

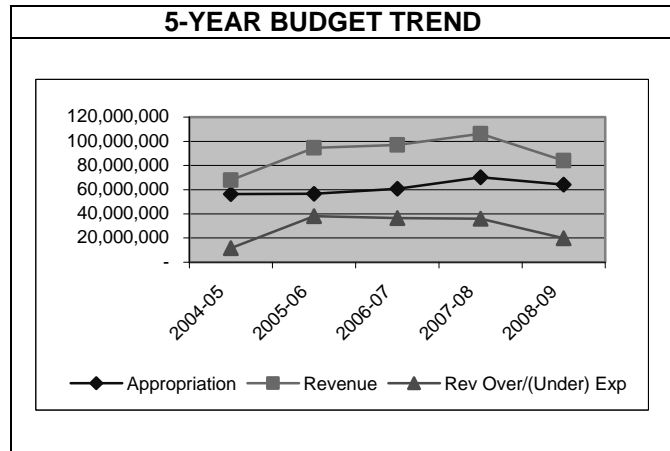
## Insurance Programs

### 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 paid from self-insurance funds and 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 their specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

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

### BUDGET HISTORY



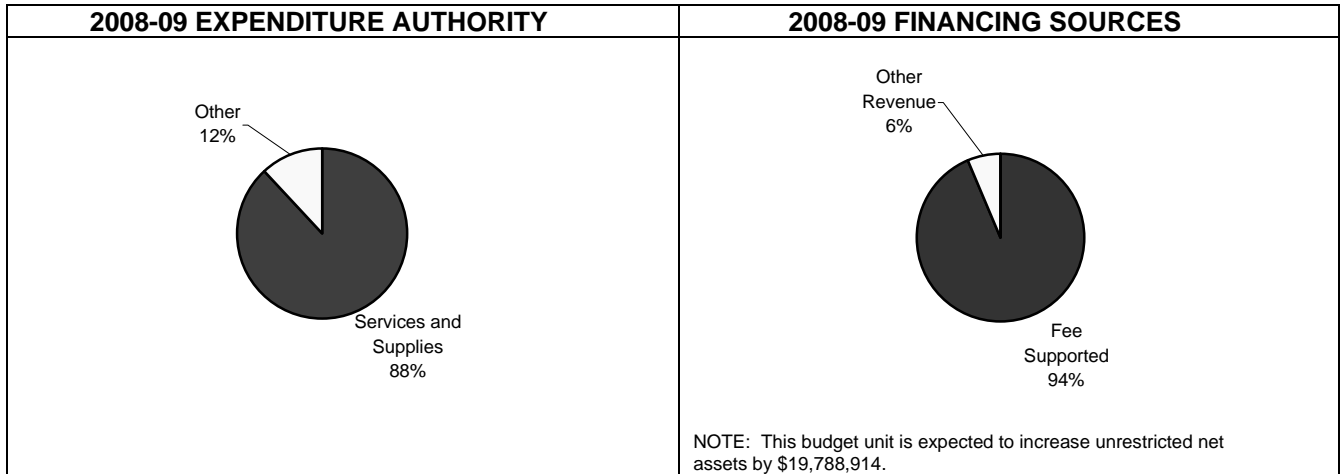
### PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Actual
Appropriation	47,913,728	59,670,550	52,702,580	70,334,073	108,319,597
Departmental Revenue	69,026,882	100,296,168	111,608,174	106,326,183	176,930,025
Revenue Over/(Under) Exp	21,113,154	40,625,618	58,905,594	35,992,110	68,610,428
Budgeted Staffing				-	
Fixed Assets	-	-	-	-	-
Unrestricted Net Assets Available at Year End	(47,077,608)	(15,997,800)	16,160,032		106,514,176

Actual appropriation and departmental revenue for 2007-08 is greater than modified budget as a result of the liquidation and distribution of the \$52.8 million Guaranteed Investment Contract (GIC) into the self insurance funds via operating transfers in and out.



**ANALYSIS OF FINAL BUDGET**



**GROUP:** Administrative/Executive  
**DEPARTMENT:** Risk Management  
**FUND:** Insurance Programs

**BUDGET UNIT:** VARIOUS FUNDS  
**FUNCTION:** General  
**ACTIVITY:** Insurance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2007-08 Final Budget	2008-09 Final Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Services and Supplies	41,822,987	48,601,816	45,834,700	48,169,326	62,781,757	56,540,250	(6,241,507)
Other Charges	414,702	339,709	349,406	448,865	380,000	452,000	72,000
Transfers	558,677	575,022	619,169	619,995	619,995	633,153	13,158
<b>Total Appropriation</b>	<b>42,796,366</b>	<b>49,516,547</b>	<b>46,803,275</b>	<b>49,238,186</b>	<b>63,781,752</b>	<b>57,625,403</b>	<b>(6,156,349)</b>
Operating Transfers Out	5,117,362	10,154,003	5,899,305	59,081,411	6,552,321	6,660,783	108,462
<b>Total Requirements</b>	<b>47,913,728</b>	<b>59,670,550</b>	<b>52,702,580</b>	<b>108,319,597</b>	<b>70,334,073</b>	<b>64,286,186</b>	<b>(6,047,887)</b>
<b>Departmental Revenue</b>							
Use of Money and Prop	296,562	659,430	3,982,629	9,675,057	2,034,683	5,405,100	3,370,417
State, Fed or Gov't Aid	24,812	-	-	20,625	-	-	-
Current Services	68,503,274	99,288,830	105,748,141	113,992,228	104,255,000	78,620,000	(25,635,000)
Other Revenue	145,028	306,348	186,424	422,048	36,500	50,000	13,500
Other Financing Sources	-	-	-	52,820,067	-	-	-
<b>Total Revenue</b>	<b>68,969,676</b>	<b>100,254,608</b>	<b>109,917,194</b>	<b>176,930,025</b>	<b>106,326,183</b>	<b>84,075,100</b>	<b>(22,251,083)</b>
Operating Transfers In	57,206	41,560	1,690,980	-	-	-	-
<b>Total Financing Sources</b>	<b>69,026,882</b>	<b>100,296,168</b>	<b>111,608,174</b>	<b>176,930,025</b>	<b>106,326,183</b>	<b>84,075,100</b>	<b>(22,251,083)</b>
Rev Over/(Under) Exp	21,113,154	40,625,618	58,905,594	68,610,428	35,992,110	19,788,914	(16,203,196)

Services and supplies of \$56,540,250 includes judgment and settlement costs, medical treatment and expenses, temporary disability and loss earnings, property insurance, and legal defense services. The \$6,241,507 decrease is due to a reduction in claims costs for litigation, investigation, property damage, and settlements.

Other charges of \$452,000 represent costs for taxes and assessments by the State of California for the workers' compensation self insurance plans.

Transfers of \$633,153 fund salary and benefit costs for six Safety Specialists and a Workers' Compensation Claims Adjuster, from various insurance funds resulting from Board of Supervisor's actions.

Operating transfers out of \$6,660,783 represent funding for the Operations Division. The \$108,462 increase is due to staffing adjustments.

Departmental revenue of \$84,075,100 includes \$78,620,000 in insurance premiums collected from user departments. The \$25,635,000 decrease results from obtaining 80% acceptable confidence levels in the self-insurance funds, as recommended by actuarial analysis, resulting in lower premiums. Also included is \$5,405,100 in anticipated interest earnings, which increased by \$3,370,417 based on estimated unrestricted net assets.



PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Actual	2008-09 Projected
Percentage of insurance funds at 80% confidence level.	N/A	100%	100%	100%

In 2001, a commitment was made to restore the self-insured fund balances to the marginally acceptable 70% confidence level by 2008. Risk Management implemented a five year recovery plan that accounted for the liquidation of a Guaranteed Investment Contract (GIC) in the amount of \$52.5 million at the end of 2008. By the end of 2006-07, 80% of Risk Management funds had attained the 70% confidence level target. As a result of the county's favorable financial condition, the department increased the confidence levels from the marginally acceptable 70% to a more conservative 80%, as recommended by actuarial analysis. In 2008-09, these reserves will be fully restored, and premiums charged to departments will be stabilized and reduced.

