

WORKERS COMPENSATION INSURANCE FUND

This fund is used to account for the provision of workers compensation insurance. In previous years, workers compensation was accounted for in the Health Benefits Fund, which is now the Health Insurance Fund. The County had used a premium-based insurance plan from the NC Association of County Commissioners. In FY 2011, the Board of Commissioners established this self-insurance plan for workers compensation.

This is an insurance plan in which the County takes on some aspects of self-insurance. A TPA (Third Party Administrator) is hired to administer the plan, investigate claims, represent the County at NC Industrial Commission hearings, and assist us with those few claims requiring legal advice. In this case, the County uses Compensation Claims Solutions of Concord, NC. Then, the County pays directly all legitimate claims. To protect from major losses, specific stop-loss insurance is also purchased.

Each department having personnel is budgeted for the premiums to pay for this program. Those amounts are then transferred on each payroll date to this fund, and are the revenues for this fund. The expenses of the plan listed above are paid from this fund.

Implementing this plan in FY 2011 allowed a budgeted annual savings of about \$200,000 spread over the General Fund, Water and Sewer Fund, and the Solid Waste Fund. That represents a 33% reduction in the cost of the plan compared to FY 2010. It could potentially save more as we have better claims years. The plan ended FY 2013 with a deficit of \$157,722, but ended FY 2014 with a surplus of \$82,828. FY 2015 had several settled claims, and we realized a slight deficit. While there were fewer high claims during FY 16, this fund continues in a deficit balance; therefore, a recommendation of an additional 5% in premiums in FY 2017 is being requested. Clearly, each year rates are determined by the number and types of claims; however, it is expected that the increase will offset the deficit over time.

LINCOLN COUNTY WORKERS COMPENSATION FUND
FISCAL YEAR 2017

ACCOUNT	DESCRIPTION	FY 2015 ACTUAL	FY 2016 BUDGET	FY 2016 THRU 2/29/16	FY 2017 REQUESTED	FY 2017 RECOMMENDED
REVENUES						
81-0000-00-00-36810-	Workers Comp Premiums	(523,018)	(524,475)	(401,163)	(550,699)	(550,699)
81-0000-00-00-37000-	Interest Revenue	(194)	(500)	-	(500)	(500)
81-0000-00-00-38190-	Miscellaneous Revenues	-	-	(58,753)	-	-
TOTAL REVENUES		(523,212)	(524,975)	(459,916)	(551,199)	(551,199)
EXPENSES						
81-4000-51-00-54103-	Professional Services	4,000	4,000	3,667	4,000	4,000
81-4000-51-00-56501-	Administrative Fees	119,773	80,000	18,500	80,000	80,000
81-4000-51-00-56503-	Claims	1,020,661	325,000	404,702	341,250	341,250
81-9840-59-00-59500-	Reserve	-	115,975	-	125,949	125,949
TOTAL EXPENSES		1,144,434	524,975	426,869	551,199	551,199