

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Human Resources **SUBMITTAL DATE:** March 20, 2003

SUBJECT: Budget Adjustment To General Liability Internal Service Fund

RECOMMENDED MOTION: That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations in Liability Judgment by \$10,500,000 as outlined in Attachment A.

BACKGROUND: Based on actuarial recommendations of projected claims for Fiscal Year 2002/03, the expected payout for liability claims was \$7,110,000, and the budget was established accordingly. It is currently projected however, that as a result of several recent large claims, an additional appropriation of \$10,500,000 will be required through the end of the fiscal year. Risk Management expects to pay claims and associated costs of claims for this Fiscal Year in the amount of \$17,610,000. This amount represents the full value of all claims paid and their associated costs and not the value up to our self-insured retention limit (\$1,000,000).

Ronald W. Komers
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA:

CURRENT YEAR COST: \$10,500,000	ANNUAL COST: \$17,610,000
NET COUNTY COST: \$0	IN CURRENT YEAR BUDGET: NO
BUDGET ADJUSTMENT: YES	FOR FY: 2002/2003
SOURCE OF FUNDS: General Liability ISF	

**REQUIRES
4/5 VOTE**

C.E.O. RECOMMENDATION: **APPROVE**

COUNTY EXECUTIVE OFFICER SIGNATURE

Prev. Agn. Ref.

Dist.

AGENDA NO.

3 . 22

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller
BY Deputy
3/20/03

Consent Policy
 Consent Policy

Department Recommendation:
Per Executive Office:

Background (continued)

There were three recent large claim settlements totaling \$5,900,000. Other smaller settlements expected to be paid before the end of fiscal year, along with all expenses associated with these and the three large claims total an additional \$4,600,000.

The appropriations for this year did not anticipate the number of large settlements that occurred, however, there are sufficient unrestricted net asset to pay for these prior years' claims, and no additional charges to departments will be required.

The County expects to receive insurance reimbursements from CSAC-EIA excess carrier by the end of this fiscal year (6/30/03) in amounts not less than \$4,900,000. Excess insurance payments received are considered as general revenue into either Rebates and Refunds, or Stop Loss Reimbursement, but these amounts are not reflected in the appropriations budget; and, they often cross several Fiscal Years.

There are no costs associated with the recommended action.

ATTACHMENT "A"

Fund-Dept ID-Acct.	Account Description	Amount
	Increase Appropriation:	
45960-1131000000-534300	Liability Judgement	10,500,000
TOTAL		10,500,000

There is sufficient net assets in Fund 45960 to cover the increase in appropriation:

Decrease Restricted Net Asset	45960-1131000000-360300	Restricted Net Asset	6,000,000
Decrease Unrestricted Net Asset	45960-1131000000-380100	Unrestricted Net Asset	4,500,000