaims)) claim or lawsuit is covered fully by insurance ((or-where-a-claims-lawsuit-arises-out-of-a-county-officer's-or employee's-use-of-his-personal-vehicle)).
- between the county and a county official ((er)), employee or authorized agent, acting in good faith within the scope of his or her official ((county)) duties, ((and-where-both-are-named-as parties-in-the-same-claims-lawsuit)), the prosecuting attorney may ((decline-to-represent-that-person-and-his-marital-community)) at his or her sole discretion, appoint outside counsel as a special deputy prosecuting attorney to represent such persons. In such cases ((where-the-prosecuting-attorney-declines-representation)), the county shall be responsible for payment of ((reasonable attorney-s-fees-and)) costs incurred in ((the)) such defense ((of the-county-official-or-employee)).

NEW SECTION SECTION 10. Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. INTRODUCED AND READ for the first time this 2/12 day of Alcember, 1987. PASSED this 29th day of Jeburn KING COUNTY COUNCIL COUNTY, WASHINGTON ATTEST: APPROVED 9th day of March County Executive