RESERVE: INSURANCE RESERVE

Reserve Characteristics:

Reserve number:	**164**
Financial Statement Presentation:	Accumulated surplus
Reserve Type:	Discretionary
Reserve Category:	Stabilization
Bylaw:	6212-19 Delegation of Authority By-law, Schedule C – Financial Matters

Purpose of the reserve:

To receive and hold annual surpluses arising within the Town's Insurance budgets until such time they are required to offset an insurance budget deficit.

Funding source:

Funded from annual tax sourced insurance budget savings, or,

Funding may also include annual budgeted contributions as approved by Council.

Use of funds:

Shall be used to fund overspending on the Town's insurance budgets which arise due to larger than expected insurance premium or settlement costs, where required to balance the overall annual operating budget results of the Town.

Target balance and financing

Reserve to maintain an annual balance of 1.5 times the annual consolidated insurance budget for the prior year.

Other

At any time, acting in the best interests of the Town, Council may direct that some or all balances in the Fund be transferred to other reserve funds, or used for other purposes, provided that the transfer or use of tax sourced funding is appropriate in the circumstances budget.