

**APPROVED MINUTES**  
**LOUISIANA CLERKS OF COURT INSURANCE TRUST**  
**BOARD OF TRUSTEES MEETING**  
**SEPTEMBER 25, 2018**  
**2:00 pm**  
**BATON ROUGE, LA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Tuesday, September 25, 2018 at 2:00 pm in Baton Rouge, LA.

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

**MEMBERS PRESENT:**

Steve Andrews  
Brian Lestage  
Randy Deshotel  
Darlene Landry  
Lance Marino  
Susan Racca

Dodi Eubanks (phone)  
Connie Couvillon  
Randy Briggs  
Rick Arceneaux  
Dot Lundin

**ALSO PRESENT:**

Debbie Hudnall, Executive Director  
Chris Kershaw  
Dagmar Hebert

**ABSENT:**

Laura Culpepper

President Steve Andrews commented on the history of events that led to this special meeting for a presentation by Gallagher Insurance. Debbie Hudnall also provided additional history on the Insurance Trust. Lance Marino questioned why the entire Board was not invited to the initial meeting with Gallagher and why other companies were not asked to submit proposals. Debbie explained that the initial meeting was attended by the current President, First Vice President, Past President and the longest serving Board member to determine if Gallagher was a viable option. Although other companies have expressed interest in doing business with the Trust, Gallagher currently has a working relationship with the Trust, Retirement Fund, LCRAA and the Association. She explained to the Board that the historic decision to move from the previous benefits administrator to Hunt Insurance Group was due to the fact that the Association was already doing business with Hunt for other coverages at the time. Lance informed the Board of his intention to make a motion later in the meeting to invite representatives from Lockton to introduce themselves to the Board for future consideration.

There was further discussion regarding the billing issues with Hunt Insurance. Mark Graffeo stated Gallagher is presenting information for the Board to consider and the question is whether or not the Board is satisfied with the current administrator.

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There was further discussion as to whether or not there should have been a request for proposals (RFP), but Mark stated that this is a similar situation as when the Trust had changed administrators from Fara to Hunt Insurance Group.

**Presentation by Gallagher**

At this time, representatives from Gallagher joined the meeting. Tom Besselman, South Louisiana Area President at Gallagher introduced himself and the following team members: Kim Breard- Benefit Consultant with over 17 years experience, David Perry – Property & Casualty, David Cothorn-Vice President Benefit Administrator, Michael Baker-Compliance Attorney and Duncan Hope-Technology Director. Tom stated that Gallagher is the 3<sup>rd</sup> leading consulting firm in the world but with local based teams and solutions. They pride themselves on service to their clients. The team presented to the Board the capabilities of Gallagher to administer the Trust including the benefit administration software, Benefits Connect. David Cothorn further explained the billing process and the ability to adjust bills individually as compared to the current process. Kim Breard stated that monthly claims reports would be delivered around the 20<sup>th</sup> of the month with their team reviewing the claims runs on a weekly basis. They also monitor large claimants and stop loss reimbursement. Kim also commented on their ability to bring competitive pricing to mid-sized clients with their various pharmacy alliances. She also commented on their Health and Well-being programs along with the Benefit Advocate services. She explained that in order to implement a successful enrollment for January 1, 2019, Gallagher would need a decision from the Board no later than October 15<sup>th</sup>.

Mark Graffeo questioned if the transition could be done at any time during the year and not at January 1<sup>st</sup>. Kim explained that if the Board would like for Gallagher to handle the open enrollment process for 2019 then the October 15<sup>th</sup> deadline is a hard date. Steve Andrews asked about the terms of the contract. Kim explained that it was a three year contract with a 30 day termination notice. Kim stated that she would be the representative to attend quarterly Board meetings. She explained that there were offices statewide and that Gallagher takes the stance of being ahead of the game and not behind it. Dot Lundin questioned if Gallagher had a team member who specialized in Medicare. Kim explained that Gallagher did have a member who is a Medicare specialist. Michael Baker presented the compliance component regarding ERISA, COBRA, wellness plans and Sec 125 plans as well as a compliance help desk. Kim further explained that Gallagher would administer the COBRA requirements for the Trust.

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Kim Breard presented the proposed fee of \$290,000 per year to administer the Trust which would be offset by any commissions received. This would be reconciled twice a year. The proposal also includes a 15% performance guarantee. Also included will be the calculation of the Incurred but Not Reported (IBNR) number, the preparation of the Form 5500, COBRA administration, and the technology platform. The contract would have a 3 year term with a 30 day termination notice.

President Steve Andrews thanked Gallagher for their presentation and the representatives left the meeting.

A motion was made by Lance Marino to allow representatives from Lockton to introduce themselves and Lockton Company to the Board for possible future consideration. Motion was seconded by Randy Briggs. **MOTION CARRIED.**

Eugenie Guillot and a second representative from Lockton stated that Lockton is the largest private owned insurance consultant company in the world. Her local focus concentrates on larger self-funded clients. She explained that Lockton is not a third party administrator but a consultant who would make recommendations and find the best vendors to provide those administrative functions.

President Steve Andrews thanked Eugenie for introducing herself and Lockton Company to the Board. At this time the Lockton representatives left the meeting.

**Discussion**

Chris Kershaw reported that Gallagher had provided a list of references and that he had personally contacted several including LSU, Head & Enquist, Brown & Root, and Louisiana Finance Association. He stated that all contacts spoke very highly of Gallagher and would recommend them as an administrator.

Debbie Hudnall explained that the fee paid to Hunt was based on the number of individuals in the plan, as well as commission on certain products; whereas Gallagher's proposal is a flat fee. She stated that Hunt's fee including commissions received for 2016 was in excess of \$300,000. There was discussion as to the cost savings presented by Gallagher. There was further discussion regarding the affect on premiums. Steve explained to the Board that he had informed Tamara at the last Board meeting that the Board was considering a proposal from another administrator. Brian Lestage commented on the level of professionalism presented by Gallagher both during their presentation and at the previous meeting.

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Debbie explained that the terms of the annual contract with Hunt were a 30 day termination notice.

After further discussion, a motion was made by Mark Graffeo to accept the contract as presented by Gallagher and to enter into the agreement authorizing the Executive Director to finalize the details and contract with Gallagher for three years beginning January 1, 2019. The motion was seconded by Susan Racca. **MOTION CARRIED.**

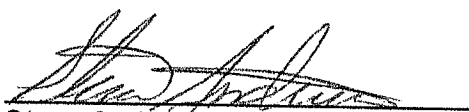
Lance Marino commented on the options to approve the Gallagher proposal or to remain with Hunt and do an RFP.

Debbie stated that she will notify Hunt Insurance of the Board's decision and inform Gallagher of the Board's acceptance of the proposal.

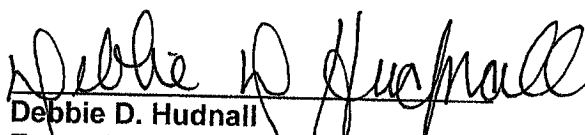
There being no other business, a motion was made by Lance Marino to adjourn. The motion was seconded by Randy Briggs. **MOTION CARRIED.**

**Meeting Adjourned.**

**APPROVED:**

  
Steve Andrews  
President

**Respectfully Submitted,**

  
Debbie D. Hudnall  
Executive Director