

AGENDA ITEM 6 B
Consent Item

MEMORANDUM

DATE: October 2, 2008
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Fiscal Administration Manager
SUBJECT: Self Insurers Annual Report for Fiscal Year 2007/08

REQUESTED ACTION:

BY MOTION,

**Receive and File El Dorado County Transit Authority
Self Insurers Annual Report Fiscal Year 2007/08**

BACKGROUND

On July 1, 2002 the El Dorado County Transit Authority (El Dorado Transit) moved the agency's worker compensation insurance coverage from the Association of Bay Area Governments (ABAG) Workers Compensation Insurance Pool (A Group Insurance Pool) into the Special Districts Risk Management Authority (SDRMA) Workers Compensation Insurance Pool (Self Insurance Program). The change in coverage resulted in improved claims management and cost saving.

As a result of this change, El Dorado Transit assumed any future liability for the twelve (12) outstanding claims open as of June 30, 2002. El Dorado Transit contracted a third party administrator, Gregory B. Bragg & Associates, Inc. (BRAGG), to efficiently and effectively administer these open claims. As of June 30, 2008 four (4) of the original claims remain open. Eight (8) of the claims have been settled by the administrator.

DISCUSSION

Labor Code Section 3702.6(b) requires; *“Each public self insurer to advise its governing board within ninety (90) days after submission of the self insurer's annual report of the total liabilities reported and whether current funding of those liabilities is in compliance with the requirements of Government Accounting Standards Board Publication No. 10.”*

The administrator provides monthly actuarial computations of the estimated future liability using the probability of the future claims and estimated amount of the claims based on the injury being covered. The estimated future liability as reported by the administrator at June 30, 2008 (indemnity plus medical) is \$540,477 as reported on the attached Self Insurers Annual Report for Fiscal Year (FY) 2007/08.

The self insurance liability is adjusted at least annually in the El Dorado Transit financial statements. The liability was adjusted to \$540,930 (including expenses) on the financial statements for the period ending June 30, 2008. This represents a \$44,630 increase over the estimated liability of \$496,300 at June 30, 2007.

During FY 2007/08 \$106,533 was reported as claims expense. This amount includes the change in the liability of \$44,630 and \$61,903 of claims expense paid during the year.

Although there is no mandate to fund this future liability, a separate bank account has been set aside with the administrator to fund a portion of the liability. That account had a balance of \$152,209 at June 30, 2008. The unfunded liability at June 30, 2008 was \$388,721.

FISCAL IMPACT

Future Liability as reported on financial statement at June 30, 2007	\$496,300.
Future Liability as reported on financial statement at June 30, 2008	\$540,930.

Increase to Future Liability reported for FY 2007/08	\$44,630.
--	-----------

NOTE: Claims Administrator
Complete this page for ALL reports



II. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: A-7874-06-132

Name of Master Certificate Holder: El Dorado County Transit Authority

Type of Report:

Original Report (Due October 1 each year) Amended Report for the Period of: Interim Report

A. CASES AND BENEFITS (to nearest dollar)

From Date (mm/dd/yy) To Date (mm/dd/yy)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$ Indemnity	\$ Medical	\$ Indemnity	\$ Medical	\$ Indemnity	\$ Medical
1. Cases open as of 6/30/2008 reported prior to FY 2003-04	4	190,820	738,143	164,506	223,980	26,314	514,163
2. Open & Closed Cases:							
a. FY 2003-04 Total Cases Reported	0	0	0	0	0	0	0
FY 2003-04 Cases open	0	0	0	0	0		
b. FY 2004-05 Total Cases Reported	0	0	0	0	0	0	0
FY 2004-05 Cases Open	0	0	0	0	0		
c. FY 2005-06 Total Cases Reported	0	0	0	0	0	0	0
FY 2005-06 Cases Open	0	0	0	0	0		
d. FY 2006-07 Total Cases Reported	0	0	0	0	0	0	0
FY 2006-07 Cases Open	0	0	0	0	0		
e. FY 2007-08 Total Cases Reported	0	0	0	0	0	0	0
FY 2007-08 Cases Open	0	0	0	0	0		
						\$ Indemnity	\$ Medical
SUBTOTAL						26,314	514,163
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical)						TOTAL	
						540,477	
						\$ Indemnity	\$ Medical
						8,840	52,972
4. Total Benefits paid during FY 2007-08 (including all case expenditures):						0	
5. Number of MEDICAL-ONLY cases reported in FY 2007-08:						0	
6. Number of INDEMNITY cases reported in FY 2007-08:						0	
7. TOTAL of 5 and 6 (also entered in 2e above):						0	
8. TOTAL number of open indemnity cases (all years):						4	
9. Number of Fatality cases reported in FY 2007-08						0	
10. (a) Number of FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:						0	
10. (b) Number of non-FY 2007-08 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2007-08:						0	

Fiscal Year
07/08