

Introduced by:	Mayor
Date:	10/08/02
Shortened Hearing:	10/22/02
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2002-19-21**

**AN ORDINANCE APPROPRIATING \$649,000 FROM THE INSURANCE AND
LITIGATION FUND TO PROVIDE FUNDING FOR SELF-INSURING THE
WORKERS' COMPENSATION PROGRAM FOR THE KENAI PENINSULA
BOROUGH AND SCHOOL DISTRICT**

WHEREAS, in the spring of 2002, the borough through its contractor Willis and Company solicited quotes for workers' compensation coverage as the existing coverage was scheduled to expire July 1, 2002; and

WHEREAS, responses reflected an increase of more than 300 percent over the existing workers' compensation insurance rates; and

WHEREAS, an actuarial study was done to determine whether it would be feasible to self-insure rather than purchasing workers' compensation insurance at the increased rate; and

WHEREAS, based on the results of the actuarial study and further market research prepared by Willis and Company, the risk management committee concluded that the borough and school district should self-insure for workers' compensation, and hire a third-party administrator as well as a program manager to implement the program; and

WHEREAS, an additional \$649,000 is needed to cover expenses anticipated for the proposed self-insurance program;

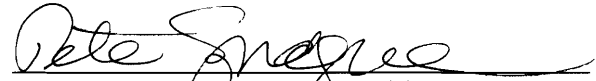
NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the sum of \$649,000 is appropriated from available retained earnings within fund 700, the insurance and litigation fund to account number 700.94911.00000.49999, non-departmental risk management contingencies for costs associated with the workers' compensation self-insured program.

SECTION 2. That the mayor is authorized to execute documents necessary to implement the intents and purposes of this ordinance.

SECTION 3. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 22ND DAY OF OCTOBER, 2002.


Pete Sprague, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk

