

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2020-58

Introducer/Sponsor(s): Council President at the request of the Jacksonville Aviation Authority

Date of Introduction: January 28, 2020

Committee(s) of Reference: TEU, F

Date of Analysis: January 30, 2020

Type of Action: Authorization to withdraw from self-insurance program; authorization of return of funds

Bill Summary: The bill authorizes the Jacksonville Aviation Authority to withdraw from the City's self-insurance program (specifically in the automobile liability, general liability and worker's compensation self-insurance program) and to assume control of, responsibility for, and payment of all existing claims the City was administering in the Self-Insurance Program as of the withdrawal effective date. It also authorizes a return of funds the JAA has paid into the self-insurance fund upon a final calculation of funds related to specific pending claims as of the Withdrawal Date. The prospective effective date of the withdrawal shall be on the last day of the month immediately following 30 days from the effective date of this ordinance.

Background Information: The City operates a self-insurance fund for itself and its independent authorities for several types of liability, and charges each participant a pro-rata share of its costs according to their claims record. The JAA board has by resolution requested that the authority be allowed to withdraw from the self-insurance program pursuant to a provision in the City's Risk Management Code (Sec. 128.106, Ordinance Code) and to obtain liability coverage through a private insurer that already provides other types of insurance to the authority. The fact sheet provided by the JAA indicates that the private carrier can provide a higher level of coverage at a lower cost.

Policy Impact Area: Self-insurance fund

Fiscal Impact: The JAA is budgeted to pay a total of \$420,000 into the self-insurance fund this year (worker's compensation - \$355,000; general liability (including automobile liability) - \$65,000).

Analyst: Clements