

From: Blankenship, Johni
Sent: Tuesday, August 3, 2021 4:36 PM
To: Broyles, Randi
Subject: FW: FY 22 Insurance rates response

I forwarded this to the Assembly, please add to file in iLegislate for the record.

Thank you, Johni

From: Saner, Kim <ksaner@kpb.us>
Sent: Tuesday, August 3, 2021 4:35 PM
To: Blankenship, Johni <JBlankenship@kpb.us>
Subject: FY 22 Insurance rates response

Johni, Please share with the Assembly.

Assembly

In regard Mr. Cox's question as to the cause for the increase in insurance premium costs. The largest factor was the unilateral increase across the industry where outside factors influence costs, such as hurricanes and other natural disasters nationwide.

Specific to our own situation we picked up the properties formerly owned by the Ninilchik Fire department including the related Chattels (Trucks, etc.). These amounted to approximately \$3M.

In addition, all properties were re-assessed for the Borough by a third party resulting in an increase of their values. This occurred after the budget had been established during our normal budget process. During the budget process we anticipated the rates for the upcoming year based on the information we had at the time. The positive is that our properties are more valuable (\$1.4B) but a negative in that our insurance increased to cover potential losses.

One final factor is the increase in excess liability costs. The borough carries \$15M as a part of our standard insurance. The Risk Committee has determined that additional insurance is prudent. This cost has risen annually and the additional insurance cost increased by about \$25K for two \$5M policies this year. While not a substantial amount, it is indicative of the hardening market.

For more detailed information we are happy to speak to anyone individually.

Regards

Kim

Kim K. Saner, Esq. SPHR
Human Resources Director
(work) 907-714-2131
ksaner@kpb.us