

BUDGET FOOTNOTES INSURANCE FUND

1. **Employee / Retiree / Other Contributions: (\$460,000)** Full-time employees participating in the Village's health benefits plan pay for 20% of the total projected costs for the plan year by payroll deduction. Retired and separated employees choosing to continue participation in the health plan pay 100% of their budgeted costs.
2. **IRMA Refunds: (\$0)** The Village ended its participation in the IRMA risk pool on December 31, 2001. Through January, 2007, the Village has received refunds of its remaining IRMA reserves (with interest) totaling \$1,721,000. Final reserves of about \$90,000 will be returned to the Village at such time as all IRMA claim years are closed through the Village's 2001 withdrawal date.
3. **Employee Assistance Program: (\$0)** Beginning in FY07/08, these costs have been consolidated into the Risk Management budget line item (60000-520870).
4. **Risk Management: (\$20,000)** The Risk Management account funds such items as the Village's safety program, educational seminars and materials, employee assistance program, testing of various types, and equipment for the Civic Center exercise room.
5. **Liability Insurance: (\$670,000)** The Village experienced a significant increase in its annual premium due to the Municipal Insurance Cooperative Agency (MICA) as a direct result of its poor claims experience for the premium allocation period. The MICA pool utilizes a premium allocation model which weighs member premiums based on experience (2/3) and loss exposure (1/3) over the past four claim years. The Village has benefitted from reduced premiums in past years when claims experience was more favorable.
6. **Health Benefits / Life Insurance: (\$1,875,000)** Beginning January 1, 2009, the Village began participation in the Intergovernmental Personnel Benefit Cooperative (IPBC) as a means of better stabilizing changes in health costs. Premiums to the IPBC will not be subject to increase until July, 2010. Previously, the Village operated a protected self-insurance plan which involved securing reinsurance contracts to cover claims above established self-insured retention amounts.
7. **Fund Increase/(Decrease): (\$459,200)** Contributions from various Village departments and Funds for FY09/10 have been reduced by \$459,200 (\$200,000 for liability insurance and \$259,200 for the health plan) given a reduction in current available revenues. Cash reserves are available in the Insurance Fund this year to support these internal subsidies, however will not be available on a long-term basis.