

**CITY COUNCIL POLICY**

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SUBJECT: LIABILITY CLAIMS PROCEDURE

NO.: B-5

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PURPOSE:

To establish the responsibility and procedure for handling liability claims and authorizing payment.

POLICY:

1. The City Attorney shall decide the disposition of claims under \$20,000 and may reject claims up to \$100,000 or when the amount is not stated without further action of City Council. Claims ~~from up to \$100,000~~ ~~\$20,000 to \$30,000~~ may be approved by concurrence of the City Manager and City Attorney. The following procedure shall be used:
  - a. The City Clerk shall date-stamp all claims and lawsuits and forward to City Attorney.
  - b. The City Attorney shall log claim or suit, send confidential request for information to appropriate City departments, set reserves, and send information for loss run entry. Copies of the claim or lawsuit shall be given to the Risk Manager within 24 hours of receipt.
  - c. The Risk Manager shall review the claims and lawsuits when received, submit them to Third-Party Administrator when appropriate to further investigate, and recommend settlement according to the procedure set forth below.

The Third-Party Administrator shall investigate the claims received and:

- (1) Prepare a file review that includes an analysis of steps to be taken to resolve the case, establish a case reserve, including expense and allocated reserve, utilize information sent by City departments, discuss with the Risk Manager, conduct investigations, and conduct settlement negotiations when appropriate.
- (2) Provide accurate and timely loss runs to the Risk Manager and the City's JPA or excess carrier.

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- d. The Risk Manager and City Attorney will meet regularly as necessary to coordinate, discuss further action on files, and discuss settlements. The Risk Manager and City Attorney shall keep one another informed of case activity, including Council actions and major case decisions.
  - e. When the City Attorney approves payment or partial payment, the Risk Manager shall inform claimant, negotiate regarding terms of the settlement, obtain signed release of claims from claimant, and provide check upon receipt of signed release.
2. The City Attorney, when claims or lawsuits are proposed to be settled or paid for \$100,000 ~~30,000~~ or more, shall place claim on City Council Agenda for consideration within 45 days of filing and submit a recommendation to Council for payment. The following procedure shall be used:
    - a. City Council shall have authority to approve payment of claims or settlements in whole or in part above \$100,000 ~~30,000~~.
    - b. When payment of claim or lawsuit is approved by Council, the City Attorney shall obtain a release of claims and provide check to claimant upon receipt of signed release; retains file for two years.
    - c. When denial is recommended, the City Attorney shall notify claimant in accordance with applicable law.
  3. An employee when asked, shall inform claimants that claims must be filed with the City Clerk. Employees are not to accept any claims personally or admit responsibility. All department reports of claims investigations should be marked "Confidential at the Request of the City Attorney."

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4. The City Attorney shall submit monthly reports to the City Council indicating all claims paid and rejected. Report shall include information pertaining to the claimant, amount of claim, description of claim, and reason for settlement or rejection.)

Effective Date: December 4, 2018, Resolution No. \_\_\_\_\_

Effective Date: February 23, 1993, Resolution No. 15541

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