

Risk Management

Insurance Program Overview

CBJ, BRH, & JSD

Assembly Finance Committee

February 1st, 2023

SELF-INSURED

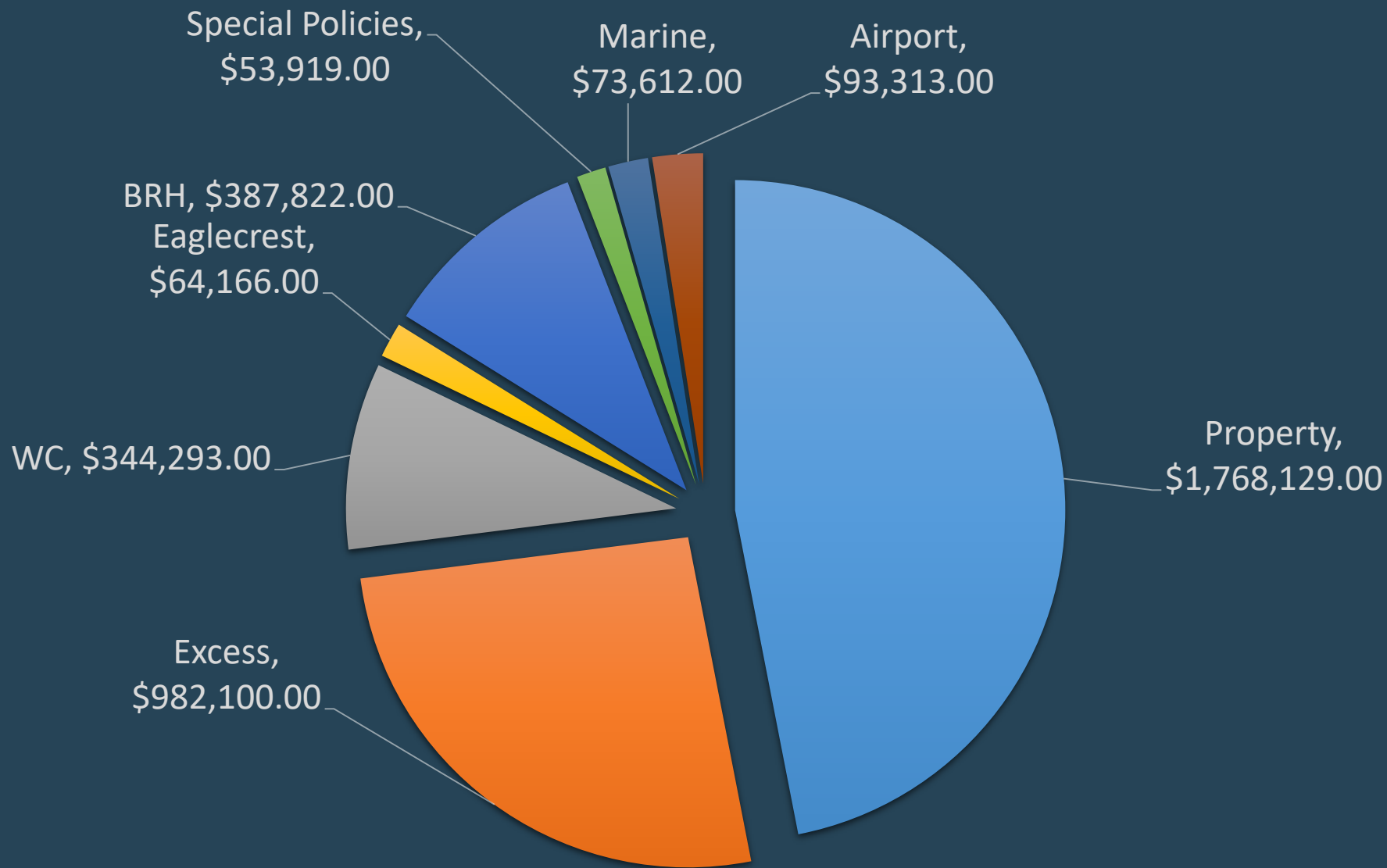
- Health Benefits
- General and Auto Liability, Employment Practices
- Workers Compensation

FULLY INSURED

- Property - \$500,000 deductible
- Special Policies: Airport, Docks and Harbors, BRH, Eaglecrest, CCFR

Insurance Program Overview

Insurance Premium Breakdown



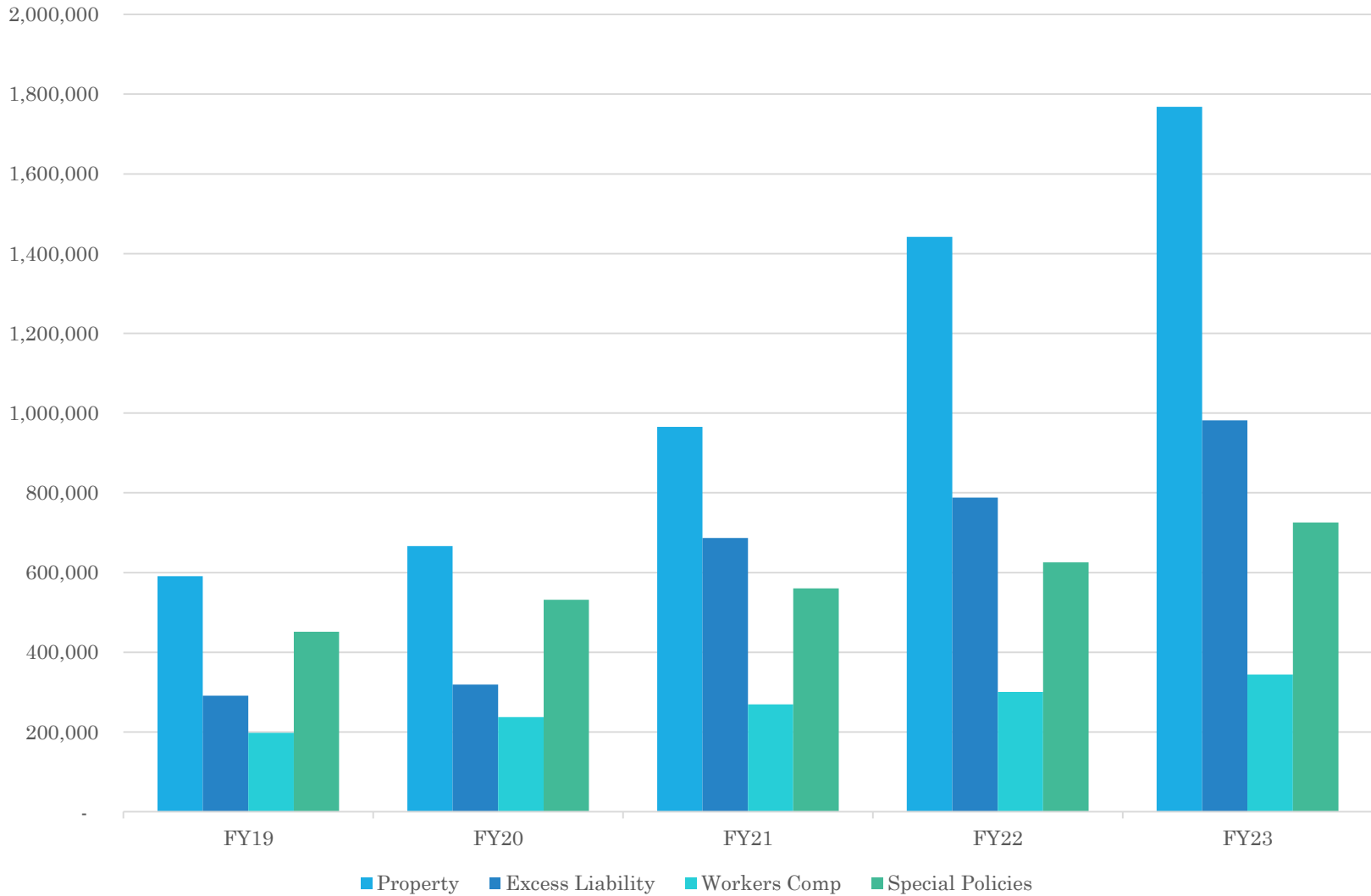
Insurance Policy Premiums – Cost Drivers

Total cost of Insurance Policies = \$3,792,247

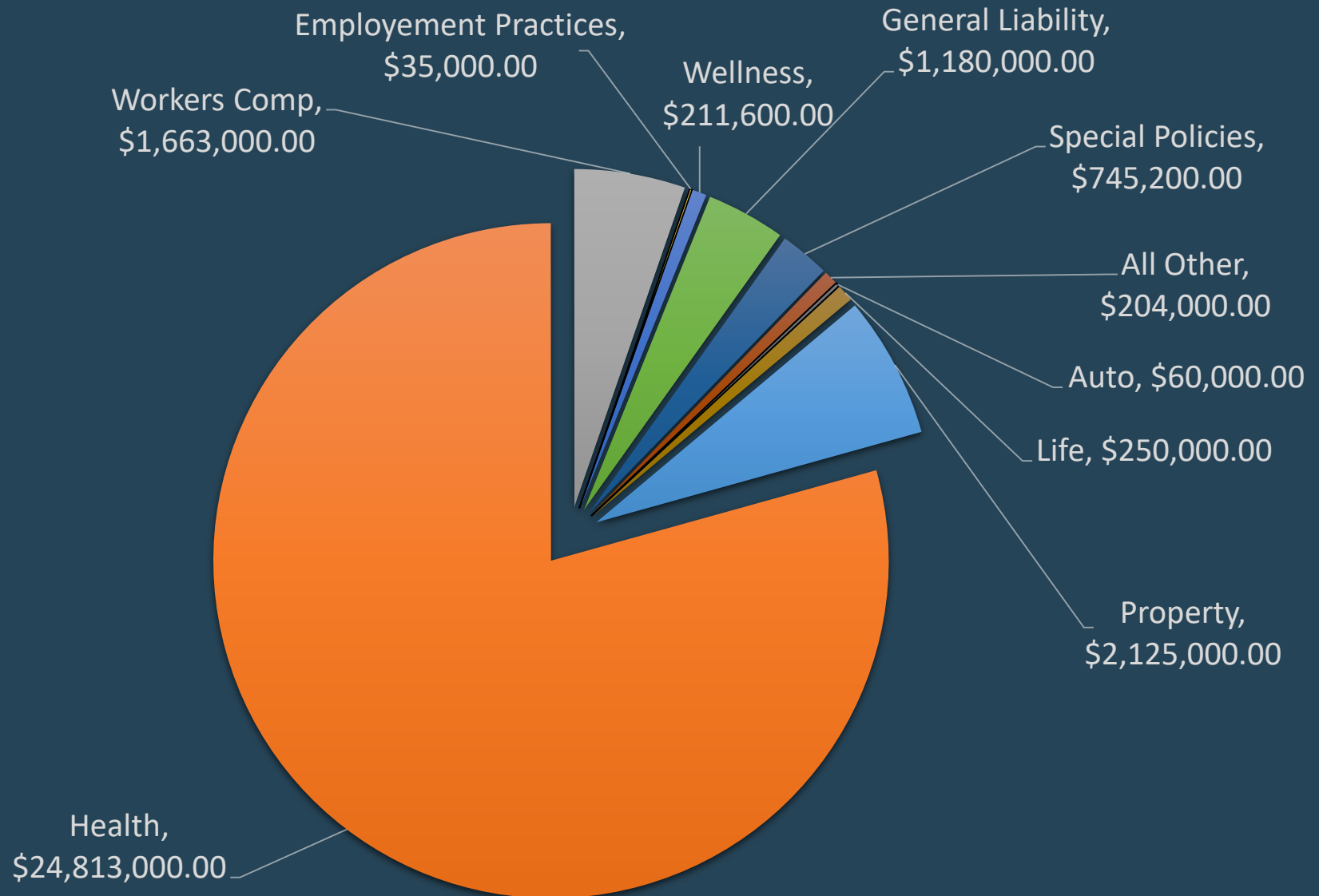
- Nation wide disasters
- Inflation
- High dollar claims
- Hard market



Property/Casualty Program Insurance premium trends



FY23 Risk Fund – Budgeted Expenditures



City and Borough of Juneau - Liability Structure Charts

Policy Term: July 1, 2022 to July 1, 2023

Total Premium: \$1,626,873.28



Total Cost: \$93,313.00 Total Limits: \$300,000,000				
Underwriters at Lloyds, London Limit: \$200,000,000 xs \$100,000,000 Premium: \$44,769.00 ACE Property and Casualty Insurance Company Limit: \$100,000,000 Premium: \$48,544.00	Total Cost: \$982,100.00 Total Limits: \$20,000,000		Total Cost: \$99,471.06 Total Limits: \$20,000,000	
	Evanston Insurance Company Limit: \$10,000,000 xs \$10,000,000 Premium: \$350,000.00	Aspen American Insurance Company – 33.34% Stratford Insurance Company – 33.33% Navigators Insurance Company – 33.33% Limit: \$15,000,000 xs \$5,000,000 Premium: \$31,500.00		Total Cost: \$64,167.22 Total Limits: \$10,000,000 Each Occurrence \$18,000,000 Aggregate
	Gemini Insurance Company Limit: \$5,000,000 xs \$5,000,000 Premium: \$280,500.00			Nova Casualty Company Limit: \$9,000,000 xs of \$1,000,000 Each Occurrence \$18,000,000 Aggregate Premium: \$24,882.74
	Princeton Excess & Surplus Lines Limit: \$5,000,000 Premium: \$351,600.00	Navigators Insurance Company Limit: \$4,000,000 xs \$1,000,000 Premium: \$19,083.75	Total Cost: \$387,822.00 Total Limits: \$5,000,000 Each Claim \$10,000,000 Aggregate	
		Navigators Insurance Company Primary Marine Liabilities for Ports Limited Pollution Liability Limit: \$1,000,000 Premium: \$23,029.65	Navigators Insurance Company Hull & Machinery – Per Schedule of Vessels Primary Protection & Indemnity: \$1,000,000 Limited Vessel Pollution Liability: \$1,000,000 Premium: \$25,857.66	ADX Specialty Insurance Company Limit: \$1,000,000 per occurrence \$2,000,000 Products Aggregate No General Aggregate Premium: \$39,284.48
\$5,000 Occurrence \$50,000 Aggregate Deductible	\$250,000 Self-Insured Retention all Coverages	\$1,000 Hull & Machinery \$5,000 Protection & Indemnity Deductible		\$10,000 Occurrence and \$50,000 Aggregate Self-Insured Retention
Airport Liability	Excess Liabilities: - Automobile Liability - General Liability - Public Officials Wrongful Acts (incl. EPL) Law Enforcement Legal	Marine Insurance Program		General Liability & Excess Liability - Eaglecrest Ski Area
				Primary Professional Liability and Health Care General Liability & Excess Liability - Bartlett Regional Hospital

Policy Tier Breakdown

BRH

<p>Total Cost: \$387,822.00 Total Limits: \$5,000,000 Each Claim \$10,000,000 Aggregate</p>
<p>Professional Security Insurance Company Limit: \$4,000,000 xs \$1,000,000 Each Claim \$7,000,000 Aggregate Premium: \$121,539.00</p>
<p>Professional Security Insurance Company Limit: \$1,000,000 per occurrence \$3,000,000 Aggregate for PL & GL Premium: \$266,283.00</p>
<p>\$100,000 per claim and \$300,000 aggregate Deductible</p>
<p>Primary Professional Liability and Health Care General Liability & Excess Liability - Bartlett Regional Hospital</p>

Health Benefits Program

Self-insured plan

- \$23.3M FY23 budgeted expenditures
- \$1.8M over stop loss
- 1,080 CBJ, BRH, and some JSD benefited Covered employees / 2535 covered lives.
- Health self-insured fund covers actual claims costs + administrative fee, consultants, and stop loss insurance.
- Self-insured Retention (per claim) - \$275,000
- Premiera BCBS of Alaska administers the plan

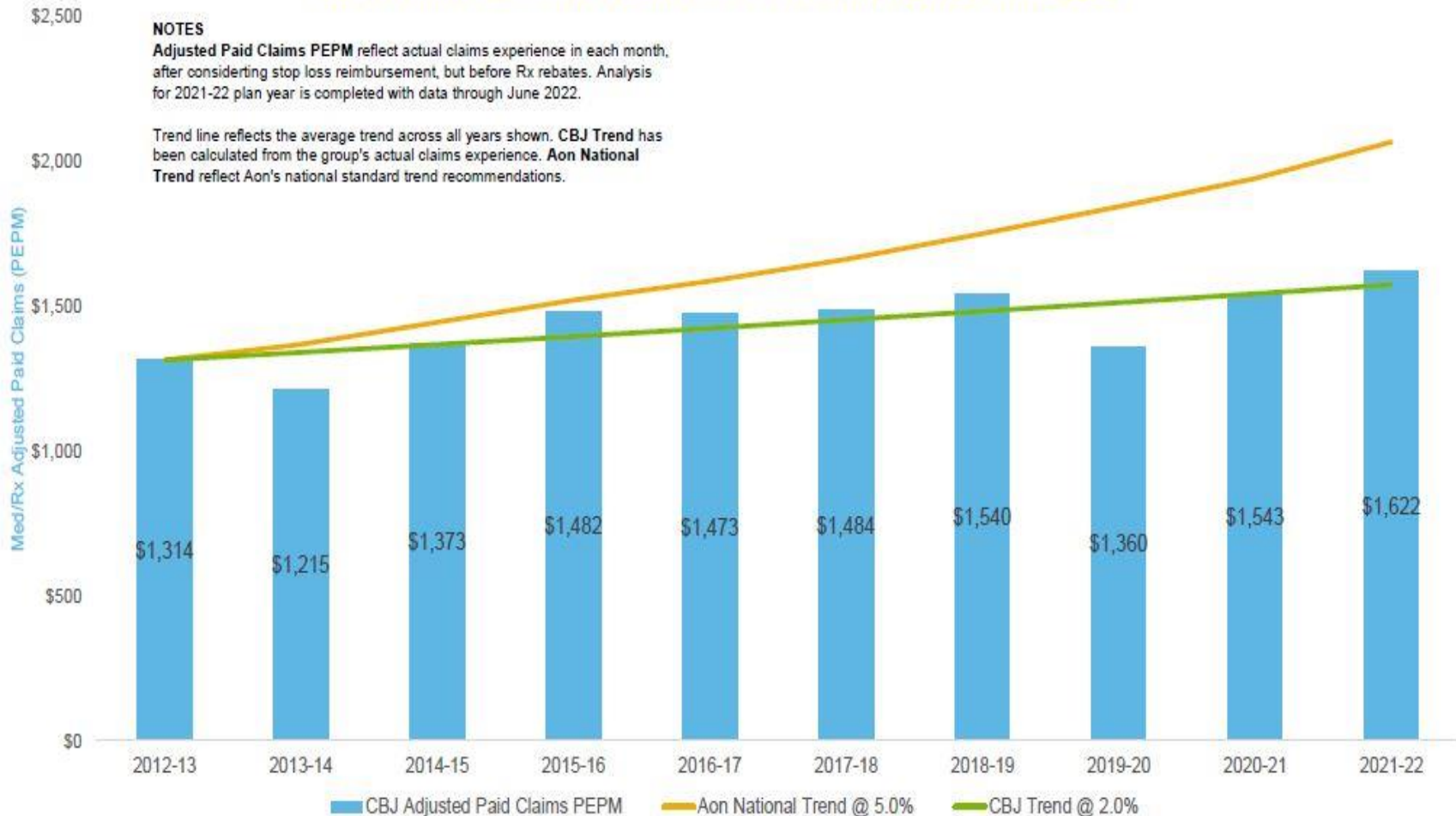
CBJ Health Claims Trend

CBJ Historical Claims vs Aon National Trend (Jul 2012 - June 2022)


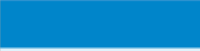



NOTES

Adjusted Paid Claims PEPM reflect actual claims experience in each month, after considering stop loss reimbursement, but before Rx rebates. Analysis for 2021-22 plan year is completed with data through June 2022.

Trend line reflects the average trend across all years shown. CBJ Trend has been calculated from the group's actual claims experience. Aon National Trend reflect Aon's national standard trend recommendations.



Primary Health Care Cost Drivers

Condition	Patients	Prevalence*	Norm	Medical + Rx Paid \$	Drug Cost %	Last Year Comparison
1. Psychiatry	768	26.6%	21.2%	 \$1.6M	11.0%	Up from 2 (\$1.2M)
2. Pregnancy	62	2.1%	1.9%	 \$1.4M	0.4%	Up from 3 (\$1.1M)
3. Metabolic Disorders	194	6.7%	8.0%	 \$1.3M	37.9%	Up from 4 (\$1.0M)
4. Joint Degeneration	346	12.0%	9.6%	 \$974K	2.0%	Down from 1 (\$1.6M)
5. Cardiovascular Disease	379	13.1%	15.2%	 \$920K	4.7%	Up from 11 (\$507K)

2.4% of members drove 47.6% of the costs

Health benefits Cost Containment Efforts

- Ongoing communication with Premiera and Aon (benefits consultant) to search for cost saving opportunities
- Self-insured plan – allows more control, flexibility, and creativity
- Promoting medical consumerism, educating our members
- Wellness Program - promoting healthier lifestyles and focusing on highest cost drivers

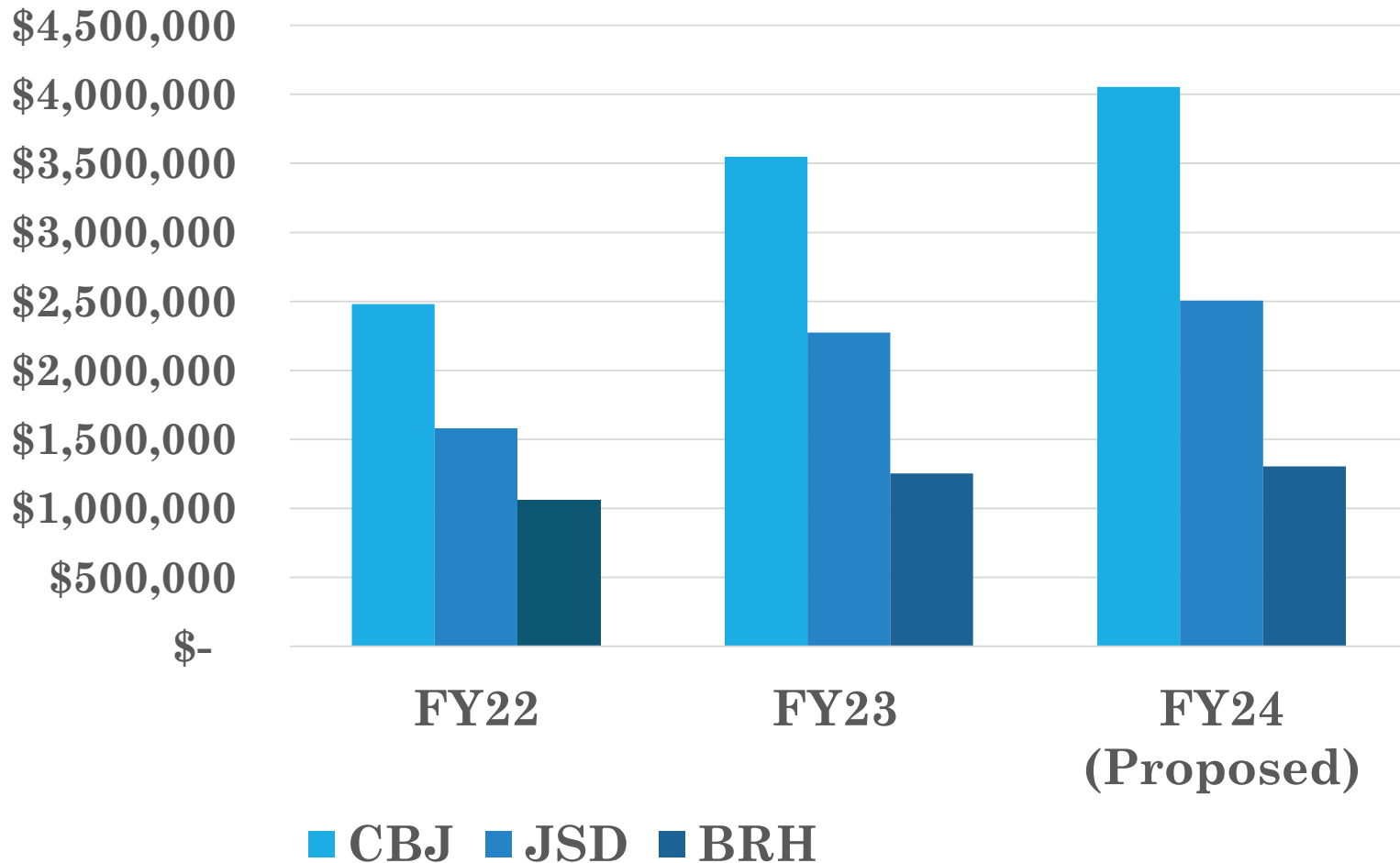
Wellness Program

The goal of the wellness program is to:

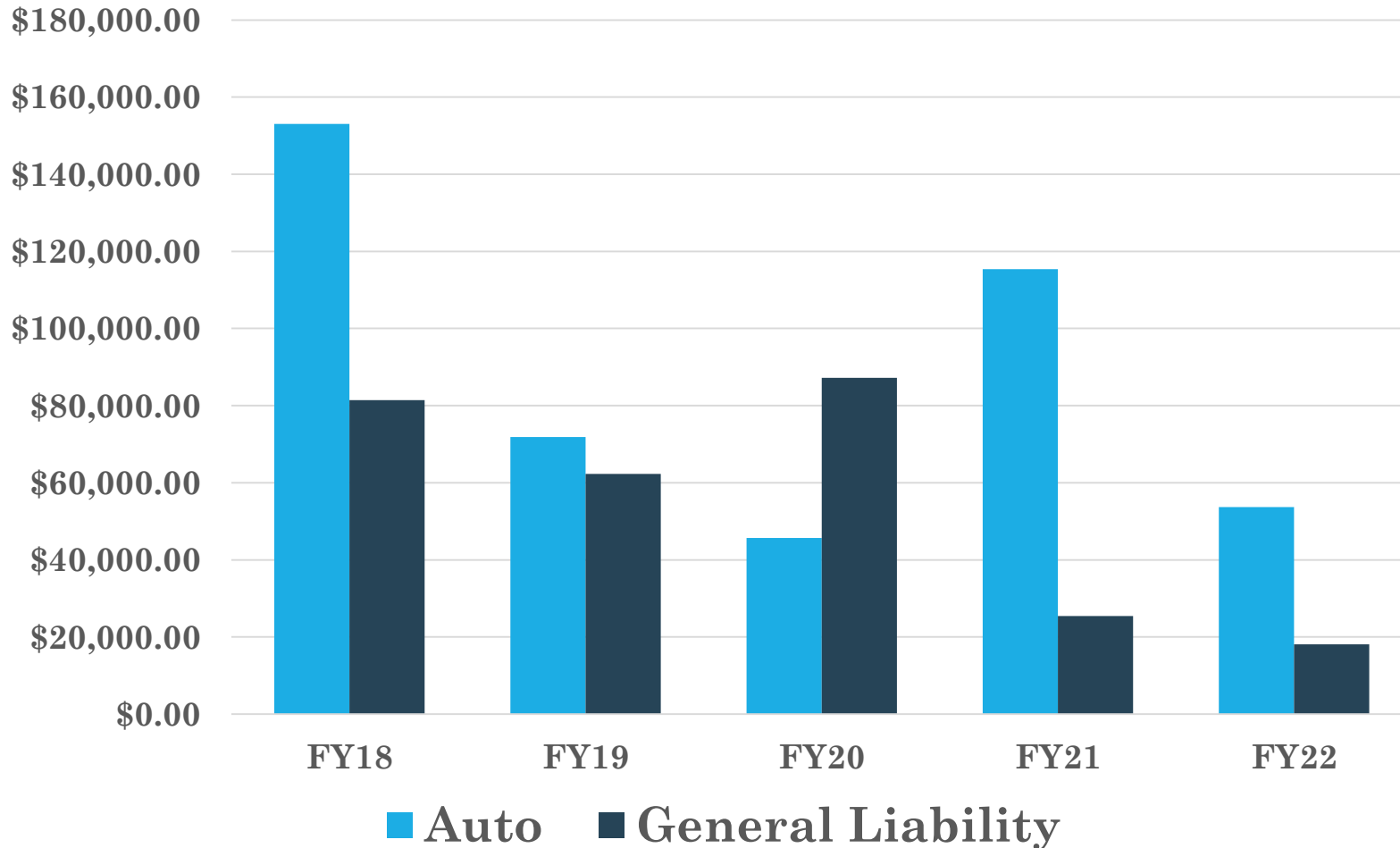
- Provide services that will assist employees to lead healthier lives
- Promote well-being & avoid illnesses and injuries
- Improve productivity and morale in the workplace
- Discounts at the pool, Fieldhouse and Ice Rink.

The Wellness Coordinator works directly with CBJ, BRH and a small group of JSD employees by providing wellness activities, educational sessions & assessments

Property/Casualty Program FY23 and Proposed FY24 Revenues

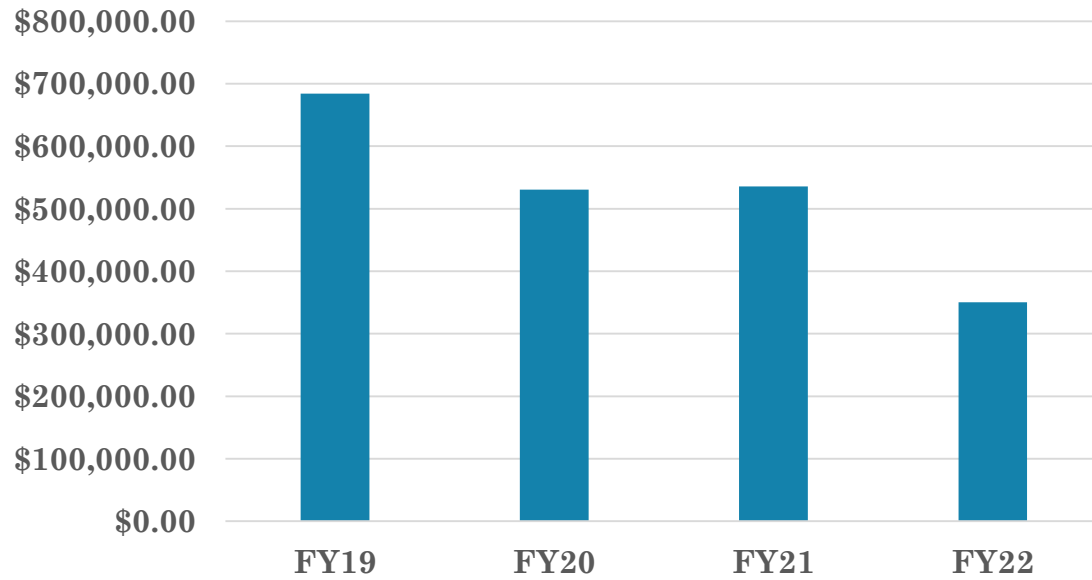


General Liability & Auto Claims Experience

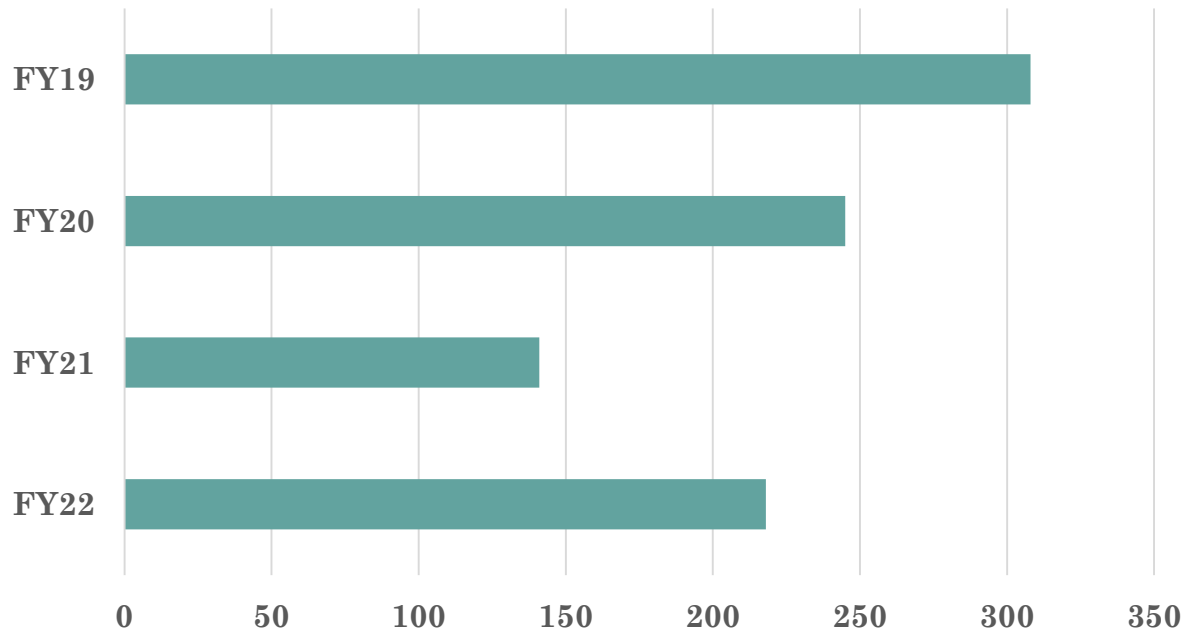


\$250k SIR

Workers' Compensation Cost Per Fiscal Year / Claims Per Fiscal Year



**Cost of Claims
Per year**



**Number of
claims per
year**

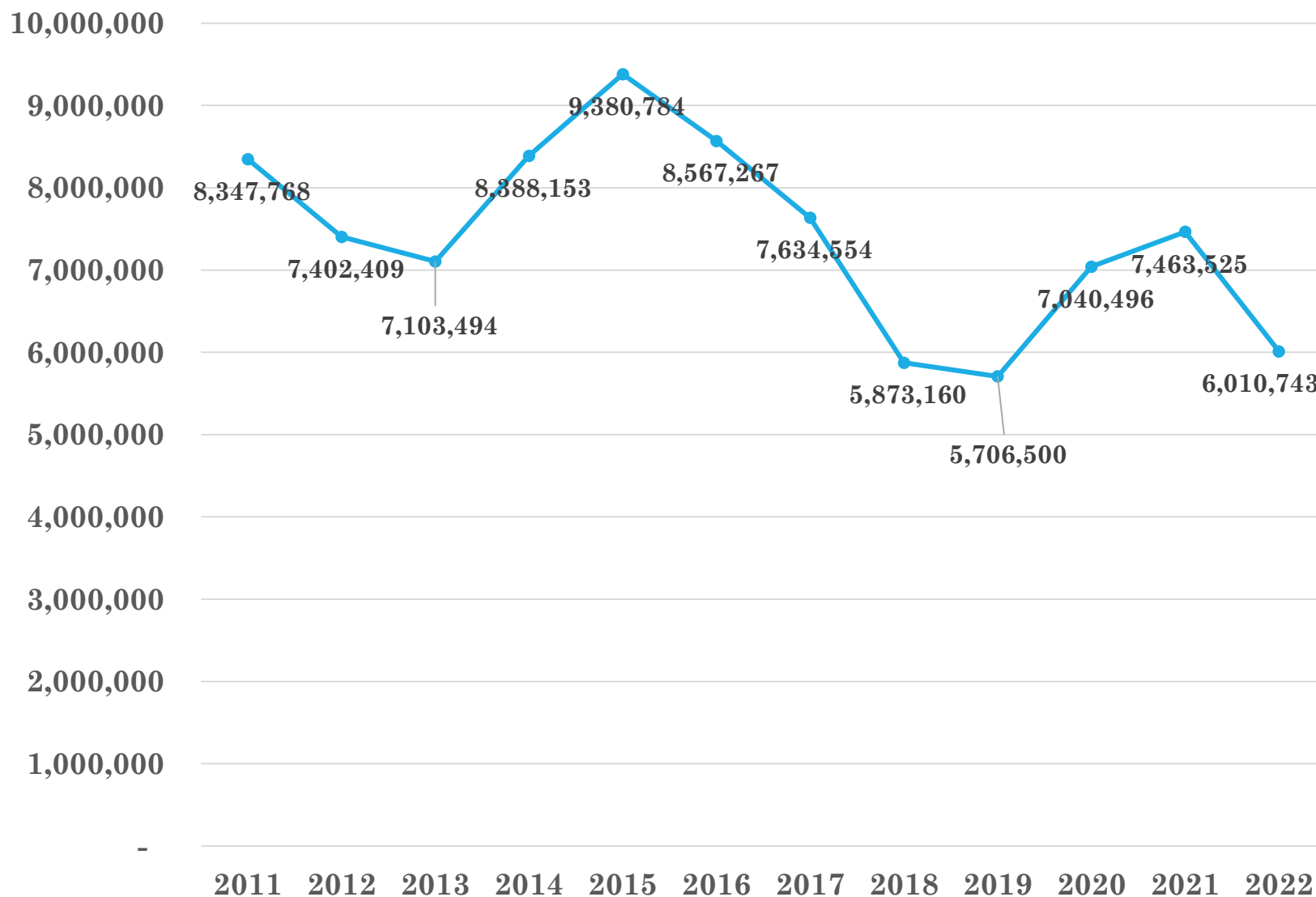
Keys to Reducing Workers' Compensation Program Expenses

- Comprehensive safety management program
- Joint CBJ, BRH, and JSD Safety Committees –promoting communication and sharing of resources between entities – breaking down silos and improving communication.
- Greater emphasis on return to work/light duty programs
- Working closely with Third Party Adjuster to manage costs

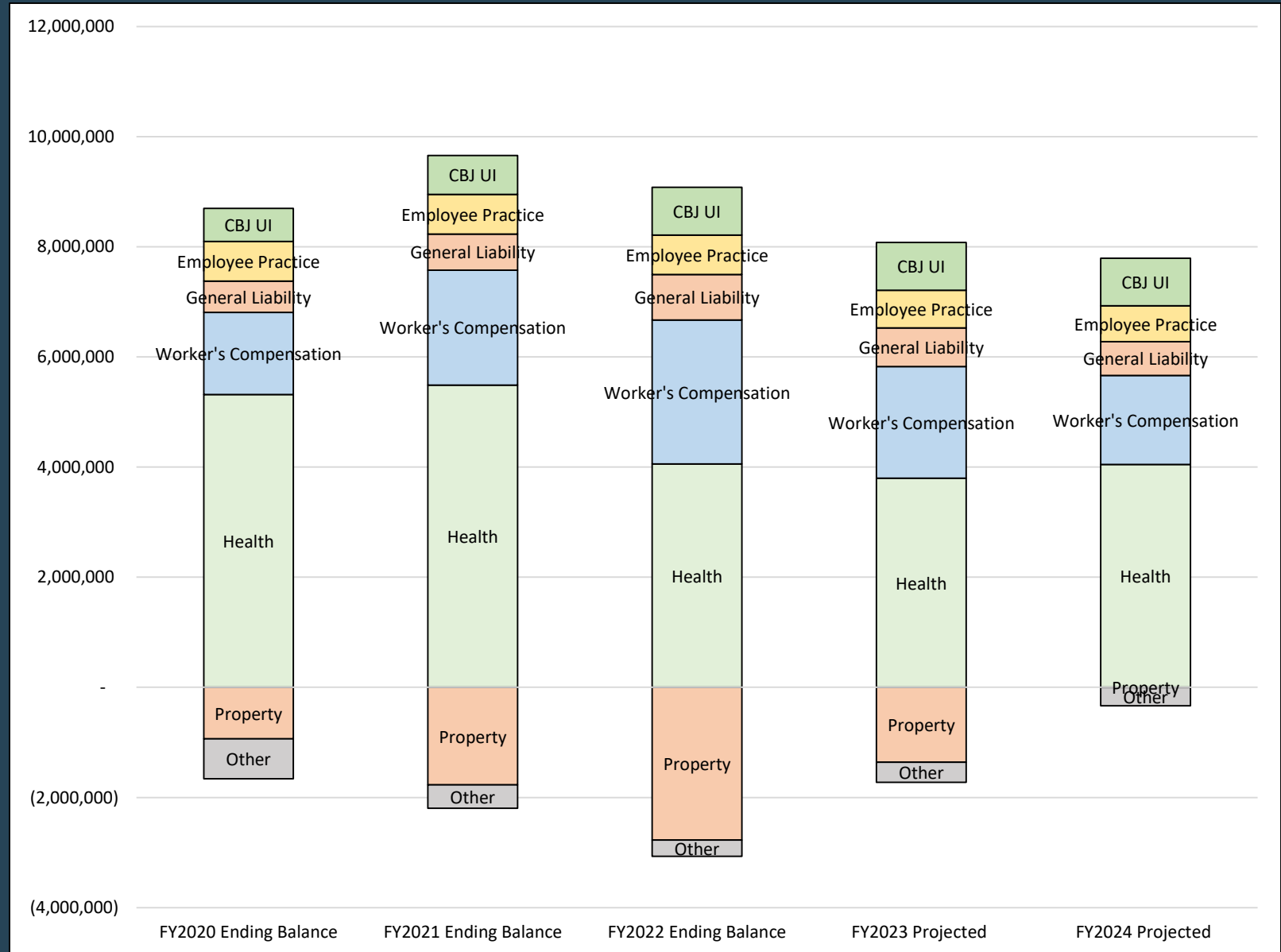
Workers'
Compensation



Risk Fund Balance – 2010 - 2022



Risk Fund Balance by Component



Cyber Liability Insurance

Current Coverage:

- \$2 million annual aggregate
- Part of Property Insurance Program, so shared with pool of insureds
- Program annual aggregate: \$40 million

Challenges:

- Excess \$2 million policy available for 275% premium increase and additional security requirements
- Looking for another excess coverage solution
- FY24 coverage contingent on many network security protocols in place

Questions?