

# SELF-FUNDED INSURANCE

## Fund 476-000

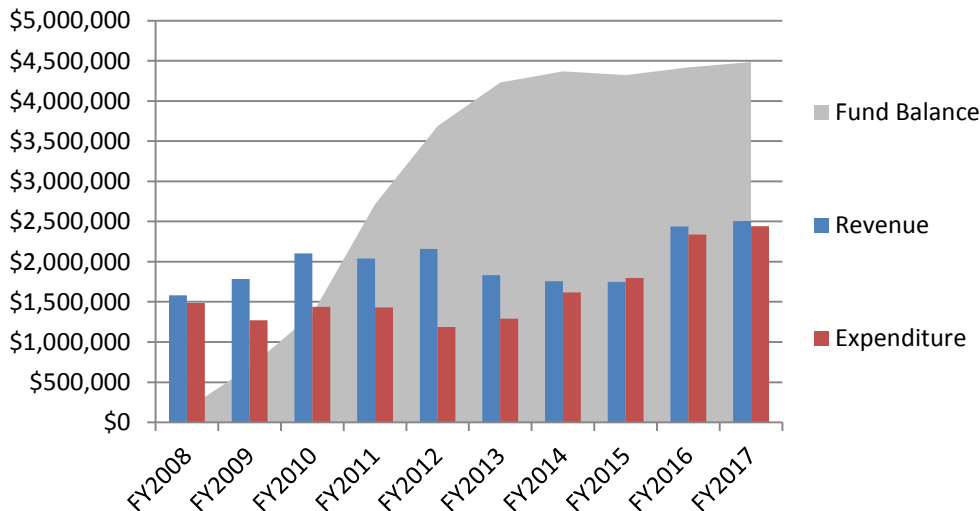
The fund accounts for risk financing activities. Revenue comes from the Tort Immunity Fund to cover costs relevant to the County’s General Corporate Fund departments; and from billings to various County Special Revenue Funds to cover their representative share of cost. The Self-Funded Insurance Fund provides financing for the County’s auto liability and property, general liability, unemployment and worker’s compensation claims payments, and for stop-loss insurance premiums for auto, liability, property, unemployment and workers compensation.

### BUDGET HIGHLIGHTS

In FY1986, the county established a self-funded worker’s compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY1992. In FY1993, the County created a separate internal service fund – the Self-Funded Insurance Fund, and moved self-funded worker’s compensation to that fund. The County also began self-funding liability and auto insurance in FY1994 through the Self-Funded Insurance Fund. The billings to various funds for the self-funded portion of worker’s compensation, unemployment, liability and property are based upon projections provided through an actuarial study documenting the County’s Loss Reserve and Funding Analysis.

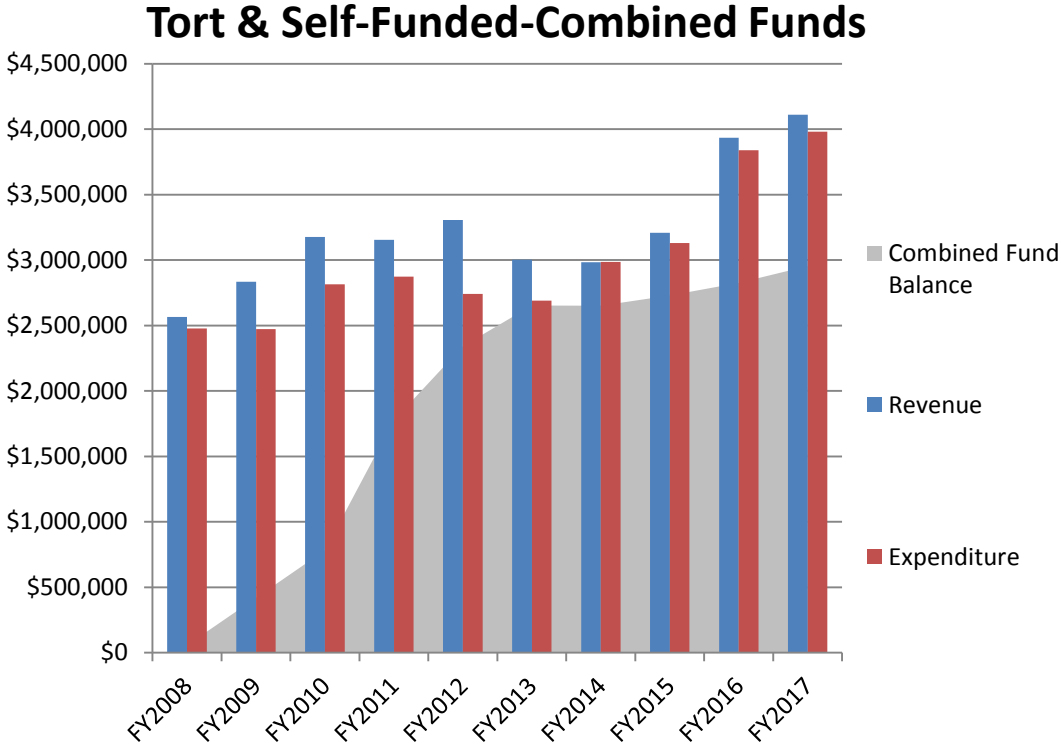
The Self-Funded Insurance Fund has experienced revenue in excess of expenditure from FY2008 through FY2017. This results from the fact that actual claims paid have been lower than budgeted for based on the actuarial report, and thus billings to the outside funds based on the actuarial estimates and worker’s compensation rates had generated revenue in excess of actual expenditure. It is estimated with the FY2017 budgets that there will be stabilization wherein expenditures are expected to more closely match actual revenues resulting in stabilization of the fund balance.

### Self-Funded Insurance



The Self-Funded Insurance Fund is in a combined fund with Tort Immunity Fund which had a fund balance deficit of \$1.59 million at the end of FY2015. That negative fund balance realizes gradual improvement with the FY2017 budget – now projected to be at a \$1.53 million deficit at the end of FY2017. (For greater detail, see the Tort Immunity Fund Budget Document.)

The combining of the Self-Funded Insurance Fund and the Tort Immunity Fund provides the ability of the fund balance surplus in the Self-Funded Insurance Fund to absorb the fund balance deficit in the Tort Immunity Fund. The combined fund balance of the two funds (Self-Funded Insurance Fund and Tort Immunity Fund) – was at \$2.73 million at the end of FY2015, and is projected to be at \$2.95 million at the end of FY2017. An appropriate fund balance for the County’s Self-Funded Insurance Program is \$2.5 million to ensure capacity to fund its obligations moving into the future. The following chart depicts the combining of revenues and expenditures for the Tort Immunity Fund and Self-Funded Insurance Fund, exhibiting the actual cash balance available for Self-Funded operations.



**FINANCIAL**

Fund 476 Summary			2015	2016	2016	2017
			Actual	Original	Projected	Budget
341	8	PROPERTY/LIAB INS BILLING	\$863,588	\$1,235,852	\$1,235,852	\$1,282,612
341	9	WORKERS COMP INS BILLINGS	\$858,707	\$1,198,258	\$1,198,258	\$1,222,223
		FEES AND FINES	\$1,722,295	\$2,434,110	\$2,434,110	\$2,504,835
361	10	INVESTMENT INTEREST	\$2,281	\$2,000	\$2,000	\$2,000
369	90	OTHER MISC. REVENUE	\$25,218	\$0	\$0	\$0
		MISCELLANEOUS	\$27,499	\$2,000	\$2,000	\$2,000
<b>REVENUE TOTALS</b>			<b>\$1,749,794</b>	<b>\$2,436,110</b>	<b>\$2,436,110</b>	<b>\$2,506,835</b>
513	4	WORKERS' COMPENSATION INS	\$234,354	\$234,093	\$234,093	\$241,116
513	14	WKRS COMP SELF-FUND CLAIM	\$688,709	\$873,264	\$873,264	\$899,636
513	24	WKRS COMP 3RD PARTY ADMIN	\$1,400	\$0	\$0	\$0

<b>Fund 476 Summary</b>			<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>
			<b>Actual</b>	<b>Original</b>	<b>Projected</b>	<b>Budget</b>
		PERSONNEL	\$924,463	\$1,107,357	\$1,107,357	\$1,140,752
522	1	STATIONERY & PRINTING	\$41	\$0	\$0	\$0
		COMMODITIES	\$41	\$0	\$0	\$0
533	1	AUDIT & ACCOUNTING SERVCS	\$8,000	\$0	\$0	\$10,000
533	3	ATTORNEY/LEGAL SERVICES	\$95,429	\$95,000	\$95,000	\$105,000
533	5	COURT REPORTING	\$604	\$0	\$0	\$0
533	20	INSURANCE	\$625,290	\$654,000	\$654,000	\$673,620
533	26	PROPERTY LOSS/DMG CLAIMS	\$5,649	\$35,000	\$35,000	\$40,000
533	93	DUES AND LICENSES	\$605	\$750	\$750	\$750
533	95	CONFERENCES & TRAINING	\$93	\$0	\$0	\$0
534	80	AUTO DAMAGE/LIAB CLAIMS	\$77,471	\$75,062	\$75,062	\$77,314
534	81	GENERAL LIABILITY CLAIMS	\$47,381	\$353,091	\$353,091	\$374,905
		SERVICES	\$860,522	\$1,212,903	\$1,212,903	\$1,281,589
571	80	TO GENERAL CORP FUND 080	\$12,130	\$18,555	\$18,869	\$19,246
		INTERFUND EXPENDITURE	\$12,130	\$18,555	\$18,869	\$19,246
<b>EXPENDITURE TOTALS</b>			<b>\$1,797,156</b>	<b>\$2,338,815</b>	<b>\$2,339,129</b>	<b>\$2,441,587</b>

**FUND BALANCE**

<b>FY2015 Actual</b>	<b>FY2016 Projected</b>	<b>FY2017 Budgeted</b>
\$4,321,833	\$4,418,814	\$4,484,062

The fund balance goal is \$2,500,000 to allow for appropriate cash flow and adequate funding for unanticipated claims. The actual ending fund balance projection for FY2017 is \$2.9 million when the Tort Immunity Fund deficit is absorbed by the Self-Funded Insurance Fund actual balance.