

Introduced by:	Mayor
Date:	08/20/02
Hearing:	09/17/02
Action:	Enacted
Vote:	9 Yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2002-36**

AN ORDINANCE AMENDING KPB 2.34 TO CORRECT THE SCHOOL DISTRICT MEMBER'S TITLE, TO CLARIFY THAT THE OPEN MEETINGS ACT DOES NOT APPLY TO MEETINGS OF THE RISK MANAGEMENT COMMITTEE, TO ALLOW USE OF THE INSURANCE AND LITIGATION FUND TO PAY COVERED CLAIMS THAT WILL BE REIMBURSED BY INSURANCE, AND TO CLARIFY THE ROLE OF THE RISK MANAGEMENT OFFICE REGARDING EMPLOYEE HEALTH INSURANCE

- WHEREAS,** the borough code identifies members of the risk management committee and currently lists the borough school district member as “executive director of business management”; and
- WHEREAS,** the school district member’s title has changed to “assistant superintendent for administrative services” and the code should be modified accordingly; and
- WHEREAS,** if the Open Meetings Act applied to meetings of the risk management committee, virtually all discussions would qualify for executive sessions; and
- WHEREAS,** under the Open Meetings Act staff meetings are not subject to the Open Meetings Act, and code amendment would clarify that it does not apply to the risk management committee; and
- WHEREAS,** the code currently authorizes use of the insurance and litigation fund to cover insured losses up to the amount of deductibles but does not allow its use to pay for covered losses that will be reimbursed by insurance; and
- WHEREAS,** to allow covered claims that will be reimbursed to be handled expeditiously through the fund, the code needs to be amended; and
- WHEREAS,** the borough health insurance program has historically been administered by the human resources section of the general services division; and
- WHEREAS,** the school district health insurance program has been administered by the school district health insurance committee; and
- WHEREAS,** the risk management chapter of the code only addresses employee health benefits in the provision governing procurement of insurance and does not address whether the office is expected to also administer health benefits; and

WHEREAS, clarification in the code is needed to avoid confusion regarding the risk management office's involvement in administering the health insurance plans, which is not to administer them;

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

SECTION 1. That KPB 2.34.010 is amended as follows:

2.34.010. Risk Management Office established—Administrator.

There is in the mayor's department, general services division, the office of risk management. The office of risk management shall be administered by the risk manager and a risk management committee consisting of the Kenai Peninsula Borough attorney, the Kenai Peninsula Borough finance officer and the Kenai Peninsula Borough School District [EXECUTIVE DIRECTOR OF BUSINESS MANAGEMENT] assistant superintendent for administrative services. The members of the risk management committee may each designate a person to act as a committee member in the event of absence of that committee member. Meetings of the risk management committee shall be held on a regular monthly basis, and are exempt from the Open Meetings Act as now enacted or as may be hereinafter amended.

SECTION 2. That KPB 2.34.060 is hereby amended as follows:

2.34.060. Self-insurance program and risk retention funding.

A. The director of finance of the Kenai Peninsula Borough is authorized to establish an appropriate internal service fund or funds for insurance, insurance-related contracts and/or services, litigation defense costs and risk management.

B.[A.] The Kenai Peninsula Borough shall use monies in the fund on behalf of the Kenai Peninsula Borough and School District, for the following purposes only;

1. Premiums for primary, excess and umbrella insurance coverage to insure the exposures of the Kenai Peninsula Borough and School District.
2. Premiums for fiduciary bonds and bonds required by the State of Alaska as a prerequisite for self-insuring.
3. Payment for risk management and insurance related contracts and/or services, including loss adjustment expenses and legal fees for defense of civil suits filed by plaintiff against the Kenai Peninsula Borough and School District.

4. Insured losses and/or claims, up to the stated limits of deductibles or self-insured retention levels, as defined by following forms of insurance policies in effect at the time of the loss or claim, and beyond the stated limits of deductibles or self-insured retention levels when it is reasonably believed by the majority of committee members that the insured loss and/or claim will be reimbursed by the insurance policy.
5. Self-insured losses and/or claims in excess of the limits of any policies of insurance that apply to the loss or claim, and/or self-insured losses and/or claims that are not covered by specific policies of insurance, but which have been determined to be a covered item by the risk management committee in accordance with this ordinance, its program requirements and the appropriations and transfers to the fund.
6. Reimbursement of legal expense arising out of the defense of litigation brought against the Kenai Peninsula Borough and School District, for insured, self-insured and uninsured losses and/or claims.
7. Judgments and/or awards for exemplary and/or punitive damages are specifically excluded from coverage by this fund.

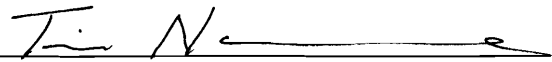
SECTION 3. That KP.B 2.34.115 is hereby enacted to read as follows:

2.34.115. Administration of health insurance.

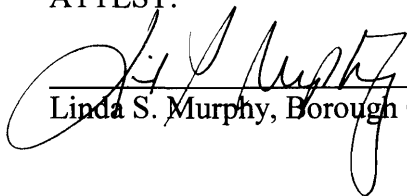
Nothing in this chapter shall be construed to require the risk management office including the risk manager and the risk management committee to purchase or administer employee health insurance plans.

SECTION 4. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF SEPTEMBER, 2002.


 Timothy Navarre, Assembly President

ATTEST:


 Linda S. Murphy, Borough Clerk

