



Work Session Summary Minutes

OREGON

Actuarial Report of Risk Fund

December 19, 2024. 1:30 PM
Courthouse Square, 555 Court St. NE, Salem
5th Floor, Suite 5232, Commissioners Board Room

ATTENDANCE:

Commissioners: Kevin Cameron, Danielle Bethell, and Colm Willis.

Board's Office: Jan Fritz, Chris Eppley, Toni Whitler, Alvin Klausen, and Matt Lawyer.

Legal Counsel: Steve Elzinga.

Finance: Jeff White.

Business Services: Tamara Goettsch, and William White

Select Actuarial Services: Elly Fetters, and Cheryl White.

Colm Willis called the meeting to order at 1:32 p.m.

Summary

Focused on the assessment of the county's general liability and workers' compensation reserves. The actuarial review, conducted every three years, revealed a significant increase in required reserves from \$2.6 million to \$4.074 million. Key findings included a \$492,000 increase in ultimate losses for pre-June 30, 2021, claims and a \$412,000 increase for general liability claims. The forecast for 2024-2025 estimates total losses at \$1,008,980. Discussions emphasized the need for better departmental accountability and risk management practices to mitigate future claims and costs.

Actuarial Presentation

- Overview of actuarial review process, including loss reserve analysis and loss forecast.
- The loss reserve analysis estimates the amount of money needed to cover all claims up to a specific date, while the loss forecast provides a five-year estimate for future claims.
- Detailed findings for workers' compensation, general liability, and automobile liability.
- Explanation of key terms like ultimate losses, outstanding losses, case reserves, and Incurred but not Reported (IBNR).
- Presentation of loss development patterns and how they impact estimates
- The results for workers' compensation, highlighting the total required reserves of \$1,936,000 and the discounted reserve estimate of \$1,889,000.
- The ultimate losses for workers' compensation have increased by \$102,000 since the prior study, primarily driven by large payment activity in the 2005/2006 and 2021 accident years.
- The variability in claims due to the \$750,000 per occurrence retention can lead to significant volatility in forecasting.

- The results for general liability (GL), highlight the total required reserves of \$2,079,000 and the discounted reserve estimate of \$2,036,000.
- The ultimate losses for GL have increased by \$412,000 since the prior study, primarily driven by large claim activity in the 1920 and 2021 accident years. the importance of the \$1,000,000 per occurrence retention for GL, which can also lead to significant volatility in forecasting.
- The results for automobile liability (AL), highlighting the total required reserves of \$59,000 and the discounted reserve estimate of \$59,000.
- The ultimate losses for AL have decreased by \$22,000 since the prior study, with the 1819 and 2021 accident years developing favorably.
- the volatility in AL claims due to the \$100,000 per occurrence retention, which can lead to significant variability in forecasting.
- Forecast of future losses for the next five accident periods.
- The total forecast losses for 2024-2029 are estimated at \$1,008,980, with a breakdown between workers' compensation, general liability, and automobile liability.

Discussion

- Importance of accountability for risk management within departments
- Suggestions for creating annual risk reports and safety assessments
- Ongoing efforts to improve communication and understanding of risk management
- Request for detailed claims data by department to understand impact of activities
- Need for more transparency and accountability in risk management

Other

- Confirmation that actuarial review will be presented to the board for final approval.
- Acknowledgement of the need for ongoing collaboration to improve risk management.

Next Steps

- Provide detailed claims reports by department (auto liability, property/vehicle, general liability under \$15,000).
- Schedule follow-up executive session to discuss claims data, risk tolerance, and accountability measures.
- Prepare annual risk management report to be presented to the Board, including industry benchmarking and departmental performance.

Adjourned – time: 2:47 p.m.

Minutes by: Mary Vityukova

Minutes by: Gary White

Reviewed by:

Reviewed by:

Reviewed by: