

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.

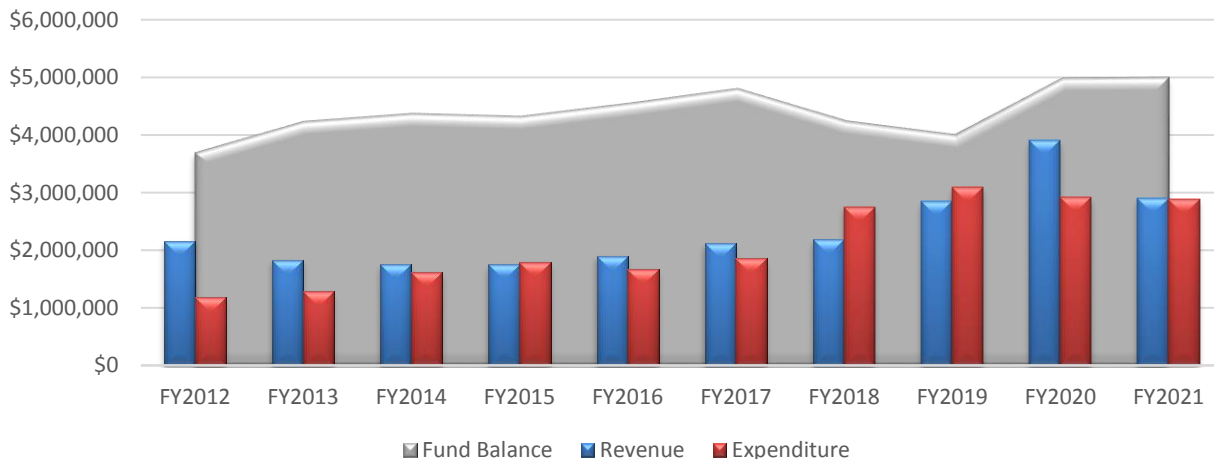
In FY1986, the county established a self-funded worker’s compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY1992. In 1993, the County created a separate internal service fund – the Self-Funded Insurance Fund and moved self-funded worker’s compensation 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.

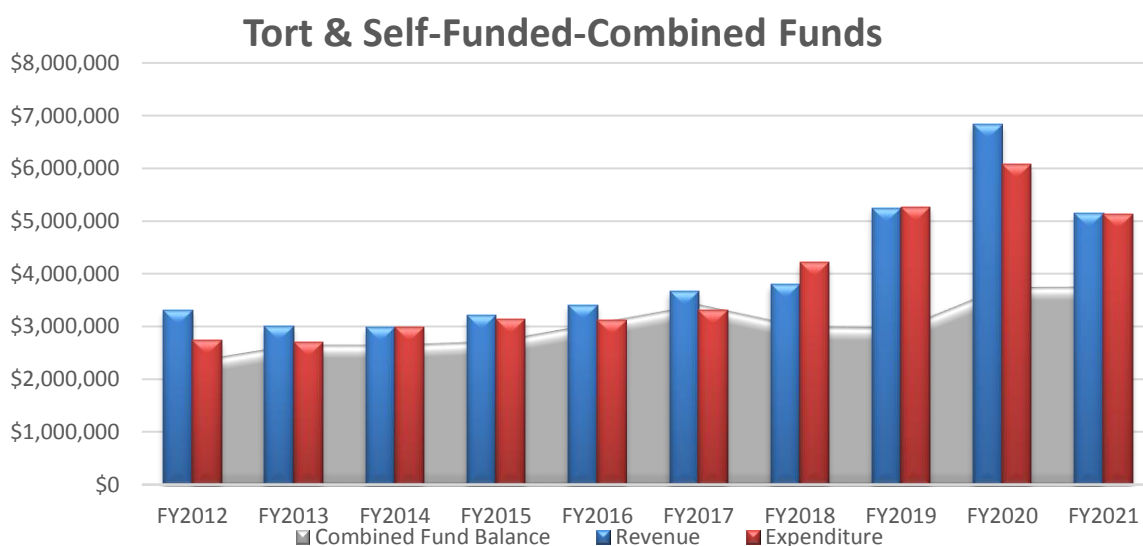
As of June 2020, the Nursing Home fund owed the Self-Funded Insurance fund a total of \$2.2 million. In FY2020 the liability levy includes \$1.32 million that was reallocated under PTELL from the Nursing Home operating levy for outstanding amounts owed by the Home that will be transferred to the Self-Funded Insurance fund to go towards the Home’s obligations owed to the Self-Funded Insurance fund. This will provide some restoration to the fund balance.

Self-Funded Insurance



Self-Funded Insurance is in a combined fund with Tort Immunity, which has a fund balance deficit (see the Tort Immunity Fund Budget Document 076-075). Combining the funds allows the fund balance surplus in the Self-Funded Insurance Fund to absorb 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, exhibiting the actual fund balance available for Self-Funded operations.

The following chart depicts the combined revenues and expenditures for Tort Immunity and Self-Funded Insurance 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 Home to the Self-Funded Insurance fund for claims against the Home.



FINANCIAL

Fund 476 Summary			2019 Actual	2020 Original	2020 Projected	2021 Budget
341	8	PROPERTY/LIAB INS BILLING	\$1,019,731	\$1,338,662	\$1,338,662	\$1,691,402
341	9	WORKERS COMP INS BILLINGS FEES AND FINES	\$1,085,576 \$2,105,307	\$981,727 \$2,320,389	\$981,727 \$2,320,389	\$947,407 \$2,638,809
361	10	INVESTMENT INTEREST	\$47,733	\$40,000	\$20,000	\$10,000
369	80	INSURANCE CLAIMS REIMB	\$0	\$0	\$1,200	\$0
369	90	OTHER MISC. REVENUE MISCELLANEOUS	\$27,628 \$75,361	\$0 \$40,000	\$958 \$22,158	\$0 \$10,000
371	76	FROM TORT IMMUNITY FND076	\$439,285	\$1,322,382	\$1,322,382	\$0
381	17	UNEMPLOYMENT INS REIMB INTERFUND REVENUE	\$225,814 \$665,099	\$240,000 \$1,562,382	\$240,000 \$1,562,382	\$250,000 \$250,000
REVENUE TOTALS			\$2,845,767	\$3,922,771	\$3,904,929	\$2,898,809

Fund 476 Summary			2019	2020	2020	2021
			Actual	Original	Projected	Budget
513	4	WORKERS' COMPENSATION INS	\$256,682	\$279,800	\$200,000	\$225,000
513	14	WKRS COMP SELF-FUND CLAIM	\$480,367	\$688,755	\$688,755	\$702,092
		PERSONNEL	\$737,049	\$968,555	\$888,755	\$927,092
522	1	STATIONERY & PRINTING	\$0	\$50	\$0	\$0
		COMMODITIES	\$0	\$50	\$0	\$0
533	1	AUDIT & ACCOUNTING SERVCS	\$13,000	\$0	\$0	\$14,000
533	3	ATTORNEY/LEGAL SERVICES	\$355,276	\$250,000	\$250,000	\$232,104
533	20	INSURANCE	\$1,257,818	\$967,171	\$967,171	\$1,100,000
533	26	PROPERTY LOSS/DMG CLAIMS	\$18,125	\$40,000	\$100,000	\$40,000
533	95	CONFERENCES & TRAINING	\$0	\$400	\$0	\$0
534	80	AUTO DAMAGE/LIAB CLAIMS	\$55,267	\$52,762	\$200,000	\$55,640
534	81	GENERAL LIABILITY CLAIMS	\$630,001	\$472,014	\$492,014	\$500,000
		SERVICES	\$2,329,487	\$1,782,347	\$2,009,185	\$1,941,744
571	80	TO GENERAL CORP FUND 080	\$18,991	\$19,683	\$19,663	\$19,973
		INTERFUND EXPENDITURE	\$18,991	\$19,683	\$19,663	\$19,973
EXPENDITURE TOTALS			\$3,085,527	\$2,770,635	\$2,917,603	\$2,888,809

FUND BALANCE

FY2019 Actual	FY2020 Projected	FY2021 Budgeted
\$4,001,817	\$4,989,143	\$4,999,143

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

FY2019 Actual	FY2020 Projected	FY2021 Budgeted
\$2,982,434	\$3,737,505	\$3,747,505

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 \$3.13 million for the period ending December 31, 2021.