

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.

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, general liability and auto liability are based upon projections provided through an actuarial study documenting the County's Loss Reserve and Funding Analysis.

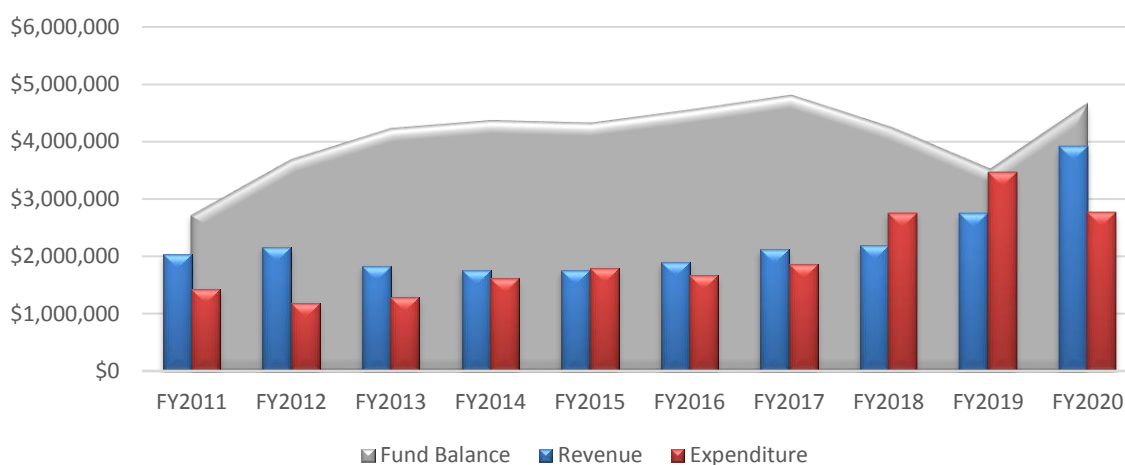
BUDGET HIGHLIGHTS

In FY2018 and FY2019, there was a significant drop in the fund balance due to expenditures exceeding revenues as a result of settling Nursing Home claims, the Nursing Home fund's inability to reimburse this fund for self-funded insurance costs, and the fund having to pay for insurance expenditures traditionally paid by the home. Historically, the Self-Funded Insurance fund has experienced revenue in excess of, or equal to, expenditures. This results from the fact that actual claims paid have been lower than budgeted based on the actuarial report, and thus billings to the outside funds based on the actuarial estimates and worker's compensation rates generated revenue in excess of actual expenditure.

As of July 30, 2019, the Nursing Home fund owed the Self-Funded Insurance fund a total of \$1,828,057 for Worker's Compensation costs, property insurance premium payments, outside attorney fees and Interfund liability billings. This total does not include recent claims settlements made on behalf of the home in FY2019, nor the Home's 2019 Interfund billing amount.

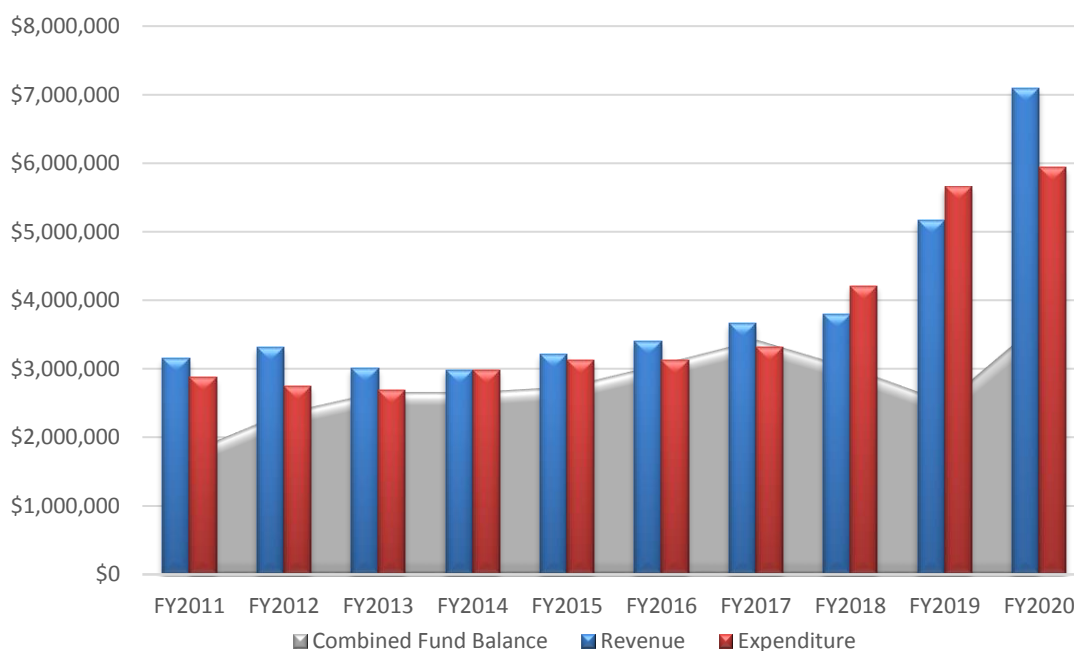
The FY2019 the liability levy included \$439,285 that was reallocated under PTELL from the Nursing Home operating levy for outstanding amounts owed by the Nursing Home. A transfer to the Self-Funded Insurance fund was budgeted in an equal amount. In FY2020 the liability levy includes \$1.32 million that will be transferred to the Self-Funded Insurance fund to go towards the Nursing Home obligations owed to the Self-Funded Insurance fund.

Self-Funded Insurance



The Self-Funded Insurance Fund is in a combined fund with the Tort Immunity Fund, which has a fund balance deficit. That negative fund balance has realized gradual improvement in years 2015 through 2019 (see the Tort Immunity Fund Budget Document 076-075). Combining the funds allows the fund balance surplus in the Self-Funded Insurance Fund to cover the fund balance deficit in the Tort Immunity Fund. The following chart depicts the combined revenues and expenditures for the Tort Immunity Fund and Self-Funded Insurance Fund, and shows the actual fund balance available for Self-Funded operations. The significant increase in revenues reflected in FY2020 is the result of the former Nursing Home levy being utilized to reimburse the fund for obligations owed to the fund. Even with the amounts paid to this fund from reallocation of the levy in FY2018 and FY2019, there will still be an outstanding amount owed from the Nursing Home fund to the Self-Funded Insurance fund as there are recent claims settlements that must be paid as well as the FY2019 Interfund billing amount.

Tort & Self-Funded-Combined Funds



FINANCIAL

Fund 476 Summary			2018 Actual	2019 Original	2019 Projected	2020 Budget
341	8	PROPERTY/LIAB INS BILLING	\$987,299	\$1,298,074	\$1,036,438	\$1,338,662
341	9	WORKERS COMP INS BILLINGS	\$826,244	\$1,096,295	\$985,000	\$981,727
		FEES AND FINES	\$1,813,543	\$2,394,369	\$2,021,438	\$2,320,389
361	10	INVESTMENT INTEREST	\$52,603	\$30,000	\$50,000	\$40,000
369	80	INSURANCE CLAIMS REIMB	\$24,580	\$0	\$0	\$0
369	90	OTHER MISC. REVENUE	\$48,950	\$0	\$1,152	\$0
		MISCELLANEOUS	\$126,133	\$30,000	\$51,152	\$40,000
371	76	FROM TORT IMMUNITY FND076	\$0	\$439,285	\$439,285	\$1,322,382
381	17	UNEMPLOYMENT INS REIMB	\$248,600	\$236,000	\$236,000	\$240,000
		INTERFUND REVENUE	\$248,600	\$675,285	\$675,285	\$1,562,382
REVENUE TOTALS			\$2,188,276	\$3,099,654	\$2,747,875	\$3,922,771
513	4	WORKERS' COMPENSATION INS	\$242,374	\$270,940	\$270,940	\$279,800
513	14	WKRS COMP SELF-FUND CLAIM	\$819,115	\$797,374	\$797,374	\$688,755
		PERSONNEL	\$1,061,489	\$1,068,314	\$1,068,314	\$968,555
522	1	STATIONERY & PRINTING	\$56	\$50	\$0	\$50
		COMMODITIES	\$56	\$50	\$0	\$50
533	1	AUDIT & ACCOUNTING SERVCS	\$0	\$13,000	\$13,000	\$0
533	3	ATTORNEY/LEGAL SERVICES	\$377,384	\$110,000	\$300,000	\$250,000
533	20	INSURANCE	\$967,172	\$987,306	\$1,331,092	\$967,171
533	26	PROPERTY LOSS/DMG CLAIMS	\$30,532	\$40,000	\$40,000	\$40,000
533	93	DUES AND LICENSES	\$0	\$400	\$0	\$0
533	95	CONFERENCES & TRAINING	\$0	\$0	\$0	\$400
534	80	AUTO DAMAGE/LIAB CLAIMS	\$87,060	\$46,128	\$46,128	\$52,762
534	81	GENERAL LIABILITY CLAIMS	\$208,814	\$837,410	\$650,000	\$472,014
		SERVICES	\$1,670,962	\$2,034,244	\$2,380,220	\$1,782,347
571	80	TO GENERAL CORP FUND 080	\$19,596	\$20,403	\$19,080	\$19,683
		INTERFUND EXPENDITURE	\$19,596	\$20,403	\$19,080	\$19,683
EXPENDITURE TOTALS			\$2,752,103	\$3,123,011	\$3,467,614	\$2,770,635

FUND BALANCE

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
\$4,241,579	\$3,521,840	\$4,673,976

Per the County's Financial Policies, the County will strive to maintain the actuary recommended fund balance. Per the County's current actuarial study, the discounted actuarial central estimate of unpaid claim

liability is \$3.24 million for the period ending December 31, 2020. At a minimum, a fund balance of \$2.5 million is suggested to allow for appropriate cash flow and adequate funding for unanticipated claims.

COMBINED FUND BALANCE (TORT IMMUNITY AND SELF-FUNDED INSURANCE)

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
\$3,000,762	\$2,509,179	\$3,662,753