

# **Office of Risk Management**

## **Division of Administration**



## **Strategic Plan**

### **FY 2026-2027 to FY 2030-2031**

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**INTERIM DIRECTOR**

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### **VISION STATEMENT**

To operate a dynamic, proficient, comprehensive risk management program designed to provide client agencies with cost effective insurance, loss prevention, claims administration and disaster assistance. To provide innovative and creative leadership focused on outcomes and improvements.

### **MISSION STATEMENT**

To develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the state has an equity interest, in order to preserve and protect the assets of the State of Louisiana.

### **PHILOSOPHY**

To provide a strong, effective and efficient comprehensive risk management program that is sensitive to the needs of its client agencies and focused on supporting the goals of the Administration; to develop a professional, productive and dedicated staff to oversee the risk management program.

## **EXECUTIVE SUMMARY**

Louisiana Revised Statutes 39:1528, et seq., designates the Office of Risk Management (ORM) to be solely responsible for all Property and Casualty and Worker's Compensation insurance purchased by ORM or self-insured by ORM for all State departments, agencies, boards, and commissions.

ORM currently manages a number of risks for the State of Louisiana including property, workers' compensation, commercial general liability and personal injury liability, automobile liability and physical damage, equipment breakdown/boiler, medical malpractice liability, bond and crime, bridge property, publishers' media liability, road and bridge hazards, aviation hull and liability, airport liability, wet marine hull and liability, Superdome workers' compensation, Superdome bond and crime and other specialty coverages as needed.

### **ORM Value Statements**

The Office of Risk Management created a vision for the future of Prevent, Protect, and Provide. ORM is dedicated to maintaining the public's trust through an organizational culture that supports and fosters the following values:

**Leadership:** We promote the courage to step out, to share ideas that shape better processes, and to be recognized as a leader in risk management by other public entities nationwide.

**Growth:** We promote continuous professional growth and improvement, both individually and as an organization. We support training and personal achievements, creating an environment that fosters innovation and excellence.

**Integrity:** We promote the highest level of ethical behavior, transparency and accountability at all levels within ORM.

**Mindfulness:** We promote being mindful and inclusive in our daily activities, decision-making, actions, and planning. We promote clear and conscious

communication, thereby providing direction and understanding between members of ORM and those we serve.

**Collaboration:** We promote teamwork and healthy discussions to leverage collective expertise and experience when addressing the diverse challenges we face.

**Customer Service:** We promote respectful interactions and professional, timely assistance to our clients, vendors, and contractors and between members of ORM.

## **GOALS**

The Office of Risk Management will provide a comprehensive loss prevention program that promotes loss reduction and asset protection.

The Office of Risk Management will manage all state property and casualty insurance through commercial insurance, self-insurance, or a combination of both utilizing sound management practices.

## **PRINCIPAL CLIENTS AND USERS**

The primary clients of ORM are its insureds, which are state departments, agencies, boards, commissions, and other entities of the executive, legislative and judicial branches of state government that participate in the state's risk management program.

## **EXTERNAL FACTORS**

There are a number of potential external factors which affect the Office of Risk Management and over which ORM has little or no control.

ORM handles risks to the State through a program that includes self-insurance and excess commercial insurance. Total program costs are impacted by the cost of commercial insurance premiums. Premium costs can vary greatly based on market conditions and the impact of catastrophic events occurring within the state, nationally and even internationally.

Although ORM has responsibilities that relate to statewide disaster assistance, it has no control over the scope of damages state properties bear in catastrophic events. Performance indicators and total program costs may be materially impacted by catastrophic events. Performance indicators for Property claim closures can be significantly impacted when agencies delay completion of repairs to their property.

The best way to ensure against loss is through loss prevention and safety programs. These programs help minimize losses, save money, and most importantly, protect state employees and citizens. ORM aggressively pursues loss prevention through utilization of a TPA for loss control inspections, training and consultation with agencies on their safety programs.

Other external factors include: (1) legislation that impacts the courts, civil procedure, and procedural/substantive tort law; and (2) the courts themselves, as they interpret and apply the law in matters where the state is a litigant. These factors directly and critically impact the management of litigated and non-litigated claims, including the state's monetary exposure and the duration of pending claims. Although these factors significantly affect the mission of the Office of Risk Management, these are factors over which ORM has little or no control.

## **DUPLICATION OF EFFORT**

Louisiana Revised Statutes Title 39 establishes the responsibilities of ORM. No other state agency provides the services or performs the type of work that ORM does.

**GOAL I: The Office of Risk Management will provide a comprehensive loss prevention program that promotes loss reduction and asset protection.**

*Goal Authorizations: Louisiana Revised Statutes 39:1528-1547*

**PROGRAM ACTIVITY: LOSS PREVENTION**

OBJECTIVE I.1: Annual loss prevention audits will show a 97% or greater pass rate (compliant) for statewide agencies.

STRATEGY I.1.a: The Office of Risk Management, through effective Loss Prevention Programs will support state agencies in operating a successful safety and health program.

PERFORMANCE INDICATOR:

Percentage of agencies found compliant on Loss Prevention audits

**GOAL II: To manage all state property and casualty insurance through commercial insurance, self-insurance, or a combination of both utilizing sound management practices.**

*Goal Authorizations: Louisiana Revised Statutes 39:1528-1547*

**PROGRAM ACTIVITY: CLAIMS ADMINISTRATION**

OBJECTIVE II.1: Improve the efficiency of claims handling by maintaining closed non-disaster claims to opened claims ratio of no less than 1:1 (or 1.0).

STRATEGY II.1: The Office of Risk Management, through effective loss control and claims management will maintain the closed to opened claims ratio using industry benchmark of 1:1 (or 1.0).

PERFORMANCE INDICATOR:

Ratio of closed claims to opened claims

**OBJECTIVE II.2:** Shorten the lifespan of claims and reduce claims costs and long-term liabilities by closure of 45% of non-litigated claims within 90 days of opened date.

**STRATEGY II.2:** The Office of Risk Management will monitor performance of claims administration by measuring quarterly the percentage of non-litigated claims closed within 90 days of opened date.

**PERFORMANCE INDICATOR:**

Percentage of non-litigated claims closed within 90 days

**OBJECTIVE II.3:** To reduce workers' compensation claim costs by maintaining a minimum of 30% agency participation in the Transitional Duty Return to Work plan.

**STRATEGY II.3:** The Office of Risk Management and its TPA will meet with state agencies to train them on the transitional duty employment process and accommodations, review agency's policies concerning return to work, and discuss claims that have potential for transitional duty employment.

**PERFORMANCE INDICATOR:**

Percentage of agencies participating in Transitional Duty Employment

**OBJECTIVE II.4:** Shorten the lifespan of claims and reduce claims costs and long-term liabilities by closure of 40% of litigated claims within 36 months of defense attorney engagement.

**STRATEGY II.4:** The Office of Risk Management will monitor performance by measuring quarterly the percentage of litigated claims closed within 36 months of defense attorney engagement.

**PERFORMANCE INDICATOR:**

Percentage of litigated claims closed within 36 months of defense attorney engagement



## **STRATEGIC PLANNING PROCESS**

In Fiscal Year 2022, ORM's State Risk Director designated both the planning coordinator (ORM's Accountant Administrator) and the Senior Executive Team (SET) members (State Risk Assistant Director and State Risk Administrators) who have personal responsibility for achieving objectives. In addition, a Strategic Planning Review Team (SPT) (composed of ORM managers, supervisors and staff at diverse levels) was appointed to be closely involved in the planning process, supporting the coordinator and SET in the development, review and approval of strategic plan objectives, strategies and performance indicators.

The participants were advised of their responsibilities and timetables for completion of the strategic plan revisions process. Copies of the current ORM five-year strategic plan document were distributed to all participants.

The team was instructed to review the current goals and objectives and to compare the actual results with the expected results. They were asked to meet within their individual sections to analyze which objectives were working or not working and which needed to be changed, adjusted, or eliminated. Several unit meetings and small group planning sessions were held to further investigate the tools identified and to develop possible objectives and feasible performance indicators that would support the stated goals and objectives under an updated five-year strategic plan.

Following the unit meetings, the group engaged in a round table discussion of the ORM operating environment and the challenges faced. The goals within the strategic plan were reaffirmed during the meeting. The team agreed that ORM had achieved the anticipated results for the five (5) objectives and performance indicators of the existing plan. The group chose to retain all of the performance indicators and to reaffirm three (3) of the performance indicators without any changes. ORM had significantly exceeded expectations for the remaining two (2) performance indicators during the past two (2) fiscal years and the team chose to increase the expected performance for these indicators for the updated plan.

ORM's progress, during this strategic planning period, will be measured using a combination of existing as well as revised performance indicators that focus

on activities that support loss prevention and reducing claims costs through effective claims administration and greater agency involvement.

Agency involvement is critical in mitigating against loss and reducing claims cost. ORM addresses agency involvement in two performance indicators. Loss prevention is measured by the percentage of agencies that pass their annual safety audit. A second performance indicator is measured by the percentage of agencies participating in the workers' compensation Transitional Duty Employment plan. Since ORM had significantly exceeded the anticipated results for these indicators, both were modified in this updated plan to increase the expected performance indicators.

Three performance indicators address claim administration with emphasis on claim turnover ratio and the lifespan of a claim. The level of claim turnover is addressed measuring the ratio of closed claims to opened claims. The lifespan of claims is addressed measuring the length of time a claim remains open for both litigated and non-litigated claims.

The Performance Indicator Documentation sheets that define these indicators are on the following pages.

All documents used in the development of the strategic plan as well as data used for the completion of the quarterly performance progress reports through the Louisiana Performance Accountability System (LaPas) will be maintained according to the records retention laws applicable to the agency.

## PERFORMANCE INDICATOR DOCUMENTATION

**Program:** Ancillary – Office of Risk Management

**Activity:** Loss Prevention Administration

**Objective:** Annual loss prevention audits will show a 97% or greater pass rate (compliant) for statewide agencies.

**Indicator Name:** Percentage of agencies found compliant on Loss Prevention audits

**Indicator LaPAS PI Code:** 25749

**For each performance indicator in the strategic plan, address the following:**

1. **Type and Level:** Efficiency and Quality                      Level - Key
2. **Rationale, Relevance, and Reliability:** This indicator directly measures each agency's level of effort in complying with the requirements of the legislatively mandated Loss Prevention Program. The overall passing percentage rate for any given fiscal year can be compared against that of any other previous fiscal year, indicating any increasing/decreasing trends. Analysis reveals any discrepancies that might negatively affect the audit managed.
3. **Use:** This indicator will be used in the annual budgeting process by ORM. Specifically, based on the most recent fiscal year's results, ORM will calculate upcoming yearly premiums for each agency by applying the credit/debit earned through compliance/non-compliance.
4. **Clarity:** This objective is clearly stated.
5. **Data Source, Collection and Reporting:** Data for the results of each state agency's audit results are derived via reports created in the TPA's external database system. Results are obtained annually at the conclusion of the fiscal year, and represent an agency's performance in the audit during the previous fiscal year.
6. **Calculation Methodology:** The indicator is calculated by means of a direct percentage, derived by dividing the number of agencies found compliant by the total number of agencies audited.

7. **Scope:** The indicator is an aggregate. Each agency's result is factored into an overall calculation.

8. **Caveats:** None.

9. **Accuracy, Maintenance, and Support:** An electronic record of each agency's final audit score and status is stored securely and backed up on ORM's server.

10. **Responsible Person:**  
St. Loss Prevention Manager  
(225) 342-8532

## PERFORMANCE INDICATOR DOCUMENTATION

**Program:** Ancillary – Office of Risk Management

**Activity:** Claims Administration

**Objective:** Improve the efficiency of claims administration by maintaining closed non-disaster claims to opened claims ratio of no less than 1:1 (or 1.0).

**Indicator Name:** Ratio of claims closed to claims opened

**Indicator LaPAS PI Code:** 25750

**For each performance indicator in the strategic plan, address the following:**

1. **Type and Level:** Efficiency, Quality                      Level - Key
2. **Rationale, Relevance, and Reliability** This indicator will measure the efficiency of claims handling by comparing the number of claims closed to the number of claims opened for each quarter within the fiscal year.
3. **Use:** This indicator will be used to identify areas where improvement may be needed in the management of claims. This will be an internal document used to measure the overall efficiency of claims handling and to reveal specific areas that may need attention to attain and maintain the closure ratio objective.
4. **Clarity:** This objective is clearly stated.
5. **Data Source, Collection and Reporting:** The data source will be the reports available within the claims management system, which will be generated for each quarter of the State's fiscal year.
6. **Calculation Methodology:** Divide the total number of non-disaster claims closed by the total number of non-disaster claims opened within the specified period.
7. **Scope:** The indicator is an aggregate of all claims opened and closed on a quarterly basis within the fiscal year.
8. **Caveats:** None.

**9. Accuracy, Maintenance, and Support:** This data has not been audited by the Office of the Legislative Auditor. The accuracy of the data may be verified by a review of the individual claim files.

**10. Responsible Person:**

Administrative Program Specialist over Claims  
(225) 342-8442

## PERFORMANCE INDICATOR DOCUMENTATION

**Program:** Ancillary – Office of Risk Management

**Activity:** Claims Administration

**Objective:** Shorten the lifespan of claims and reduce claims cost and long-term liabilities by closure of 45% of non-litigated claims within 90 days of opened date.

**Indicator Name:** Percentage of non-litigated claims closed within 90 days

**Indicator LaPAS PI Code:** 25752

**For each performance indicator in the strategic plan, address the following:**

1. **Type and Level:** Efficiency, Quality                      Level - Key
2. **Rationale, Relevance, and Reliability** This indicator will measure the lifespan of non-litigated claims. Lower claim payment outcomes are usually evident with shorter claim lifespans. Consequently, greater claims savings can be anticipated with shorter claim lifespans. This source is reliable.
3. **Use:** This indicator will allow ORM to focus on areas needing improvement to achieve a quicker resolution on non-litigated claims. This will reduce claims costs.
4. **Clarity:** The data to be measured is clear.
5. **Data Source, Collection and Reporting:** The data source will be the reports available within the claims management system, which will be generated for each quarter of the State's fiscal year.
6. **Calculation Methodology:** Calculate the percentage of non-litigated claims within a given period that are closed within 90 days of the open date.
7. **Scope:** The scope is limited to non-litigated claims arising out of all lines of coverage for all State Agencies insured by ORM.
8. **Caveats:** None.

**9. Accuracy, Maintenance, and Support:** This data has not been audited by the Office of the Legislative Auditor. The accuracy of the data may be verified by a review of the individual claim files.

**10. Responsible Person:**

Administrative Program Specialist over Claims  
(225) 342-8442



## PERFORMANCE INDICATOR DOCUMENTATION

**Program:** Ancillary – Office of Risk Management

**Activity:** Claims Administration

**Objective:** To reduce workers' compensation claim costs by maintaining a minimum of 30% agency participation in the Transitional Duty Employment plan.

**Indicator Name:** Percentage of agencies participating in the Transitional Duty Return to Work plan

**Indicator LaPAS PI Code:** 26521

**For each performance indicator in the strategic plan, address the following:**

1. **Type and Level:** Outcome, Quality

Level - Key

2. **Rationale, Relevance, and Reliability** This indicator measures ORM's efforts to educate and enroll agencies in the Transitional Duty Employment plan. The process requires employers to make accommodations when an injured worker has been released to some form of restricted duty. R.S. 39:1547 authorizes ORM to develop a Transitional Duty Employment plan that state agencies can mirror when developing their own policies. Agency involvement is key to the success of the initiative. Employing agencies provide return to work options for the injured worker by offering suitable accommodations and return to work options. Transitional Duty Employment provides a safe return to work from job-related injuries or illnesses; retains work skills by retaining qualified employees; and facilitates a safer working environment. This reduces the duration needed for employees to transition back to full duty and ultimately reduces workers' compensation claim costs. Injured workers are able to go from recuperating at home to being a viable part of the workforce. Transitional Duty Employment makes workers' compensation more effective.

3. **Use:** This indicator will be used to identify the effectiveness of the Return to Work initiative where ORM and its TPA meet with state agencies to help them understand the transitional duty process and to review the agency's policy concerning return to work. Claims that have potential for transitional duty employment are discussed. The transitional duty process for employees who have transitional duty accommodations is also discussed to ensure compliance and to evaluate how the process is working.

4. **Clarity:** This objective is clearly stated.

5. **Data Source, Collection and Reporting:** The data source will be reports available from the TPA, which will be generated for each quarter of the fiscal year.

6. **Calculation Methodology:** This indicator is calculated by means of a direct percentage, derived by dividing the number of agencies participating in the plan by the total agencies in the workers' compensation program at the end of each quarter during the specified period.

7. **Scope:** The indicator is an aggregate of all agencies that are participating at the end of each quarter within the fiscal year.

8. **Caveats:** The indicator measures the number of agencies that are participating in the program. There will be a positive impact on workers' compensation claims costs through increased participation in this program.

9. **Accuracy, Maintenance, and Support:** This data has not been audited by the Office of the Legislative Auditor. The accuracy of the data may be verified by a review of the individual claim files.

10. **Responsible Person:**  
Workers' Compensation Claims Manager  
(225) 342-7390



7. **Scope:** The indicator is an aggregate of active litigated claims within a specified period where a contracted attorney or a DOJ attorney serves as defense counsel.

8. **Caveats:** The objective, 40% closure within 36 months, is based on historical data. ORM's ability to close Road Hazard and Medical Malpractice litigated claims within a specified timeframe is limited due to factors outside of ORM's control. Therefore, these claims are excluded from the calculations.

9. **Accuracy, Maintenance, and Support:** This data has not been audited by the Office of the Legislative Auditor. The accuracy of the data may be verified by a review of the individual claim files.

10. **Responsible Person:**

Administrative Program Specialist over Claims  
(225) 342-8442

STATE OF LOUISIANA  
OFFICE OF RISK MANAGEMENT

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