

## **CHAPTER 110- FINANCE**

### **ARTICLE III . BUDGETARY AND FINANCIAL CONTROL**

#### **Section 110-26. Self Insurance Reserve - Scope**

The District is exposed to various risks related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees, accidents and injuries resulting from public access to District lands and facilities, and natural disasters. The District's financial exposure for automobile and general liability is limited to \$100,000 per person and \$200,000 per occurrence pursuant to Section 768.28, Florida Statutes.

The self-insurance program is accounted for in the District's General Fund. Expenditures relating to these self-insurance costs are charged to other funds based on a cost allocation study. These expenditures include actuarial estimates prepared by an independent consultant firm in compliance with Government Accounting Standards Board Statement Numbers 10 and 30 ("GASB 10" and "GASB 30"). The actuarially-determined funding requirements are used to determine the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses and for losses incurred but not reported at year end.

Due to its large geographic area, diverse workforce and functionality, large number of assets, public access to District lands and facilities, and the many day-to-day risks faced by District in carrying out its mission, the establishment and maintenance of self-insurance reserves that exceed actuarially-determined reserves is a prudent and sound business practice.

#### **Section 110-27. Self Insurance Reserve - Purpose**

The purpose of this policy is to allow an acceptable and reasonable maximum reserved fund balance to be maintained in its General Fund resulting from retained earnings of ongoing estimated liabilities for workers' compensation, automobile and general liability claims exceeding the actuarially-estimated liabilities, plus the cost associated with actual claims incurred and paid out.

#### **Section 110-28. Self Insurance Reserve Policy**

(1) The District may maintain a fund balance reserve for the self-insurance of workers' compensation, general and automobile liability claims -- in excess of the most recent actuarially-estimated liability determination -- of no more than \$10 million in excess of such determination.

(2) Annually, the District's recorded liability for insurance claims shall be re-assessed and adjusted as necessary considering actual claims paid during the year, and considering the estimates of recommended funding levels from the updated actuarial study.

(3) For financial statement (Balance Sheet) reporting purposes, a portion of fund balance shall be 'designated' for insurance claims, the amount of which is based on the estimated liability at fiscal year end, plus any 'retained earnings' resulting from estimated liabilities exceeding actual accumulated claims.

### **Section 110-29. Self Insurance Reserve- Responsibilities**

(1) The Executive Director, or his or her designee may maintain a reserved fund balance for self-insurance liabilities, as estimated by an independent actuarial determination, in its General Fund of no more than \$10 million in excess of such determination.

(2) The Governing Board shall approve any exceptions, modifications, or adjustments to this policy and its noted established limitations.