



CO00018394

SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 07-045

RELATING TO CLAIMS AGAINST THE COUNTY;
AMENDING CHAPTERS 2.90 AND 4.21 SNOHOMISH COUNTY CODE

BE IT ORDAINED:

Section 1. Snohomish County Code Section 2.90.020, last amended by Ordinance No. 96-006 on March 13, 1996, is amended to read:

2.90.020 Definitions.

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

(1) "Claim" means any claim for damages based on alleged conduct of the county, or employee(s), officers, or volunteers of the county arising while performing or in good faith purporting to perform his or her official duties as set forth in RCW 4.96.020 as presently enacted or hereafter amended.

(2) "Council" means the Snohomish county council;

(3) "Executive" means the Snohomish county executive or his/her designee;

(4) "Incident" means any accident, event, activity, or series of events involving one or more individuals which may result in the filing of a formal claim for damages or reimbursement. An incident report shall not constitute a formal claim for damages.

(5) "Insurance fund" means that fund provided in Title 4 SCC;

(6) "Lawsuit" means any lawsuit, including any lawsuit brought pursuant to Ch. 4.96 RCW as presently enacted or hereafter amended, naming the county or employee, officer or volunteer of the county for acts or omissions arising while performing or in good faith purporting to perform his or her official duties, as defendant or third party defendant, and seeking, at least in part, money damages;

(7) "Prosecuting attorney" means the prosecuting attorney of Snohomish county and such regular and special deputies as are assigned to perform functions referred to herein;

1 (8) "Risk management" shall mean a coordinated and continuous
2 management process to identify and analyze potential loss exposures, to apply
3 where possible reasonable and effective processes to transfer or reduce the risk
4 of loss so as to preserve the assets of Snohomish county. Risk management
5 shall include insurance purchase and management of insurance policies for the
6 county, the ~~((determining))~~ determination and setting of adequate reserves in the
7 county insurance fund, claims management, providing legal defense to the
8 county, ~~((and))~~ loss prevention and management of safety and industrial
9 insurance programs;

10 (9) "Risk manager" shall mean the director of the department of finance or
11 the director's designee.

12 (10) "Designated insurance broker" means an insurance broker who is
13 under contract to provide assistance to the risk management committee;

14 ~~((10) "Third party claims administrator" means a non-county entity hired
15 to investigate incidents, process claims, collect and analyze loss/claims data for
16 the county and the county insurance carriers.))~~

17 Section 2. Snohomish County Code Section 2.90.050, last amended by
18 Ordinance No. 96-006 on March 13, 1996, is amended to read:

19
20 **2.90.050 Incident and claims handling procedures.**

21 (1) Service and Filing. In accordance with RCW 4.96.020(2), claims
22 against the county shall be filed with the ~~((clerk of the council))~~ risk management
23 division of the department of finance and, in accordance with RCW 4.28.080(1),
24 summons and complaints shall be served upon the auditor. No officer, employee
25 or volunteer of the county may waive the service and/or filing requirements.

26 (2) Transmittal. ~~((The clerk of the council and county auditor shall
27 transmit copies of the claim or lawsuit to the finance director within three days of
28 filing.))~~ The ((Finance Director)) risk manager shall transmit copies of ((the))all
29 claims, ((or))and the auditor shall transmit copies of all lawsuits, to the
30 prosecuting attorney ((or the third party administrator,)) and department involved
31 in the claims or lawsuits within ((three)) two (2) business days of receipt, ((and in
32 accordance with the recommendation requirements of SCC 2.90.060)). The risk
33 manager shall submit a claim report to the council each quarter, or more often,
34 as requested by the council.

1 Section 3. Snohomish County Code Section 2.90.060, last amended by
2 Ordinance No. 96-006 on March 13, 1996, is amended to read:

3
4 **2.90.060 Claims and lawsuit disposal procedure.**

5 (1) The risk manager shall have the authority to settle any claim or lawsuit
6 in which the amount of the settlement does not to exceed \$15,000. If the risk
7 manager is unavailable, the director of the department of finance may approve
8 such settlements.

9 (2) The executive shall have the authority to settle claims and lawsuits
10 ~~((for up to \$50,000))~~ in which the amount of the settlement is between \$15,000 to
11 \$100,000 for any incident ((PROVIDED that the settlement is upon)) with the
12 recommendation of(=:) the prosecuting attorney.

13 ~~((a) The third party administrator for negligence claims up to \$10,000;~~
14 ~~or~~

15 ~~(b) The prosecuting attorney.)~~

16 ~~((FURTHER))~~PROVIDED that if the aggregate amount of all claims or lawsuits
17 settled as a result of a single incident exceeds ~~(((\$50,000))~~ \$100,000, then
18 approval by the county council shall ((approve)) be required for the settlement of
19 those claims or lawsuits which would exceed the(((\$50,000)) \$100,000 limit per
20 incident.

21 ~~((2))~~(3) The county council shall approve all settlements of claims and
22 lawsuits for amounts in excess of ~~(((\$50,000))~~ \$100,000. The prosecuting
23 attorney shall make recommendations to the executive and the council for
24 proposed settlements of lawsuits or claims for amounts in excess of ~~(((\$50,000))~~
25 \$100,000.

26 Section 4. A new section 2.90.065 is added to Chapter 2.90 Snohomish County
27 Code to read:

28 **2.90.065 Denial of claims.**

29 The risk manager is authorized to deny any claim made against the county
30 if the risk manager determines that the claim is without merit or that the county
31 has no legal liability.

1 Section 5. Snohomish County Code Section 4.21.010, last amended by
2 Ordinance No. 04-115 on November 22, 2004, is amended to read:

3 **4.21.010 Insurance fund.**

4 (1) Creation. There is hereby created an internal service fund to be
5 known as the Snohomish county insurance fund.

6 (2) Permissible Uses. Permissible uses of the insurance fund shall be
7 limited to the following:

8 (a) Payment of claims and related investigative cost;

9 (b) Payment of negotiated settlements;

10 (c) Payment of judgments;

11 (d) Payment of the costs of litigation, including but not limited to attorney's
12 fees and the costs of discovery and witnesses;

13 (e) Payment of insurance premiums;

14 (f) Payment of insurance deductibles;

15 (g) Cost of operating the ~~((safety function of))~~ risk management division
16 within the department of finance;

17 (h) Cost of operating the insurance support function of the prosecuting
18 attorney's office;

19 (i) Payment of industrial insurance supplemental assessments as levied
20 by the state of Washington;

21 (j) Payment of unemployment compensation claims;

22 (k) Payment of employment related claims for settlement of issues,
23 including but not limited to, grievances, employee disciplinary claims, and
24 employment discrimination claims.

25 Expenditures from the insurance fund or any account therein shall be
26 made by the director of finance or the director's designee.

27 (3) Review. The operation of the insurance fund shall be reviewed
28 annually by the director of finance. The report shall include the amounts of all
29 expenses of the insurance fund; settlements by insurance carriers in behalf of the

1 county; and all moneys recovered by the county for recovery of losses. Expenses
2 for claims, negotiated settlements, insurance settlements, judgments, litigation,
3 and their related costs and costs of recovery, unrecovered losses, and recovered
4 moneys shall be individually identified.

5 (4) Fire Insurance Reserve.

6 (a) The fire insurance cumulative reserve established by Ordinance 80-
7 103, chapter 4.52 SCC is hereby transferred to and will be maintained as a
8 cumulative account in the insurance fund as hereby established as retained
9 earnings: reserved for fire losses of said insurance fund.

10 (b) The balance in retained earnings: reserved for fire losses account,
11 shall be maintained at not less than \$250,000.

12 (c) The contributions to the account by the county enterprises,
13 departments or divisions to meet the minimum total deposit of \$250,000 shall be
14 the difference between the amount on deposit in the existing fire insurance
15 cumulative reserve fund as of the effective date of this chapter and the \$250,000
16 minimum deposit. This difference is to be prorated over not more than the
17 following two years to complete the funding.

18 (d) Subsequent contributions to the account will be determined on the
19 amounts paid out in claims in the previous year. The director of finance shall
20 calculate the proration annually based upon the enterprise, department or
21 division proportionate share of total building values occupied and/or controlled.

22 (e) This account is to be used to pay for the benefit of affected offices or
23 departments for losses on county buildings not recoverable under insurance
24 policies where a decision is made to rebuild or repair.

25 (5) Funds contained in the insurance cumulative reserve (6-02-100-
26 000) and the industrial insurance cumulative reserve (6-02-130-000) are hereby
27 transferred to and shall be maintained as separate accounts in the insurance
28 fund and will hereby become known as retained earnings: reserved for auto and
29 general liability losses, and retained earnings: reserved for worker's
30 compensation losses. These accounts are cumulative reserve funds established
31 by RCW 36.33.020. The reserved for worker's compensation account shall be
32 maintained at all times as required by the state director of labor and industries.

33 (6) The cash balances in the self insurance claim revolving fund and
34 worker's compensation claim revolving fund are hereby transferred to the
35 insurance fund and shall be handled as separate accounts therein, to be
36 designated self-insurance claim revolving account and worker's compensation
37 claim revolving account.

1 (7) There is hereby created a separate account in the insurance fund
2 known as retained earnings; reserved for unemployment compensation claims.

3 (8) The fund is to be administered in accordance with the system of
4 accounting approved by the state auditor (BARS), and anything not consistent
5 therewith in this section shall be of no force and effect.

6
7 PASSED this 6th day of June, 2007.

8
9 SNOHOMISH COUNTY COUNCIL
10 Snohomish County, Washington

11 *Dave Garrett*
12 Chairperson
13

14
15 ATTEST:

16 *Barbara Sitopst*
17 Clerk of the Council, *Asst.*
18

19
20 APPROVED

21
22 () EMERGENCY

23
24 () VETOED

25 DATE: 6/8/07

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27
28 *[Signature]*
29 County Executive

30
31 ATTEST:

32 *Core E. Palmer*
33

34
35 MARK SOINE
36 Deputy Executive

37 Approved as to form only:

38 *John W. [Signature]* 5/10/07
Deputy Prosecuting Attorney