

# Risk Management

FY2026 Proposed Budget



# Risk Management **Mission & Service**

Our mission is to protect the Kenai Peninsula Borough (KPB) and Kenai Peninsula Borough School District (KPBSD) through identification, analyzation, and mitigation against the consequences of accidental losses and claims.

We serve as a resource for protecting the health, safety, and well-being of KPB and KPBSD employees through continuous efforts to reduce the frequency, severity of claims through education, analysis, active participation and communication.

# Risk Management Organization Chart



- Appendix A Level 5
- Appendix A Level 4
- Classified

## **11234 – ADMIN**

Successfully transitioned to a new insurance broker, ensuring a seamless handover and continuity of service. Migrated ten years of historical claims data into our new claims database, enhancing data structure, reporting capabilities, and analysis - this was used to better allocate losses to each department. Established standard operating procedures (SOPs) for all major Risk processes and cross-trained team members to ensure redundancy and operational.

## **11236 – WORKERS' COMP**

Expanded training opportunities by providing monthly in-person classroom sessions open to all employees, enhancing accessibility and engagement for employees. Began implementing our organization-wide Job Hazard Analysis (JHA) process, including program and process development, and the assessments themselves.

# Risk Management **FY25 Achievements**

## **11237 – PROPERTY**

Performed audits of video security systems and access control measures, providing recommendations for additional equipment placements and hardware upgrades. Audited our facilities, automotive, and mobile equipment schedules resulting in several thousands of savings. Updated multiple floorplans to include layers for cameras, access control hardware, AEDs, and first aid supplies.

## **11238 – LIABILITY**

Create a Risk Register to capture operational risks, develop actionable response plans, prepare for possible impacts, and recommend mitigation methods to the Administration. Worked with stakeholders from the Department of Juvenile Justice and the District Attorney's Office to document the restitution process across all agencies and identify opportunities for improvement in restitution collection.

# Risk Management **FY25 Achievements (Cont.)**

## **11234 – ADMIN**

Collaborate with KPBSD to enhance the Building Use Application process by further developing software to streamline operations. Assess the feasibility of transitioning from our current EHS Management System to Maintenance's software solution, analyzing the long-term benefits of a unified software platform.

## **11236 – WORKERS' COMP**

Enhance our Job Hazard Analysis (JHA) Program by expanding the implementation to other several other departments. Develop a structured stay-at-work program with a defined list of light-duty options to minimize lost-time incidents and support employee recovery. Create an easy-to-understand workers' compensation pamphlet to streamline the claims process and to ensure employees and supervisors are well-informed and confident in navigating the processes.

# Risk Management **FY26 Objectives**

## **11237 – PROPERTY**

Work with the Facility Manager and Facility Management Committee to implement our Management of Change (MOC) process for property additions and deletions. Continue mapping camera locations and coverages to identify if additional resources are needed. Develop a comprehensive action plan based on the documented restitution process and identified improvements.

## **11238 – LIABILITY**

Broaden risk register use by linking identified risks to specific compliance and legal obligations while further developing stakeholder communication plans. Develop an insurance requirements flowchart to improve stakeholder experience and streamline the contracting process. Utilize new tools to create quarterly reports for all departments, highlighting loss categories, costs, and recommended mitigation strategies.

# Risk Management **FY26 Objectives (Cont.)**

# Risk Management Expenditure Summary

|                | FY25 Original<br>Budget | FY26 Proposed<br>Budget | Change From<br>FY25 |
|----------------|-------------------------|-------------------------|---------------------|
| Personnel      | \$923,294               | \$906,924               | \$(16,370)          |
| Supplies       | \$3,650                 | \$3,218                 | \$(432)             |
| Services       | \$7,201,217             | \$7,265,717             | \$64,500            |
| Capital Outlay | \$0                     | \$10,916                | \$10,916            |
| Inter-Dept.    | \$0                     | \$0                     | \$0                 |
| Totals         | \$8,128,161             | \$8,186,775             | \$58,614            |

|                   |              |
|-------------------|--------------|
| <b>% Increase</b> | <b>0.72%</b> |
|-------------------|--------------|



# Risk Management Market Projection

|                      | FY25 Actuals       | FY26 Projected     | % Change     |
|----------------------|--------------------|--------------------|--------------|
| Package <sup>1</sup> | \$3,410,376        | \$3,749,909        | 10.0%        |
| Equipment            | \$52,672           | \$58,935           | 11.9%        |
| Excess Liability     | \$415,509          | \$474,352          | 14.2%        |
| Storage Tank         | \$10,583           | \$12,395           | 17.1%        |
| Environmental        | \$39,300           | \$41,392           | 5.3%         |
| Medical              | \$7,200            | \$7,920            | 10.0%        |
| Firefighter ADD      | \$7,128            | \$7,216            | 1.2%         |
| Cyber                | \$0                | \$44,439           | N/A          |
| Other <sup>2</sup>   | \$30,614           | \$31,900           | 4.2%         |
| <b>Totals</b>        | <b>\$3,973,382</b> | <b>\$4,428,458</b> | <b>11.5%</b> |

## **11234 – ADMIN**

The budget remains flat with negligible increases to Personnel (2.6%).

## **11236 – WORKERS' COMP**

The budget includes an increase of \$118,487 (14.1%) to the workers' compensation premiums and payroll audit costs; however, claims reserves estimates are down \$145,849 (-7.5%).

## **11237 – PROPERTY**

The budget remains relatively flat with an overall decrease of \$97,817 (-3.77%).

## **11238 – LIABILITY**

The budget includes an overall increase of \$151,010 (9.5%) including general liability, excess liability, and crime policies along with the costs for two new excess layers of cyber liability coverage.

# Risk Management **Significant Budgetary Impacts**

# Risk Management **Long-Term Concerns**

## **11234 – ADMIN**

Employee retention and “knowledge vacuum” is creating long-term financial impacts (direct and indirect) which may be reflected in claim costs and frequency across all categories.

## **11236 – WORKERS’ COMP**

Expansion of presumptive disability statutes continue to impact risk avoidance for emergency services organizations. Increasing cost and frequency of litigation in the State of Alaska.

## **11237 – PROPERTY**

Maintenance staffing and facilities management challenges are increasing claim volume and costs. Rising appraisals and uncertainties from our new pool may worsen the situation.

## **11238 – LIABILITY**

Our liability exposures, loss ratio, and overall costs continue to present challenges in securing reasonably priced excess insurance.