

SELF INSURANCE

Current

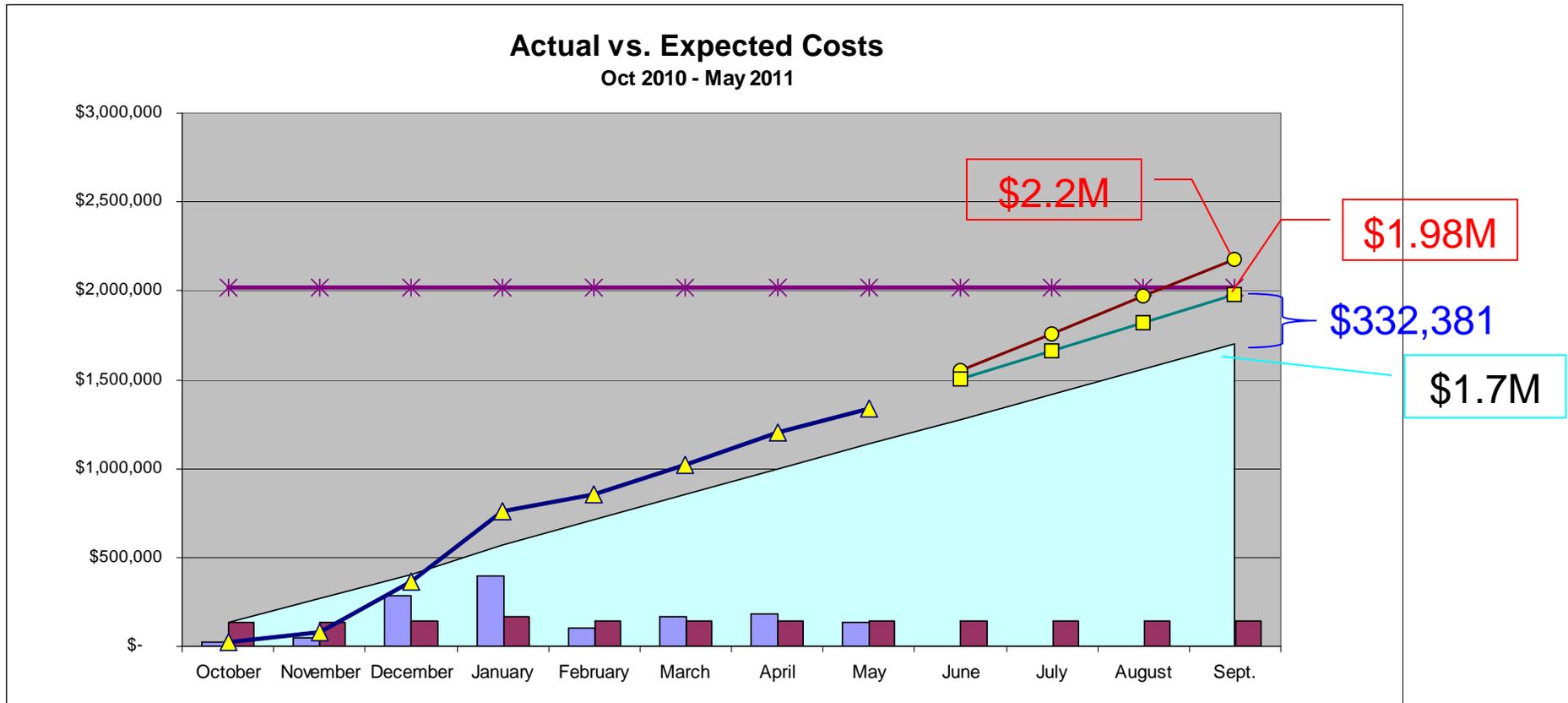
vs.

Proposed

Background

- 8 months in
- YTD \$202,324 over expected
- “Run in” effect
- Large Claims
 - 4 over \$100,000 cap thus far
- Cost Components
 - Variable
 - Claims
 - Fixed
 - Administration
 - “Cap” protection
 - Aggregate (\$2.0 million)
 - Per Claim (\$100,00)
- Reserve
 - Difference between Expected Cost and Aggregate Cap
 - From Fund Balance

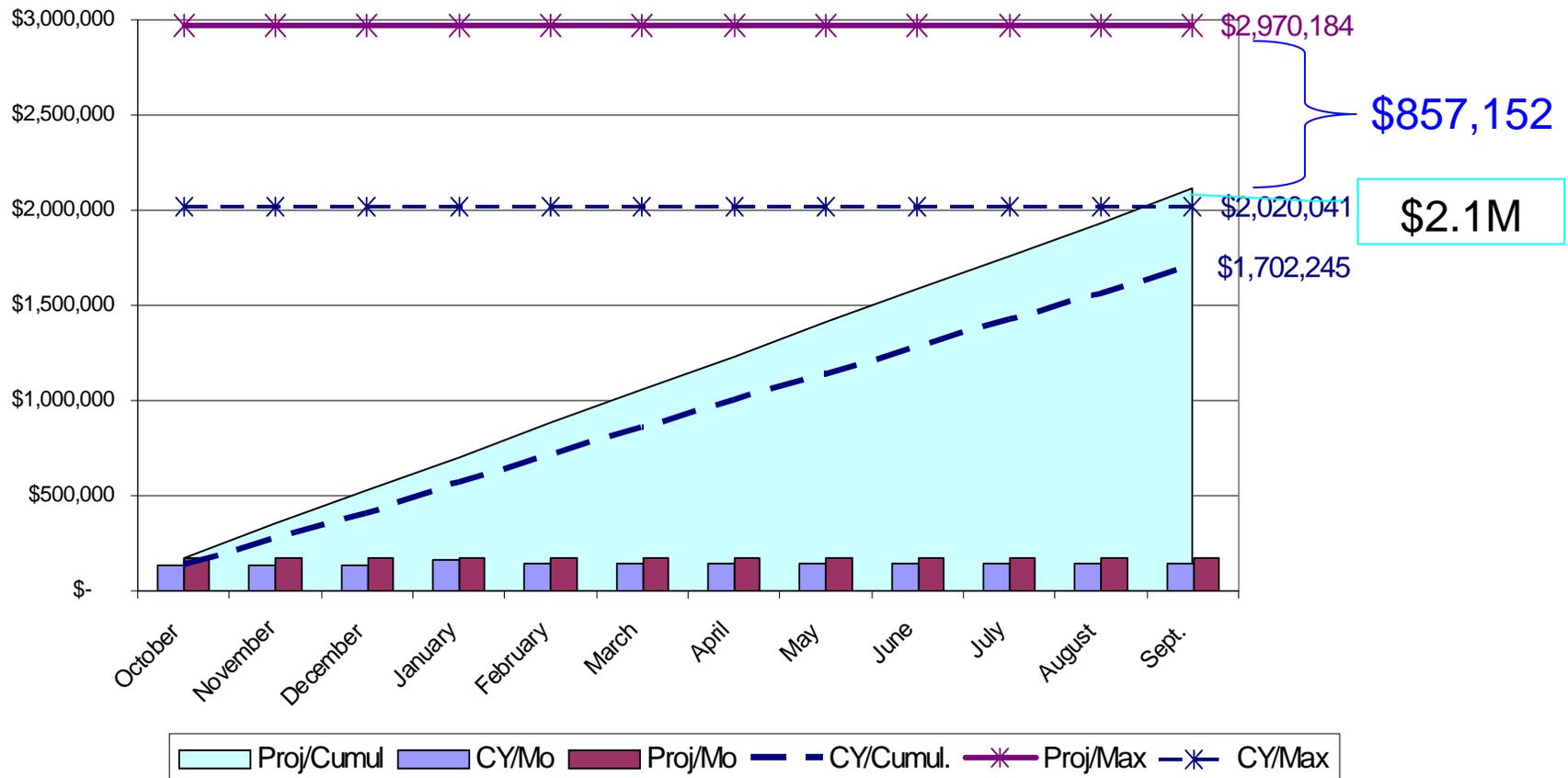
CURRENT YEAR OVERVIEW



LAST THREE YEARS CLAIMS

	<u>Actual</u>	<u>Inflated</u>
08-09	\$ 399.10	\$ 538.79
09-10	\$ 382.70	\$ 486.03
10-11	\$ 482.87	\$ 560.12
Avg	\$ 421.56	\$ 528.31
Monthly Claims	\$ 140,003	
Annual Claims	\$ 1,680,036	
Fixed	\$ 433,000	
Total	\$ 2,113,036	
Monthly	\$ 176,086	

Current Year vs. Projected



Fund Balance

\$7,008,776 GF FB YE 09/30/2010 (103 days)
(332,381) Insurance Reserve this year
(75,521) CY Est. Expenses over CY Est. Revenues
\$6,600,874 Estimated GF FB YE 09/30/2011 (97 days)
(857,152) Insurance Reserve Projected FY 11-12
\$5,743,722 Estimated GF FB YE 09/30/2012 (84 days)

\$1,247,443 Amount over 66 day reserve (CY Exp)

- Equivalent to 6.57 cents (CY values, rate)

Issues

- Risk
 - Reserve (draw down) vs. Budget
 - “Cap” levels
 - Fixed Cost
- Allocation of Increase (+27%)
 - City vs. Dependent
 - Employee contributions
- Plan Design
 - HRA vs. HSA
 - “Free” plan for Employees