

# Kenai Peninsula Borough

## Risk Management

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Mayor *MN*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Sovala Kisenia, Risk Manager *SK*

**DATE:** December 1, 2022

**SUBJECT:** Ordinance 2022-19-38, Appropriating \$475,250 from the Insurance and Litigation Fund for Additional Costs of Insurance Claims Incurred in FY2023 (Mayor)

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

In the first half of FY2023, the number of potentially large claims and their associated reserves for costs has been higher than projected. The original FY2023 budgeted amount was based on historical claims experience. However, in the first four months of FY2023, a higher number of such claims have been recorded with aggregate potential liability estimated to potentially be up to a total of \$548,500.

This ordinance would appropriate \$475,250 from the Insurance and Litigation Fund fund balance to provide the additional funds needed to ensure adequate funds are available for potential additional claims for this fiscal year.

Your consideration is appreciated.

<b>FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED</b>	
Acct. No.	<u>700.27910 (FB)</u>
Amount	<u>\$ 475,250</u>
By: <i>CF</i>	Date: <u>11/29/2022</u>