

Introduced: Mayor
Date: Feb. 6, 1990
Vote: Unanimous
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 90-11

AUTHORIZING THE TRANSFER OF \$400,000 IN CENTRAL PENINSULA HOSPITAL SERVICE AREA FUNDS INTO A TRUST FOR MEDICAL MALPRACTICE SELF-INSURANCE.

WHEREAS, LHS Management, the operator of Central Peninsula General Hospital, has purchased medical malpractice insurance policies for the part of any claim that would exceed \$500,000; and

WHEREAS, in order to keep those policies in effect and to meet its requirement to provide adequate insurance, it must establish a program to handle claims for the portions not covered by these excess policies; and

WHEREAS, LHS Management proposes to establish a self-insurance trust with a trustee other than itself or the Borough or service area; and

WHEREAS, the funding of this trust requires authorization to transfer \$400,000 of service area funds now allocated for insurance and indemnity to this trust; and

WHEREAS, transfer to the trust is appropriate provided the trustee meets all Borough requirements for safety and administration of these funds to ensure their proper use for handling and paying claims;

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

Section 1. That the Mayor is authorized to transfer \$400,000 to a trustee of a trust to provide for medical malpractice coverage for the Central Peninsula General Hospital, its operations staff and service area boards. The Mayor may require such conditions in the trust agreement as he deems necessary to adequately protect these funds or ensure that they are properly administered.

Section 2. That the \$400,000 for this trust shall come from Account No. 008-024267, where it is currently appropriated for indemnity purposes.

Section 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 6th DAY OF February, 1990.

ATTEST:


Borough Clerk


James W. Skogstad, Assembly President