

CODE ORDINANCE

Sponsored by: Borough Manager
Introduced: 10/18/22
Public Hearing: 11/22/22
Action: 11/22/22

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 22-125**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING
BOROUGH CODE TO UPDATE AND REVISE THE PROCESSES USED TO OBTAIN
BOROUGH INSURANCE FOR RISK MANAGEMENT AND INSURANCE FOR EMPLOYEES.

WHEREAS, the intent and rationale of this ordinance are found
in the accompanying informational memorandum No. 22-228.

BE IT ENACTED:

Section 1. Classification. This ordinance is of a general and
permanent nature and shall become a part of the Borough Code.

Section 2. Adoption of section. MSB 2.52.155 is adopted to
read as follows:

2.52.155 INSURANCE.

Insurance and insurance related products and services for
employees shall be provided as per the terms and conditions of the
collective bargaining agreement. Providing employee insurance and
the products or services necessary to provide employee insurance
under this section is not subject to the requirements of MSB 3.08.
The Borough Manager shall provide updates to the Borough Assembly
as deemed necessary regarding the self-funded portions of employee
insurance, broker services, stop loss considerations, premiums,
claims analysis, or any other information necessary to keep the
Assembly informed as to the state of employee insurance.

Section 3. Amendment of section. MSB 3.50.040 is hereby amended to read as follows:

3.50.040 SELF-INSURANCE PROGRAM AND RISK RETENTION.

(A) With regard to risk of accidental losses or claims, it shall be the policy of the Borough and School District to self-insure, to an appropriate level, all losses and claims:

(1) which occur with predictable frequency; and

(2) which will not have a significant adverse impact on the Borough's financial position.

(B) As a general guideline, the Borough and School District will continue to self-insure progressively to greater retention levels on a per occurrence or claims-made policy of insurance as internal claims handling and risk management capabilities are more fully developed and demonstrated. [ASSEMBLY AND SCHOOL BOARD APPROVAL WILL BE OBTAINED FOR INCREASES IN SELF-INSURED RETENTION LEVELS AS PROGRAM STUDIES JUSTIFY THEIR MERIT.] Certain exceptions to this guideline will be allowed:

(1) whenever necessary insurance coverage or services can be obtained only by the purchase of insurance policies;

(2) when the Borough and School District are obligated by law or contract to purchase insurance

coverage and no alternative methods are acceptable; and

(3) when market conditions dictate that a lesser retention level would be more prudent and financially responsible.

Section 4. Amendment of section. MSB 3.50.100 is hereby amended to read as follows:

3.50.100 PROCUREMENT OF INSURANCE AND SERVICES.

(A) The procurement of all insurance and insurance-related services or contracts for the Borough and School District will be coordinated through the risk management committee. Insurance with limits equal to the maximum foreseeable losses or claims shall be purchased:

(1) when the potential loss or claim exposure exceeds the justifiable retention level as set forth in MSB 3.50.040;

(2) when such insurance is available on a fiscally sound basis.

(B) Insurance will be purchased only through reliable sources that will best serve the interests of the Borough and School District. The objective will be to obtain all required insurance or services at the lowest cost to the Borough and School District which is consistent with the desired levels of coverage or services, with insurance companies of proven financial

status as set forth in Best's Key Rating Guide.

(C) [THE METHOD UTILIZED TO PROCURE INSURANCE OR INSURANCE-RELATED SERVICES SHALL BE IN ACCORDANCE WITH THE BOROUGH PURCHASING CODE.] The risk management committee shall be responsible for the purchase and maintenance of general broker services, insurance, and insurance-related services as best meets the needs, and cost within funding of the Borough and School District, through methods including but not limited to, open competitive bidding, request for proposals, negotiation with brokers or companies, or designation of a broker-of-record to purchase necessary coverages or services. [CONTRACTS FOR GENERAL BROKER SERVICES OF A YEAR OR LONGER ARE SUBJECT TO APPROVAL OF THE ASSEMBLY AND SCHOOL BOARD; HOWEVER, APPROVAL IS NOT REQUIRED FOR BROKER SELECTION OR DESIGNATION WHERE THE SELECTION OR DESIGNATION IS TO ACCESS SPECIFIC MARKETS OR COVERAGE DIRECTLY THROUGH AN EXCLUSIVE BROKER FOR THAT PARTICULAR INSURANCE MARKET OR COVERAGE OR DIRECT WRITER OF THE INSURANCE SOUGHT.] Obtaining insurance and insurance related products or services under MSB 3.50 is not subject to the requirements of MSB 3.08. The Borough Manager shall provide updates to the Borough Assembly as deemed necessary regarding the purchase and maintenance

of general broker services, insurance, self-insured retention levels, and insurance-related services.

(D) The maximum term of insurance policies or insurance-related services, subject to the normal rights of cancellation, shall be:


- (1) five years for property and casualty insurance;
- and
- (2) continuous for fidelity bonds.

Section 4. Effective date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this 22 day of November, 2022.


EDNA DeVRIES, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)



PASSED UNANIMOUSLY: Hale, Nowers, McKee, Yundt, Tew, Sumner, and Bernier