

Insurance Programs

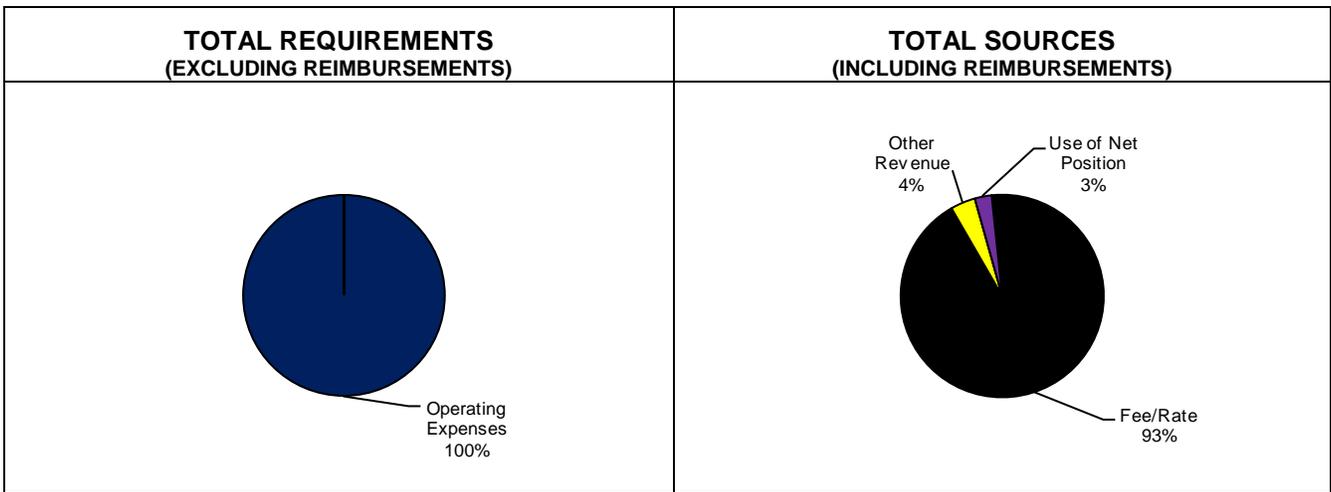
DESCRIPTION OF MAJOR SERVICES

Risk Management administers the County's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for its specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

Budget at a Glance

Total Requirements (Excl. Reimb.)	\$106,171,377
Total Sources (Incl. Reimb.)	\$103,322,700
Use of / (Contribution To) Net Position	\$2,848,677
Total Staff	0

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Administration
 DEPARTMENT: Risk Management
 FUND: Insurance Programs

BUDGET UNIT: Various
 FUNCTION: General
 ACTIVITY: Other General

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	62,512,745	68,403,173	63,043,339	94,365,754	63,445,736	106,171,377	11,805,623
Capital Expenditures	7,457	0	0	65,796	0	0	(65,796)
Total Exp Authority	62,520,202	68,403,173	63,043,339	94,431,550	63,445,736	106,171,377	11,739,827
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	62,520,202	68,403,173	63,043,339	94,431,550	63,445,736	106,171,377	11,739,827
Operating Transfers Out	7,059,078	6,262,212	5,844,503	6,065,418	5,819,975	0	(6,065,418)
Total Requirements	69,579,280	74,665,385	68,887,842	100,496,968	69,265,711	106,171,377	5,674,409
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	78,441	0	0	20,000	20,000
Fee/Rate	68,078,017	84,186,876	92,984,414	101,728,000	98,766,095	99,039,400	(2,688,600)
Other Revenue	3,075,228	3,786,298	562,131	1,377,819	4,223,152	4,223,300	2,845,481
Total Revenue	71,153,245	87,973,174	93,624,986	103,105,819	102,989,247	103,282,700	176,881
Operating Transfers In	(60,720,621)	0	428	0	37,558	40,000	40,000
Total Financing Sources	10,432,624	87,973,174	93,625,414	103,105,819	103,026,805	103,322,700	216,881
Net Position							
Use of/ (Contribution to) Net Position	59,146,656	(13,307,789)	(24,737,572)	(2,608,851)	(33,761,094)	2,848,677	5,457,528
Est. Net Position Available						55,110,003	
Total Est. Unrestricted Net Position						57,958,680	
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

Note: Unlike governmental funds, the 2015-16 Modified Budget and Estimate columns do not include information on Estimated Net Position Available or Total Estimated Unrestricted Net Position because GAAP requires that internal service and enterprise funds include line items such as depreciation, which are not budgeted, in the Net Position calculation.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Requirements of \$106.2 million include judgement and settlement costs, medical treatment and expenses, temporary disability and loss earnings, property insurance, and legal defense services.

Sources of \$103.3 million primarily include Board of Supervisors' approved premiums paid by departments, Board-Governed Special Districts, and County Service Areas.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$5.7 million due to an increase in settlements and increased liability claim experience. Additionally, there are increased medical claims costs in workers' compensation.

Sources are increasing by \$216,881 primarily due to lower premiums charged to departments for General Liability, Auto Liability, and Medical Malpractice Programs to achieve the 80% confidence level of funding offset by an increase in insurance recoveries and interest revenue.



ANALYSIS OF NET POSITION

Net Position supports insurance programs in maintaining and reaching an 80% confidence level of funding as recommended by annual actuarial studies. The department is budgeting a Use of Net Position of \$2.8 million for one-time claims costs of unexpected judgments and settlements.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit. Staff that administers these programs are budgeted in Risk Management's Operations budget unit.

