
Captive Insurance Agency

Table RJ0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$2,211,274	\$1,488,533	\$2,308,123	55.1
FTEs	0.0	0.0	1.0	N/A

The mission of the Captive Insurance Agency (“the Captive”) is to provide medical malpractice insurance for local non-profit health centers, as well as property insurance for District government real property assets. The Captive was created by statute in 2008 and is administered by the Chief Risk Officer, Office of Risk Management (ORM). ORM incorporated the Captive and began writing medical malpractice insurance policies in FY 2008. In FY 2014, the scope of the Captive was expanded to include property insurance. The liability of the agency is limited to the funds available to the Captive participants.

The agency’s FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table RJ0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table RJ0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	2,211	1,422	2,072	650	45.7	0.0	0.0	0.0	0.0	N/A
SPECIAL PURPOSE										
REVENUE FUNDS	0	67	237	170	253.1	0.0	0.0	1.0	1.0	N/A
TOTAL FOR GENERAL FUND	2,211	1,489	2,308	820	55.1	0.0	0.0	1.0	1.0	N/A
GROSS FUNDS	2,211	1,489	2,308	820	55.1	0.0	0.0	1.0	1.0	N/A

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table RJ0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table RJ0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	0	0	0	135	135	N/A
14 - FRINGE BENEFITS - CURRENT PERSONNEL	0	0	0	32	32	N/A
SUBTOTAL PERSONAL SERVICES (PS)	0	0	0	167	167	N/A
20 - SUPPLIES AND MATERIALS	4	5	10	16	6	60.0
40 - OTHER SERVICES AND CHARGES	924	2,206	1,479	2,126	647	43.8
SUBTOTAL NONPERSONAL SERVICES (NPS)	929	2,211	1,489	2,142	653	43.9
GROSS FUNDS	929	2,211	1,489	2,308	820	55.1

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table RJ0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table RJ0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(2000) CAPTIVE OPERATIONS								
(2001) OVERSIGHT	2,211	1,422	2,238	817	0.0	0.0	1.0	1.0
(2002) GROWTH AND INCOME STRATEGY AND MGMT	0	67	70	3	0.0	0.0	0.0	0.0
SUBTOTAL (2000) CAPTIVE OPERATIONS	2,211	1,489	2,308	820	0.0	0.0	1.0	1.0
TOTAL PROPOSED OPERATING BUDGET	2,211	1,489	2,308	820	0.0	0.0	1.0	1.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Captive Insurance Agency operates through the following program:

Captive Operations – funds the management and insurance policies of the Captive Insurance Agency. The Office of Risk Management underwrites and administers medical malpractice insurance policies to non-profit community health centers and offers gap insurance to Federally Qualified Health Centers for claims that are not covered by the Federal Tort Claims Act. It also provides property insurance for risks to District government real property assets for various hazards.

This program contains the following 2 activities:

- **Oversight** – the Chief Risk Officer, with the advice of the Captive Advisory Council, administers the Captive by hiring a Captive manager and other staff, including legal staff; and
- **Growth and Income Strategy and Management** – distributes payments and collects premium and interest income on behalf of the Captive for the establishment, operation, and administration of the agency.

Program Structure Change

The Captive Insurance Agency has no program structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table RJ0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table RJ0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		1,422	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		1,422	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		1,422	0.0
Enhance: For District government real property assets	Captive Operations	650	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		2,072	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 District's Proposed Budget		2,072	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE		67	0.0
Increase: To align budget with projected revenues	Captive Operations	3	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission		70	0.0
Enhance: To support an additional FTE	Captive Operations	167	1.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget		237	1.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 District's Proposed Budget		237	1.0
GROSS FOR RJ0 - CAPTIVE INSURANCE AGENCY		2,308	1.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The Captive Insurance Agency's (the Captive) proposed FY 2017 gross budget is \$2,308,123, which represents a 55.1 percent increase over its FY 2016 approved gross budget of \$1,488,533. The budget is comprised of \$2,071,533 in Local funds and \$236,590 in Special Purpose Revenue funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

The Captive Insurance Agency's FY 2017 CSFL budget is \$1,421,533, which represents no change from the FY 2016 approved Local funds budget.

Agency Budget Submission

Increase: The Captive Insurance Agency's Special Purpose Revenue funds increased by \$3,000 to align the budget with projected revenues.

Mayor's Proposed Budget

Enhance: The Local funds budget proposal increased by \$650,000 to support the established annual cost of property insurance for District government real property assets. Additionally, the Special Purpose Revenue funds budget increased by \$166,590 and 1.0 FTE to support an Executive Director's position.

District's Proposed Budget

No Change: The Captive Insurance Agency's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.