CITY OF GRAND PRAIRIE
HUMAN RESOURCES POLICIES AND PROCEDURES

Section D: **RISK MANAGEMENT**	Approved by:
No. 6: **Damage/Loss Claims Processing Procedures**	City Manager
Effective Date: 10-1-2022	Supersedes: D6, 9-1-10

1.0 Purpose:

The purpose of this policy is to establish guidelines for processing and reporting claims involving damage and/or loss to City vehicles, equipment, and property ("Property"). It also provides for expedient repairs to vehicles to preserve their appearance for the sake of the City's image, and notice of potential claims involving other parties.

2.0 Policy:

2.1 The City has established a Risk Management Program and Fund to account for, among other things, loss/damage claim expenses involving Property covered by insurance. Damage to or loss of Property that does not qualify for use of the Risk Management Fund will be paid from the department's budget.

2.2 An approved claim shall be reimbursed from the Risk Management Fund if:

a. It is reported within the required time;
b. It is an asset listed on the TML property schedule;
c. All the receipts, estimates, and documentation are timely provided to Legal; **and**
d. It involves:
   1) any loss or damage to a vehicle, regardless of cost; or
   2) for any other Property, loss or damage that exceeds the City's deductible (typically $10,000).

2.3 Claim expenditures shall be tracked by Accounting Unit and Code. The pro rata share of the Property/Liability insurance costs that are charged to operating budgets will be adjusted annually based on prior year audited department/division expenses/loss experience. The increase or decrease in property/liability insurance costs charged to departments budgeted in the General Fund will impact budget target numbers.

2.4 Annually, Finance, Legal, and the Risk Management consultant shall identify costs by the following categories and develop departmental charges to cover the costs: (1) Property Coverage; (2) Liability Coverage; (3) Re-Insurance Coverage; (4) Program Overhead; and (d) Required Reserve.

2.5 The Risk Management Fund shall maintain an adequate cash reserve per the Financial Management Policies.

2.6 The Fleet Manager or designated agent is authorized to remove from service any vehicle or equipment to repair damage rendering the vehicle or equipment unsafe to operate or embarrassing to the City because of substandard appearance.

3.0 Procedures:

3.1 Damage to or Loss of City Vehicles

a. If an incident resulting in damage to or loss of a City vehicle involves a third party (i.e. a citizen or other non-City employee), the employee shall, when feasible, take photos of all vehicles involved in the incident, including license plates and any observed damage to the vehicles, obtain information for all persons involved in the incident, including name, driver's license/state ID information, insurance information, and contact information. Whenever feasible, the employee shall also contact the City's Police Department to have an accident investigator document the incident.

b. The employee shall complete a Damage/Loss Report ("DLR") within 24 hours of the damage/loss. The report/form is found on the Raving Fans Employee Intranet site at: **Resources/ Applications/ Legal Services/ Damage/Loss Report (or Police Damage/Loss Report)**. The Damage Description Box must list the damaged property in detail. The Description of Accident or Loss should also include the location where the accident or loss took place and whether fire, police or other emergency personnel were notified. If known, the employee shall include any police, case, or incident report number. Once completed, the supervisor must review and approve the DLR no later than 24 hours after the DLR is received by the supervisor.

c. The DLR shall be forwarded to Legal and Fleet Services.

d. Upon receipt of the DLR by Fleet Services:
    1) If the damage is estimated to be less than the deductible ($1,000.00 for most vehicles), Fleet Services shall make repairs, and the cost of the repairs shall be charged to the Fleet Services accounting unit using the correct type of account.
    2) If the damage is estimated to be more than the deductible, Fleet Services will notify Legal to determine if a claim should be submitted to the City's insurance carrier.

e. Fleet Services will provide to Legal its Monthly Closed Accident Report as soon as it becomes available after the close of each month.

f. For vehicle replacements, any difference between the cost of the replacement and the insurance recovery will be funded by the Risk Fund upon approval and as long as the replacements are consistent with the operational policy of the department.

3.2 Damage to or Loss of Other City Property

a. The employee must complete a DLR within 24 hours of the accident/incident or discovery of the damage to Property, and must follow the process outlined in Section 3.1(b).

b. The supervisor is responsible for obtaining a replacement/repair cost estimate for the damaged Property. The estimate should be similar to the damaged item or for a like kind and quality. For Property that qualifies for Risk Fund reimbursement, the department must forward copies of the estimate to Legal as soon as they are obtained. At this time, Legal will submit the claim to the insurance carrier.

c. Upon receipt of the DLR, the department can begin Property repairs, and all costs for replacement/repairs shall be charged to the department's own accounting unit using the correct type of account.

d. The department is responsible for funding all repairs with a total cost below the deductible. The department is also responsible for the costs of any upgrades to the Property.

e. For Property that qualifies for Risk Fund reimbursement, the department must forward copies of all receipts and invoices associated with the DLR to Legal upon completion of repairs/replacement of Property.

f. The department must supply the account number to Legal. Legal will work with the insurance carrier to facilitate the claim's approval and the funds received for the claim will be transferred to the department for reimbursement per Section 3.4.

3.3 Accounts for Revenue

a. Insurance money received <u>from TML</u> for claim recoveries shall be deposited into the Risk Fund as follows:
   1) 212110-42800 for vehicle recovery, or
   2) 212110-42770 for non-vehicle property recovery.

b. Subrogation and restitution <u>from other parties</u> (citizens, etc.) shall be deposited into 212110-42831.

3.4 Accounts for Expenses

a. The department shall charge all costs associated with repair/replacement of Property to the department's own accounting unit using the correct type of account.

b. At the end of the fiscal year quarter, Legal will total the repair/replacement costs and instruct Finance to process a reimbursement from the Risk Fund to the receiving department's account. The transfer will be made by the 2nd

Friday of the new quarter.

c. The below accounts have been created for this process, which will prevent a department from exceeding its budget.

Acct	AU Description
212110-69917	**RISK REIMB FOR AUTO LOSS**
xxxxxx-69011	**REIMB FOR PROP & AUTO LOSS**

d. *Example transaction to replace a total loss vehicle owned by Fleet:*

Fleet Fund:

225510-68320	AUTOS & TRUCKS	Replacement of pick-up truck	$50,000.00
225510-60520	MINOR EQUIPMENT	make-ready cost	$5,000.00
225510-69011	REIMB FOR PROP & AUTO LOSS	risk reimbursement	$(55,000.00)

Risk Fund:

212110-69917	RISK REIMB FOR AUTO LOSS	reimbursement to Fleet Fund	$55,000.00

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Latest Revisions: Approved 9/21/22

Steve Dye, City Manager

Signature