



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY


Department of Administration

KELLY TSHIBAKA, COMMISSIONER

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Bill Hearing Request - Memorandum

To: Representative Kreiss-Tomkins, House State Affairs Chair

From: Kelly Tshibaka, Commissioner 

Date: February 23, 2021

Subject: HB102 – State Insurance; Catastrophic Reserve Account, version A

The Department of Administration respectfully requests HB102, State Insurance Catastrophic Reserve Account be considered for a scheduled hearing in the House State Affairs Committee at your earliest convenience.

Presenter: Scott Jordan, Director, Division of Risk Management

HB102 would increase the unencumbered balance in the catastrophic reserve account from 5,000,000 to 50,000,000. Due to the expected 30% to 35% increase in premiums over the next two fiscal year, this will provide the funds to self-insure the property coverage for catastrophic losses that we currently purchase.

By adding property coverage to the division's self-insured program, it will allow for cost savings and better management of our risk portfolio.

We greatly appreciate your consideration of this request for a hearing. If you need additional information please feel free to contact Kelly Hanke, Legislative Liaison for the Department of Administration, at 907-500-8322 or by email at Kelly.hanke@alaska.gov. She will be available to assist you.

Attachments: Bill SB88 version A, sponsor statement, and sectional analysis