

## INSURANCE FUND

	<u>2023 Actual</u>	<u>2024 Budget</u>	<u>2024 Projected</u>	<u>2025 Executive</u>	<u>2025 Adopted</u>
Cash and Other Assets	4,946,269	7,251,460	4,946,269	4,696,133	4,696,133
Claims Payable and Other Liabilities	<u>(3,225,555)</u>	<u>(3,925,204)</u>	<u>(2,651,770)</u>	<u>(2,651,770)</u>	<u>(2,651,770)</u>
Net Assets: January 1	<u>\$ 1,720,714</u>	<u>\$ 3,326,256</u>	<u>\$ 2,294,498</u>	<u>\$ 2,044,362</u>	<u>\$ 2,044,362</u>
<b>REVENUES</b>					
Billings to Departments	2,750,000	3,150,000	3,150,000	3,850,000	3,850,000
Interest Income	7,925	8,000	8,000	8,000	8,000
Appropriation from Other Funds	1,502,289	-	-	-	-
Insurance Recoveries	151,347	200,000	200,000	200,000	200,000
Miscellaneous Revenue	475	-	-	-	-
WMMIC Dividend	<u>108,178</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total Revenues	<u>\$ 4,520,214</u>	<u>\$ 3,438,000</u>	<u>\$ 3,438,000</u>	<u>\$ 4,138,000</u>	<u>\$ 4,138,000</u>
<b>EXPENSES</b>					
Liability Premium	1,063,461	1,265,000	1,100,000	1,265,000	1,265,000
Property Premium	848,152	1,047,500	1,030,000	1,152,250	1,152,250
Other Premiums	143,491	120,000	60,000	60,000	60,000
Claims	1,400,981	950,000	950,000	1,100,000	1,100,000
Reserve Adjustment	-	-	-	-	-
Interest Expense	-	-	-	-	-
Loss Payments to Departments	178,099	200,000	200,000	200,000	200,000
Emergency Management	-	-	-	-	-
Administrative Expense	<u>312,246</u>	<u>348,136</u>	<u>348,136</u>	<u>330,264</u>	<u>330,264</u>
Total Expenses	<u>\$ 3,946,430</u>	<u>\$ 3,930,636</u>	<u>\$ 3,688,136</u>	<u>\$ 4,107,514</u>	<u>\$ 4,107,514</u>
Net Assets: December 31	2,294,498	2,833,620	2,044,362	2,074,848	2,074,848
Net Asset Goal	<u>1,550,000</u>	<u>1,875,000</u>	<u>2,125,000</u>	<u>2,125,000</u>	<u>2,125,000</u>
Surplus (Deficiency)	<u>\$ 744,498</u>	<u>\$ 958,620</u>	<u>\$ (80,638)</u>	<u>\$ (50,152)</u>	<u>\$ (50,152)</u>

Note on Reserve Policy:

The City's Insurance Fund reserve policy is to maintain a net asset balance equal to or greater than the current year aggregate self-insured retention (SIR) contained in the City's liability insurance coverage as established by Wisconsin Municipal Mutual Insurance Company (WMMIC) policy.

The City of Madison aggregate SIR for 2024 is \$2.125 million. Based on the reserve policy, the Insurance Fund is expected to be below its net asset goal by \$94,776 at the end of 2025. Claims are reserved at a 95% confidence level.

In 2023, billings to agencies for the Insurance Fund did not change from 2022. The 2023 budget increased funding added to reserves by \$1.5 million from a transfer from the General Fund. The City was experiencing high levels of claim payouts in 2022 due primarily to various legal settlements and associated legal counsel costs; this supplement helped address the cash balance in the fund. \$574,000 was added to fund balance in 2023.

In 2024, billings to agencies increased \$400,000. The Adopted Budget assumed using \$492,636 in fund balance in 2024.

In 2025, billings to agencies increased \$700,000. The Adopted Budget assumes adding \$30,486 to fund balance in 2025.