



# County Technical Assistance Service

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## Policy Statement

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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## Policy Statement

**Reference Number:** CTAS-762

The primary role of county mayors and county commissioners in risk management is to develop the county's policy in handling risks. This policy should be stated in a written policy statement which will serve as a guide with clear and unambiguous direction to the persons in charge of implementing the risk management program, which functions under the terms of this written document. An understanding of several factors is necessary in order to formulate this policy statement.

First, county officials must understand the overall goal of a risk management program. As a component of any sound management plan, the goal of risk management is to protect the financial integrity of the county. Officials must understand that eventually, after starting a risk management program, all officials and county employees will have to do things that they haven't done before. They will have to stop doing things that they are accustomed to doing. Funds will be spent and accounted for in different ways, and relationships among local government officials and employees will be altered. They must decide and understand what will be the underlying principles and standards of an operating program in their particular county. Without a strong commitment from top county officials and perhaps from other influential persons in the county, such as long time employees, the program will most likely fail.

With these understandings in mind, county officials should express their support in a written document to be formally adopted by resolution. This document is usually called the risk management policy statement. In the policy statement, any new practices and any changes in lines of authority can be clearly set forth. The policy statement should include all the objectives of the program and the methods to be used in attaining the objectives. Important detailed procedures may be outlined. For example, the way an employee accident is reported and the way a claim against the county is to be handled may be explained. The statement should detail the overall insurance program of the county, including loss control and safety programs to be implemented and the type of records to be kept. Finally, the policy statement should adopt a procedure for reporting on the activities of the program and a way for the program to be assessed.

As an alternative to the development of a formal, detailed policy statement the county commission may formulate and adopt a brief statement and then turn the entire matter over to the county mayor to work out the details and report back to the commission for final approval. A committee can be formed to draft a policy statement. The county mayor can then appoint an employee to be temporary risk manager with the authority to learn risk management concepts, formulate a policy with localized needs in mind and produce a draft for consideration. A provisional policy statement can be adopted with the understanding it will be modified within a predetermined time limit. The advice of trusted insurance agents and brokers, local government attorneys, private company risk managers and other persons knowledgeable about local conditions and problems can be solicited on the best approach to develop the all-important policy statement.

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