

294 - PROPERTY AND CASUALTY RISK INTERNAL SERVICE FUND

Operational Summary

Description:

The Property & Casualty Risk Internal Service Fund is a division of the CEO/Office of Risk Management whose mission is to preserve and protect the human and capital assets of the County of Orange.

Strategic Goals:

- It is the goal of the Property & Casualty Risk Internal Service Fund to reduce costs associated with property damage, personal injury, and litigation. This goal is achieved by acquiring commercial insurance, effective liability claims management, prudent administration of the self-insured Liability Program, and providing risk assessment and risk avoidance consultation services to all County departments.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
RELATIVE COST OF LIABILITY CLAIMS AND INSURANCE PROGRAM. What: Shows the total expenditures of this program as a percent of total county expenditures. Why: Provides a constant measure of costs for all County departments.	Cost of Liability Claims and Insurance Program was less than 1% of total county expenditures (.36%).	Remain less than 1% of total county expenditures.	Liability Claims and Insurance Program costs for FY 2002-2003 were .36% of total county expenditures, far less than the benchmark.

FY 2003-2004 Key Project Accomplishments:

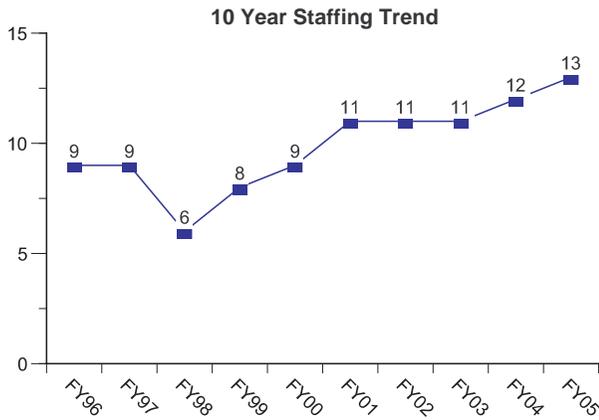
- Completed Intranet application for county employee's use, increased use of technology, increased support services to employees, and reduced printing costs. In particular, the management of insurance applications and loss reports has been simplified.
- Successfully placed all required commercial insurance for diverse and complex county needs.
- Increased insurance consultations and support in contract protections, insurance requirements, and program design to reduce risk of loss and cost.

PROPERTY & CASUALTY RISK ISF - The Property & Casualty Risk ISF administers and manages the County's Liability Claims Management Program, the Insurance and Financial Management Program, and the Americans with Disabilities Act (ADA II) Compliance Program.

At a Glance:

Total FY 2003-2004 Actual Expenditure + Encumbrance:	20,545,229
Total Final FY 2004-2005 Budget:	35,005,848
Percent of County General Fund:	N/A
Total Employees:	13.00

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Increased insurance consultations and support for departments, increased fiscal analysis and reporting, shortened time frames for claim management and increasing responsibilities of the program required additional staff.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and Strategic Financial Plan.

Final Budget and History:

Sources and Uses	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Total Positions	-	12	13	13	0	0.00
Total Revenues	34,016,473	39,515,074	36,052,309	35,005,848	(1,046,461)	-2.90
Total Requirements	12,873,175	34,930,364	20,546,076	35,005,848	14,459,772	70.38
Net County Cost	21,143,298	4,584,710	15,506,233	0	(15,506,233)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Property and Casualty Risk Internal Service Fund in the Appendix on page 620.

Highlights of Key Trends:

- The budgeted appropriations included retained earnings.
- Complexity and diversity of liability claims continues to increase.
- Continuing increases in commercial insurance premiums.



294 - PROPERTY AND CASUALTY RISK ISF

Operation of Internal Service Fund 294 Operational Statement for the Fiscal Year 2004 - 2005

Operating Detail (1)	2002-2003 Actual (2)	2003-2004 Actual (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Operating Income				
7710 Insurance Premiums	9,437,108	14,143,730	17,163,977	17,163,977
Total Operating Income	9,437,108	14,143,730	17,163,977	17,163,977

Operating Expenses				
Salaries & Benefits				
0100 Salaries And Wages	77,985	1,483	0	0
0101 Regular Salaries	599,716	688,754	771,754	771,754
0103 Overtime	1,069	3,928	5,000	5,000
0104 Annual Leave Payoffs	988	32,009	40,000	40,000
0105 Vacation Payoff	3,030	0	0	0
0110 Performance Incentive Pay	0	738	0	0
0200 Retirement	50,500	83,085	117,473	117,473
0301 Unemployment Insurance	821	1,134	1,144	1,144
0305 Salary Continuance Insurance	1,466	1,918	2,260	2,260
0306 Health Insurance	63,564	87,535	110,664	110,664
0308 Dental Insurance	3,060	3,679	4,560	4,560
0309 Life Insurance	508	606	636	636
0310 Accidental Death And Dismemberment Insurance	100	111	120	120
0319 Other Insurance	4,632	5,107	4,992	4,992
0352 Workers Compensation - General	3,204	4,836	5,795	5,795
0401 Medicare	5,522	7,730	8,097	8,097
Total Salaries & Benefits	816,166	922,653	1,072,495	1,072,495

Services & Supplies				
0700 Communications	2,007	1,770	20,000	20,000
0701 Telephone/Telegraph - Interfund Transfer	14,159	11,805	0	0
1100 Insurance	8,359,180	9,818,279	10,459,756	10,459,756
1300 Maintenance - Equipment	605	35	4,000	4,000
1400 Maintenance - Buildings And Improvements	344	304	1,600	1,600
1402 Minor Alterations And Improvements	2,423	1,037	0	0
1600 Memberships	1,040	570	2,000	2,000
1800 Office Expense	15,587	14,530	30,000	30,000
1801 Duplicating Services (RDMD/Reprographics)	1,198	1,006	0	0
1802 Periodicals And Journals	0	1,024	0	0
1803 Postage	1,800	1,800	0	0
1806 Printing Costs - Outside Vendors	113	0	0	0
1809 Minor Office Equipment To Be Controlled	9,184	1,450	0	0

Operation of Internal Service Fund 294 Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Actual (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
1900	Professional And Specialized Services	114,508	146,141	475,193	475,193
1901	Data Processing Services	3,547	3,576	0	0
1908	Temporary Help	3,576	0	0	0
1911	CWCAP Charges	110,249	156,150	136,823	136,823
2100	Rents And Leases - Equipment	5,149	15,274	12,000	12,000
2200	Rents And Leases - Buildings And Improvements	2,600	2,660	5,000	5,000
2400	Special Departmental Expense	2,160	2,149	10,000	10,000
2405	Optional Benefit Plan	10,000	12,000	12,480	12,480
2600	Transportation And Travel - General	17	0	500	500
2700	Transportation And Travel - Meetings/Conferences	1,647	1,064	5,000	5,000
2890	Intra-Agency Services & Supplies Billing Offsets	(2,219)	(3,014)	(3,540)	(3,540)
Total Services & Supplies		8,658,874	10,189,610	11,170,812	11,170,812
Other Charges					
3500	Judgments And Damages *	3,348,223	9,402,759	22,411,452	22,411,452
Total Other Charges		3,348,223	9,402,759	22,411,452	22,411,452
Fixed Assets					
4000	Equipment	0	0	200,000	200,000
Total Fixed Assets		0	0	200,000	200,000
Miscellaneous					
5300	Depreciation	1,089	1,089	1,089	1,089
Total Miscellaneous		1,089	1,089	1,089	1,089
Total Operating Expenses		12,824,351	20,516,111	34,855,848	34,855,848
Total Operating Income (Loss) *		(3,387,243)	(6,372,381)	(17,691,871)	(17,691,871)
Non-Operating Revenue					
6610	Interest	709,384	388,928	350,000	350,000
7670	Miscellaneous Revenue	438,112	372,912	300,000	300,000
7680	Six-Month Expired (Outlawed) Checks	2,715	100	0	0
Total Non-Operating Revenue		1,150,211	761,940	650,000	650,000
Non-Operating Expense					
1912	Investment Administrative Fees	48,824	29,967	50,000	50,000
Total Non-Operating Expenses		48,824	29,967	50,000	50,000
Net Non-Operating Income (Loss)		1,101,387	731,973	600,000	600,000
Income (Loss) Before Contributions & Transfers **		(2,285,856)	(5,640,408)	(17,091,871)	(17,091,871)
Fixed Asset Expenditures					
4000	Equipment	0	0	200,000	200,000

Operation of Internal Service Fund 294 Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Actual (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Total Fixed Asset Expenditures		0	0	200,000	200,000
Statement Of Changes In Net Assets - Unrestricted					
Income (Loss) Before Contributions & Transfers		(2,285,856)	(5,640,408)	(17,091,871)	(17,091,871)
4801	Interfund Transfers Out - To Funds 101-199	0	0	(100,000)	(100,000)
Changes To Reserves - Encumbrance - (Inc.)/Dec.		19,982	2,254	0	0
Changes To Reserves - Net Assets, Invested In Capital Assets, Net Of Related Debt - (Inc.)/Dec.		1,089	1,089	1,089	1,089
Increase (Decrease) In Net Assets - Unrestricted		(2,264,786)	(5,637,065)	(17,190,782)	(17,190,782)
Net Assets - Unrestricted - Beginning Of Year		23,408,084	21,143,298	17,190,782	17,190,782
Net Assets - Unrestricted - End Of Year		21,143,298	15,506,233	0	0

* Note - Net Operating Loss Is Overstated In The 2004-05 Proposed And Approved Budget Columns Due To Budgeted Fixed Asset Expenditures That Will Be Capitalized At Year-End.

** Note - Loss Before Contributions & Transfers Is Overstated In The 2004-05 Proposed And Approved Budget Columns Due To Budgeted Fixed Asset Expenditures That Will Be Capitalized At Year-End.

