

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 5800-08-01 LGL 2008-14
TITLE: CLAIMS MANAGEMENT EFFECTIVE DATE: December 3, 2001 REVISION EFFECTIVE DATE: May 28, 2008	

1.0 GENERAL

1.1 Section 115 of the charter of the City of Spokane provides that:

"To the extent permitted by law, the council shall have the power to prescribe the manner, form and time by which the various claims for damages against the City, if any, shall be made, settled and paid. The council may provide for insurance and for adjustment and settlement of claims."

The City Council on December 3, 2001, established claims management procedures to be followed by staff in administering and settling tort, general and workers' compensation claims and suits.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all City divisions and departments.

3.0 REFERENCES

City Charter section 115
Resolutions 01-57 and 01-115

4.0 DEFINITIONS

None

5.0 POLICY

- 5.1 It is the policy of the City of Spokane that of the numerous claims filed against the City for money damages, the majority of them can be settled on an administrative level without individual review by the city council and such resolution is an efficient and effective business practice. This policy establishes claims management procedures for staff to have parameters in the settlement of claims filed against the City.

6.0 PROCEDURE

6.1 Settlement of Tort and General Claims.

- 6.1.1 The Mayor or his/her designee may consider, ascertain, adjust, determine, compromise and settle any individual claim for money damages for which the City or any of its officers, employees or volunteers would be liable in law up to fifty thousand dollars (\$50,000.00), and may execute settlement agreements therefor.
- 6.1.2 Settlement authority for tort claims in a lesser amount may be delegated to outside claims adjusters under contract with the City.
- 6.1.3 The above financial settlement authority level does not include payments made for claims management costs, litigation expenses and outside legal counsel fees.
- 6.1.4 The compromise and settlement of any individual claim in excess of fifty thousand dollars (\$50,000.00) requires approval of the city council in open meeting.

6.2 Workers' Compensation Claims.

- 6.2.1 The Risk Manager is delegated the authority to manage the City's workers' compensation program. The Risk Manager is authorized to make payments on open claims for which the reserve is up to fifty thousand dollars (\$50,000.00). The Finance Committee may authorize the Risk Manager to make payments on open claims with higher reserves on a case by case basis.

6.2.2 The Risk Manager shall inform the Finance Committee on a quarterly basis of any reserves for workers' compensation claims that exceed fifty thousand dollars (\$50,000.00). The reserve amount includes probable award amount, medical expenses and does not include payments made for claims management costs, litigation expenses and outside legal counsel fees. The Risk Manager shall also inform the Finance Committee of any adjustments to reserves when the revised total reserve exceeds fifty thousand dollars (\$50,000.00).

6.3 Claims Management Costs and Litigation Expenses.

6.3.1 Claims management costs and litigation expenses for tort claims shall be charged to and paid from the Risk Management Fund. Claims management costs and litigation expenses for workers' compensation claims shall be charged to and paid from the Workers' Compensation Fund. Claims management costs and litigation expenses for general claims shall be charged to and paid by the appropriate City department(s).

6.4 Outside Legal Counsel.

6.4.1 Pursuant to section 33 of the City charter, the Mayor, upon approval of the City Council, at any time, may employ other or special counsel to take charge of special matters or to assist the City Attorney.

6.5 Reports to City Council.

6.4.1 The Risk Manager, in the case of tort claims, and the City Attorney, in the case of general claims, shall inform the Finance Committee on a quarterly basis of the status of open tort and general claims that exceed fifty thousand dollars total for probable award amount, claims management and litigation expenses and outside counsel expenses.

6.4.2 The Risk Manager, in the case of tort claims, and the City Attorney, in the case of general claims, shall provide the City Council on a quarterly basis with a written report of settled or closed claims that includes for each claim, the settlement amount, claims management and litigation expenses, and outside counsel expenses, if applicable.

7.0 RESPONSIBILITIES

The Risk Manager and City Attorney shall administer this policy.

8.0 APPENDICES

None

APPROVED BY:

City Attorney

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Risk Manager

B. Burns

Assistant City Attorney

J. H. H.

City Administrator

5/13/08

Date