

Self Insurance Fund

DESCRIPTION

The Self Insurance Fund was established in December, 1997, to provide for fiscal management of the County and School Board health insurance premiums and flexible spending account fees and revenues. All health insurance premiums will continue to be budgeted in departmental budgets, but this internal services fund will serve in the payment of premiums, charging departments for health insurance costs incurred, accounting for employee health insurance deductions, and provide adequate reserves to mitigate rate spikes of possible future rate increases.

The revenue for the fund comes primarily from three sources: premiums, investment income, and prior year balance. Premiums are generated from both the County as a benefit to employees, and the actual employees participating in the health insurance program. The County funds departments \$2,375 for each participating employee. These funds are paid into the Self Insurance fund in full in July of each year. In addition, each employee pays a premium based on the level of coverage selected in the program. Because County departments pay in full at the beginning of each fiscal year, there are funds available for investing. The interest earned off the investments are used to pay for a portion of the overall program costs. Finally, as necessary, funds from prior years are used to support the program.

OBJECTIVES

- To provide for fiscal management of health premiums.

SERVICE LEVELS

The Self Insurance Fund will provide fiscal management for all County and School funds, including the Pamunkey Regional Jail and the Pamunkey Regional Library. The revenues received from departments and employee health insurance deductions will offset all expenditures of this fund.

Below is the premium structure for health insurance rates for the time period of October 1, 2002 through September 30, 2003. The County currently contracts with Trigon Blue Cross Blue Shield.

	Total Monthly Premium	Employer Monthly Share	Employee Premium
Healthkeepers HMO			
Employee only	\$ 231.89	\$ 216.89	\$ 15.00
Employee/Child	312.89	216.89	96.00
Employee/Spouse or 2 Children	394.39	216.89	177.50
Employee/Family	475.39	216.89	258.50
 Key Care II PPO			
Employee only	\$ 430.89	\$ 216.89	\$ 214.00
Employee/Child	581.89	216.89	365.00
Employee/Spouse or 2 Children	732.89	216.89	516.00
Employee/Family	883.89	216.89	667.00
 Product 10			
Employee only	\$ 297.39	\$ 216.89	\$ 80.50
Employee/Child	401.39	216.89	184.50
Employee/Spouse or 2 Children	505.39	216.89	288.50
Employee/Family	609.39	216.89	392.50

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TRENDS

FY03

The increase in FY03 is based on projected costs.

FY04

The increase in FY03 is based on projected costs.

BUDGET SUMMARY

	FY02	FY02	FY03	FY04	Percent
<u>Self Insurance:</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Personnel Expenditures	\$ 9,270,380	\$ 9,409,623	\$ 10,136,500	\$ 11,361,488	12.1%
Operating Expenditures	-	-	-	-	0.0%
TOTAL, Self Insurance Fund	\$ 9,270,380	\$ 9,409,623	\$ 10,136,500	\$ 11,361,488	12.1%