

SELF-FUNDED INSURANCE

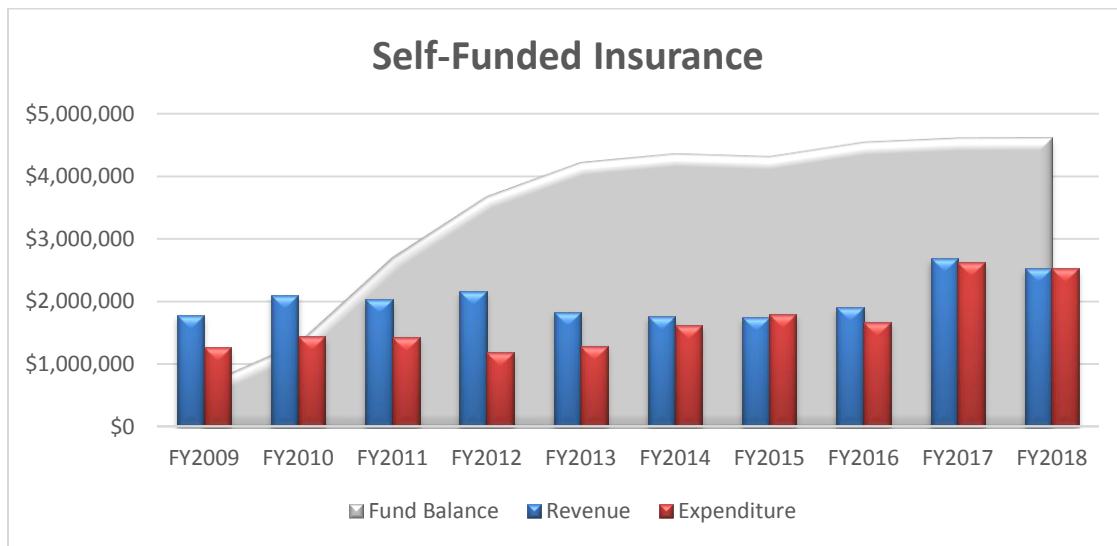
Fund 476-000

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

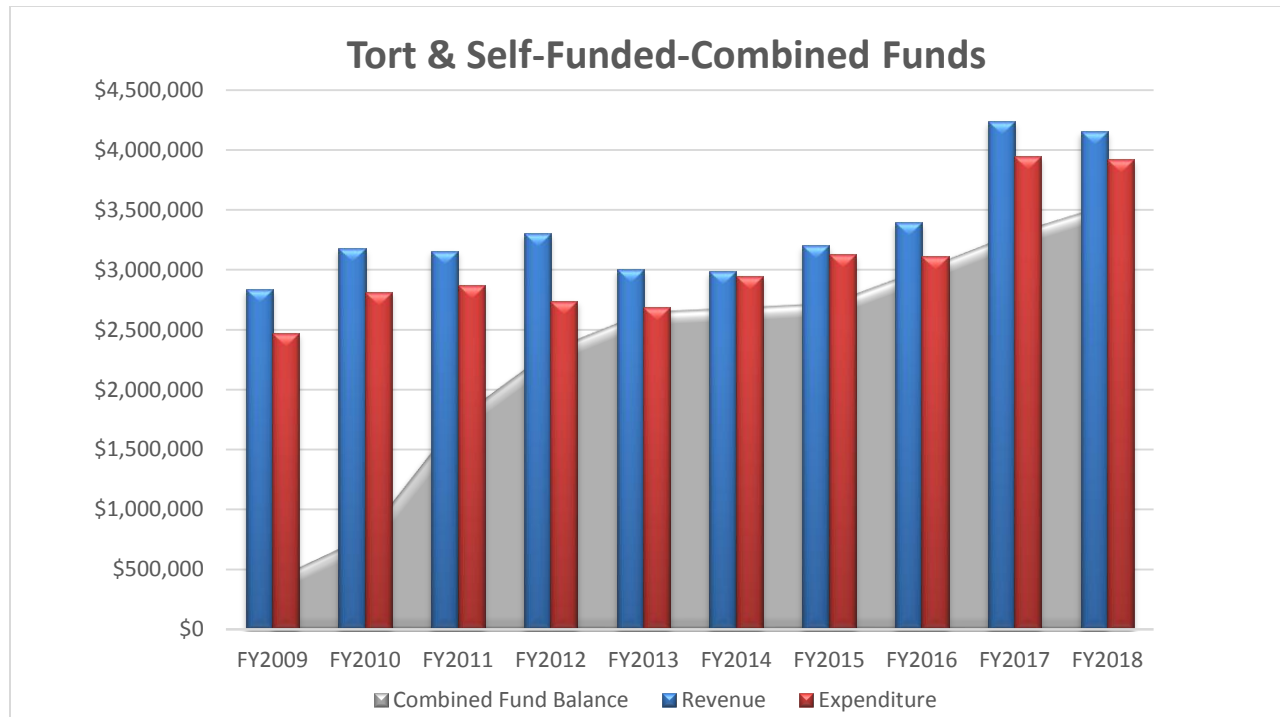
In FY1986, the county established a self-funded worker’s compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY1992. In 1993, the County created a separate internal service fund – the Self-Funded Insurance Fund, and moved self-funded worker’s compensation to that fund. The County also began self-funding liability and auto insurance in 1994 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 FY2018 budgets that there will be stabilization wherein expenditures are expected to more closely match actual revenues resulting in stabilization of the fund balance.



The Self-Funded Insurance Fund is in a combined fund with Tort Immunity Fund which had a fund balance deficit of \$1.53 million at the end of FY2016. That negative fund balance realizes gradual improvement with the FY2017 and FY2018 budgets – now projected to be at a \$1.08 million deficit at the end of FY2018. (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 \$3.02 million at the end of FY2016, \$3.3 million at the end of FY2017, and \$3.55 million at the end of FY2018. 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			2016 Actual	2017 Original	2017 Projected	2018 Budget
341	8	PROPERTY/LIAB INS BILLING	\$934,660	\$1,282,612	\$1,282,612	\$1,478,080
341	9	WORKERS COMP INS BILLINGS FEES AND FINES	\$885,850	\$1,222,223	\$1,158,943	\$1,048,810
			\$1,820,510	\$2,504,835	\$2,441,555	\$2,526,890
361	10	INVESTMENT INTEREST	\$5,029	\$2,000	\$6,000	\$3,000
369	80	INSURANCE CLAIMS REIMB	\$58,878	\$0	\$0	\$0
369	90	OTHER MISC. REVENUE MISCELLANEOUS	\$14,309	\$0	\$6,296	\$0
			\$78,216	\$2,000	\$12,296	\$3,000
381	17	UNEMPLOYMENT INS REIMB INTERFUND REVENUE	\$0	\$0	\$235,550	\$0
			\$0	\$0	\$235,550	\$0
REVENUE TOTALS			\$1,898,726	\$2,506,835	\$2,689,401	\$2,529,890

Fund 476 Summary			2016	2017	2017	2018
			Actual	Original	Projected	Budget
513	4	WORKERS' COMPENSATION INS	\$213,021	\$241,116	\$241,116	\$253,172
513	14	WKRS COMP SELF-FUND CLAIM	\$623,177	\$899,636	\$898,354	\$782,150
513	24	WKRS COMP 3RD PARTY ADMIN	\$350	\$0	\$0	\$0
		PERSONNEL	\$836,548	\$1,140,752	\$1,139,470	\$1,035,322
533	1	AUDIT & ACCOUNTING SERVCS	\$0	\$10,000	\$12,500	\$0
533	3	ATTORNEY/LEGAL SERVICES	\$75,670	\$105,000	\$80,000	\$100,000
533	20	INSURANCE	\$565,130	\$673,620	\$909,170	\$954,629
533	26	PROPERTY LOSS/DMG CLAIMS	\$93,827	\$40,000	\$40,000	\$40,000
533	93	DUES AND LICENSES	\$385	\$750	\$385	\$400
534	80	AUTO DAMAGE/LIAB CLAIMS	\$36,460	\$77,314	\$44,206	\$44,206
534	81	GENERAL LIABILITY CLAIMS	\$43,440	\$374,905	\$374,905	\$332,701
		SERVICES	\$814,912	\$1,281,589	\$1,461,166	\$1,471,936
571	80	TO GENERAL CORP FUND 080	\$18,700	\$19,246	\$19,246	\$19,632
		INTERFUND EXPENDITURE	\$18,700	\$19,246	\$19,246	\$19,632
EXPENDITURE TOTALS			\$1,670,160	\$2,441,587	\$2,619,882	\$2,526,890

FUND BALANCE

FY2016 Actual	FY2017 Projected	FY2018 Budgeted
\$4,550,976	\$4,620,495	\$4,623,495

The fund balance goal is \$2.5 million to allow for appropriate cash flow and adequate funding for unanticipated claims. Per the Actuarial Report completed in August 2018, the discounted actuarial central estimate of unpaid claim liability is \$3.85 million for the period ending December 31, 2018. The actual ending fund balance projection for FY2018 is \$3.55 million when the Tort Immunity Fund deficit is absorbed by the Self-Funded Insurance Fund actual balance.