

DCO

**DURHAM
COUNTY**

DCO
NC

★ ★ ★ 1881 ★ ★ ★

Risk Management

> FY26 Update and FY27 Priorities

Risk Management Protects the County

Reducing Risk. Controlling Costs. Protecting Operations.

Protecting the County Through Strategic Insurance

Coverage Oversight

- General Liability (incl. law enforcement, auto)
- Workers' Compensation
- Property & Assets
- Cyber & Professional Liability

Financial Protection

- Negotiates renewals & pricing
- Identifies loss trends
- Tracks cost drivers

Claims Governance

- Reviews & approves claims
- Ensures consistency
- Protects County interests

Why it matters: Minimizes financial exposure and stabilizes insurance costs



Reducing Risk Before It Happens: Contract Review



1. Risk Transfer

- Enforces insurance requirements
- Strengthens indemnification language
- Limits County liability



2. Smart Decision Support

- Aligns requirements to risk level
- Reviews scope for exposure
- Advises departments



3. Compliance Assurance

- Verifies COIs
- Flags high-risk vendors/activities

Why it matters: Shifts risk away from the County and prevents costly disputes



Identifying and Managing Emerging Risks

- Identifies operational risks
- Recommends mitigation strategies
- Tracks measurable outcomes

Proactive Risk Management

- Cyber & ransomware
- Climate-related risks
- Regulatory changes
- Social liability trends

Emerging Threats

- Supports business continuity
- Aligns with emergency management
- Strengthens compliance

Continuity & Resilience

Why it matters: Prevents disruptions and protects essential services




The background of the slide is a repeating pattern of the Durham County logo and the text "DURHAM COUNTY". The logo consists of two interlocking circles, with "DURHAM COUNTY" written above and "1881" below. The text "DURHAM COUNTY" is also repeated in a grid pattern across the entire background.

FY26 Key Successes

FY26: Delivering Measurable Risk Reduction & Cost Control


Stabilized Insurance Costs

- Reduced total premiums while increasing coverage
- Increased cyber liability to \$10M
- Reduced APD to \$10k deductible, resulting in \$120k in savings

 *Protected budget and reduced financial volatility*


Strengthened Property Valuation Accuracy

- First Appraisal since 2016
- Verified facility assets over \$1.2B
- Provides ACV and reconstructions valuations for the property carrier

 *Ensured appropriate coverage and avoided financial gaps*


Improved Financial Risk Forecasting

- Enhanced reserve accuracy for claims
- Increased visibility into future liabilities
- Rebuilt the actuarial review process to align with the County's fiscal year
- Actual loss data, not modeled projections

 *Better budgeting and financial planning*

Increased Departmental Engagement

- Strengthened partnerships across departments
- Improved risk awareness and collaboration

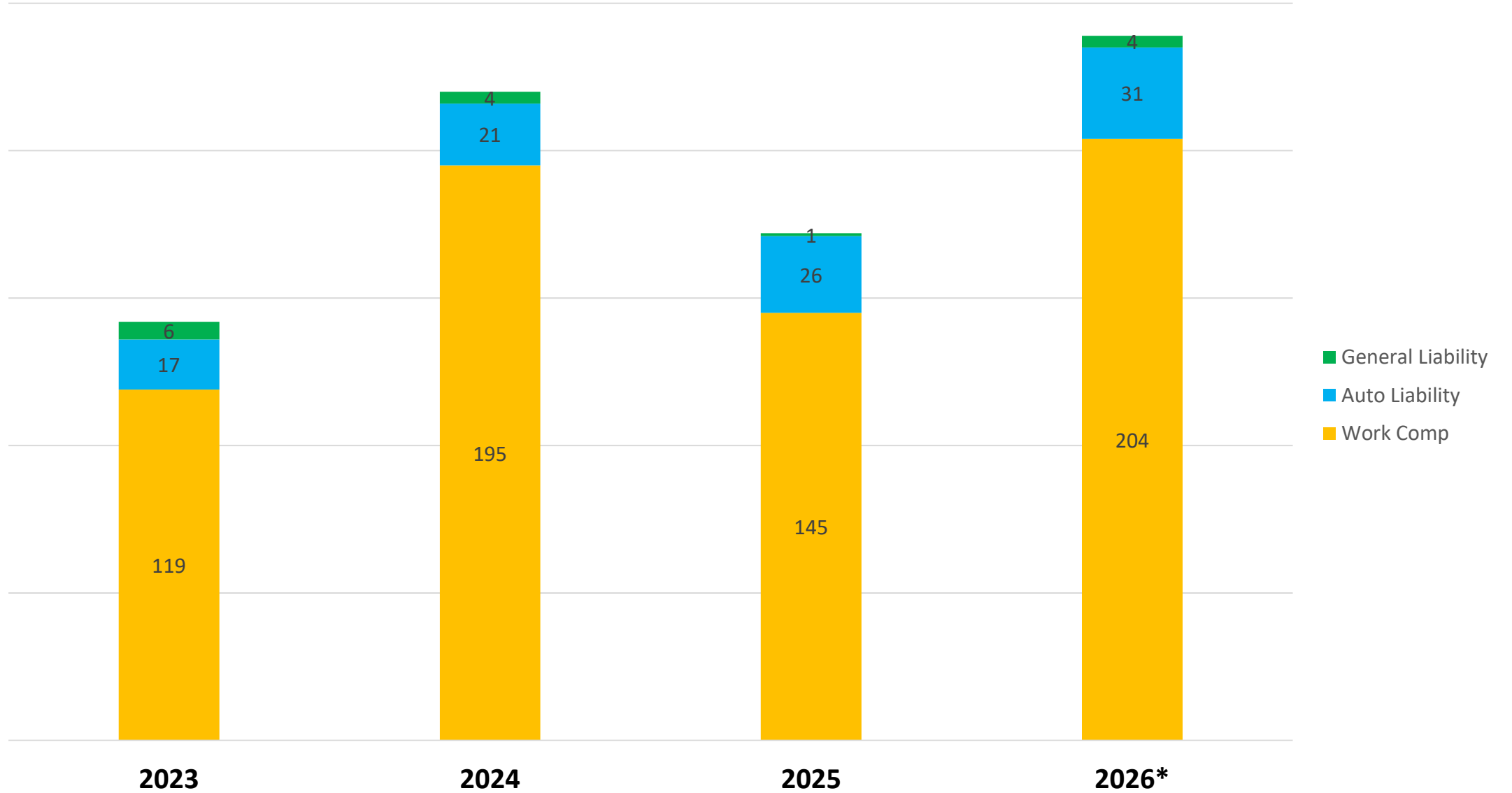
 *Earlier risk identification and better decisions*



The background of the slide is a repeating pattern of the Durham County logo. Each logo consists of a shield with the text 'DURHAM COUNTY' at the top, '1881' at the bottom, and a central emblem featuring a stylized 'DC' and a sunburst. The logos are arranged in a grid and are semi-transparent, creating a textured effect.

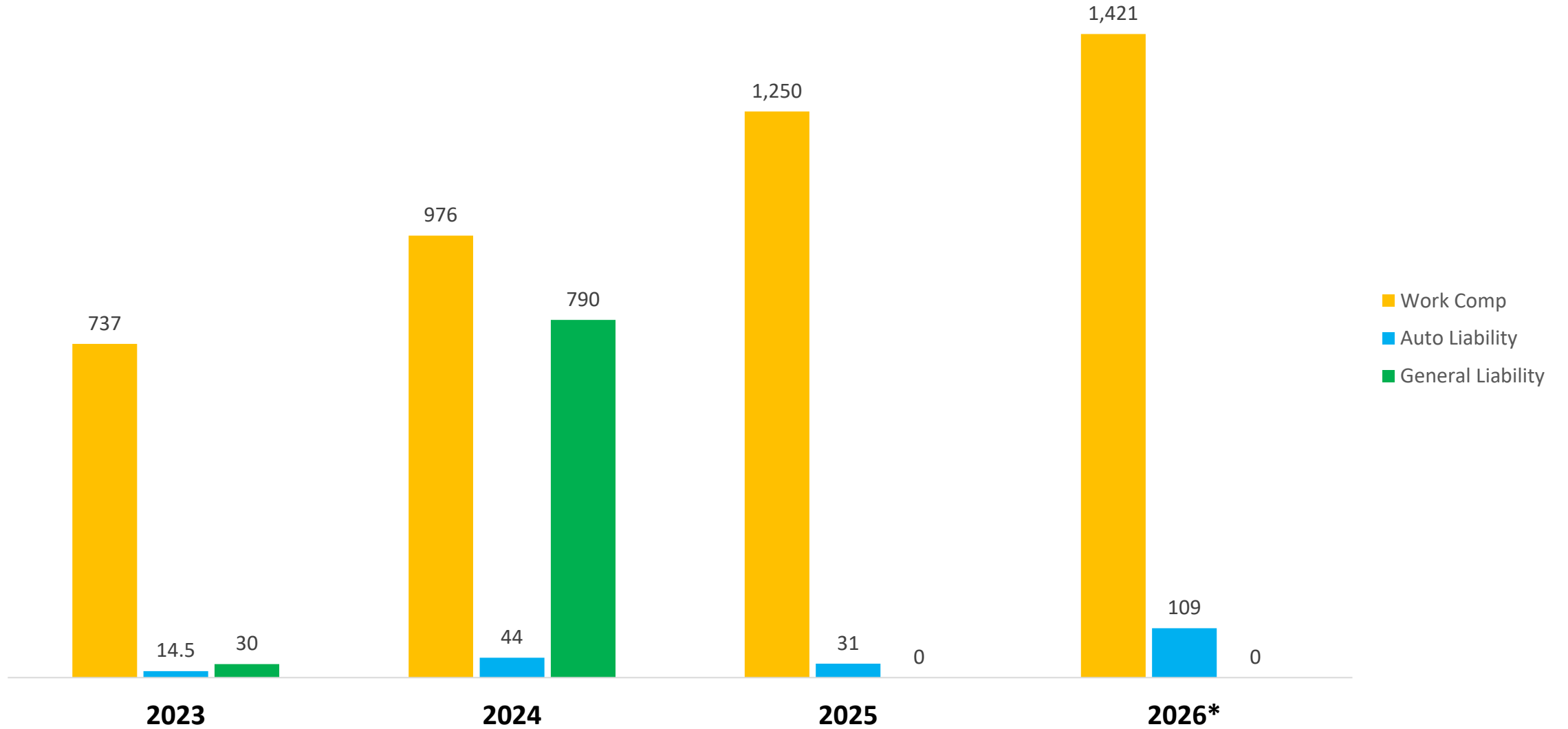
Trends

Claim Count



**2026 still in progress, numbers not final*

Claim Payments (\$K)



**2026 still in progress, numbers not final*

The background of the slide is a repeating pattern of Durham County logos and seals. Each logo consists of the words 'DURHAM COUNTY' above a stylized 'DCO' monogram. The seal is a shield-shaped emblem with 'DURHAM COUNTY' at the top, the 'DCO' monogram in the center, and the year '1881' at the bottom. The entire pattern is rendered in a light, semi-transparent blue color against a darker blue background.

Looking Ahead: Goals and Needs for Risk Management

Additional FTE: Reducing Risk & Controlling Costs in FY27

1. Demand is Outpacing Capacity

- County growth is increasing risk exposure
- Current staffing limits proactive engagement

3. Improves Service & Response Across Departments

- Faster response times
- More consistent risk guidance
- Stronger adoption of best practices

2. Proactive Risk Management Reduces Costs

- Enables early intervention safety efforts
- Expands targeted, data-driven risk strategies

4. Below Peer Staffing Levels

- Comparable agencies support risk with larger teams

This is not a staffing increase — it is a cost containment strategy



Risk Insurance Analyst

Role Responsibilities

Insurance Program Management

- Maintains and optimizes insurance portfolio
- Oversees Certificates of Insurance (COI) process

Risk & Contract Oversight

- Conducts contract and insurance reviews
- Strengthens risk transfer and compliance

Training & Partnership

- Delivers insurance and COI training
- Increases departmental risk awareness

Financial Recovery

- Manages insurance recovery efforts
- Improves claim reimbursement outcomes



Business Impact

Proactive Risk Reduction

- Earlier identification of risks
- Fewer incidents and claims

Cost Containment

- Improved claim recovery
- Reduced long-term liability costs

Operational Efficiency

- Faster COI processing and contract review
- Improved department response times

Stronger Compliance

- Consistent application of insurance requirements
- Reduced audit and legal exposure

Investment & Market Benchmark

Proposed Salary Range:

👉 \$78K – \$85K

Market Comparison:

- Office of State Auditor: \$58K – \$102K
- City of Durham: \$66K – \$102K
- UNC Health: \$63K – \$103K

Positioned competitively to attract qualified talent

This role is the engine that allows us to scale proactive risk management—reducing claims, improving recovery, and protecting County resources.



FY27 Priorities: Expanding Proactive Risk Management

1. Build Capacity

- Onboard Risk Analyst
- Expand proactive support

2. Reduce Risk Exposure

- Expand risk assessments across departments
- Target high-risk trends

3. Strengthen Safety Culture

- Launch employee safety engagement initiatives (Safety Carnival, quarterly Safety Challenges, etc.)
- Increase behavioral safety awareness
- Rewards and Recognition Program

4. Enhance Data & Insights

- Implement claims & insurance dashboards
- Improve leadership reporting

These initiatives shift the County from reactive response to proactive risk prevention, reducing long-term costs and improving operational resilience.



Questions