

# Captive Insurance Agency

**Table RJ0-1**

<b>Description</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Approved</b>	<b>FY 2021 Approved</b>	<b>% Change from FY 2020</b>
OPERATING BUDGET	\$2,672,990	\$3,486,581	\$3,040,994	\$4,411,974	45.1
FTEs	4.0	4.0	4.0	6.0	50.0
CAPITAL BUDGET	\$0	\$0	\$0	\$0	N/A
FTEs	0.0	0.0	0.0	0.0	N/A

The mission of the Captive Insurance Agency (“the Captive”) is to provide medical malpractice insurance for local non-profit health centers, and to procure real property insurance for District government real property assets, personal property insurance for District personal property assets, liability insurance to protect the District against loss arising out of a legal liability to others, and such other insurance policies as the Risk Officer determines necessary to minimize risk of loss to the District. The Captive was created by statute in 2008 and 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. The liability of the agency is limited to the funds available to the Captive's participants. In FY 2014, the scope of the Captive was expanded to include property insurance.

The agency’s FY 2021 approved budget is presented in the following tables:

## FY 2021 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table RJ0-2 contains the approved FY 2021 budget by revenue type compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 actual data.

**Table RJ0-2**

(dollars in thousands)

Appropriated Fund	Dollars in Thousands							Full-Time Equivalents					
	Actual FY 2018	Actual FY 2019	Approved FY 2020	Approved FY 2021	Change from FY 2020	% Change*		Actual FY 2018	Actual FY 2019	Approved FY 2020	Approved FY 2021	Change from FY 2020	% Change
<b>GENERAL FUND</b>													
Local Funds	2,479	3,401	2,152	3,744	1,592	74.0		4.0	4.0	4.0	4.0	0.0	0.0
Special Purpose Revenue Funds	9	0	889	668	-221	-24.9		0.0	0.0	0.0	2.0	2.0	N/A
<b>TOTAL FOR GENERAL FUND</b>	<b>2,487</b>	<b>3,401</b>	<b>3,041</b>	<b>4,412</b>	<b>1,371</b>	<b>45.1</b>		<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>	<b>2.0</b>	<b>50.0</b>
<b>INTRA-DISTRICT FUNDS</b>													
Intra-District Funds	186	85	0	0	0	N/A		0.0	0.0	0.0	0.0	0.0	N/A
<b>TOTAL FOR INTRA-DISTRICT FUNDS</b>	<b>186</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
<b>GROSS FUNDS</b>	<b>2,673</b>	<b>3,487</b>	<b>3,041</b>	<b>4,412</b>	<b>1,371</b>	<b>45.1</b>		<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>	<b>2.0</b>	<b>50.0</b>

\*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 2021 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2021 Approved Operating Budget, by Comptroller Source Group

Table RJ0-3 contains the approved FY 2021 budget at the Comptroller Source Group (object class) level compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 actual expenditures.

**Table RJ0-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2018	Actual FY 2019	Approved FY 2020	Approved FY 2021	Change from FY 2020	Percentage Change*
11 - Regular Pay - Continuing Full Time	226	246	246	499	252	102.6
12 - Regular Pay - Other	161	63	167	91	-76	-45.4
13 - Additional Gross Pay	0	2	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	88	75	97	141	44	45.8
<b>SUBTOTAL PERSONAL SERVICES (PS)</b>	<b>475</b>	<b>386</b>	<b>509</b>	<b>730</b>	<b>221</b>	<b>43.4</b>
20 - Supplies and Materials	0	0	9	9	0	0.0
40 - Other Services and Charges	2,198	3,101	2,522	3,672	1,150	45.6
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>2,198</b>	<b>3,101</b>	<b>2,532</b>	<b>3,682</b>	<b>1,150</b>	<b>45.4</b>
<b>GROSS FUNDS</b>	<b>2,673</b>	<b>3,487</b>	<b>3,041</b>	<b>4,412</b>	<b>1,371</b>	<b>45.1</b>

\*Percent change is based on whole dollars.

## FY 2021 Approved Operating Budget and FTEs, by Division/Program and Activity

Table RJ0-4 contains the approved FY 2021 budget by division/program and activity compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 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 2018	Actual FY 2019	Approved FY 2020	Approved FY 2021	Change from FY 2020	Actual FY 2018	Actual FY 2019	Approved FY 2020	Approved FY 2021	Change from FY 2020
<b>(1000) AGENCY MGMT PROGRAM</b>										
(1010) Personnel	1	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (1000) AGENCY MGMT PROGRAM</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(2000) CAPTIVE OPERATIONS</b>										
(2001) Oversight	2,188	3,027	1,643	3,225	1,583	0.0	4.0	0.0	0.0	0.0
(2002) Growth and Income Strategy and Management	484	460	1,398	1,187	-212	4.0	0.0	4.0	6.0	2.0
<b>SUBTOTAL (2000) CAPTIVE OPERATIONS</b>	<b>2,672</b>	<b>3,487</b>	<b>3,041</b>	<b>4,412</b>	<b>1,371</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>	<b>2.0</b>
<b>TOTAL APPROVED OPERATING BUDGET</b>	<b>2,673</b>	<b>3,487</b>	<b>3,041</b>	<b>4,412</b>	<b>1,371</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>	<b>2.0</b>

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

**Note:** For more detailed information regarding the approved funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2021 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. Moreover, the Chief Risk Officer administers the Subrogation Fund.

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 2021 approved budget.

## FY 2020 Approved Budget to FY 2021 Approved Budget, by Revenue Type

Table RJ0-5 itemizes the changes by revenue type between the FY 2020 approved budget and the FY 2021 approved budget. For a more comprehensive explanation of changes, please see the FY 2021 Approved Budget Changes section, which follows the table.

**Table RJ0-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2020 Approved Budget and FTE</b>		<b>2,152</b>	<b>4.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2021 Recurring Budget</b>		<b>2,152</b>	<b>4.0</b>
Increase: To align personal services and Fringe Benefits with projected costs	Captive Operations	22	0.0
Decrease: To align resources with operational spending goals	Captive Operations	-10	0.0
Enhance: To cover the cost of existing insurance policies, real property, cyber security, Multiple Programs and fine arts (one-time)		1,658	0.0
Reduce: To realize programmatic cost savings	Multiple Programs	-78	0.0
<b>LOCAL FUNDS: FY 2021 Mayor's Proposed Budget</b>		<b>3,744</b>	<b>4.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2021 District's Approved Budget</b>		<b>3,744</b>	<b>4.0</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2020 Approved Budget and FTE</b>		<b>889</b>	<b>0.0</b>
Increase: To align personal services and Fringe Benefits with projected costs	Captive Operations	211	2.0
Decrease: To align resources with operational spending goals	Captive Operations	-211	0.0
Reduce: To align budget with projected revenues	Captive Operations	-221	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2021 Mayor's Proposed Budget</b>		<b>668</b>	<b>2.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2021 District's Approved Budget</b>		<b>668</b>	<b>2.0</b>
<b>GROSS FOR RJ0 - CAPTIVE INSURANCE AGENCY</b>		<b>4,412</b>	<b>6.0</b>

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

## FY 2021 Approved Budget Changes

The Captive Insurance Agency's approved FY 2021 gross budget is \$4,411,974 which represents a 45.1 percent increase over its FY 2020 approved gross budget of \$3,040,994. The budget is comprised of \$3,744,472 in Local funds and \$667,502 in Special Purpose Revenue funds (SPR).

### Recurring Budget

**No Change:** The Medical Liability Captive Insurance Agency's budget reflects no change from the FY 2020 approved budget to the FY 2021 recurring budget.

### Mayor's Proposed Budget

**Increase:** The proposed Local funds budget reflects an increase of \$22,119, in personal services to support projected salary and Fringe Benefit costs of current personnel.

In SPR funds, the budget proposal includes an increase of \$211,187 and 2 Full-Time Equivalent (FTE) positions to align salaries and Fringe Benefits with program priorities.

**Decrease:** The proposed budget includes a decrease of \$9,776 in Local funds, primarily in professional services, is included to realize programmatic costs savings in nonpersonal services. In addition, the budget proposal includes a decrease of \$211,187 in SPR funds to align resources with operation spending priorities.

**Enhance:** The Captive Operations program's proposed budget includes a one-time enhancement of \$1,658,112 in Local funds to offset anticipated increases in insurance coverage, real property, cyber security, and fine arts. This funding will ensure the sustainability of program priorities and initiatives.

**Reduce:** The Captive Operations program's proposed budget includes a reduction of \$221,309 in Special Purpose Revenue (SPR) funds to align the budget with projected revenues. In addition, the proposed budget includes a reduction of \$78,166 to align the budget with FY 2021 projections in personal services and to realize programmatic cost savings in nonpersonal services.

**District's Approved Budget**

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