MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: 11/04/2026

Department: Business Services

Title: Risk Program Rules Update

Management Update/Work Session Date: October 22, 2026 **Audio/Visual aids** ☐

Time Required: _____ **Contact:** William W. White **Phone:** 503.373.4423

Requested Action:
Risk Management requests the Board of Commissioner's approval of the Risk Management Program Rules with updates.

Issue, Description & Background:
The Risk Program Rules define and describe the administration of the County's insurance programs, coverages, responsibilities, and limitations.
The Rules were originally established in 2002, and last updated in 2023. In the past three years Risk Management identified some areas of the rules that merit improved definition and description. Key updates: 1. Section 8. Add "Underinsured" to the uninsured section. 2. Section 9. Add Personal Injury Protection for Automobile Liability. 3.Sections 10.4.3 and 11.3.2. Add settlement authority for the Business Services Director. 4. Section 11.2.5. Add language to clarify workers' compensation coverage for search and rescue volunteers. 5. Section 14.1.8. Add language to clarify coverage exclusions for Adults in Custody and Juveniles in Custody on work crews.

Financial Impacts:
These changes are intended to limit the County's liability and protect the Insurance fund.

Impacts to Department & External Agencies:

List of attachments: Risk Program rules: final and redline versions

Presenter: William W. White

Department Head Signature: tgoettsch
Digitally signed by tgoettsch
Date: 2026.10.23 11:42:25 -07'00'

MARION COUNTY

RISK MANAGEMENT PROGRAM RULES

11/4/2026

EXHIBIT A

1 Table of Contents

2 PREFACE II

3 MARION COUNTY RISK MANAGEMENT POLICY STATEMENT: III

4 MISSION: III

1. DUTIES AND RESPONSIBILITIES 1

1.1. Risk Management Staff Responsibilities: 1
1.2. Elected Official and Department Head Responsibilities: 1
1.3. Supervisor and Manager Responsibilities: 2
1.4. Employees, Volunteers and Other Agents of the County Responsibilities: 3

2. INSURANCE 3

2.1. Self-Insurance 3
2.2. Commercial Insurance 3
2.5. Deductibles 4

3. SELF-INSURANCE FUND 4

3.1. The county shall maintain an account known as the Self-Insurance Fund 4
3.2. Cost Allocations 4
3.4. Expenditures from the Self-Insurance Fund 4

4. CONTRACTS AND RISK TRANSFER 5

5. INDEMNIFICATION 5

5.1. Coverage 5
5.2. Cooperation 5
5.3. Limitations 5

6. COUNTY-OWNED OR LEASED AUTOMOBILE INSURANCE 6

6.1. Marion County is self-insured for automobile liability pursuant to ORS 30.282. 6

7. EMPLOYEE-OWNED VEHICLES 6

7.1. Employees authorized to operate their personal vehicles 6

8. UNINSURED AND UNDERINSURED MOTORIST COVERAGE 6

9. PERSONAL INJURY PROTECTION (PIP) FOR AUTOMOBILE LIABILITY 7

9.1. MARION COUNTY'S SELF-INSURANCE PROVIDES THE OREGON STATUTORY MINIMUM COVERAGE FOR PERSONAL INJURY PROTECTION FOR NON-EMPLOYEE PASSENGERS IN MARION COUNTY VEHICLES WHEN INVOLVED IN A MOTOR VEHICLE INCIDENT. 7

10. LIABILITY CLAIMS 7

10.2. Types of Liability Claims Covered 7
10.3. Liability Claims Administration 7
10.4. Liability Claims Settlement and Payment 8

11. WORKERS' COMPENSATION 9

11.3. Workers' Compensation Settlements 9

12. SUBROGATION 10

13. SAFETY PROGRAMS 10

13.4. Imminent Danger 10

14. EXCLUSIONS FROM COVERAGE 11

2

3 Preface

The Marion County Risk Management Program Rules were originally established by Board Order # 02-15R on May 29, 2002, and last updated by Board Order #23-129 on October 26, 2023.

As of July 1, 2020, Marion County reorganized the Business Services department and established Human Resources as a separate department. Human Resources assumed administration of benefits for employee health and welfare and unemployment programs.

This document reflects updates to the Risk Management Program Rules and is effective November 4, 2026, and supersedes all previous program rules. If any section of these rules is contrary to local, state, or federal law, the law will govern. Should any section or portion of the rules be unlawful or unenforceable, all other sections and provisions shall remain in effect. Marion County reserves the right at any time to withdraw or amend any portion of these rules.

The Risk Management Program Rules are not intended to create any contract or rights involving third parties, including insurance companies.

Procedures consistent with the Marion County Risk Management (Risk Management) Policy Statement and these rules may be established by Risk Management to ensure the efficient administration of the Marion County Risk Management Program.

Risk Management Program Rules

Adopted: May 2002

Revised: December 2017

Revised: October 2023

Revised: October 2026

4 Marion County Risk Management Policy Statement:

Marion County Risk Management (Risk Management) strives to cost-effectively protect the people, property, and finances of Marion County from loss. A safe, secure, and healthy working environment for our employees is of utmost priority. As stewards, Marion County recognizes the need to wisely manage public funds. The Marion County Board of Commissioners supports the need to adopt logical, sound risk management practices. The purpose of risk management shall be to preserve the assets of the organization against losses that have a negative financial consequence, including those that are catastrophic in nature. This policy applies to all risks of losses, such as fire, liability, theft, property damage, malpractice, illness, and injury, both direct and indirect.

The identification and management of risk is a collaborative effort involving every county employee. Risk Management seeks the input of department employees and leadership to effectively communicate potential risks and work together to implement recommendations aimed at eliminating or reducing risks. We encourage departments to embrace and implement the recommendations made by our risk management staff unless they can present valid justifications as to why they should not act on these recommendations. By fostering a collaborative approach, we can collectively enhance our risk management practices and ensure the financial well-being of Marion County.

5 Mission:

Our mission is to cost-effectively protect the people, property, and finances of Marion County.

As a program of Marion County Business Services, Risk Management seeks to provide the ultimate customer experience by contributing specialized program expertise and promoting quality service delivery that helps optimize and achieve each department's mission.

We strive to support the Marion County Mission by providing internal services and expertise for our community-focused operations and delivering excellence in everything we do.

We value customer service to our internal and external customers and seek solution-oriented approaches. We provide resources for training and consultations to support our departmental customers in their safety, loss prevention, and compliance efforts.

Our staff are knowledgeable experts in their roles, and we seek quality partners when outside expertise or services are appropriate.

We are honest, forthright, and ethical. We follow through on our commitments, and we hold one another and ourselves personally accountable.

While providing services, we seek to make the most efficient and effective use of public resources, and we work to continuously improve our services through collaboration, innovation, and competence.

1. Duties and Responsibilities

1.1. Risk Management Staff Responsibilities:

1.1.1. The Risk Manager will prepare and present to the Board of Commissioners an annual evaluation of each department's risk management performance and an annual report on the activities of the Marion County Risk Management Program.

1.1.2. Set goals and objectives for the Marion County Risk Management Program and measure program effectiveness and performance.

1.1.3. Administer the Self-Insurance Fund to cost-effectively balance risk retention and risk transfer and to ensure the county's ability to promptly recover from losses.

1.1.4. Provide loss prevention and loss control services to departments.

1.1.5. Review contracts and other agreements to ensure the appropriate transfer of risk to responsible parties.

1.1.6. Purchase and maintain all insurance policies.

1.1.6.1. Coordinate with Human Resources for the procurement of insurance policies and administrative services associated with employee benefits for health and welfare and unemployment as related to the Self-Insurance Fund.

1.1.7. Administer third party liability and workers' compensation claims either through a third-party administrator or self-administration.

1.1.8. Develop and monitor compliance with policies, procedures, and programs that:

1.1.8.1. Ensure the safety and well-being of county employees and the public.

1.1.8.2. Protect the county's property.

1.1.8.3. Limit liability, and related risk of financing costs.

1.1.9. Identify, analyze, evaluate, respond, monitor, and report/communicate risks.

1.1.10. Allocate costs associated with managing risks such as insurance premiums, self-insured retentions, and administrative costs to each county department.

1.1.11. Represent the county's interests in connection with compliance reviews and enforcement actions taken under state and federal insurance and safety regulations.

1.1.12. Maintain the official record of all claims, losses, insurance, and other risk-related expenses.

1.2. Elected Official and Department Head Responsibilities:

1.2.1. Consult with Marion County Legal Counsel (Legal Counsel) and the Risk Manager to assess the risk and impact of litigation upon the county.

1.2.2. If the elected official or department head chooses to proceed against the advice of the Risk Manager and Legal Counsel, and that choice results in

expense to the county, all costs, expenses, and awards may be charged against the department's budget at the discretion of the Board of Commissioners.

1.2.2.1. Alternatively, if the department head or elected official disagrees with the Risk Manager and Legal Counsel, they have the option to appeal to the Board of Commissioner for further review and consideration before making a final decision.

1.2.2.2. This provision does not in any way limit the settlement authority outlined in the Marion County Risk Management Program Rules.

1.2.3. Maintain and promote safe and healthful working conditions throughout their department.

1.2.4. Implement and maintain Risk Management and Loss Control procedures and practices.

1.2.5. Review all incidents involving their area of responsibility, cooperate and coordinate with Risk Management in the disposition and resolution of claims and recommendations for improvements.

1.2.6. Ensure equipment, facilities and programs incorporate safety measures consistent with applicable state and federal safety and health rules and best practices.

1.2.7. Manage operations in accordance with county standards and statutory requirements.

1.2.8. In consultation with Risk Management, and Legal Counsel if appropriate, determine risks presented by new work locations, projects, activities, or programs, along with methods to reduce or eliminate those risks.

1.2.9. Report new property values, disposal of insured assets, and significant changes in operations to Risk Management.

1.3. **Supervisor and Manager Responsibilities:**

1.3.1. Maintain a working knowledge of health and safety policies and codes.

1.3.2. Ensure employees have received required training and equipment.

1.3.3. Monitor employee compliance with established safety rules, practices, and procedures.

1.3.4. Conduct regularly scheduled safety meetings.

1.3.5. Immediately investigate all accidents and incidents and file reports in a timely manner.

1.3.6. Take immediate corrective action to eliminate hazardous conditions and consult with supervisor on all safety problems that cannot be corrected at the supervisor level.

1.3.7. Counsel and appropriately impose disciplinary action as corrective measures with employees for safety violations.

1.4. **Employees, Volunteers and Other Agents of the County Responsibilities:**

1.4.1. Promote safety among co-workers and contribute to good communication on risk and safety matters.

1.4.2. Aid new employees by identifying job safety practices.

1.4.3. Apply the principles of accident prevention in daily work, and care for and use proper safety devices and protective equipment as required by work assignments.

1.4.4. Become familiar with and observe safety rules and safe work procedures during assigned activities.

1.4.5. Promptly report to immediate supervisor any accident, incident, injury, or occupational illness, regardless of the degree of severity, prior to the end of the work shift.

1.4.6. Cooperate with and assist in the investigation of accidents and incidents to identify correctable causes and to prevent their recurrence.

1.4.7. Promptly report to immediate supervisor all observed unsafe actions, practices, or conditions.

1.4.8. Maintain clean and orderly work areas.

1.4.9. Avoid horseplay and refrain from distracting others.

1.4.10. Dress in attire appropriate for the performance of assignments.

1.4.11. Cooperate with the implementation of recommendations intended to eliminate or reduce the risk of injury or illness.

2. Insurance

2.1. **Self-Insurance**

2.1.1. Marion County is self-insured for general and automobile liability, unemployment, and workers' compensation.

2.2. **Commercial Insurance**

2.2.1. All commercial insurance purchases shall be made through Risk Management. The county may purchase insurance policies and bonds when assessed as reasonable and necessary to protect the county's interest.

2.3. **Insurance Broker/Consultant**

2.3.1. The Risk Manager may appoint a qualified consultant(s) and broker(s) to assist and advise in the consideration and placement of insurance policies as deemed necessary by the Risk Manager.

2.3.1.1. The Risk Manager will coordinate with Human Resources for the appointment of qualified consultant(s) associated with employee benefits for health and welfare and unemployment.

2.3.2. Placement of insurance policies shall be through the consultant(s) or broker(s) and shall be at the direction and control of the Risk Manager, giving due regard to the evaluation and recommendation of the consultant(s) or broker(s).

Insurance purchased for the county may be obtained through negotiations directed by the consultant(s) or broker(s).

2.4. **Premium Payments**

2.4.1. Premiums for countywide insurance coverage shall be made in accordance with a cost allocation formula.

2.4.2. Departments shall be responsible for the cost of premiums associated with insurance coverage purchased for exposures specific to the department.

2.5. **Deductibles**

2.5.1. Departments shall be responsible for the first $1,500 of each claim paid by the self-insurance fund.

2.5.2. Commercial insurance deductibles may vary. After the self-insurance deductible is met, any remaining deductible or expense will be paid through the self-insurance fund.

3. Self-Insurance Fund

3.1. **The county shall maintain an account known as the Self-Insurance Fund**

3.1.1. The Self-Insurance Fund shall be maintained to provide sufficient operating funds and actuarially sound reserves for unpaid claims and contingency.

3.1.2. The Board of Commissioners may authorize the transfer of funds between cost centers within the Self-Insurance Fund.

3.2. **Cost Allocations**

3.2.1. Departmental contributions to the Self-Insurance Fund shall be made in accordance with a cost allocation formula. This formula may include factors such as type of business, exposure to loss, and claims experience. Expenses paid by the Self-Insurance Fund may be assessed to departments.

3.2.2. An actuarial study of the Self-Insurance Fund will be conducted every three years or as deemed necessary by the Risk Manager or as required by the Government Accounting Standards Board (GASB).

3.3. **Investment of the Self-Insurance Fund**

3.3.1. According to established county investment policy, the Marion County Treasurer shall invest the principal sums within the Self-Insurance Fund, and any interest earned shall be applied to the Self-Insurance Fund.

3.4. **Expenditures from the Self-Insurance Fund**

3.4.1. The following general classes of expenditures may be made from the Self - Insurance Fund:

3.4.1.1. Payment of claims.

3.4.1.2. Premiums for insurance purchased by the county at the direction of the Risk Manager.

3.4.1.3. Costs and expenses related to the administration, prevention, investigation, adjustment, and litigation of claims.

3.4.1.4. Costs and expenses related to the management of insurance and programs as described in these rules and regulations.

4. Contracts and Risk Transfer

4.1. **The county, where feasible, may transfer risk by contracting with other entities to provide the services needed**. These contracts may include hold harmless agreements and may require the other entities to comply with Marion County's insurance requirements.

4.1.1. Risk Management shall establish standardized insurance requirements to be included in all contracts, leases, and agreements to which the county is a party. Insurance requirements shall include, but not be limited to, types of insurance, minimum limits of insurance, and additional insured endorsements.

4.1.2. The Risk Manager has authority to waive or modify hold harmless or insurance requirements when the Risk Manager determines it is in the county's best interest to do so.

4.1.3. All requests by contracted agents to be indemnified by the county must be reviewed by the Risk Manager. The Risk Manager has the authority to grant indemnification to a contracted agent if the Risk Manager determines it is in the county's best interest to do so.

4.1.4. In the event of a loss to property that is not owned by Marion County and for which a department has contractually agreed to pay, the department will be responsible for any payment related to the loss, unless prior to entering into a contract with such a provision, the department has obtained written acknowledgement from the Risk Manager that such a loss is either covered by insurance or self-insurance pursuant to these rules.

5. Indemnification

5.1. **Coverage**

5.1.1. Pursuant to ORS 30.285, Marion County shall defend, hold harmless and indemnify its elected officials, appointed officers, agents, and employees for any claim arising out of an alleged act or omission occurring in the performance of county duties which does not result from malfeasance in office, or willful or wanton neglect of duty.

5.2. **Cooperation**

5.2.1. Pursuant to ORS 30.287, all elected officials, appointed officers, agents, and employees of the county shall cooperate fully with the defense of claims. If an official, officer, agent, or employee fails to cooperate or otherwise acts in prejudice of the defense of a claim, the county may at any time reject the defense of the claim and may refuse to hold harmless or indemnify that person.

5.3. **Limitations**

5.3.1. In the event a complaint is filed with the Oregon Ethics Commission against a county employee or official, the county will not be responsible to defend or indemnify that employee or official. If, upon final resolution of the complaint

arising from the performance of county duties, and the employee or official is found to be not in violation of the law, the employee or official may submit a request for reimbursement of actual legal representation fees and costs to the Board of Commissioners. The Board's decision whether to reimburse all or part of the actual expenses to the employee or official shall be final.

5.3.2. In the event a complaint is filed with a state licensing board against a county employee or official, the county will not be responsible to defend or indemnify that employee or official. If, upon final resolution of the complaint arising from the performance of county duties, and the employee or official is found to be not in violation, the employee or official may submit a request for reimbursement of actual legal representation fees and costs to the Board of Commissioners. The Board's decision whether to reimburse all or part of the actual expenses to the employee or official shall be final.

6. County-Owned or Leased Automobile Insurance

6.1. **Marion County is self-insured for automobile liability pursuant to ORS 30.282.**

6.1.1. In the event of damage to or loss of a county-owned or leased motor vehicle, the department is responsible for paying the first $1,500 to repair or replace the vehicle. If the amount of loss exceeds $1,500, the Self-Insurance Fund will pay the amount over $1,500 to repair or replace the vehicle up to the actual cash value of the vehicle.

6.1.2. County coverage for vehicles leased or not owned by the county is excess over any other valid and collectible insurance. County officials, employees and agents are required to purchase the maximum liability coverage available from leasing rental companies.

7. Employee-Owned Vehicles

7.1. **Employees authorized to operate their personal vehicles**

7.1.1. Employees that are authorized to operate their personal vehicles on county business are responsible for carrying automobile liability insurance. When an employee's personal vehicle is used on county business, the employee's personal automobile liability insurance policy is primary. The Self-Insurance Fund coverage is secondary.

7.1.2. The county does not provide Collision, comprehensive or uninsured motorist coverage or personal injury protection for privately owned vehicles used on county business.

8. Uninsured and Underinsured Motorist Coverage

8.1. **Marion County provides self-insurance for uninsured and underinsured motorist coverage only** for county owned and leased vehicles at the minimum limits set by ORS 806.070.

8.1.1. $25,000 because of bodily injury to or death of one person in one accident.

8.1.2. Subject to that limit for one person, $50,000 because of bodily injury to or death of two or more persons in any one accident; and

8.1.3. $20,000 because of injury to or destruction of the property of others in any one accident.

8.2. **The county regards private vehicles** operated by employees, volunteers, interns, or contract employees as not under county control. In the event a court of competent jurisdiction should determine that Marion County, as a self-insured local government, must provide uninsured motorist coverage on one or more of these classes of private vehicles, the limits of the county's coverage are as stated above.

9. Personal Injury Protection (PIP) for Automobile Liability

9.1. Marion County's self-insurance provides the Oregon statutory minimum coverage for Personal Injury Protection for non-employee passengers in Marion County vehicles when involved in a motor vehicle incident.

10. Liability Claims

10.1. **Liability claims are claims directed at the county**, its elected officials, appointed officers, agents, or employees, which arise under the Oregon Tort Claims Act, 42 USC, section 1983, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, as amended or any similar state or federal statute or administrative rule addressing civil rights or employment discrimination.

10.2. **Types of Liability Claims Covered**

10.2.1. Coverage for third party liability claims provided by the Self-Insurance Fund includes:

10.2.1.1. Comprehensive General Liability.

10.2.1.2. Comprehensive Automobile Liability.

10.2.1.3. Errors and Omissions.

10.2.1.4. Personal Injury.

10.2.1.5. Malpractice.

10.3. **Liability Claims Administration**

10.3.1. Liability claims shall be administered pursuant to these rules and be subject to the general direction of the Risk Manager and Legal Counsel.

10.3.2. Initial claim reserves will be established upon receipt of a claim. Initial reserves will include the anticipated cost of legal and investigation fees necessary to establish the merits of the claim. Following a determination of the compensability of the claim, reserves for the ultimate probable expense shall be established.

10.3.3. Risk Management is responsible for investigating, evaluating, and analyzing all liability claims filed against the county. The Risk Manager may authorize the services of a third-party administrator to administer and manage claims. Departments will cooperate with and assist the Risk Manager or third-party administrator in the investigation and management of claims.

10.3.4. Liability claims shall be investigated to determine the level of liability and to determine the economic cost of settlement versus litigation. If it is determined that it is in the county's best interest to enter into a settlement agreement, the payment will be the amount reasonably necessary to settle the claim. If it is determined that the county is not liable for a loss, or the claim cannot be settled for a reasonable amount, the county will deny and defend against the claim.

10.3.5. The county shall defend itself against all nuisance claims. However, if the Risk Manager and Legal Counsel agree that the cost to defend a disputed claim is greater than the settlement amount, it is within their discretion to settle that claim, subject to the limitations outlined in the Marion County Risk Management Program Rules.

10.3.6. Legal Counsel is responsible for defending the County when litigation has been filed or is expected to be filed.

10.3.6.1. Outside counsel may be hired in cases of conflicts of interest or when a claim is complex, unusual, or when special skill or experience is required to advise or represent the county. Legal Counsel shall select and monitor outside counsel in consultation with the Risk Manager. Legal Counsel and the Risk Manager shall work with outside counsel to define a plan for the defense or prosecution of a claim. Pursuant to these guidelines, the Self-Insurance Fund or the department will pay the cost of outside counsel.

10.4. **Liability Claims Settlement and Payment**

10.4.1. The Self-Insurance Fund will pay punitive damages when they are awarded as the result of litigation for which the county has provided defense and indemnification to the employee involved.

10.4.2. Prior to litigation, the Risk Manager has the authority to settle **any claim** for actual property damages up to $50,000. The Risk Manager has the authority to settle prior to litigation any claim for damages other than actual property damage in an amount not to exceed $25,000 per cause of action. These settlement authorities are not combinable.

10.4.3. The Business Services Director shall have the same authority as the Risk Manager and shall act in the Risk Manager's absence.

10.4.4. After litigation has been filed, Legal Counsel, in consultation with the Risk Manager, has authority to settle any claim in an amount not to exceed $50,000.

10.4.5. Upon the recommendation of Legal Counsel and the Risk Manager, the Chief Administrative Officer has the authority to approve settlement of any single claim up to $100,000.

10.4.6. Any claim settlement in excess of $100,000 shall be referred to the Board of Commissioners for approval prior to settlement.

10.4.7. No other department, official or employee has authority to settle a liability claim on behalf of Marion County.

10.4.8. Whenever practical and possible, departments will be consulted prior to offering any settlement or making a settlement recommendation to the Board of Commissioners.

11. Workers' Compensation

11.1. **The county places high priority on the safety and well-being of its workers.** When a worker is injured on the job, the county's primary objective is to assist them in obtaining the workers' compensation benefits they are qualified to receive, in addition to bringing them back to work within their physical capacity as soon as possible.

11.2. **The county shall comply with the State of Oregon workers' compensation laws, orders, and rules,** along with county policies regarding the treatment of injured workers. Workers' Compensation Claims Administration

11.2.1. Risk Management is responsible for investigating, evaluating, and analyzing all workers' compensation claims. The Risk Manager may authorize the services of a third-party administrator to investigate or manage claims and may employ the services of rehabilitation organizations to assist injured workers when necessary.

11.2.2. Risk Management shall collaborate with injured workers and departmental supervisors in facilitating early return-to-work options by providing transitional duties within their restrictions.

11.2.3. The Risk Manager may appoint outside Legal Counsel with expertise in workers' compensation matters to defend the county for workers' compensation claims, claim denials, and appeals involving litigation.

11.2.4. Initial claim reserves will be established upon receipt of a claim. Initial reserves will anticipate the cost of legal and investigation fees necessary to make a compensability decision. Compensable claims shall be reserved for the ultimate probable expense.

11.2.5. Workers' Compensation coverage applies to volunteers in the Sheriff's Office Search and Rescue program. Coverage starts at the time they are within the State of Oregon and start responding to a callout. Coverage ends at the time the volunteer signs out from the event.

11.3. **Workers' Compensation Settlements**

11.3.1. The Risk Manager has authority to settle any workers' compensation claim in an amount not to exceed $50,000 per cause of action.

11.3.2. The Business Services Director shall have the same authority as the Risk Manager and shall act in the Risk Manager's absence.

11.3.3. Upon recommendation of the Risk Manager, the Chief Administrative Officer may approve settlement of any claim in an amount more than $50,000, but not exceeding $100,000.

11.3.4. Upon joint recommendation of the Risk Manager and Chief Administrative Officer, all claim settlements in excess of $100,000 shall be referred to the Board of Commissioners for approval prior to settlement.

11.3.5. Whenever practical and possible, departments will be consulted prior to offering any settlement or making a settlement recommendation to the Board of Commissioners.

11.3.6. No other department, official or employee has authority to settle a workers' compensation claim on behalf of Marion County.

12. Subrogation

12.1. **Marion County reserves the right of subrogation** and may choose to take action to recover all claims costs, administrative fees, and other expenses if the loss was caused by or the result of actions by a third party. Risk Management will investigate all claims and determine the potential for subrogation. The Risk Manager has the authority to pursue subrogation on behalf of the county.

12.2. **Whenever practical and possible**, departments will be consulted prior to the pursuit of subrogation.

12.3. **No other department,** official or employee has authority to subrogate claims on behalf of Marion County.

13. Safety Programs

13.1. **Marion County is committed to providing safe and healthful working conditions**. Under no circumstances will the risk of serious injury or death be considered an acceptable risk. Countywide Safety Programs shall be coordinated and overseen by Risk Management.

13.2. **Coverage**

13.2.1. For the purpose of the county's safety programs, the term workforce shall be understood to include employees, volunteers, trainees, and other persons for whom the county has engaged to provide services for Marion County.

13.3. **Responsibilities**

13.3.1. Each department is responsible for establishing and implementing a written occupational safety, health, and loss prevention program. As part of the department's program, the department shall ensure that it has either established its own departmental safety committee pursuant to OR-OSHA rules or has provided for a department representative to participate on a multi-departmental committee.

13.3.2. Risk Management will assist and consult with each department in the development and implementation of its occupational safety, health, and loss prevention programs.

13.4. **Imminent Danger**

13.4.1. Should a hazardous condition or work procedure create an imminent danger to the health or safety of any county employee or the public, any employee has the authority to issue a stop work order or initiate other emergency protocols until the condition or procedure is corrected.

14. Exclusions from Coverage

14.1. **The following are excluded from coverage by the Self-Insurance Fund**:

14.1.1. Civil or criminal fines, penalties, or restitution orders.

14.1.2. Awards or settlements including wages, salary or benefits or the interest thereon. Unless authorized by the Risk Manager.

14.1.3. Liquidated damages

14.1.4. Defense costs for employees or officials in criminal matters, except as provided by a collective bargaining agreement.

14.1.5. Attorneys' fees awarded as part of a declaratory action, relief, eminent domain, inverse condemnation, writ of mandamus, or writ of review.

14.1.6. Pollution or environmental clean-up or closure costs or third-party liability claims.

14.1.7. Exclusions under an excess insurance policy purchased by Marion County are also exclusions from coverage by the Insurance Fund. Unless authorized by the Risk Manager.

14.1.8. Injury claims by Adults in Custody and Juveniles in Custody while on work crews.

14.1.9. If disputes arise as to whether an expenditure should be paid from the Insurance Fund, that dispute shall be resolved by the Board of Commissioners.

MARION COUNTY

RISK MANAGEMENT PROGRAM RULES

~~10/1/2023~~11/4/2026

1 Table of Contents

2 PREFACE III

3 MARION COUNTY RISK MANAGEMENT POLICY STATEMENT: IV

4 MISSION: IV

1. DUTIES AND RESPONSIBILITIES 1

1.1. Risk Management Staff Responsibilities: 1
1.2. Elected Official and Department Head Responsibilities: 1
1.3. Supervisor and Manager Responsibilities: 2
1.4. Employees, Volunteers and Other Agents of the County Responsibilities: 3

2. INSURANCE 3

2.1. Self-Insurance 3
2.2. Commercial Insurance 4
2.5. Deductibles 4

3. SELF-INSURANCE FUND 4

3.1. The county shall maintain an account known as the Self-Insurance Fund 4
3.2. Cost Allocations 4
3.4. Expenditures from the Self-Insurance Fund 5

4. CONTRACTS AND RISK TRANSFER 5

5. INDEMNIFICATION 5

5.1. Coverage 6
5.2. Cooperation 6
5.3. Limitations 6

6. COUNTY-OWNED OR LEASED AUTOMOBILE INSURANCE 6

6.1. Marion County is self-insured for automobile liability pursuant to ORS 30.282. 6

7. EMPLOYEE-OWNED VEHICLES 6

7.1. Employees authorized to operate their personal vehicles 7

8. UNINSURED AND UNDERINSURED MOTORIST COVERAGE 7

9. PERSONAL INJURY PROTECTION (PIP) FOR AUTOMOBILE LIABILITY 7

9.1. MARION COUNTY'S SELF-INSURANCE PROVIDES THE OREGON STATUTORY MINIMUM COVERAGE FOR PERSONAL INJURY PROTECTION FOR NON-EMPLOYEE PASSENGERS IN MARION COUNTY VEHICLES WHEN INVOLVED IN A MOTOR VEHICLE INCIDENT. 7

10. LIABILITY CLAIMS 7

10.2. Types of Liability Claims Covered 8
10.3. Liability Claims Administration 8
10.4. Liability Claims Settlement and Payment 9

11. WORKERS' COMPENSATION 9

11.3. Workers' Compensation Settlements 10

12. SUBROGATION 10
13. SAFETY PROGRAMS 12
13.4. IMMINENT DANGER 12
14. EXCLUSIONS FROM COVERAGE 13
~~2 PREFACE ..... 2~~

2 Preface

The Marion County Risk Management Program Rules were originally established by Board Order # 02-15R on May 29, 2002, and last updated by Board Order #~~17~~23-~~152~~129 on ~~December 6, 2017.~~ October 26, 2023.

As of July 1, 2020, Marion County reorganized the Business Services department and established Human Resources as a separate department. Human Resources assumed administration of benefits for employee health and welfare and unemployment programs.

This document reflects updates to the Risk Management Program Rules and is effective November 4~~October 25~~, 202~~6~~3, and supersedes all previous program rules. If any section of these rules is contrary to local, state, or federal law, the law will govern. Should any section or portion of the rules be unlawful or unenforceable, all other sections and provisions shall remain in effect. Marion County reserves the right at any time to withdraw or amend any portion of these rules.

The Risk Management Program Rules are not intended to create any contract or rights involving third parties, including insurance companies.

Procedures consistent with the Marion County Risk Management (Risk Management) Policy Statement and these rules may be established by Risk Management to ensure the efficient administration of the Marion County Risk Management Program.

Risk Management Program Rules

Adopted: ~~–~~May 2002

Revised: ~~———~~ December 2017

Revised: ~~–~~October 2023

Revised: October 2026

3 Marion County Risk Management Policy Statement:

Marion County Risk Management (Risk Management) strives to cost-effectively protect the people, property, and finances of Marion County from loss. A safe, secure, and healthy working environment for our employees is of utmost priority. As stewards, Marion County recognizes the need to wisely manage public funds. The Marion County Board of Commissioners supports the need to adopt logical, sound risk management practices. The purpose of risk management shall be to preserve the assets of the organization against losses that have a negative financial consequence, including those that are catastrophic in nature. This policy applies to all risks of losses, such as fire, liability, theft, property damage, malpractice, illness, and injury, both direct and indirect.

The identification and management of risk is a collaborative effort involving every county employee. Risk Management s~~taff actively s~~eeks the input of department employees and leadership to effectively communicate potential risks and work together to implement recommendations aimed at eliminating or reducing risks. We encourage departments to embrace and implement the recommendations made by our risk management staff unless they can present valid justifications as to why they should not act on these recommendations. By fostering a collaborative approach, we can collectively enhance our risk management practices and ensure the financial well-being of Marion County.

4 Mission:

Our mission is to cost-effectively protect the people, property, and finances of Marion County.

As a program of Marion County Business Services, Risk Management seeks to provide the ultimate customer experience by contributing specialized program expertise and promoting quality service delivery that helps optimize and achieve each department's mission.

We strive to support the Marion County Mission by providing internal services and expertise ~~to~~for our community-focused operations and delivering excellence in everything we do.

We value customer service to our internal and external customers and seek solution-oriented approaches. We provide resources for training and consultations to support our departmental customers in their safety, loss prevention, and compliance efforts.

Our staff are knowledgeable experts in their roles, and we seek quality partners when outside expertise or services are appropriate.

We are honest, forthright, and ethical. We follow through on our commitments, and we hold one another and ourselves personally accountable.

While providing services, we seek to make the most efficient and effective use of public resources, and we work to continuously improve our services through collaboration, innovation, and competence.

1. Duties and Responsibilities

1.1. **Risk Management Staff Responsibilities:**

1.1.1. The Risk Manager will prepare and present to the Board of Commissioners an annual evaluation of each department's risk management performance and an annual report on the activities of the Marion County Risk Management Program.

1.1.2. Set goals and objectives for the Marion County Risk Management Program and measure program effectiveness and performance.

1.1.3. Administer the Self-Insurance Fund to cost-effectively balance risk retention and risk transfer and to ensure the county's ability to promptly recover from losses.

1.1.4. Provide loss prevention and loss control services to departments.

1.1.5. Review contracts and other agreements to ensure the appropriate transfer of risk to responsible parties.

1.1.6. Purchase and maintain all insurance policies.

1.1.6.1. Coordinate with Human Resources for the procurement of insurance policies and administrative services associated with employee benefits for health and welfare and unemployment as related to the Self-Insurance Fund.

1.1.7. Administer third party liability and workers' compensation claims either through a third-party administrator or self-administration.

1.1.8. Develop and monitor compliance with policies, procedures, and programs that:

1.1.8.1. Ensure the safety and well-being of county employees and the public.

1.1.8.2. Protect the county's property.

1.1.8.3. Limit liability, and related risk of financing costs.

1.1.9. Identify, analyze, evaluate, respond, monitor, and report/communicate risks.

1.1.10. Allocate costs associated with managing risks such as insurance premiums, self-insured retentions, and administrative costs to each county department.

1.1.11. Represent the county's interests in connection with compliance reviews and enforcement actions taken under state and federal insurance and safety regulations.

1.1.12. Maintain the official record of all claims, losses, insurance, and other risk-related expenses.

1.2. **Elected Official and Department Head Responsibilities:**

1.2.1. Consult with Marion County Legal Counsel (Legal Counsel) and the Risk Manager to assess the risk and impact of litigation upon the county.

1.2.2. If the elected official or department head chooses to proceed against the advice of the Risk Manager and Legal Counsel, and that choice results in

expense to the county, all costs, expenses, and awards may be charged against the department's budget at the discretion of the Board of Commissioners.

1.2.2.1. Alternatively, if the department head or elected official disagrees with the Risk Manager and Legal Counsel, they have the option to appeal to the Board of Commissioner for further review and consideration before making a final decision.

1.2.2.2. This provision does not in any way limit the settlement authority outlined in the Marion County Risk Management Program Rules.

1.2.3. Maintain and promote safe and healthful working conditions throughout their department.

1.2.4. Implement and maintain Risk Management and Loss Control procedures and practices.

1.2.5. Review all incidents involving their area of responsibility, cooperate and coordinate with Risk Management in the disposition and resolution of claims and recommendations for improvements.

1.2.6. Ensure equipment, facilities and programs incorporate safety measures consistent with applicable state and federal safety and health rules and best practices.

1.2.7. Manage operations in accordance with county standards and statutory requirements.

1.2.8. In consultation with Risk Management, and Legal Counsel if appropriate, determine risks presented by new work locations, projects, activities, or programs, along with methods to reduce or eliminate those risks.

1.2.9. Report new property values, disposal of insured assets, and significant changes in operations to Risk Management.

1.3. **Supervisor and Manager Responsibilities:**

1.3.1. Maintain a working knowledge of health and safety policies and codes.

1.3.2. Ensure employees have received required training and equipment.

1.3.3. Monitor employee compliance with established safety rules, practices, and procedures.

1.3.4. Conduct regularly scheduled safety meetings.

1.3.5. Immediately investigate all accidents and incidents and file reports in a timely manner.

1.3.6. Take immediate corrective action to eliminate hazardous conditions and consult with supervisor on all safety problems that cannot be corrected at the supervisor level.

1.3.7. Counsel and appropriately impose disciplinary action as corrective measures with employees for safety violations.

~~1.3.7.~~

1.4. **Employees, Volunteers and Other Agents of the County Responsibilities:**

1.4.1. Promote safety among co-workers and contribute to good communication on risk and safety matters.

1.4.2. Aid new employees by identifying job safety practices.

1.4.3. Apply the principles of accident prevention in daily work, and care for and use proper safety devices and protective equipment as required by work assignments.

1.4.4. Become familiar with and observe safety rules and safe work procedures during assigned activities.

1.4.5. Promptly report to immediate supervisor any accident, incident, injury, or occupational illness, regardless of the degree of severity, prior to the end of the work shift.

1.4.6. Cooperate with and assist in the investigation of accidents and incidents to identify correctable causes and to prevent their recurrence.

1.4.7. Promptly report to immediate supervisor all observed unsafe actions, practices, or conditions.

1.4.8. Maintain clean and orderly work areas.

1.4.9. Avoid horseplay and refrain from distracting others.

1.4.10. Dress in attire appropriate for the performance of assignments.

1.4.11. Cooperate with the implementation of recommendations intended to eliminate or reduce the risk of injury or illness.

2. Insurance

2.1. **Self-Insurance**

~~2.1.1.~~ Marion County is self-insured for general and automobile ~~,~~liability, unemployment, and workers' compensation~~, and liability claims~~.

2.2. **Commercial Insurance**

~~2.3.~~2.2.1. All commercial insurance purchases shall be made through Risk Management. The county may purchase insurance policies and bonds when assessed as reasonable and necessary to protect the county's interest.

~~2.4.~~2.3. **Insurance Broker/Consultant**

~~2.4.1.~~2.3.1. The Risk Manager may appoint a qualified consultant(s) and broker(s) to assist and advise in the consideration and placement of insurance policies as deemed necessary by the Risk Manager.

~~2.4.1.1.~~2.3.1.1. The Risk Manager will coordinate with Human Resources for the appointment of qualified consultant(s) associated with employee benefits for health and welfare and unemployment.

~~2.4.2.~~2.3.2. Placement of insurance policies shall be through the consultant(s) or broker(s) and shall be at the direction and control of the Risk Manager, giving due regard to the evaluation and recommendation of the consultant(s) or broker(s). Insurance purchased for the county may be obtained through negotiations directed by the consultant(s) or broker(s).

~~2.5.~~2.4. **Premium Payments**

~~2.5.1.~~2.4.1. Premiums for countywide insurance coverage shall be made in accordance with a cost allocation formula.

~~2.5.2.~~2.4.2. Departments shall be responsible for the cost of premiums associated with insurance coverage purchased for exposures specific to the department.

~~2.6.~~2.5. **Deductibles**

~~2.6.1.~~2.5.1. Departments shall be responsible for the first $1,500 of each claim paid by the self-insurance fund.

~~2.6.2.~~2.5.2. Commercial insurance deductibles may vary. After the self-insurance deductible is met, any remaining deductible or expense will be paid through the self-insurance fund.

3. Self-Insurance Fund

3.1. **The county shall maintain an account known as the Self-Insurance Fund**

3.1.1. The Self-Insurance Fund shall be maintained to provide sufficient operating funds and actuarially sound reserves for unpaid claims and contingency.

3.1.2. The Board of Commissioners may authorize the transfer of funds between cost centers within the Self-Insurance Fund.

3.2. **Cost Allocations**

3.2.1. Departmental contributions to the Self-Insurance Fund shall be made in accordance with a cost allocation formula. This formula may include factors such as type of business, exposure to loss, and claims experience. Expenses paid by the Self-Insurance Fund may be assessed to departments.

3.2.2. An actuarial study of the Self-Insurance Fund will be conducted every three years or as deemed necessary by the Risk Manager or as required by the Government Accounting Standards Board (GASB).

3.3. **Investment of the Self-Insurance Fund**

3.3.1. According to established county investment policy, the Marion County Treasurer shall invest the principal sums within the Self-Insurance Fund, and any interest earned shall be applied to the Self-Insurance Fund.

3.4. **Expenditures from the Self-Insurance Fund**

3.4.1. The following general classes of expenditures may be made from the Self - Insurance Fund:

~~3.4.2.~~3.4.1.1. Payment of claims.

~~3.4.3.~~3.4.1.2. Premiums for insurance purchased by the county at the direction of the Risk Manager.

~~3.4.4.~~3.4.1.3. Costs and expenses related to the administration, prevention, investigation, adjustment, and litigation of claims.

~~3.4.5.~~3.4.1.4. Costs and expenses related to the management of insurance and programs as described in these rules and regulations.

4. Contracts and Risk Transfer

4.1. **The county, where feasible, may transfer risk by contracting with other entities to provide ~~needed services~~the services needed**. These contracts may include hold harmless agreements and may require the other entities to comply with Marion County's insurance requirements.

4.1.1. Risk Management shall establish standardized insurance requirements to be included in all contracts, leases, and agreements to which the county is a party. Insurance requirements shall include, but not be limited to, types of insurance, minimum limits of insurance, and additional insured endorsements.

4.1.2. The Risk Manager has authority to waive or modify hold harmless or insurance requirements when the Risk Manager determines it is in the county's best interest to do so.

4.1.3. All requests by contracted agents to be indemnified by the county must be reviewed by the Risk Manager. The Risk Manager has the authority to grant indemnification to a contracted agent if the Risk Manager determines it is in the county's best interest to do so.

4.1.4. In the event of a loss to property that is not owned by Marion County and for which a department has contractually agreed to pay, the department will be responsible for any payment related to the loss, unless prior to entering into a contract with such a provision, the department has obtained written acknowledgement from the Risk Manager that such a loss is either covered by insurance or self-insurance pursuant to these rules.

~~4.1.4.~~

5. Indemnification

5.1. **Coverage**

5.1.1. Pursuant to ORS 30.285, Marion County shall defend, hold harmless and indemnify its elected officials, appointed officers, agents, and employees for any claim arising out of an alleged act or omission occurring in the performance of county duties which does not result from malfeasance in office, or willful or wanton neglect of duty.

5.2. **Cooperation**

5.2.1. Pursuant to ORS 30.287, all elected officials, appointed officers, agents, and employees of the county shall cooperate fully with the defense of claims. If an official, officer, agent, or employee fails to cooperate or otherwise acts in prejudice of the defense of a claim, the county may at any time reject the defense of the claim and may refuse to hold harmless or indemnify that person.

5.3. **Limitations**

5.3.1. In the event a complaint is filed with the Oregon Ethics Commission against a county employee or official, the county will not be responsible to defend or indemnify that employee or official. If, upon final resolution of the complaint arising from the performance of county duties, and the employee or official is found to be not in violation of the law, the employee or official may submit a request for reimbursement of actual legal representation fees and costs to the Board of Commissioners. The Board's decision whether to reimburse all or part of the actual expenses to the employee or official shall be final.

5.3.2. In the event a complaint is filed with a state licensing board against a county employee or official, the county will not be responsible to defend or indemnify that employee or official. If, upon final resolution of the complaint arising from the performance of county duties, and the employee or official is found to be not in violation, the employee or official may submit a request for reimbursement of actual legal representation fees and costs to the Board of Commissioners. The Board's decision whether to reimburse all or part of the actual expenses to the employee or official shall be final.

6. County-Owned or Leased Automobile Insurance

6.1. **Marion County is self-insured for automobile liability pursuant to ORS 30.282.**

6.1.1. In the event of damage to or loss of a county-owned or leased motor vehicle, the department is responsible for paying the first $1,500 to repair or replace the vehicle. If the amount of loss exceeds $1,500, the Self-Insurance Fund will pay the amount over $1,500 to repair or replace the vehicle up to the actual cash value of the vehicle.

6.1.2. County coverage for vehicles leased or not owned by the county is excess over any other valid and collectible insurance. County officials, employees and agents are required to purchase the maximum liability coverage available from leasing rental companies.

7. Employee-Owned Vehicles

7.1. **Employees authorized to operate their personal vehicles**

~~7.1.1.~~ Employees that are authorized to operate their personal vehicles on county business are responsible for carrying automobile liability insurance. ~~-~~When an employee's personal vehicle is used on county business, the employee's personal automobile liability insurance policy is primary. ~~-~~The Self-Insurance Fund coverage is secondary.

7.1.1.

~~7.2.~~ The county does not provide~~:~~

~~7.2.1.~~7.1.2. Collision, comprehensive or uninsured motorist coverage or personal injury protection for privately owned vehicles used on county business.

8. Uninsured and Underinsured Motorist Coverage

8.1. **Marion County provides self-insurance for uninsured and underinsured motorist coverage only** for county owned and leased vehicles at the minimum limits set by ORS 806.070.

8.1.1. $25,000 because of bodily injury to or death of one person in one accident.

8.1.2. Subject to that limit for one person, $50,000 because of bodily injury to or death of two or more persons in any one accident; and

8.1.3. $20,000 because of injury to or destruction of the property of others in any one accident.

8.2. **The county regards private vehicles** operated by employees, volunteers, interns, or contract employees as not under county control. In the event a court of competent jurisdiction should determine that Marion County, as a self-insured local government, must provide uninsured motorist coverage on one or more of these classes of private vehicles, the limits of the county's coverage are as stated above.

9. Personal Injury Protection (PIP) for Automobile Liability

9.1. Marion County's self-insurance provides the Oregon statutory minimum coverage for Personal Injury Protection for non-employee passengers in Marion County vehicles when involved in a motor vehicle incident.

~~8.2.~~

~~9.~~10. Liability Claims

~~9.1.~~ **Liability claims are claims directed at the county**, its elected officials, appointed officers, agents, or employees, which arise under the Oregon Tort Claims Act, 42 USC, section 1983, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, as amended or any similar state or federal statute or administrative rule addressing civil rights or employment discrimination.

~~9.2.~~10.2. **Types of Liability Claims Covered**

~~9.2.1.~~10.2.1. Coverage for third party liability claims provided by the Self-Insurance Fund includes:

~~9.2.1.1.~~10.2.1.1. Comprehensive General Liability.

~~9.2.1.2.~~10.2.1.2. Comprehensive Automobile Liability.

~~9.2.1.3.~~10.2.1.3. Errors and Omissions.

~~9.2.1.4.~~10.2.1.4. Personal Injury.

~~9.2.1.5.~~10.2.1.5. Malpractice.

~~9.3.~~10.3. **Liability Claims Administration**

~~9.3.1.~~10.3.1. Liability claims shall be administered pursuant to these rules and be subject to the general direction of the Risk Manager and Legal Counsel.

~~9.3.2.~~10.3.2. Initial claim reserves will be established upon receipt of a claim. Initial reserves will include the anticipated cost of legal and investigation fees necessary to establish the merits of the claim. Following a determination of the compensability of the claim, reserves for the ultimate probable expense shall be established.

~~9.3.3.~~10.3.3. Risk Management is responsible for investigating, evaluating, and analyzing all liability claims filed against the county. The Risk Manager may authorize the services of a third-party administrator to administer and manage claims. Departments will cooperate with and assist the Risk Manager or third-party administrator in the investigation and management of claims.

~~9.3.4.~~10.3.4. Liability claims shall be investigated to determine the level of liability and to determine the economic cost of settlement versus litigation. If it is determined that it is in the county's best interest to enter into a settlement agreement, the payment will be the amount reasonably necessary to settle the claim. If it is determined that the county is not liable for a loss, or the claim cannot be settled for a reasonable amount, the county will deny and defend against the claim.

~~9.3.5.~~10.3.5. The county shall defend itself against all nuisance claims. However, if the Risk Manager and Legal Counsel agree that the cost to defend a disputed claim is greater than the settlement amount, it is within their discretion to settle that claim, subject to the limitations outlined in the Marion County Risk Management Program Rules.

~~9.3.6.~~10.3.6. Legal Counsel is responsible for defending the County when litigation has been filed or is expected to be filed.

~~9.3.6.1.~~10.3.6.1. Outside counsel may be hired in cases of conflicts of interest or when a claim is complex, unusual, or when special skill or experience is required to advise or represent the county. Legal Counsel shall select and monitor outside counsel in consultation with the Risk Manager. Legal Counsel and the Risk Manager shall work with outside counsel to define a plan for the defense or prosecution of a claim. Pursuant to these

guidelines, the Self-Insurance Fund or the department will pay the cost of outside counsel.

~~9.4.~~10.4. **Liability Claims Settlement and Payment**

~~9.4.1.~~10.4.1. The Self-Insurance Fund will pay punitive damages when they are awarded as the result of litigation for which the county has provided defense and indemnification to the ~~involved employee~~employee involved.

~~9.4.2.~~10.4.2. Prior to litigation, the Risk Manager has the authority to settle **any claim** for actual property damages up to $50,000. The Risk Manager has the authority to settle prior to litigation any claim for damages other than actual property damage in an amount not to exceed $25,000 per cause of action. These settlement authorities are not combinable.

10.4.3. The Business Services Director shall have the same authority as the Risk Manager and shall act in the Risk Manager's absence.

~~9.4.3.~~10.4.4. After litigation has been filed, Legal Counsel, in consultation with the Risk Manager, has authority to settle any claim in an amount not to exceed $50,000.

~~9.4.4.~~10.4.5. Upon the recommendation of Legal Counsel and the Risk Manager, the Chief Administrative Officer has the authority to approve settlement of any single claim up to $100,000.

~~9.4.5.~~10.4.6. Any claim settlement in excess of $100,000 shall be referred to the Board of Commissioners for approval prior to settlement.

~~9.4.6.~~10.4.7. No other department, official or employee has authority to settle a liability claim on behalf of Marion County.

10.4.8. Whenever practical and possible, departments will be consulted prior to offering any settlement or making a settlement recommendation to the Board of Commissioners.

~~9.4.7.~~

~~10.~~11. Workers' Compensation

~~10.1.~~11.1. **The county places high priority on the safety and well-being of its workers.** When a worker is injured on the job, the county's primary objective is to assist them in obtaining the workers' compensation benefits they are qualified to receive, in addition to bringing them back to work within their physical capacity as soon as possible.

~~10.2.~~11.2. **The county shall comply with the State of Oregon workers' compensation laws, orders, and rules,** along with county policies regarding the treatment of injured workers. Workers' Compensation Claims Administration

~~10.2.1.~~11.2.1. Risk Management is responsible for investigating, evaluating, and analyzing all workers' compensation claims. The Risk Manager may authorize the services of a third-party administrator to investigate or manage claims and may employ the services of rehabilitation organizations to assist injured workers when necessary.

~~10.2.2.~~11.2.2. Risk Management shall collaborate with injured workers and departmental supervisors in facilitating early return-to-work options by providing transitional duties within their restrictions.

~~10.2.3.~~11.2.3. The Risk Manager may appoint outside Legal Counsel with ~~an~~ exppertise in workers' compensation matters to defend the county ~~on~~ for workers' compensation claims, claim denials, and appeals involving litigation.

11.2.4. Initial claim reserves will be established upon receipt of a claim. Initial reserves will anticipate the cost of legal and investigation fees necessary to make a compensability decision. Compensable claims shall be reserved for the ultimate probable expense.

~~10.2.4.~~11.2.5. Workers' Compensation coverage applies to volunteers in the Sheriff's Office Search and Rescue program. Coverage starts at the time they are within the State of Oregon and start responding to a callout. Coverage ends at the time the volunteer signs out from the event.

~~10.3.~~11.3. **Workers' Compensation Settlements**

11.3.1. The Risk Manager has authority to settle any ~~claim~~ workers' compensation claim in an amount not to exceed $50,000 per cause of action.

11.3.2. The Business Services Director shall have the same authority as the Risk Manager and shall act in the Risk Manager's absence.

~~10.3.1.~~

~~10.3.2.~~11.3.3. Upon recommendation of the Risk Manager, the Chief Administrative Officer may approve settlement of any claim in an amount more than $50,000, but not exceeding $100,000.

~~10.3.3.~~11.3.4. Upon joint recommendation of the Risk Manager and Chief Administrative Officer, all claim settlements in excess of $100,000 shall be referred to the Board of Commissioners for approval prior to settlement.

~~10.3.4.~~11.3.5. Whenever practical and possible, departments will be consulted prior to offering any settlement or making a settlement recommendation to the Board of Commissioners.

~~10.3.5.~~11.3.6. No other department, official or employee has authority to settle a workers' compensation claim on behalf of Marion County.

~~11.~~12. Subrogation

~~11.1.~~12.1. **Marion County reserves the right of subrogation** and may choose to take action to recover all claims costs, administrative fees, and other expenses if the loss was caused by or the result of actions by a third party. Risk Management will investigate all claims and determine the potential for subrogation. The Risk Manager has the authority to pursue subrogation on behalf of the county.

~~11.2.~~12.2. **Whenever practical and possible**, departments will be consulted prior to the pursuit of subrogation.

~~11.3.~~ **No other department,** official or employee has authority to subrogate claims on behalf of Marion County.

~~12.~~13. Safety Programs

~~12.1.~~13.1. **Marion County is committed to providing safe and healthful working conditions**. Under no circumstances will the risk of serious injury or death be considered an acceptable risk. Countywide Safety Programs shall be coordinated and overseen by Risk Management.

~~12.2.~~13.2. **Coverage**

~~12.2.1.~~13.2.1. For the purpose of the county's safety programs, the term workforce shall be understood to include employees, volunteers, trainees, and other persons for whom the county has engaged to provide services for Marion County.

~~12.3.~~13.3. **Responsibilities**

~~12.3.1.~~13.3.1. Each department is responsible for establishing and implementing a written occupational safety, health, and loss prevention program. As part of the department's program, the department shall ensure that it has either established its own departmental safety committee pursuant to OR-OSHA rules or has provided for a department representative to participate on a multi-departmental committee.

~~12.3.2.~~13.3.2. Risk Management will assist and consult with each department in the development and implementation of its occupational safety, health, and loss prevention programs.

~~12.4.~~13.4. **Imminent Danger**

13.4.1. Should a hazardous condition or work procedure create an imminent danger to the health or safety of any county employee or the public, any employee has the authority to issue a stop work order or initiate other emergency protocols until the condition or procedure is corrected.

~~12.4.1.~~

~~13.~~14. Exclusions from Coverage

~~13.1.~~14.1. **The following are excluded from coverage by the Self-Insurance Fund**:

~~13.1.1.~~14.1.1. Civil or criminal fines, penalties, or restitution orders.

~~13.1.2.~~14.1.2. Awards or settlements including wages, salary or benefits or the interest thereon. Unless authorized by the Risk Manager.

~~13.1.3.~~14.1.3. Liquidated damages

~~13.1.4.~~14.1.4. Defense costs for employees or officials in criminal matters, except as provided by a collective bargaining agreement.

~~13.1.5.~~14.1.5. Attorneys' fees awarded as part of a declaratory action, relief, eminent domain, inverse condemnation, writ of mandamus, or writ of review.

~~13.1.6.~~14.1.6. Pollution or environmental clean-up or closure costs or third-party liability claims.

14.1.7. Exclusions under an excess insurance policy purchased by Marion County are also exclusions from coverage by the Insurance Fund. Unless authorized by the Risk Manager.

~~13.1.7.~~14.1.8. Injury claims by Adults in Custody and Juveniles in Custody while on work crews.

~~13.1.8.~~14.1.9. If disputes arise as to whether an expenditure should be paid from the Insurance Fund, that dispute shall be resolved by the Board of Commissioners.

BEFORE THE BOARD OF COMMISSIONERS

FOR MARION COUNTY, OREGON

In the Matter of Updating Marion County)
Risk Management Program Rules)

ORDER No. _____

This matter came before the Marion County Board of Commissioners at its regularly scheduled public meeting Wednesday, November 4, 2026, to consider the adoption of updated Marion County Risk Management Program Rules.

WHEREAS, the board adopted Marion County Risk Management Program Rules in 1978; and

WHEREAS the board finds it appropriate to accept the revisions to Marion County Risk Management Program Rules; now therefore,

IT IS HEREBY ORDERED that revised Marion County Risk Management Program Rules attached hereto as Exhibit A, are adopted.

DATED at Salem, Oregon, this *4th* day of *November, 2026.*

MARION COUNTY BOARD OF COMMISSIONERS

_____
Chair

_____
Commissioner

_____
Commissioner

Attachments:
Exhibit A: Policy 507 (Final)
Policy 507 (Redline)