

Risk Management

Insurance Program Overview

CBJ, BRH, & JSD

Assembly Finance Committee

02/01/2023

SELF-INSURED

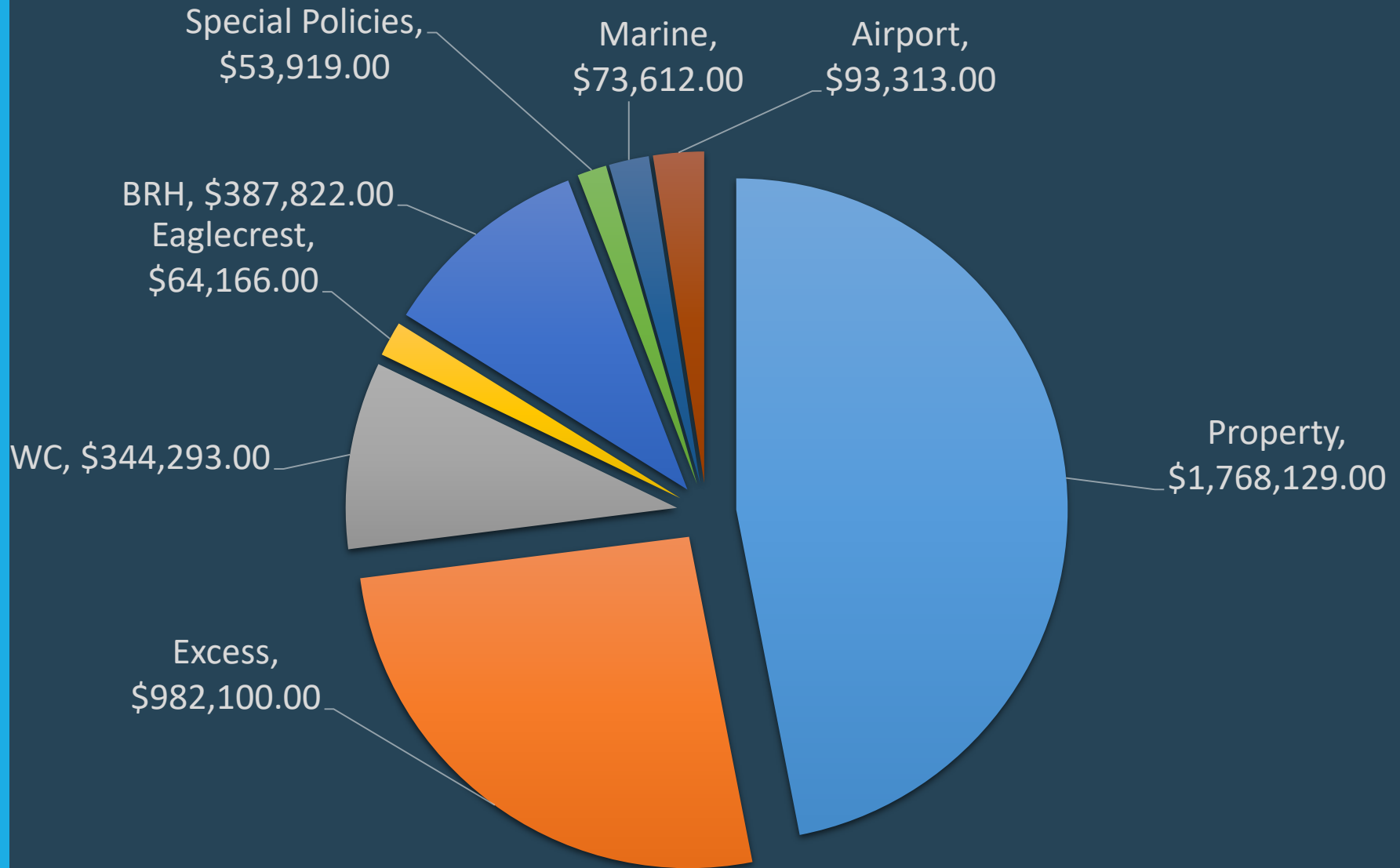
- Health Benefits
- General and Auto Liability, Employment Practices
- Workers Compensation

FULLY INSURED

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

Insurance Program Overview

Insurance Premium Breakdown

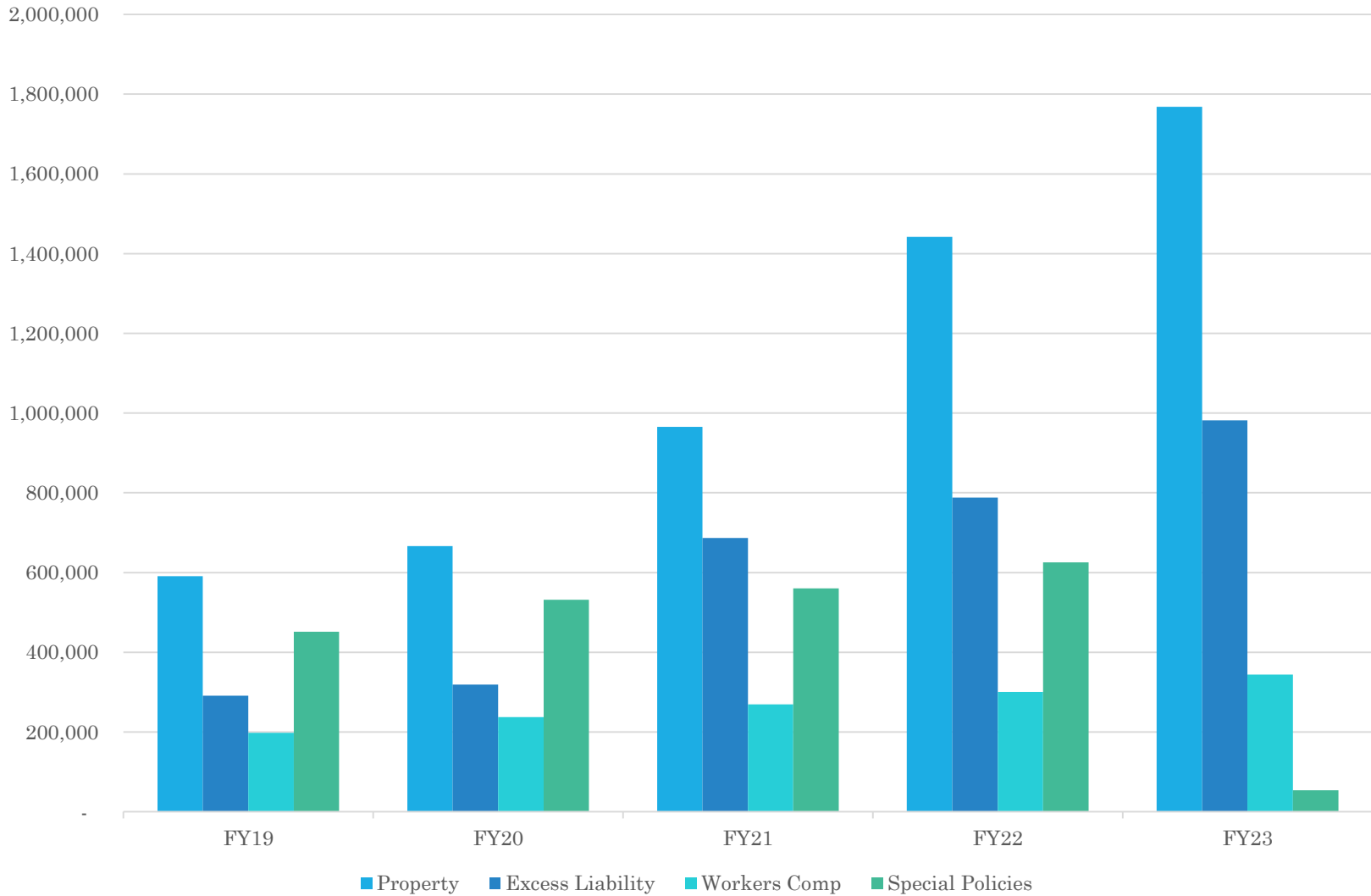


Insurance Policy Premiums – Cost Drivers

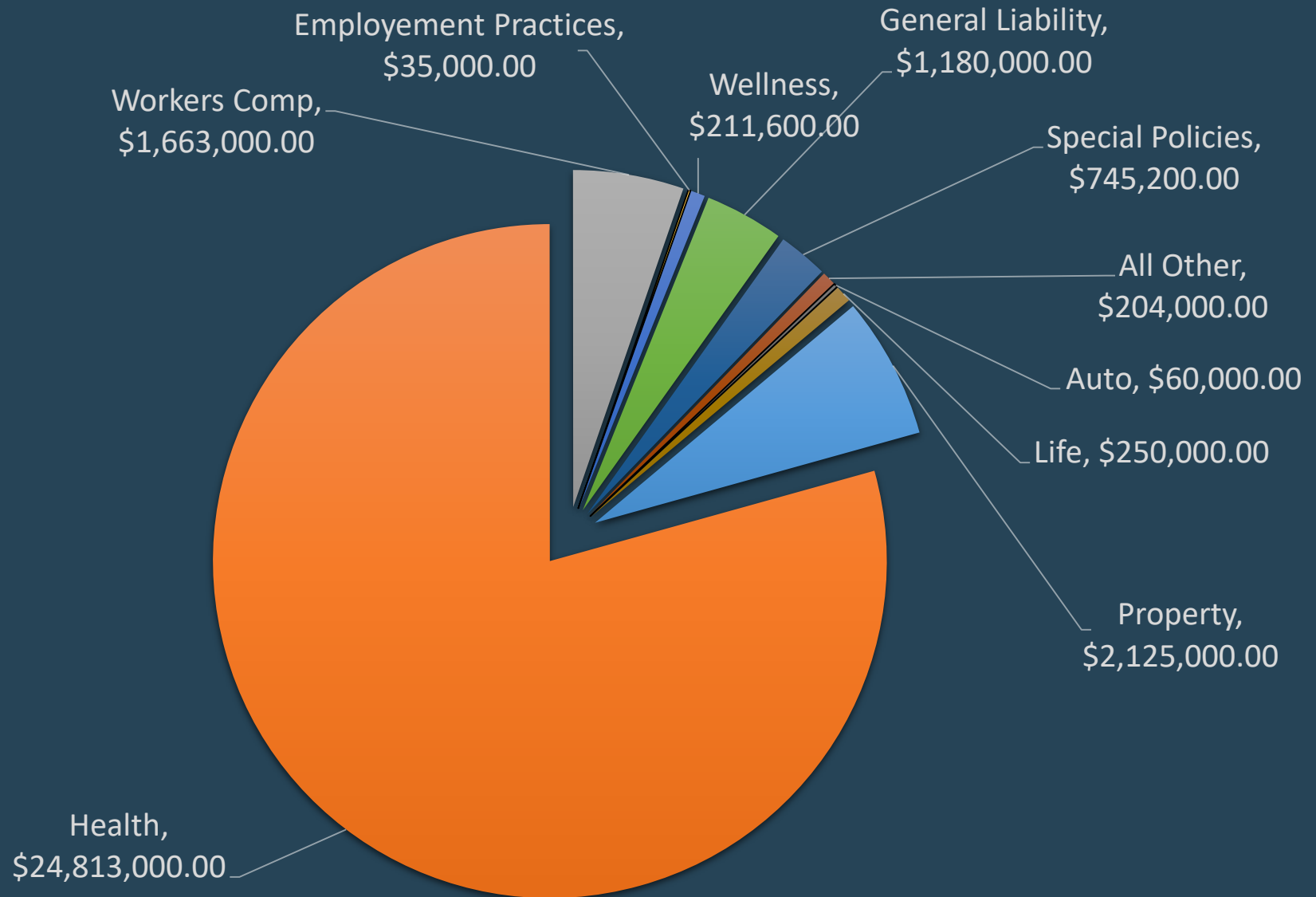
Total cost of Insurance Policies = \$3,792,247

- 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			Total Cost: \$387,822.00 Total Limits: \$5,000,000 Each Claim \$10,000,000 Aggregate
	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	Nova Casualty Company Limit: \$9,000,000 xs of \$1,000,000 Each Occurrence \$18,000,000 Aggregate Premium: \$24,882.74	
		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

Health Benefits Program

Self-insured plan

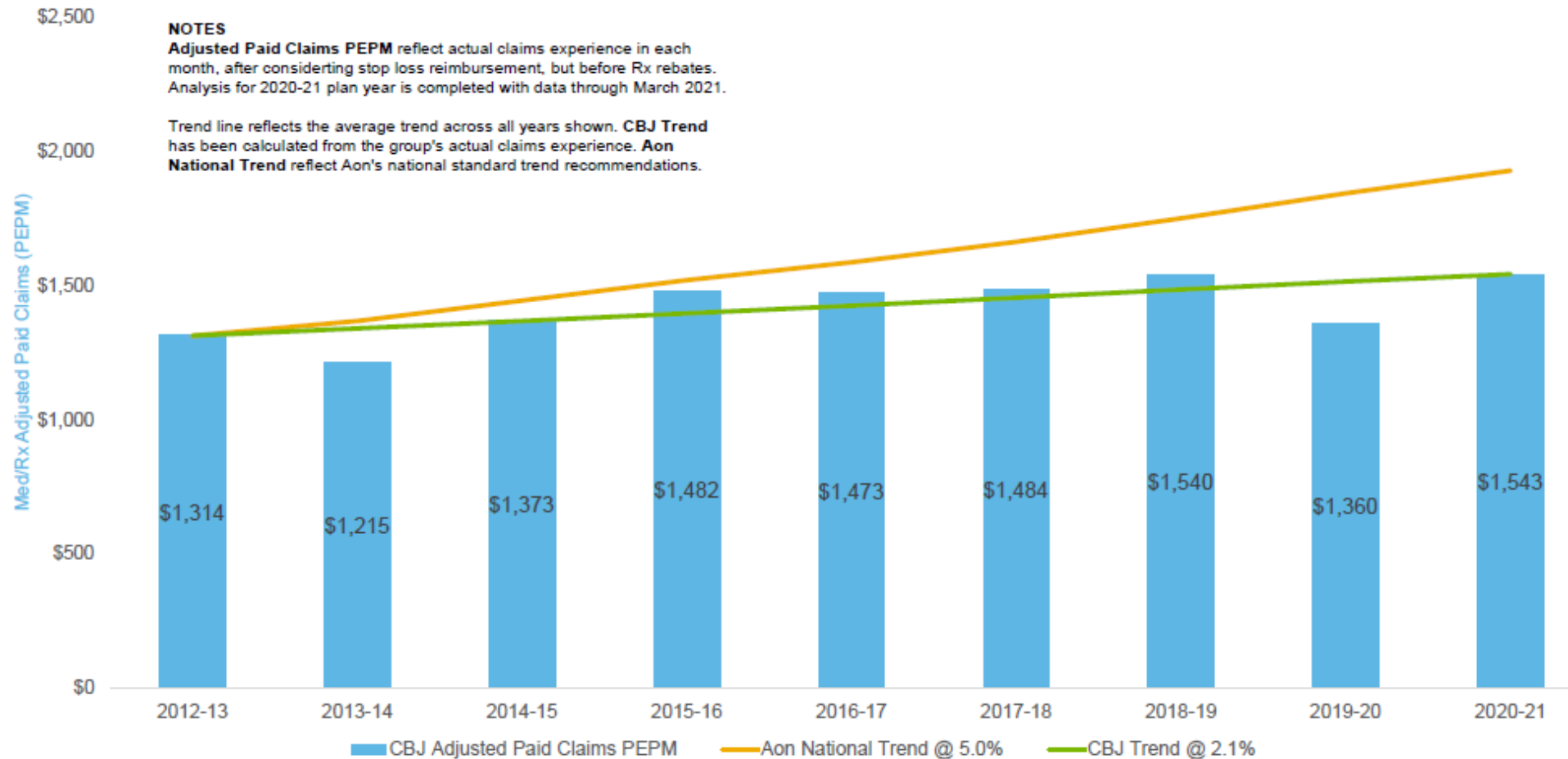
- \$24.8M FY23 budgeted expenditures
- \$21.5M or 95.6% is health and dental coverage + stoploss.
- 1,080 CBJ, BRH, and some JSD benefited Covered employees / 2535 covered lives.
- Health self-insured fund covers actual claims costs + administrative fee, consultants, and stop loss insurance.
- Self-insured Retention (per claim) - \$250,000
- Premiera BCBS of Alaska administers the plan

CBJ Historical Claims vs Aon National Trend (Jul 2012 - Mar 2021)

NOTES






Adjusted Paid Claims PEPM reflect actual claims experience in each month, after considering stop loss reimbursement, but before Rx rebates. Analysis for 2020-21 plan year is completed with data through March 2021.

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.



CBJ HEALTH Claims Trend

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

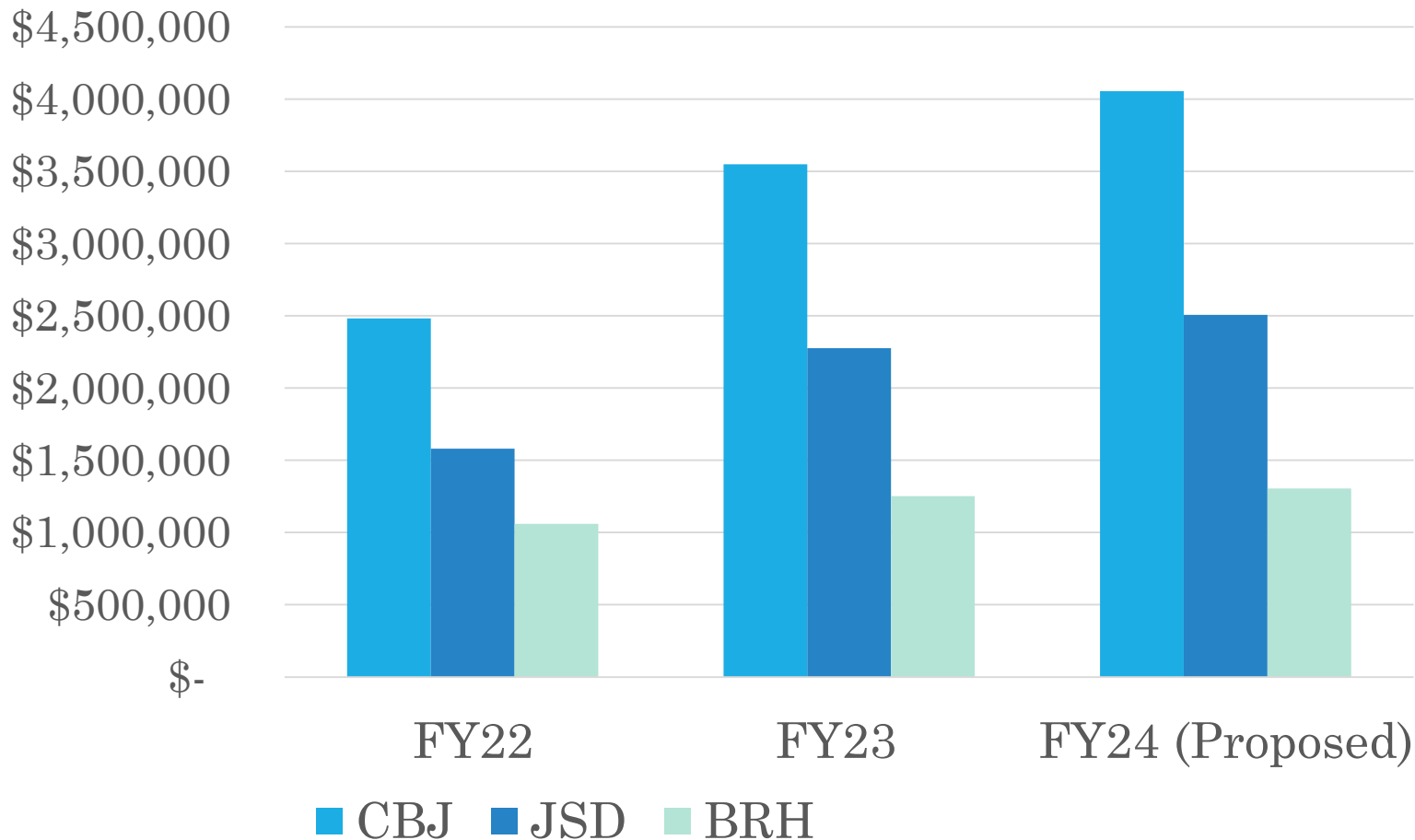
Wellness Program

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

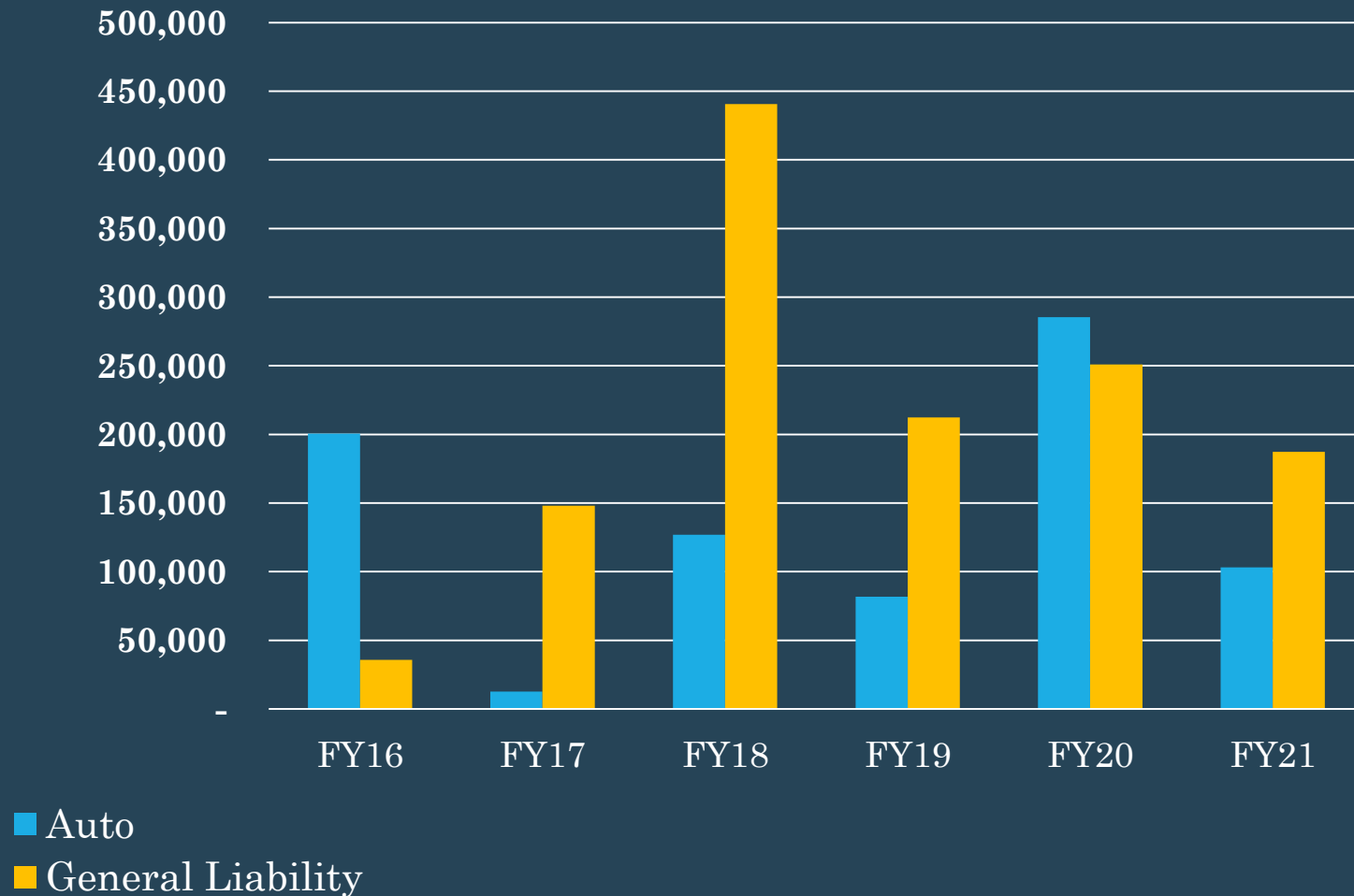
The Wellness Coordinator works directly with CBJ, BRH and a small group of JSD employees by providing wellness activities, educational sessions & assessments

Property/Casualty Program FY23 and Proposed FY24 Revenues



General Liability & Auto Claims Experience

\$250,000 SIR



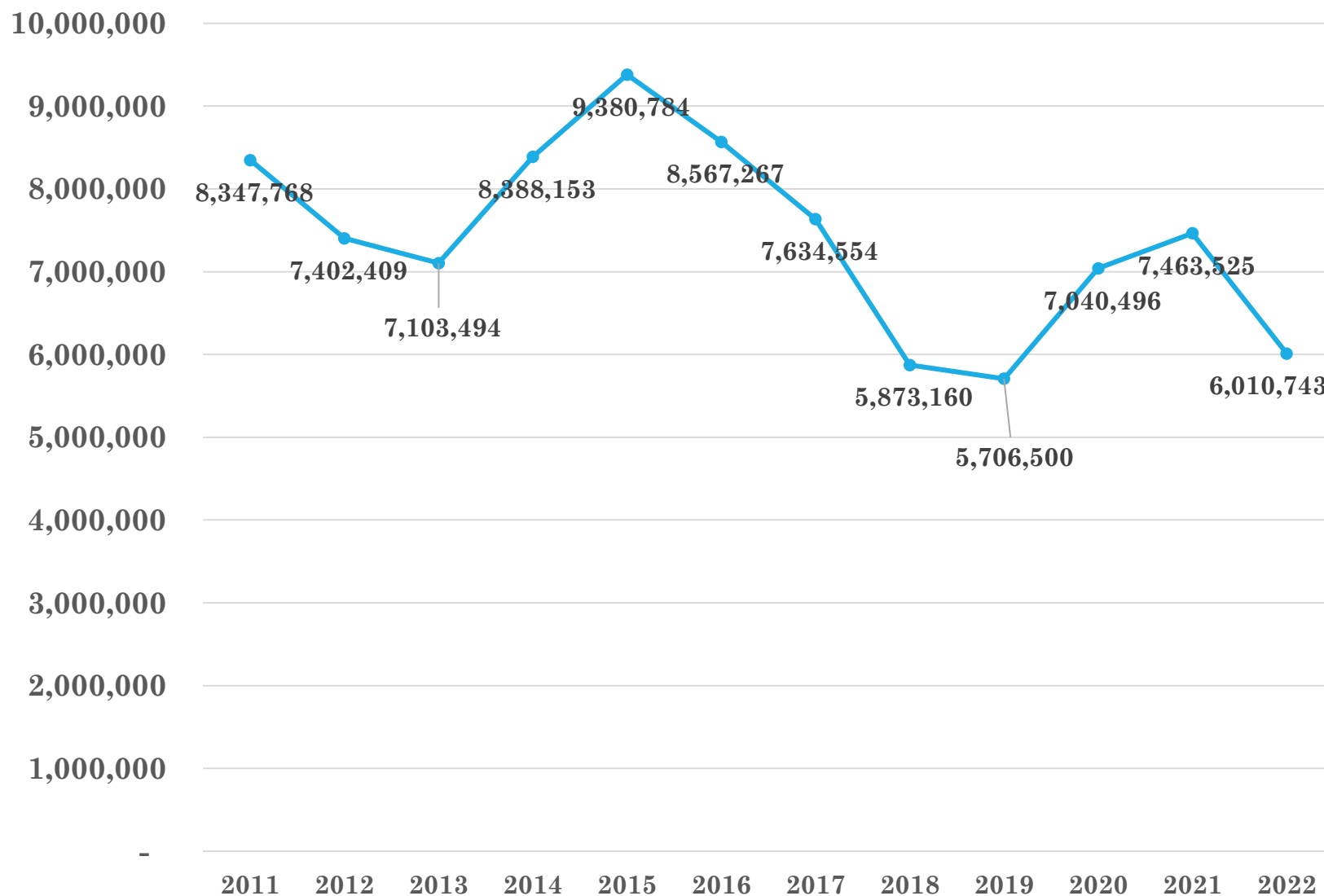
Keys to reducing program expenses:

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

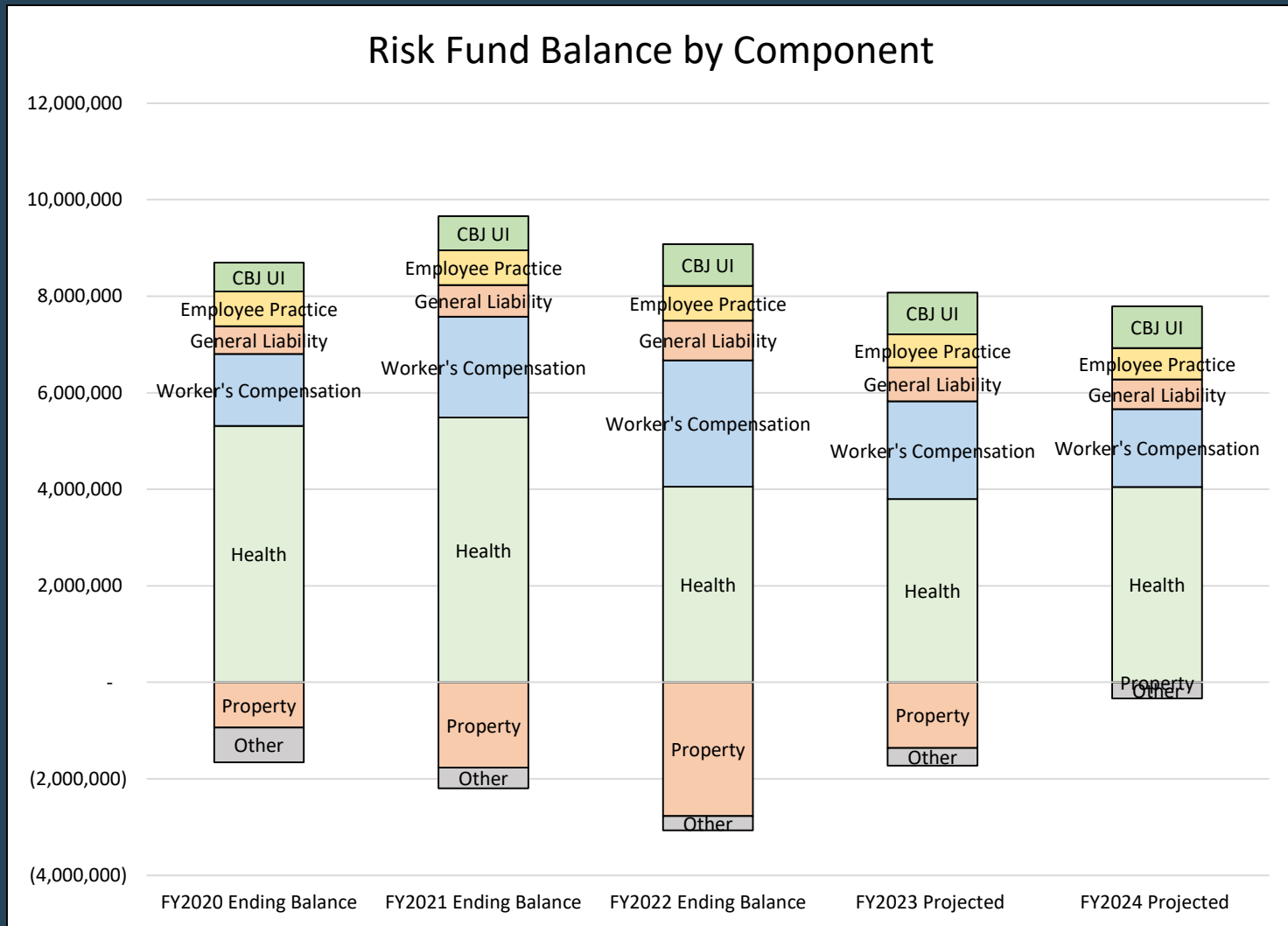
Workers Compensation



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?