

**APPROVED MINUTES**  
**LOUISIANA CLERKS OF COURT INSURANCE TRUST**  
**BOARD OF TRUSTEES MEETING**  
**FEBRUARY 21, 2019**  
**9:00 AM**  
**BATON ROUGE, LA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, February 21, 2019 in Baton Rouge, LA.

The meeting was called to order by President Steve Andrews. Dot Lundin then gave the invocation and Lance Marino led the Pledge of Allegiance.

**MEMBERS PRESENT:**

President Steve Andrews  
Brian Lestage  
Randy Deshotel  
Darlene Landry  
Connie Couvillon  
Randy Briggs  
Mark Graffeo  
Rick Arceneaux

Lance Marino  
Dot Lundin  
Debbie Hudnall, Executive Director

**ABSENT:**

Susan Racca  
Dodi Eubanks  
Laura Culpepper

**ALSO PRESENT:**

Robin Hooter, Kim Turlich-Vaughan, Jeff Skidmore, Chris Kershaw and Dagmar Hebert. Also present: Kim Breard, Ron LaBorde, Lana Labourdette, and Ryan Hamilton with Gallagher Insurance.

**APPROVAL OF MINUTES**

A motion was made by Randy Briggs to approve the minutes of the meetings held on September 13<sup>th</sup>, September 25<sup>th</sup>, November 29<sup>th</sup> and the conference call held on October 23<sup>rd</sup>. The motion was seconded by Darlene Landry. **MOTION CARRIED.**

**FINANCIALS: (Report on file in office)** Controller Chris Kershaw reported on December 2018 Financial Statements of the administrative side of the Trust as listed below:

<b>Dec 2018-</b>	Total Assets:	\$413,679
	Monthly Revenue	11,433
	Monthly Expenses	<u>(8,412)</u>
	Monthly Net Income	\$ 3,021

Chris stated that this would be the last administrative fund statement, as it will be consolidated with the operations statement, as the Association office will now be handling the financial reporting for the Trust. He reported that no further income would be received by the administrative fund because the administrative fee was removed for the 2019 plan year.

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Chris then provided copies of the October, November and December 2018 financial statements as prepared by Hunt Insurance. He commented on the lack of timely reporting by Hunt to provide financial information as requested by the Association office. He then presented a preliminary consolidated financial statement of the administrative and operations as of December 31, 2018. He also prepared a side-by-side comparison of the preliminary consolidated statement versus the statement prepared by Hunt Insurance, noting differences between the two, including a check payable to Louisiana Unclaimed Property. There has been no information at this time provided by Hunt Insurance as to this payment.

Chris reported that the market value of investments was \$4,660,175 as of December 31, 2018. The market value as of January 31, 2019 was \$4,666,021.

Chris then presented a preliminary statement for January 2019. He stated that the adopted budget is not included on this financial as he is still working on the final numbers as of December 31, 2018.

<b>JAN 2019</b>	Revenues	\$1,151,102
	Claims & Admin	(1,033,752)
	Expenses	<u>(33,513)</u>
	Net Income/(Loss)	\$83,838

He stated that the January 2019 RX claims had not yet been received but based on projections if that number was included on January's statement, then there would have been a net loss for the month. However, the budget had projected a loss. Chris further clarified the increase in expense for the AARP Medicare Supplement and that there were several double paid months and that credits would be applied to future months' invoices. Debbie also reported that Hunt Insurance had paid supplement premiums on deceased retirees, some for over a year. Credits from AARP had been requested and have been partially received.

Chris also provided a summary of the monthly settlement from Gallagher Insurance and will continue to work with the Selma office on the reconciliation. He also provided a list of open items he will continue to work through on the financial side of the administrator transition. He thanked Amy Jones and Gallagher for their assistance.

Debbie reported that it has been difficult to timely receive financial information from Hunt Insurance even though the Association staff has had several phone conferences to request specific information. Mark Graffeo commented about the possibility of going out for bid for the 2019 financial audit for the Trust. Chris has spoken to Thomas Howell Ferguson regarding the 2018 audit while updating them on the transition to a new administrator and the possible need for assistance in retrieving financial information from Hunt Insurance.

A motion was made by Randy Deshotel to receive the financial report as presented. The motion was seconded by Rick Arceneaux. **MOTION CARRIED.**

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**Gallagher Insurance**

Kim Breard thanked the Board for the working relationship beginning with Gallagher and the Clerks. She commented on future plans for 2019/2020 including creative ideas to increase efficiency and provide better service to the members.

**Appeal:** Lana Labourdette brought to the Board's attention a 2<sup>nd</sup> level administrative appeal that had been received from Blue Cross. The appeal was filed by a provider on behalf of a member and was not timely submitted. The appeal is regarding the status of an in-network versus out-of-network and the reimbursement to the provider. There was discussion regarding the allowable amount due if BCBS processed as an in-network claim (\$33,178) versus and out-of-network claim (\$370). The provider to date is still not an in-network provider. After discussion regarding the late filing of the claim and the Trust's liability, Lance Marino moved to pay the claim as out-of-network. The motion was seconded by Mark Graffeo. **MOTION CARRIED.**

**Medical and Prescription Claims Experience (on file in office):** Kim explained that the reports presented through the end of 2018 would look like past reports, whereas, at the next meeting, reports for 2019 would look different.

Ron LaBorde reviewed the paid claims report noting that for the 2018 plan year that claims did not exceed the specific deductible so there was no reimbursement from the reinsurer. He also reported that the average cost per employee per month for 2018 was \$741.

**CLAIMS EXPERIENCE - 2018**

	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
Jan 18	\$ 121,963	\$ 713,007	\$ 834,970	\$ 834,970
Feb 18	\$ 95,980	\$ 445,998	\$ 541,978	\$ 1,376,948
Mar 18	\$ 89,464	\$ 321,371	\$ 410,835	\$ 1,787,782
Apr 18	\$ 76,382	\$ 562,957	\$ 639,338	\$ 2,427,121
May 18	\$ 90,515	\$ 429,155	\$ 519,670	\$ 2,946,790
June 18	\$ 89,464	\$ 541,698	\$ 631,162	\$ 3,577,952
July 18	\$ 99,257	\$ 487,234	\$ 586,491	\$ 4,164,443
Aug 18	\$ 91,679	\$ 808,660	\$ 900,338	\$ 5,064,781
Sept 18	\$ 194,506	\$ 502,625	\$ 697,131	\$ 5,761,912
Oct 18	\$ 108,589	\$ 748,122	\$ 856,710	\$ 6,618,622
Nov 18	\$ 212,752	\$ 913,133	\$ 1,125,885	\$ 7,744,507
Dec 18	\$ 205,046	\$ 801,921	\$ 1,006,967	\$ 8,751,474
<b>TOTALS</b>	<b>\$ 1,475,597</b>	<b>\$ 7,275,881</b>	<b>\$ 8,751,474</b>	

Ron stated that the BCBS administration fees for 2019 are lower and the stop loss premium had a slight increase on the aggregate for 2019. He reviewed the 2018 large claimants and explained that Gallagher identifies anything over \$90,000 in claims paid for an individual.

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**CLAIMS EXPERIENCE - 2017**

	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
Jan 17	\$ 111,867	\$ 470,373	\$ 582,240	\$ 582,240
Feb 17	\$ 103,587	\$ 574,280	\$ 677,867	\$ 1,260,108
Mar 17	\$ 96,940	\$ 756,993	\$ 853,933	\$ 2,114,041
Apr 17	\$ 117,765	\$ 529,716	\$ 647,481	\$ 2,761,522
May 17	\$ 106,958	\$ 640,010	\$ 746,968	\$ 3,508,490
June 17	\$ 99,850	\$ 730,909	\$ 830,759	\$ 4,339,249
July 17	\$ 121,432	\$ 355,262	\$ 476,694	\$ 4,815,944
Aug 17	\$ 104,266	\$ 779,891	\$ 884,157	\$ 5,700,101
Sept 17	\$ 107,972	\$ 534,973	\$ 642,945	\$ 6,343,045
Oct 17	\$ 110,858	\$ 723,087	\$ 833,945	\$ 7,176,991
Nov 17	\$ 103,361	\$ 675,685	\$ 779,046	\$ 7,956,037
Dec 17	\$ 115,373	\$ 700,538	\$ 815,912	\$ 8,771,948
<b>TOTALS</b>	<b>\$ 1,300,229</b>	<b>\$ 7,471,717</b>	<b>\$8,771,948</b>	

**DENTAL CLAIMS- 2018 (SELF FUNDED AS OF JANUARY 1, 2014)**

<b>Date</b>	<b>Lives</b>	<b>Total Claims</b>	<b>Premiums</b>	<b>Delta/Hunt Admin</b>	<b>Reserves</b>	<b>Loss Ratio</b>
Jan 18	1,345	\$ 49,803	\$ 59,542	\$3,712 \$2,269	\$3,758	94%
Feb 18	1,351	\$ 51,521	\$ 59,378	\$3,720 \$2,261	\$1,877	97%
Mar 18	1,351	\$ 45,861	\$ 59,862	\$3,745 \$2,280	\$7,975	87%
Apr 18	1,349	\$ 55,923	\$ 59,332	\$3,715 \$2,261	(\$2,567)	104%
May 18	1,353	\$ 63,615	\$ 59,865	\$3,732 \$2,276	(\$9,758)	116%
June 18	1,349	\$ 55,594	\$ 59,875	\$3,745 \$2,280	(\$1,745)	103%
July 18	1,350	\$ 48,731	\$ 58,742	\$3,732 \$2,252	\$4,027	93%
Aug 18	1,351	\$ 60,711	\$ 59,096	\$3,748 \$2,270	(\$7,633)	113%
Sept 18	1,367	\$ 44,047	\$ 59,629	\$3,778 \$2,282	\$9,522	84%
Oct 18	1,373	\$ 54,207	\$ 60,692	\$3,814 \$2,318	\$352	97%
Nov 18	1,376	\$ 42,832	\$ 60,238	\$3,809 \$2,309	\$11,288	78%
Dec 18	1,373	\$ 38,680	\$59,782	\$3,781 \$ 2,293	\$15,028	71%
<b>TOTALS</b>	<b>16,289</b>	<b>\$611,525</b>	<b>\$716,033</b>	<b>\$45,007 \$27,350</b>	<b>\$32,151</b>	<b>92%</b>

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**DENTAL CLAIMS- 2017 (SELF FUNDED AS OF JANUARY 1, 2014)**

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 17	1,207	\$36,246	\$53,925	\$3,345 \$2,044	\$12,289	77%
Feb 17	1,200	\$46,612	\$53,905	\$3,329 \$2,037	\$1,927	96%
Mar 17	1,198	\$47,309	\$53,933	\$3,326 \$2,037	\$1,262	98%
Apr 17	1,200	\$40,438	\$53,293	\$3,295 \$2,016	\$7,544	86%
May 17	1,201	\$45,815	\$53,294	\$3,309 \$2,021	\$2,149	96%
June 17	1,200	\$49,159	\$53,309	\$3,309 \$2,022	(\$1,181)	102%
July 17	1,201	\$34,656	\$52,671	\$3,306 \$2,011	\$12,698	76%
Aug 17	1,204	\$53,048	\$53,263	\$3,331 \$2,029	(\$5,145)	110%
Sept 17	1,204	\$41,482	\$52,804	\$3,282 \$2,034	\$6,006	89%
Oct 17	1,206	\$40,735	\$53,418	\$3,342 \$2,035	\$7,306	86%
Nov 17	1,208	\$42,061	\$53,198	\$3,334 \$2,028	\$5,775	89%
Dec 17	1,217	\$47,722	\$53,204	\$3,370 \$2,031	\$81	100%
<b>TOTAL</b>	<b>14,441</b>	<b>\$525,284</b>	<b>\$640,218</b>	<b>\$39,879 \$24,344</b>	<b>\$50,712</b>	<b>92.1% avg</b>

Ron then reviewed the short and long-term disability and life insurance experience as listed below:

**DISABILITY – July 2018 – Jan 2019**

**SHORT TERM**

**LONG TERM**

Earned Premium	\$4,581	\$14,565
Paid Claims	432	0
Change in IBNR	-122	-2,836
Change in Reported Reserves	0	0
Premium Tax	103	328
Other Expenses & Risk Charges	1,632	5,408
<b>BALANCE</b>	<b>\$2,536</b>	<b>\$11,665</b>

**LIFE INSURANCE: 07/01/2008 – 01/31/19**

	<b>Term, Dependent and AD&amp;D Life</b>
Earned Premium	\$8,530,388
Paid Claims	7,570,500
Active Claim Reserves	
Change in IBNR	232,253
Change in Reported Reserves	
Total Incurred Claims	7,802,753
Total Expense & Risk Charges	1,873,021
<b>BALANCE</b>	<b>(\$1,145,386)</b>

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Ron then presented and reviewed the vision experience report from The Standard with the following for the time period July 1, 2018 – January 31, 2019:

Earned Premium	\$51,781
Paid Claims	35,589
Change in IBNR	257
Total Expenses	16,098
Net Result	(162)

**VISION INSURANCE - 2018**

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 18	944	\$ 7,998	\$ 2,093	\$ 800	36.20%
Feb 18	963	\$ 7,381	\$ 4,330	\$ 820	69.80%
Mar 18	966	\$ 7,379	\$ 6,787	\$ 820	103.10%
Apr 18	965	\$ 7,345	\$ 5,330	\$ 809	83.60%
May 18	966	\$ 7,348	\$ 4,066	\$ 817	66.5%
June 18	967	\$ 7,361	\$ 6,138	\$ 818	94.5%
July 18	970	\$ 7,341	\$ 5,278	\$ 814	83.0%
Aug 18	973	\$ 7,361	\$ 5,169	\$ 818	81.3%
Sept 18	977	\$ 7,387	\$ 5,948	\$ 820	91.6%
<b>TOTALS</b>	<b>966 avg</b>	<b>\$ 66,901</b>	<b>\$ 45,139</b>	<b>\$7,338</b>	<b>78.4 % avg.</b>

October, November and December Vision numbers were not provided by Hunt Insurance Group.

**VISION INSURANCE - 2017**

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 17	923	\$ 7,030	\$ 1,760	\$ 781	36.15%
Feb 17	925	\$ 6,975	\$ 7,238	\$ 775	114.89%
Mar 17	917	\$ 6,993	\$ 3,138	\$ 777	55.99%
Apr 17	915	\$ 7,723	\$ 4,390	\$ 773	66.85%
May 17	918	\$ 7,669	\$ 4,226	\$ 767	65.11%
June 17	918	\$ 7,725	\$ 4,885	\$ 773	73.24%
July 17	919	\$ 7,653	\$ 5,461	\$ 766	81.36%
Aug 17	920	\$ 7,734	\$ 5,481	\$ 774	80.88%
Sept 17	923	\$ 7,651	\$ 3,604	\$ 765	57.11%
Oct 17	927	\$ 7,750	\$ 4,036	\$ 775	62.08%
Nov 17	931	\$ 7,787	\$ 3,991	\$ 779	61.30%
Dec 17	939	\$ 7,054	\$ 5,085	\$ 772	83.00%
<b>TOTAL</b>	<b>11,075</b>	<b>\$ 89,744</b>	<b>\$ 53,295</b>	<b>\$ 9,278</b>	<b>69.70%</b>

Kim provided an overview of the reports provided by BCBS including population of the plan and changes in prescription totals between 2017 and 2018. She reported that the current pharmacy benefit manager through BCBS is Express Scripts. She commented on an enhancement on the prescription side that would be available for 2020 but that Gallagher was working to possibly add that sooner for LCCIT. There was discussion regarding the high cost of prescription drugs.

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Lana Labourdette presented the 2019 Gallagher service plan timeline for LCCIT. She also reported on Gallagher's work to streamline certain processes and procedures. She noted that they are working on individualized parish enrollment guides for 2020.

**Forms 1094/1095:** Lana explained that these report forms have been completed for each participating parish and that emails were sent to the Clerks to review. Debbie explained an issue with errors on tax id numbers in previous years. Kim stated that if any report issues should arise Gallagher is able to provide guidance on responses. Lana noted that there is still time to review those forms before the filing deadline.

There was discussion on how to enroll new employees into the benefitsconnect system and the need to have a signed form each year if a member chooses to waive coverage.

**EXECUTIVE DIRECTOR REPORT:**

Debbie informed the Board that after discussions with Gallagher and the attorney Clerks are eligible for the disability insurance coverage. Lana is waiting for response from the Standard as to how the enrollment process should be handled. Gallagher will contact the Clerks about the procedure to enroll.

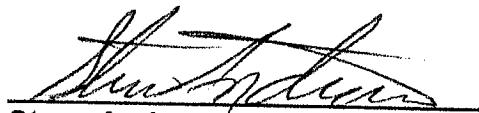
**COMMENTS BY BOARD MEMBERS:** President Steve Andrews inquired about a section 125 cafeteria plan. Kim explained that on certain products there can be pretax deductions, but there are compliance issues including a plan document that would be have to be updated. This would be each individual clerk's responsibility.

**OTHER BUSINESS:** None

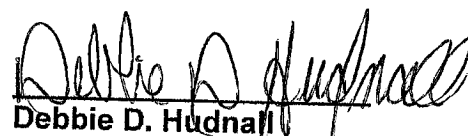
There being no further business, Rick Arceneaux moved that the meeting be adjourned. Motion seconded by Randy Briggs. **MOTION CARRIED.**

**Meeting adjourned.**

**APPROVED:**

  
Steve Andrews  
President

**Respectfully submitted,**

  
Debbie D. Hudnall  
Executive Director