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# Captive Insurance Agency

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Table RJ0-1

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Approved	FY 2023 Approved	% Change from FY 2022
OPERATING BUDGET	\$3,303,435	\$7,200,999	\$5,885,103	\$10,479,928	78.1
FTEs	4.0	5.8	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 the risk of loss to the District. The Captive is administered by the Chief Risk Officer, Office of Risk Management (ORM). The liability of the agency is limited to the funds available to the Captive's participants.

The agency's FY 2023 approved budget is presented in the following tables:

## FY 2023 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table RJ0-2 contains the approved FY 2023 budget by revenue type compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual data.

**Table RJ0-2**

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change*	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change
<b>GENERAL FUND</b>												
Local Funds	3,296	6,864	5,213	9,793	4,581	87.9	4.0	3.8	4.0	4.0	0.0	0.0
Special Purpose Revenue Funds	0	218	673	687	14	2.1	0.0	1.9	2.0	2.0	0.0	0.0
<b>TOTAL FOR GENERAL FUND</b>	<b>3,296</b>	<b>7,082</b>	<b>5,885</b>	<b>10,480</b>	<b>4,595</b>	<b>78.1</b>	<b>4.0</b>	<b>5.8</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>	<b>0.0</b>
<b>INTRA-DISTRICT FUNDS</b>												
Intra-District Funds	7	119	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>7</b>	<b>119</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>3,303</b>	<b>7,201</b>	<b>5,885</b>	<b>10,480</b>	<b>4,595</b>	<b>78.1</b>	<b>4.0</b>	<b>5.8</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>	<b>0.0</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private) and Special Purpose Revenue type, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2023 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2023 Approved Operating Budget, by Comptroller Source Group

Table RJ0-3 contains the approved FY 2023 budget at the Comptroller Source Group (object class) level compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual expenditures.

**Table RJ0-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Percentage Change*
11 - Regular Pay - Continuing Full Time	220	271	264	349	85	32.4
12 - Regular Pay - Other	114	331	351	281	-70	-20.1
13 - Additional Gross Pay	0	1	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	74	125	148	151	3	2.0
<b>SUBTOTAL PERSONAL SERVICES (PS)</b>	<b>409</b>	<b>727</b>	<b>763</b>	<b>780</b>	<b>18</b>	<b>2.3</b>
20 - Supplies and Materials	2	0	4	4	0	0.0
40 - Other Services and Charges	2,893	6,474	5,119	9,695	4,577	89.4
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>2,895</b>	<b>6,474</b>	<b>5,123</b>	<b>9,699</b>	<b>4,577</b>	<b>89.3</b>
<b>GROSS FUNDS</b>	<b>3,303</b>	<b>7,201</b>	<b>5,885</b>	<b>10,480</b>	<b>4,595</b>	<b>78.1</b>

\*Percent change is based on whole dollars.

## FY 2023 Approved Operating Budget and FTEs, by Division/Program and Activity

Table RJ0-4 contains the approved FY 2023 budget by division/program and activity compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 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 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022
<b>(1000) AGENCY MANAGEMENT PROGRAM</b>										
(1010) Personnel	0	0	0	230	230	0.0	0.0	0.0	2.0	2.0
<b>SUBTOTAL (1000) AGENCY MANAGEMENT PROGRAM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>230</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>
<b>(2000) CAPTIVE OPERATIONS</b>										
(2001) Oversight	2,895	6,474	4,662	9,239	4,576	0.0	0.0	0.0	0.0	0.0
(2002) Growth and Income Strategy and Management	409	727	1,223	1,012	-211	4.0	5.8	6.0	4.0	-2.0
<b>SUBTOTAL (2000) CAPTIVE OPERATIONS</b>	<b>3,303</b>	<b>7,201</b>	<b>5,885</b>	<b>10,250</b>	<b>4,365</b>	<b>4.0</b>	<b>5.8</b>	<b>6.0</b>	<b>4.0</b>	<b>-2.0</b>
<b>TOTAL APPROVED OPERATING BUDGET</b>	<b>3,303</b>	<b>7,201</b>	<b>5,885</b>	<b>10,480</b>	<b>4,595</b>	<b>4.0</b>	<b>5.8</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</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 2023 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 2 programs:

**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.

**Agency Management** – provides administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

**Program Structure Change**

The proposed program structure changes are provided in the Agency Realignment appendix to the approved budget, which is located at [www.cfo.dc.gov](http://www.cfo.dc.gov) on the Annual Operating Budget and Capital Plan page.

**FY 2022 Approved Budget to FY 2023 Approved Budget, by Revenue Type**

Table RJ0-5 itemizes the changes by revenue type between the FY 2022 approved budget and the FY 2023 approved budget. For a more comprehensive explanation of changes, please see the FY 2023 Approved Budget Changes section, which follows the table.

**Table RJ0-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2022 Approved Budget and FTE</b>		<b>5,213</b>	<b>4.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2023 Recurring Budget</b>		<b>5,213</b>	<b>4.0</b>
Increase: To align personal services and Fringe Benefits with projected costs	Captive Operations	4	0.0
Increase: To support operational requirements	Captive Operations	3	0.0
Enhance: To purchase Cyber Liability Insurance policies	Captive Operations	2,358	0.0
Enhance: To support Real Property insurance	Captive Operations	2,215	0.0
<b>LOCAL FUNDS: FY 2023 Mayor's Proposed Budget</b>		<b>9,793</b>	<b>4.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2023 District's Approved Budget</b>		<b>9,793</b>	<b>4.0</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2022 Approved Budget and FTE</b>		<b>673</b>	<b>2.0</b>
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	14	0.0
Increase: To align resources with operational spending goals (less than \$500)	Captive Operations	0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2023 Mayor's Proposed Budget</b>		<b>687</b>	<b>2.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2023 District's Approved Budget</b>		<b>687</b>	<b>2.0</b>
<b>GROSS FOR RJ0 - CAPTIVE INSURANCE AGENCY</b>		<b>10,480</b>	<b>6.0</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 interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

**FY 2023 Approved Operating Budget Changes**

Table RJ0-6 contains the approved FY 2023 budget by fund compared to the FY 2022 approved budget.

**Table RJ0-6**

Appropriated Fund	FY 2022 Approved	FY 2023 Approved	% Change from FY 2022
Local Funds	\$5,212,588	\$9,793,411	87.9
Special Purpose Revenue Funds	\$672,515	\$686,517	2.1
<b>GROSS FUNDS</b>	<b>\$5,885,103</b>	<b>\$10,479,928</b>	<b>78.1</b>

### **Recurring Budget**

The Captive Insurance Agency's budget proposal reflects no change from the FY 2022 approved budget to the FY 2023 recurring budget.

### **Mayor's Proposed Budget**

**Increase:** The proposed Local funds budget reflects an increase in the amount of \$4,391 in the Captive Operations program to align personal services and Fringe Benefits with projected costs. Additionally, the proposed Local funds budget is increased by \$2,876 in the Captive Operations program to support projected professional services costs.

In Special Purpose Revenue funds, the proposed budget includes an increase of \$13,517 across multiple programs to align personal services and Fringe Benefits with projected costs. Additionally, the proposed Special Purpose Revenue funds budget is increased in the amount of \$485 to align resources with operational spending goals and projected revenues.

**Enhance:** The proposed Local funds budget is increased by \$2,358,306 in the Captive Operations program to support the purchase of cyber liability insurance policies to protect District taxpayers' money in the event of a large cyber-related loss or multiple losses. The Local funds proposal also includes \$2,215,249 to support the purchase of real property insurance to protect District taxpayers' money.

### **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.