

Police Liability Risk Control Plan

Plan Summary

The ICRMA Board of Directors has approved a Police Liability Risk Control Plan, with direction to implement as soon as practical, to put the pool in the best position to demonstrate to its excess insurance and reinsurance carriers proactive efforts to mitigate police liability risks. The elements of the Plan are, as follows:

1. Agency Operations Self-Assessment

Member law enforcement agencies will be asked to undergo a thorough assessment of their operations. The purpose of the assessment will be to identify operational areas in need of additional attention for maximum reduction of police liability risk.

The ICRMA Law Enforcement & Lock-up Assessment Tool for California, attached to this Plan, has been specifically developed for ICRMA via its partnership with Safety National (one of ICRMA's liability reinsurers) and OSS Law Enforcement Advisors.

To assist in ensuring this will be a successful and helpful tool for all member agencies, implementation will involve an onsite assessment conducted by the ICRMA Director of Loss Control in partnership with agency staff. The assessment will be a confidential document between the member and ICRMA. It will also demonstrate to ICRMA's excess insurers and reinsurers that the pool is proactively addressing policy liability risks.

Each of the dimensions that are identified in the assessment will be reviewed and discussed and agencies will receive a report of the findings. It is anticipated that the information obtained from the assessment and summary report will help the agency identify any deficiencies and provide a roadmap for upgrading and enhancements. Agencies will be encouraged to implement changes in areas identified as needing enhancements.

Once the assessments of all agencies are complete, a report on the findings will be presented to the ICRMA Board of Directors. The report will be generic in nature and will not identify any specific agency.

2. High Risk Policies and Procedures

Each agency will be asked to provide the ICRMA Director of Loss Control a copy of the following policies:

- Duty to Intervene
- Use of Deadly Force

The Director of Loss Control will review each policy and provide specific guidance on how the policy can be revised, if necessary.

All agencies will also need to demonstrate their compliance with the Executive Order for Safe Policing for Safe Communities.

3. Lexipol Utilization

The Director of Risk Control will confirm which member agencies currently contract with Lexipol for policy manual creation and/or updating, daily training bulletins, and other law enforcement services. Each member that currently contracts with Lexipol will be required to provide authorization to ICRMA to have read-only access to member data in the Lexipol database so that ICRMA can evaluate the member's utilization of Lexipol services. The intent will be to identify areas of improvement if needed and/or underutilized resources. The Lexipol Data Access Authorization Form is attached to this Plan.

Members who do not currently contract with Lexipol will be given information on its benefits and encouraged to explore contracting options.

Background on Plan Implementation

The actions taken by the ICRMA Board of Directors in approving this Plan are in direct response to the potential negative impacts on police liability coverage availability and cost for pool members. Concern over increasing police liability exposure has been a long-standing discussion within the insurance industry since 2015¹. In 2020, this has now evolved into a more pressing national concern for public entity insurance carriers. U.S. insurers and brokers are starting to craft professional liability coverage for police officers, spurred on by signs that policymakers in some cities and states want to use a financial disincentive (i.e. increased retained limits and premiums, with decreasing coverage and limits) to curb police misconduct in addition to more stringent underwriting requirements. As ICRMA works towards securing its liability policies for the 2021-22 and future years, the pool needs to embrace and be proactive in addressing police liability underwriting concerns.

In August 2020, the Board reviewed police losses during the past ten years and learned current pool members experienced 1,342 police-related occurrences with a total incurred of \$102.5M. Of those losses, 17 occurrences had a total incurred of more than \$1M each and represented \$68M in claims costs (i.e. 17 occurrences represented 66% of ICRMA's total police losses). At the meeting, the Board approved reallocation of budgeted funds to member risk control incentives related to attendance at mandatory ICRMA-sponsored law enforcement seminars. As such, ICRMA held two University sessions on law enforcement liability, which focused on risk control efforts to reduce the frequency and severity of losses impacting the pool.

Further, at the December 10, 2020 Board meeting, ICRMA staff was directed to develop a comprehensive police liability risk control plan to address the concerns of the carriers and to demonstrate the pool's commitment to proactive risk control.

At the February 11, 2021 Board meeting, staff presented the Plan detailed here which was approved unanimously by the Board of Directors to ensure ICRMA can continue a proactive approach and partnership with members and their police agencies with regard to police liability exposure.

¹ Public Sector Risk - Police Controversies Affecting Coverage, By: Meme Moore | May 5, 2015

<https://riskandinsurance.com/police-controversies-affecting-coverage/>