

# Service Plan for Risk & Insurance Management

2016 – 2019  
(2019)

Capital Regional District

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# 1 Overview

## 1.1 Division & Service Summary

The Risk and Insurance Division serves the entire organization in each service area and utilizes its resources in an optimal and efficient manner. Our core services are risk and insurance and climate management and business continuity and we provide this leadership and direction within the Capital Regional District. The service areas vary in size and complexity by which this division scales their services to meet the service areas requirements.

| Service Purpose, Role or Overview   | Participants    | Funding Sources   | CRD Board Committee and/or Commission Reporting Structure |
|---|-----------------|---|---|
| <p><b>Risk Management (RM)</b><br/>Loss Control (Property and Liability)</p> <p>Claims Management (Property, Liability, and 3<sup>rd</sup> party claims)</p> <p>Enterprise Risk Management (Risk Register)</p> <p>Work with internal stakeholders to document critical business processes and assess risks</p> <p>Consulting Services</p> | All Departments | Requisition, Insurance Reserves, allocations, internal recoveries, Insurers | Finance Committee   |
| <p><b>Insurance Management (IM)</b><br/>Insurance Procurement</p> <p>Coordinate acquisition of Construction Insurance (coc &amp; wrap up)</p> <p>Contract Review (insurance and indemnity wordings)</p> <p>Fleet Insurance</p> <p>Property Valuations (replacement costs) and inspections</p> <p>Certificate of Insurance Management</p>  | All Departments | Internal Allocations and Recoveries, Requisition                            | Finance Committee   |
| <p><b>Corporate Climate Action</b><br/>Implement Corporate Climate Action Strategy</p> <p>Coordinate and manage provincial CARIP reporting requirements</p> <p>Accelerate corporate mitigation and adaptation activities</p> <p>Implement climate lens for CRD decision-making</p>  | All Departments | CARIP and Internal Allocations  | Finance Committee   |

| Service Purpose, Role or Overview  | Participants    | Funding Sources                    | CRD Board Committee and/or Commission Reporting Structure |
|--|-----------------|------------------------------------|---|
| Oversee CRD's commitment to 33% reduction in operational GHG emissions by 2020   |                 |                                    |   |
| <p><b>Business Continuity</b><br/>Development of a Business Continuity Management program (BCMP) to ensure that critical services are delivered during a disruption</p> <p>Initiate a Business Continuity Impact Assessment for all lines of operation</p> <p>Work with internal stakeholders to document and create business continuity plans</p> | All Departments | Internal Allocation and recoveries | Finance Committee   |

## 1.2 Organization Chart

### Risk & Insurance Management



## 1.3 Key Trends, Issues & Risks – Service Specific

- Increased corporate focus on climate change mitigation and adaptation activities and corporate climate policy development: CRD has set a target to reduce corporate GHG emissions 33% below 2007 levels by 2020 and in 2016 committed to accelerate corporate mitigation and adaptation activities. In November 2016, the CRD Board endorsed the Corporate Climate Action Strategy which identified policy, goals and actions to meet Board-endorsed targets, and identified additional resources required for implementation.
- CRD has also committed to developing and implementing organizational policies and incorporating climate change in new risk registers to elevate consideration of climate change as part of decision-making.

Coordination, project management, project implementation and corporate support towards meeting these objectives will be delivered by the division.

- Corporate focus on developing a Business Continuity Management Program (BCMP) and implementing a framework, policy, strategy and plans for building organizational resilience. A key deliverable will be to undertake a Business Continuity Impact Assessment to identify gaps and manage current and future threats to CRD operations. Taking a proactive approach, the BCMP will help minimize downtime during an incident and improve recovery time after an event.
- Undertake a review of the corporate Enterprise Risk Management process, as well as interviews with key stakeholders to update the Corporate Risk Register with the goal of prioritizing risks and funds allocated to address same.
- Work closely with Asset Management, protective Services, Occupational Health and Safety and others to build on the existing risk management processes through improved reporting of the condition and identifying replacement values and risks.

## 1.4 Link to Priorities

The Division will provide support to all departments across a variety of services on corporate projects and in support of core service delivery, and as such may have a role in supporting numerous priorities. Specifically, the division has a direct link to the following priorities:

### **CLIMATE CHANGE**

- Realign resources to effectively deliver on Board directives relating to climate change and implement policy and practices to demonstrate leadership in operations
- Develop and implement a climate strategy and framework to guide decision-making, establish a working group to identify climate change priorities and maximize partnerships

### **CORPORATE DEVELOPMENT**

- Evaluate the use of innovative technologies and corporate support systems for continuous improvement and effective service delivery
- Ensure CRD service delivery is effectively supported through the development of best practices
- Enhance and ensure effective financial and audit reporting practices
- Support continued investments in workforce education, training and development

### **REGIONAL INFRASTRUCTURE**

- Develop and implement business continuity, corporate climate action and risk management strategies, practices and tools to continue proactive and responsible management of CRD resources and assets

### **HOUSING**

- Identify risks with the goal of supporting Regional Housing and Asset Management

### **DRINKING WATER**

- Identify risks and barriers to business continuity with the goal of ensuring a continued adequate supply of safe, reliable drinking water

### **EDUCATION, OUTREACH & INFORMATION**

- Demonstrate transparency and increase visibility through the provision of accessible, relevant, timely and usable data and information.

## 2 Services

### 2.1 Service Levels

| Service Level Adjustments in Role/Scope                                   |  |   |
|---|--|---|
| Service   | Base year  | Year 4 (2019)   |
| <b>Risk Management (RM)</b>   | <p>Complete 10 loss control recommendations</p> <p>Property Inspection(s) 1 day / month</p> <p>Respond to third party notices</p> <p>Investigate incidents and claims</p> <p>Coordinate CRD responses and actions<br/>Liaise with CRD staff and legal counsel and participate in legal process</p> <p>Provide quarterly legal status updates</p> <p>Provide quarterly reports to Insurers</p> <p>Develop ERM policy and framework</p> <p>Develop Risk Register templates</p> <p>Initial response to staff queries within 1 working day (consulting services)</p> | Adjust to meet service delivery needs, as required          |
| <b>RM: Business Continuity Management System</b>                          | Develop BCM plans, test, implement, and monitor and review   | Develop BCM plans, test, implement, and monitor and review  |
| <b>RM: Enterprise Risk Management (ERM) Implementation and Management</b> | Educate Departments on the ERM Program and assist in developing operational risk registers   | Adjust to meet service delivery needs, as required          |
| <b>Insurance Management</b>   | <p>For the 8 insurance programs, prepare applications; negotiate terms, and complete renewals</p> <p>Update policy terms for new activities as required</p> <p>Obtain Property &amp; or Liability (COC &amp; / or Wrap-up) policies for construction projects within 2 weeks of request</p> <p>Respond to approx. 50 staff requests per year (contract review/waivers/indemnity clauses)</p> <p>Obtain auto insurance for approx. 357 vehicles / year</p> <p>Obtain property valuations (replacement cost) for new facilities acquired</p>                       | Coordinate full Replacement Value appraisal (every 5 years) |

| Service Level Adjustments in Role/Scope |   |  |
|---|---|--|
| Service                                 | Base year   | Year 4 (2019)                                      |
|   | Obtain update of replacement costs for approximately 294 locations<br><br>Purchase policy for Third Party Users and collect premiums for 102 events held at CRD facilities<br><br>Obtain/issue approx. 50 Certificates of Insurance (COI's) for 3rd parties<br><br>Manage approx. 100 COI's required by CRD |  |
| <b>Corporate Climate Action</b>         | Implement Corporate Climate Action Strategy, following the timeline and resources identified within the Strategy document   | Adjust to meet service delivery needs, as required |

## 2.2 Workforce Considerations

| Workforce (FTEs)              |            |               |               |               |               |
|-------------------------------|------------|---------------|---------------|---------------|---------------|
| Service                       | Base Year  | Year 1 (2016) | Year 2 (2017) | Year 3 (2018) | Year 4 (2019) |
| Risk and Insurance Management | 2.5        | 3.5           | 3             | 4             | 4             |
| <b>Total</b>                  | <b>2.5</b> | <b>3.5</b>    | <b>3</b>      | <b>4</b>      | <b>4</b>      |

- \* Increase from realignment of resources from Finance; see corresponding reduction in Financial Services Service Plan
- \* Increase of 0.5 FTE in Risk Management for Business Continuity Management position in 2018
- \* Increase of 1 FTE in Risk Management for Business Continuity Management position in 2019

## 3 Divisional Initiatives & Budget Implications

| Title & Estimated Completion Date                        | Description  | Priority                                    | Budget Implications   |
|--|--|---|---|
| <b>2019</b>  |  |   |   |
| <b>RM: Business Continuity Management Program (BCMP)</b> | Develop a policy and framework for establishing a corporate Business Continuity Management Program   | Corporate Development                       | Core Budget and Department budgets  |
| <b>RM: Enterprise Risk Management (ERM) Development</b>  | Develop policy, framework and process to embed ERM across the organization<br><br>Develop and maintain Strategic Risk Register in conjunction with ELT | Corporate Development<br><br>Climate Action | Core Budget and Department Budgets<br><br>Impact on existing resources is unknown and will depend on service level expectations |
| <b>Corporate Climate Adaptation Plan</b>                 | In 2018, develop plan to prepare CRD owned assets, infrastructure and facilities for future climate change impacts                                     | Climate Action                              | Core Budget, Reserves or Grant Funding  |

| Title & Estimated Completion Date                     | Description  | Priority       | Budget Implications         |
|---|--|----------------|-----------------------------|
| <b>Corporate Mitigation &amp; Adaptation Projects</b> | Manage projects and provide support to staff to develop projects designed to accelerate mitigation and adaptation activities | Climate Action | \$36,000, plus grant monies |

## 4 Goals & Performance Indicators

| Service Goals   | Indicators or Measures   |
|---|--|
| <b>Develop a Corporate Climate Action Strategy to guide the organization's operational response to climate change.</b>  | <ul style="list-style-type: none"> <li>• Completion of a draft corporate climate action strategy</li> <li>• Board endorsement of corporate climate action strategy</li> <li>• Implementation of corporate climate action strategy</li> </ul>   |
| <b>Support the organization to use a climate lens for Board decision-making that demonstrates how decisions align with CRD's GHG reduction target, climate action objectives and strategic priorities</b> | <ul style="list-style-type: none"> <li>• Climate lens is integrated into 5-year capital planning template</li> <li>• Climate lens training is offered annually</li> <li>• Climate lens template is developed</li> </ul>  |
| <b>Support the organization to integrate climate change considerations into CRD management and operational decision-making</b>  | <ul style="list-style-type: none"> <li>• Annual summary of climate actions across divisions is presented to senior management prior to service plan reviews</li> <li>• Climate change considerations are incorporated into budget planning cycle</li> <li>• Project management process is updated to incorporate climate action policy into project requirements documents and project-level decision making</li> <li>• A 'seed funding' (revolving green fund) mechanism is established to fund studies and components of capital projects that meet climate change objectives</li> <li>• Staff climate action engagement/recognition program is developed and implemented</li> <li>• Staff climate action working group is developed</li> <li>• Procurement policy is updated to align with CCAS, and supporting decision matrix and criteria are developed</li> </ul> |
| <b>Support the organization to monitor, report and communicate metrics to enhance continuous improvement toward climate change goals</b>  | <ul style="list-style-type: none"> <li>• Annual Climate Action Revenue Incentive Program (CARIP) reporting requirements are met, on time</li> <li>• A corporate energy management process is developed</li> <li>• A fleet management system is developed</li> <li>• A communications plan is developed</li> </ul>  |
| <b>Support the organization to accelerate corporate climate adaptation activities to enhance resilience and prepare for future climate change impacts</b>   | <ul style="list-style-type: none"> <li>• Downscaled climate change projections report is completed.</li> <li>• Potential impacts of sea level rise on CRD assets are identified</li> <li>• A corporate climate adaptation plan is developed.</li> <li>• Climate impacts are identified within risk registers in the enterprise risk management system.</li> <li>• Climate adaptation is considered in all new capital projects through the climate lens review.</li> </ul>   |



|   |   |
|---|---|
| <p><b>Support the organization to achieve continuous, significant reductions in GHG emissions from the fleet and strive towards zero emissions for new fleet vehicles</b></p> | <ul style="list-style-type: none"> <li>• An in-depth analysis of the CRD fleet is completed to identify ways to optimize fleet utilization and efficiency to reduce emissions and cut costs.</li> <li>• Fleet management best practices are implemented.</li> <li>• The 2007 draft fleet policy is reviewed and recommendations are made to incorporate life cycle costs and GHG emissions impacts as priorities during fleet purchasing process.</li> </ul>  |
| <p><b>Support the organization to accelerate a reduction in energy use and GHG emissions in existing buildings, facilities and infrastructure</b></p>                         | <ul style="list-style-type: none"> <li>• A business case and feasibility analysis is completed to produce RNG.</li> <li>• SEAPARC and Panorama are supported to complete the recommendations from energy assessments</li> <li>• A staff conservation demand management program is developed.</li> <li>• A review of the 15 largest energy consuming buildings and facilities is conducted.</li> </ul>   |
| <p><b>Support the organization to achieve high-performance standards and strive towards net-zero energy for all new construction</b></p>                                      | <ul style="list-style-type: none"> <li>• Technical standards for new construction to ensure high-energy performance and low-carbon criteria are developed.</li> <li>• Life cycle costing to calculate the business case for all capital projects is incorporated.</li> <li>• The project management process is updated to ensure all new construction goes through a commissioning process.</li> <li>• Climate action considerations are included in the capital project initiation process.</li> </ul> |
| <p><b>Ensure service delivery is supported through the development of best practices</b></p>  | <ul style="list-style-type: none"> <li>• Development of Business Continuity Program for identification and prioritization of critical operations, dependencies and associated resource requirements and business continuity strategies</li> <li>• Implement an Enterprise Risk Management process to manage organizational risks and to reduce the potential for harm to employees and public.</li> </ul>   |
| <p><b>Monitor liability and property exposures</b></p>  | <ul style="list-style-type: none"> <li>• Perform a minimum of 40 internal loss control visits per year</li> <li>• Respond to general staff inquiries within 5 working days 95% of the time</li> <li>• Obtain property and/or liability policies for construction projects within 2 weeks of request 95% of the time.</li> </ul>   |
| <p><b>Long term sustainability plans associated with risk management and business continuity</b></p>  | <p>Implementation of a long-range risk management and business continuity plan spanning a minimum of 10 years with the goal of creating long term sustainability of assets and resources</p>  |
| <p><b>Systematic approach to decision-making</b></p>  | <ul style="list-style-type: none"> <li>• Implement an Enterprise Risk Management process for managing risks and to provide clarity and transparency in decision making to support the achievement of the organizations objectives</li> <li>• Implementation of a prioritization methodology that documents the quantitative and qualitative analysis analyzing a vast variety of factors.</li> </ul>  |

## Contact

**Name: Ross Cameron**  
**Title: Manager, Risk & Insurance**  
**Contact information: 250.360.3015**