



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Dale Bagley, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Tim Bryner, Risk Manager *T. Bryner*
Craig Chapman, Director of Finance *CC*

DATE: March 26, 2015

SUBJECT: Ordinance 2014-19-48, An Ordinance Appropriating \$500,000 from the Insurance and Litigation Fund Balance for Additional Cost of Insurance Premiums and Claims Incurred in FY2015

The Kenai Peninsula Borough, including service areas, and the Kenai Peninsula Borough School District are self-insured for insurance including but not limited to: property, liability, workers compensation and travel.

During FY2015, the number of claims and the cost of claims have been higher than projected. Areas that are projected to exceed or have exceeded budgeted amounts include the following:

- Workers' compensation - claims and premiums were budgeted at \$1,250,000, cost incurred through March 6, 2015 total \$1,214,585.
- Property coverage – claim reserves were budgeted at \$300,000, the estimated cost of claims incurred through March 6, 2015 total \$234,173.
- Liability coverage – excess liability coverage was budgeted at \$385,000, the actual cost of the premium was \$507,023.

This ordinance would appropriate \$500,000 from the Insurance and Litigation Fund Balance to provide the additional funds needed to cover the increased premium and claim cost.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>700.00000.00000.27910</u>
Amount	<u>\$500,000</u>
By:	<u><i>pp</i></u> Date: <u>3/26/15</u>