



KENAI PENINSULA BOROUGH

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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Pete Sprague, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David Carey, Borough Mayor *C. Chapman for Dave Carey*

FROM: *C. Chapman* Craig Chapman, Finance Director
Bonita Miller, General Services Director

DATE: February 2, 2010

SUBJECT: Ordinance 2009-19-29, Appropriating Supplemental FY10 Funding for the Borough's Health Insurance Reserve Fund

The borough is self insured for health insurance. During calendar year 2009, the borough has seen health insurance claims come in at a rate substantially higher than budgeted. The claims included seven in excess of \$100,000 of which two claims were in excess of \$200,000, the Borough's cap amount. This compares to two claims in excess of \$100,000 in 2008 and one claim in excess of \$100,000 in 2007.

Based upon the claims that have been incurred it is estimated that the charges to the departments for the borough's Health Insurance Reserve Fund will need to increase by \$745,274 in order to have the resources available to pay the total expected claims during Fiscal Year 2010.

The attached ordinance would appropriate funds to cover the estimated increase.

FINANCE DEPARTMENT FUNDS VERIFIED \$745,274	
ACT # <u>VARIOUS FUND Balance Accts</u>	
BY: <u>CBW</u>	DATE: <u>2/4/10</u>