

Risk Management / 5520

		2001	2001	2002	2003	2004
	2000 Actual	Adopted	Estimated	Adopted	Projected	Projected
LOSSES LIMITED TO \$1,000,000						
Beginning Fund Balance	(997,552) ²	8,029,594	8,029,594 ⁴	8,412,216	3,671,501 ⁹	2,165,778 ¹⁰
Revenues						
* Interfund Charges	21,165,595	20,188,796	20,189,729	16,126,652	20,592,245	21,234,838
* Interest Income	3,075,639	2,382,459	2,750,283	2,608,106	2,686,349	2,766,940
Total Revenues	24,241,234	22,571,255	22,940,012	18,734,758	23,278,594	24,001,778
Expenditures¹						
* Claims Costs(limited to first \$1 million)	(5,665,191)	(12,408,857)	(9,306,600)	(12,408,857)	(12,657,146)	(13,319,322)
* Insurance Premiums	(3,129,452)	(3,212,952)	(4,743,304)	(5,072,666)	(5,427,753)	(5,807,695)
* Prosecutors, Claim Adjustment & Program OH	(3,927,092)	(4,177,862)	(4,177,862)	(4,124,923)	(4,331,169)	(4,547,728)
* Transfers to Other Funds (MARR)	(266,920)	(266,920)	(266,920)	(266,920)	(280,266)	(294,279)
Total Expenditures	(12,988,655)	(20,066,591)	(18,494,686)	(21,873,366)	(22,696,334)	(23,969,024)
Other Fund Transactions						
* Adjustments for Incurred Losses	(9,144,682) ³	(2,839,596)	(3,854,852) ⁵	(1,602,107) ⁵	(2,087,983) ⁵	(2,198,531) ⁵
* Transfer to Other Fund (Cat Loss)			(207,852) ⁶			
Total Other Fund Transactions	(9,144,682)	(2,839,596)	(4,062,704)	(1,602,107)	(2,087,983)	(2,198,531)
Ending Undesignated Fund Balance	1,110,345	7,694,662	8,412,216	3,671,501	2,165,778	(0)
CATASTROPHIC LOSS RESERVES						
	2000 Actual	2001 Adopted	2001 Estimated	2002 Proposed	2003 Projected	2004 Projected
Beginning Cash Balance	17,293,476	14,346,393	14,346,393	15,000,000	\$ 15,718,861	16,459,288
Revenues						
* Transfer from Other Funds	12,600,000		207,852 ⁶			
* Insurance Recoveries	2,676,270					
* Interest Income	1,093,798	757,709	803,759	718,861	\$ 740,427	762,640
* Cat Loss Balance Recov.Revenue		1,213,900	1,213,900			
Total Revenues	16,370,068	1,971,609	2,225,511	718,861	740,427	762,640
Expenditures						
* Claims Costs Aurora & Holloway	(2,584,615)					
* Claims Costs Brighton (Cedar Hills Class Action Su	(16,732,536)					
* Claims Costs for Peck/Stevenson/Sauls	(19,317,151)	0	(1,571,904) ⁷	N/A	N/A	N/A
Total Expenditures	(19,317,151)	0	(1,571,904)	0	0	0
Estimated Underexpenditures	0	0	0	0	0	0
Ending Fund Balance	14,346,393	16,318,002	15,000,000	15,718,861	16,459,288	17,221,927
Reserves & Designations						
* Reserved for Losses Over \$1 Million	(20,489,000)	(20,489,000)	(18,536,000) ⁸	(18,536,000)	(18,536,000)	(18,536,000)
* New Annual Reserve Requirement						
Total Reserves & Designations	(20,489,000)	(20,489,000)	(18,536,000)	(18,536,000)	(18,536,000)	(18,536,000)
Ending Undesignated Fund Balance	(6,142,607)	(4,170,998)	(3,536,000)	(2,817,139)	(2,076,712)	(1,314,073)

Financial Plan Notes:

- In general, this financial plan is most significantly affected by annual updates to actuarial estimates of incurred claims. This financial portal of the Insurance Fund is based on the 2001 actuary study that revised estimates of losses for policy years 1990 - 2001.
1. Based on 13month ARMS actuals
 2. The 2000 revised beginning fund balance reflects the changes from 1999 to 2000 actuary's estimate for incurred liability.
 3. Represents the 2000 revised actuary estimate of total incurred claims of \$12.587 million. (actual claims expenditures of \$5.66 mil plus \$9.14 million)
 4. The 2001 revised beginning fund balance reflects the changes from 2000 to 2001 actuary's estimate for incurred liability.
 5. Difference between 2001 actuarial's estimate of incurred losses vs. expenditures for limited losses.
 6. Transfer from regular program to catastrophic loss program to maintain a \$15.0 mil. balance requirement.
 7. Sauls - \$.5mil; Stevenson - \$1.049mil; Peck \$21,993
 8. Per 2001 actuarial's estimates. Assumed \$2.5 mil. SIR.
 9. 2003 and 2004 projected revenues are based on required levels to maintain zero fund balance at end of 2004.
 10. 2003 & 2004 projected expenditures are based on: 7% increase in premiums; 5% for claims expenditures; 5% for overhead and MARR transfer.