

all principal and interest has been paid on any revenue bonds which may be issued by the Authority. The loan accrued interest until June 30, 1993. The outstanding balance, including deferred interest of \$1,576,990, amounted to \$5,576,900 at June 30, 1995.

In 1972, the Authority assumed a non-interest bearing obligation in the amount of \$795,006, due to the debt service fund of the primary government pursuant to the transfer of New Marsh Market assets and obligations to the Authority. The Authority is obligated to repay the debt service fund after all principal and interest has been paid on any revenue bonds which may be issued by the Authority. The outstanding principal at June 30, 1995, is \$795,006.

Total principal and interest due to the debt service fund is summarized as follows (amounts expressed in thousands).

Greater Baltimore Regional Consolidated Wholesale Food Market Loan of 1967.....	\$5,577
Debt assumed from New Marsh Wholesale Produce Market .....	795
	<u>\$6,372</u>

### 11. Self-Insurance:

The self-insurance costs represent the State's liability for its various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities and certain employee health benefits. All funds, agencies, and authorities of the State participate in the self-insurance program (the Program). The Program, which is accounted for in the general fund, allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority, based on a percentage of each organization's estimated current-year payroll or based on an average loss experienced by each organization. This charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

The Program's liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The workers' compensation and property and casualty costs are based upon separately determined actuarial valuations for the fiscal year ending June 30, 1995. The employee health benefits liability is calculated on claims subsequently reported and claims trends.

Changes in the self-insurance liabilities during fiscal year 1995 are as follows (amounts expressed in thousands).

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Total
Property, Casualty and General Liability .....	\$ 7,280	\$ 7,670	\$ 6,323	\$ 8,627
Workers' Compensation .....	122,551	28,030	24,016	126,565
Employee Health Benefits .....	41,413	236,178	251,921	25,670
Total Self-Insurance Costs .....	<u>\$171,244</u>	<u>\$271,878</u>	<u>\$282,260</u>	<u>\$160,862</u>

At June 30, 1995, the Program held \$8,334,344 in cash and investments designated for payment of these claims.