MOM-RMTD-PRO-Loss Mitigation Expense Program

Category: Risk Management

Effective Date: 06-13-2024

Last Revised: 12-02-2024

Issuing Authority: Risk Management & Tort Defense Division

I. Definition

A loss mitigation expense is an expense associated with a state agency or university program, process, or procedure that prevents/mitigates insured auto, aviation, general liability, and property losses. Through effective loss prevention, state agencies and universities may reduce the underlying risk factors that precede claims or losses, thus saving tax dollars and other vital assets and resources.

II. Purpose

The Risk Management & Tort Defense Division (RMTD) offers loss mitigation expense funds to state agencies and universities for projects or equipment, that reduce the likelihood of insured auto, aviation, liability, and property claims.

III. Loss Mitigation Expense Categories

A. An agency seeking loss mitigation expense funds shall present a request in writing that:

    1. identifies the risk of loss and potential costs associated with the loss;

    2. identifies matching funds from the agency to address or reduce the risk of loss;

    3. provides a detailed explanation of how the funds will be spent to mitigate the loss; and

    4. explains what type of loss will be mitigated by these expense program funds.

B. Prior to distributing funds for an agency seeking funds from the loss mitigation program, RMTD shall review the information provided by the agency and confirm the existence of a significant risk of loss to be mitigated with the requested funds.

C. There are two categories of loss mitigation expenses:

    1. Category I (Emergency Mitigation Expenses)-The Risk Management & Tort Defense Division may approve and pay loss mitigation expenses for any loss

that is imminent and/or for an emerging risk that is deemed to be potentially catastrophic. Category I expenditures will be accounted for like any other operational expenditure.

a. For assistance with an emergency mitigation expense, an agency may contact RMTD staff, the Loss Prevention/Training Specialist David Rau during normal business hours (8:00 a.m. to 5:00 p.m.). After normal business hours (8:00 a.m. to 5:00 p.m.), an agency/university may contact the Loss Prevention/Training Specialist, David Rau, or Brett Dahl, Administrator at (406) 444-2421 by following the instructions on the prompt of the after-hours recording, or by visiting the Claims page on the RMTD website.

b. Once an agency/university has made contact with RMTD staff and obtained approval to continue with a loss mitigation task that involves an expense, that agency must follow up with appropriate paperwork, invoices, and documentation, including a signed and completed loss mitigation expense application, which can be found on the Loss Control page on the RMTD website.

c. Each agency must ensure that all bids, work plans, and invoices are submitted in accordance with state bidding laws and practices and comply with state and federal regulations.

d. The RMTD Training Development Specialist will maintain the paperwork on all Category I loss mitigation expenditures and track them to completion.

e. Any expenditure of over $30,000, (not including matching funds available), must be approved by the Directors of the Department of Administration (DOA) and the Office of Budget and Program Planning (OBPP).

2. Category II (Non-Emergency Mitigation Expenses)-The Risk Management & Tort Defense Division may approve and pay non-emergency loss mitigation expenses for other projects, equipment, or training that prevent/mitigate insured auto, aviation, general liability, and property losses. The affected agency/university must complete the Loss Mitigation Expense Application found on the Risk Management & Tort Defense Division's (RMTD) website. The application must be signed and include appropriate

documentation as to how the approved expenditure will prevent/mitigate a loss and what type of loss will be mitigated by these expense program funds.

a. If, at any time, the expenditure exceeds the amount approved or there is a change to the nature of the project from the original application, a new application must be completed with documentation of the changes. If the actual completed project amount is different than the original amount requested, the agency/university is still responsible for the matching funds stated in the initial application.

b. The appointed RMTD staff will approve or disapprove applications based on frequency of a loss, and the potential severity of a loss, with consideration given to prior claims experience for that type of risk and fund availability.

c. Any request for a Category II expenditure of $30,000 or more, not including matching funds available, must be approved by the Directors of DOA and OBPP.

d. Each agency must ensure that all work plans, and invoices are submitted, in accordance with state bidding laws, and practices and comply with state and federal regulations.

e. Each state agency/university must provide periodic updates regarding the progress of an approved request to the Training and Development Specialist at RMTD.

f. Category II loss mitigation expenses will be carefully tracked and accounted for by the Training and Development Specialist at the Risk Management & Tort Defense Division.

3. Key Dates-To be eligible for Loss Mitigation Funds for Category II expenses, each state agency/university must sign and return the Loss Mitigation Expense Application Form to Loss Prevention/Training Specialist David Rau at RMTD no later than May 1. Once all applications are received and reviewed, their decision will be given to all who applied, within 45 days. Requests for funding submitted after May 1stand will be considered subject to mitigation priority and available funding.

IV. Laws Governing

HB 354 (yet to be codified)

V. Administrative Use

History Log	
Approved Date:	10/15/2015
Effective Date:	10/15/2015
Change and Review Contact:	Brett Dahl /Division Administrator
Review:	Event Review: Any event affecting this procedure may initiate a review. Such events may include a change in federal law, key staff changes or a request for review or change.
Last Review/Revision Date: 10/16/2024	By: David Rau / Loss Prevention/Training Specialist

Revised by Danica Boe

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