

BUDGET FOOTNOTES INSURANCE FUND

1. **Employee / Retiree / Other Contributions: (\$551,00)** 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. **Risk Management: (\$17,000)** 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.
3. **Liability Insurance: (\$730,000)** The Village pools its risk and liability insurance coverages with about 20 other municipal members through the Municipal Insurance Cooperative Agency (MICA). Annual premiums payable to MICA are determined through an allocation model which is based on each member's loss experience (2/3) and loss exposure (1/3) over the past four claim years.
4. **Wellness/Health Incentives: (\$33,000)** The Village's employee health plan includes a wellness checkup each fall. Employees who participate are eligible for up to \$400 in credit towards their insurance deductibles. The program encourages healthy lifestyles with the goal of reducing future health care costs. The costs of this program were previously included in the Health Benefits line item.
5. **Health Benefits / Life Insurance: (\$2,153,000)** 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, 2011. Previously, the Village operated a protected self-insurance plan which involved securing reinsurance contracts to cover claims above established self-insured retention amounts.
6. **Fund Balance Increase: (FY10/11 Estimated Actual \$175,700)** Actual costs for both liability and health insurance were lower than budgeted in FY10/11. The lower health insurance premium was the direct result of plan changes made by the Village in early FY10/11. The changes included a 100% increase in the co-pays paid by employees for prescription benefits. The lower costs will result in a surplus for FY10/11. If costs come in at our budgeted levels or lower for FY11/12, we may consider some form of rebate of this surplus to the contributing funds and agencies.