

Captive Insurance Agency

Table RJ0-1

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved	% Change from FY 2021
OPERATING BUDGET	\$3,486,581	\$3,303,435	\$4,411,974	\$5,885,103	33.4
FTEs	4.0	4.0	6.0	6.0	0.0
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 2022 approved budget is presented in the following tables:

FY 2022 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table RJ0-2 contains the approved FY 2022 budget by revenue type compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 actual data.

Table RJ0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	% Change*	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	% Change
GENERAL FUND												
Local Funds	3,401	3,296	3,744	5,213	1,468	39.2	4.0	4.0	4.0	4.0	0.0	0.0
Special Purpose Revenue Funds	0	0	668	673	5	0.8	0.0	0.0	2.0	2.0	0.0	0.0
TOTAL FOR GENERAL FUND	3,401	3,296	4,412	5,885	1,473	33.4	4.0	4.0	6.0	6.0	0.0	0.0
INTRA-DISTRICT FUNDS												
Intra-District Funds	85	7	0	0	0	N/A	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR INTRA-DISTRICT FUNDS	85	7	0	0	0	N/A	0.0	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	3,487	3,303	4,412	5,885	1,473	33.4	4.0	4.0	6.0	6.0	0.0	0.0

*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 2022 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2022 Approved Operating Budget, by Comptroller Source Group

Table RJ0-3 contains the approved FY 2022 budget at the Comptroller Source Group (object class) level compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 actual expenditures.

Table RJ0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Percentage Change*
11 - Regular Pay - Continuing Full Time	246	220	499	264	-235	-47.0
12 - Regular Pay - Other	63	114	91	351	260	285.9
13 - Additional Gross Pay	2	0	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	75	74	141	148	7	4.8
SUBTOTAL PERSONAL SERVICES (PS)	386	409	730	763	32	4.4
20 - Supplies and Materials	0	2	9	4	-5	-57.4
40 - Other Services and Charges	3,101	2,893	3,672	5,119	1,446	39.4
SUBTOTAL NONPERSONAL SERVICES (NPS)	3,101	2,895	3,682	5,123	1,441	39.1
GROSS FUNDS	3,487	3,303	4,412	5,885	1,473	33.4

*Percent change is based on whole dollars.

FY 2022 Approved Operating Budget and FTEs, by Division/Program and Activity

Table RJ0-4 contains the approved FY 2022 budget by division/program and activity compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 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 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021
(2000) CAPTIVE OPERATIONS										
(2001) Oversight	3,027	2,895	3,225	4,662	1,437	4.0	0.0	0.0	0.0	0.0
(2002) Growth and Income Strategy and Management	460	409	1,187	1,223	36	0.0	4.0	6.0	6.0	0.0
SUBTOTAL (2000) CAPTIVE OPERATIONS	3,487	3,303	4,412	5,885	1,473	4.0	4.0	6.0	6.0	0.0
TOTAL APPROVED OPERATING BUDGET	3,487	3,303	4,412	5,885	1,473	4.0	4.0	6.0	6.0	0.0

(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 2022 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 2022 approved budget.

FY 2021 Approved Budget to FY 2022 Approved Budget, by Revenue Type

Table RJ0-5 itemizes the changes by revenue type between the FY 2021 approved budget and the FY 2022 approved budget. For a more comprehensive explanation of changes, please see the FY 2022 Approved Budget Changes section, which follows the table.

Table RJ0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2021 Approved Budget and FTE		3,744	4.0
Removal of One-Time Costs	Captive Operations	-1,658	0.0
LOCAL FUNDS: FY 2022 Recurring Budget		2,086	4.0
Increase: To align resources with operational spending goals	Captive Operations	1,631	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Captive Operations	27	0.0
Enhance: To support Real Property Insurance Technical cost	Captive Operations	1,267	0.0
Enhance: To support Cyber Liability Insurance Technical cost	Captive Operations	201	0.0
LOCAL FUNDS: FY 2022 Mayor's Proposed Budget		5,213	4.0
No Change		0	0.0
LOCAL FUNDS: FY 2022 District's Approved Budget		5,213	4.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2021 Approved Budget and FTE		668	2.0
Increase: To align personal services and Fringe Benefits with projected costs	Captive Operations	5	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 Mayor's Proposed Budget		673	2.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 District's Approved Budget		673	2.0
GROSS FOR RJ0 - CAPTIVE INSURANCE AGENCY		5,885	6.0

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

FY 2022 Approved Operating Budget Changes

Table RJ0-6 contains the approved FY 2022 budget by fund compared to the FY 2021 approved budget.

Table RJ0-6

Appropriated Fund	FY 2021 Approved	FY 2022 Approved	% Change from FY 2021
Local Funds	\$3,744,472	\$5,212,588	39.2
Special Purpose Revenue Funds	\$667,502	\$672,515	0.8
GROSS FUNDS	\$4,411,974	\$5,885,103	33.4

Recurring Budget

The FY 2022 approved budget for the Medical Liability Captive Insurance Agency includes a reduction of \$1,658,112 to account for the removal of one-time funding appropriated in FY 2021 to offset anticipated cost increases in insurance coverage, real property, cyber security, and fine arts.

Mayor's Proposed Budget

Increase: The proposed Local funds budget reflects an increase in the amount of \$1,630,895 in the Captive Operations program. This action will support professional services for oversight program activities associated with the Captive Advisory Council, as well as payments distribution and premium collection activities on behalf of the Captive Fund for the establishment, operation, and administration of agency programs

In addition, the proposed Local funds budget includes a net increase of \$27,217 to support projected salary and Fringe Benefit costs of current personnel. This adjustment also includes the reallocation of 1.0 Full-Time Equivalent (FTE) from full-time to part-time.

In Special Purpose Revenue funds, the proposed budget includes a net increase of \$5,013 to align the personal services budget, which also involves the relocation of 2.0 FTEs from full-time to part-time.

Enhance: In the Captive Operations program, the Local funds budget proposal includes two enhancements to support increased real property insurance and cyber liability insurance cost in the amounts of \$1,266,732 and \$201,384 respectively.

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

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