

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING NOVEMBER 30, 2017 9:00 AM NATCHITOCHES, LA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, November 30, 2017 in Natchitoches, LA.

The meeting was called to order by First Vice President Steve Andrews. Randy Briggs then gave the invocation. Randy Deshotel then led the Pledge of Allegiance.

MEMBERS PRESENT:

Steve Andrews	Mark Graffeo
Randy Deshotel	David Dart
Johnny Crain, Jr.	Kay Bolding
Lance Marino	
Becky Patin	
Dodi Eubanks	
Connie Couvillon	
Randy Briggs	

ALSO PRESENT:

Debbie Hudnall, Executive Director	Diane Meaux Broussard
Vickie Whaley, Hunt Insurance Group	Kim Turlich-Vaughan
Tamara Volkert, Hunt Insurance Group	Dagmar Hebert
Stephen Blake, Hunt Insurance Group	
Clyde Ray Webber	
Darlene Landry	
Cherie Lott	

OATH OF OFFICE: Steve Andrews administered the oath of office to Lance Marino as 2nd District Member.

APPROVAL OF MINUTES

David Dart moved that the minutes of September 28, 2017 and October 16, 2017 conference call be approved as presented. Motion seconded by Johnny Crain, Jr..

MOTION CARRIED.

AUDIT PROPOSALS: Debbie Hudnall presented the financial audit proposal from Thomas, Howell, Ferguson (THF) for the year ending December 31, 2017 in the amount of \$13,300 and the Form 5500 preparation from THF in the amount of \$2,100. A motion was made by David Dart to approve both proposals as presented. Motion was seconded by Connie Couvillon. **MOTION CARRIED.**

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2018 BUDGET PROPOSAL (Exhibit A): Debbie presented to the Board the attached 2018 Budget Proposal. After discussion, a motion was made by Randy Deshotel to approve the 2018 Budget as presented. Motion was seconded by David Dart. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Randy Deshotel presented the financial reports for the Insurance operations fund for October 2017.

Oct 2017-	Total Assets:	\$ 388,456
	Monthly Revenue	11,209
	Monthly Expenses	(12,160)
	Monthly Net Income	\$ (951)

Randy Briggs moved to receive the financial report as presented. Motion seconded by Becky Patin. **MOTION CARRIED.**

ADMINISTRATORS' REPORT: (Report on file in office)

RENEWAL UPDATE

Amendments to the Plan Design and Rates approved by the Board

Vickie Whaley reported to the Board that the out of pocket maximum In Network on Option 1 was communicated to the members as \$4,000/\$8,000 and not the \$5,000/\$10,000 which was approved by the Board. A motion was made by Lance to amend the plan design for \$4,000/\$8,000 out of pocket maximum In Network. Motion was seconded by Johnny Crain, Jr. **MOTION CARRIED.**

Tamara Volkert updated the Board on the enrollment packets that were lost in the shipment process.

Vickie further explained the miscommunication on the subsidy amount for the Part D coverage that the Trust would pay was communicated to the members as \$17.00 instead of \$17.27. A motion was made by Lance Marino to approve the \$17.00 subsidy rate. Motion was seconded by Randy Briggs. **MOTION CARRIED.**

Johnny Crain, Jr. questioned what is being done to make sure these communication mistakes do not happen. Debbie requested that the renewal information be sent to the Association office for review prior to being finalized.

Vickie brought to the Board's attention a request for an exception for the parish of St. James because of an unusual circumstance. The Clerk would like to change his elections for 2018 and offer both options as well as change the percentage he pays for dependent coverage to 50%. Vickie explained that the office has a handful of

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employees and that the Clerk would need to directly communicate these changes for enrollment within the same enrollment time frame deadlines. Vickie explained that the January billing would likely be delayed. A motion was made by Randy Deshotel to grant the exception for St. James Parish. Motion was seconded by David Dart. **MOTION CARRIED.**

FINANCIALS: Vickie Whaley gave the financial reports for the Insurance Trust for the month of September 2017.

Sept 2017 Statement of Net Assets

Total Assets	\$ 7,391,552
Total Liabilities	(1,006,949)
Net Assets	\$ 6,384,603

Cash Analysis (as of Sept 2017)

Annual Funds Received	\$ 10,135,585
Annual Total Expenses	(\$ 10,133,649)
Cash Balance	\$ 2,699,182

Vickie commented on the timing issue with cash receipts from September and October. Debbie questioned the amount in accounts receivable miscellaneous. Vickie explained that it was a pending reimbursement from the IRS for a double payment on the transitional insurance fee. It was drafted twice from the bank. This was the last transitional fee to be paid.

Investments: Vickie reported the market value of Investments as of September 30, 2017 was \$4,634,465.

Debbie stated that she had asked Chris Baker at Hunt Insurance to transfer excess cash to LAMP and she will provide access in order for him to do so.

CLAIMS EXPERIENCE: Vickie then reviewed the Claims experience as follows:

CLAIMS EXPERIENCE - 2017

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 17	\$ 111,867	\$ 460,904	\$ 572,771	\$ 572,771
Feb 17	\$ 103,587	\$ 574,013	\$ 677,600	\$ 1,250,371
Mar 17	\$ 96,940	\$ 756,993	\$ 853,933	\$ 2,104,304
Apr 17	\$ 117,765	\$ 529,716	\$ 647,481	\$ 2,751,785
May 17	\$ 106,958	\$ 640,010	\$ 746,968	\$ 3,98,753
June 17	\$ 99,850	\$ 733,909	\$ 833,759	\$ 4,419,222
July 17	\$ 121,432	\$ 351,422	\$ 472,854	\$ 4,892,076
Aug 17	\$ 104,266	\$ 779,776	\$ 884,042	\$ 5,686,409
Sept 17	\$ 107,972	\$ 534,973	\$ 642,945	\$ 6,329,354
Oct 17				
Nov 17				
Dec 17				
TOTALS	\$970,637	\$5,358,715	\$6,329,354	

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Vickie stated that Calcasieu Parish would be joining the Trust's life and dental benefits as of 2018 and that 4 parishes had chosen to join the short term/long term disability as of January 1st.

She further reported that the inpatient services were at a higher cost per service over last year, and that outpatient services are less. There was discussion regarding the need to educate members on accidents and the subrogation process. The Board would like for Hunt to do a separate education piece on accidents.

Vickie stated that prescriptions had increased from the prior year and that there was an 88% utilization in generics, due to a cost increase of prescriptions not necessarily the number of prescriptions. There was discussion about opiod drugs and the cost of brand drugs like Humira. Tamara stated that Hunt could look into how express scripts is handling the opiod drugs. Johnny Crain asked about some type of notification on the prescriptions that are covered by the plan.

CLAIMS EXPERIENCE - 2016

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 16	\$ 86,395	\$ 590,919	\$ 677,314	\$ 677,314
Feb 16	\$ 79,006	\$ 298,430	\$ 377,436	\$ 1,054,749
Mar 16	\$ 71,866	\$ 300,450	\$ 372,316	\$ 1,427,065
Apr 16	\$ 85,415	\$ 542,412	\$ 627,827	\$ 2,054,892
May 16	\$ 100,647	\$ 521,600	\$ 622,247	\$ 2,677,139
June 16	\$ 95,592	\$ 480,383	\$ 575,974	\$ 3,253,113
July 16	\$ 97,813	\$ 443,347	\$ 541,160	\$ 3,794,273
Aug 16	\$ 118,729	\$ 817,967	\$ 936,696	\$ 4,730,969
Sept 16	\$ 88,952	\$ 627,783	\$ 716,735	\$ 5,447,704
Oct 16	\$114,047	\$ 564,239	\$ 678,286	\$ 6,125,990
Nov 16	\$124,283	\$ 689,323	\$ 813,606	\$ 6,939,596
Dec 16	\$ 122,193	\$ 950,747	\$ 1,072,940	\$ 8,012,536
TOTALS	\$1,184,938	\$6,827,600	\$8,012,536	

Vickie then reviewed the dental loss ratio of 91.6% as of September 2017 with a balance in reserves of \$190,542. The ideal target loss ratio is high 70s to low 80s. She noted that the Trust with a 91.6% loss ratio would need to increase premiums, but due to the build-up of the reserves there was no need to increase the premium for 2018.

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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						
Dec 17						
TOTAL	12,016	\$435,501	\$533,815	\$33,175 \$20,285	\$44,855	91.60% average

DENTAL CLAIMS- 2016 (SELF FUNDED AS OF JANUARY 1, 2014)

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 16	1,182	\$ 31,365	\$ 52,247	\$ 3,254 \$ 1,985	\$ 15,642	70%
Feb 16	1,179	\$ 35,678	\$ 52,371	\$ 3,260 \$ 1,989	\$11,435	78%
Mar 16	1,178	\$ 49,020	\$ 52,060	\$ 3,265 \$ 1,986	(\$2,211)	104%
Apr 16	1,190	\$ 42,836	\$ 52,001	\$ 3,246 \$ 1,978	\$ 3,941	92%
May 16	1,191	\$ 34,700	\$ 52,528	\$ 3,298 \$ 2,006	\$ 12,524	76%
June 16	1,184	\$ 41,566	\$ 52,669	\$ 3,287 \$ 2,003	\$ 5,812	89%
July 16	1,187	\$ 33,376	\$ 52,087	\$ 3,260 \$ 1,984	\$13,467	74%
Aug 16	1,196	\$ 50,739	\$ 52,088	\$ 3,290 \$ 2,003	(\$3,944)	108%
Sept 16	1,195	\$ 32,910	\$ 53,100	\$ 3,315 \$2,020	\$14,854	72%
Oct 16	1,194	\$ 40,403	\$ 53,101	\$ 3,304 \$ 2,012	\$7,382	86%
Nov 16	1,199	\$ 41,258	\$ 52,430	\$ 3,279 \$ 1,997	\$5,896	89%
Dec 16	1,200	\$ 39,804	\$52,431	\$ 3,318 \$2,019	\$7,290	86%
TOTAL	14,270	\$473,664	\$629,110	\$ 39,374 \$ 23,983	\$92,088	85.36%

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DISABILITY: Vickie reported that there were no claims at this time, but that there had been a request for the short term disability forms.

LIFE INSURANCE: 07/01/08 – 10/31/17

Earned Premium	\$ 6,458,308
Paid Claims	6,354,000
Change in IBNR	186,424
Change in Reported Reserves	
Total Incurred Claims	6,540,424
Total Expense & Risk Charges	1,397,163
BALANCE	(\$1,479,279)

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					
Dec 17					
TOTAL	9,205	\$ 74,903	\$44,219	\$7,727	69.35%

VISION INSURANCE - 2016

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 16	892	\$ 6,415	\$ 2,972	\$ 714	57.45%
Feb 16	890	\$ 6,358	\$ 6,373	\$ 710	111.41%
Mar 16	890	\$ 6,358	\$ 4,462	\$ 707	81.30%
Apr 16	902	\$ 6,389	\$ 2,816	\$ 711	55.20%
May 16	902	\$ 6,447	\$ 5,802	\$ 717	101.12%
June 16	898	\$ 6,439	\$ 3,617	\$ 716	67.30%
July 16	898	\$ 6,361	\$ 4,024	\$ 708	74.38%
Aug 16	907	\$ 6,405	\$ 5,584	\$ 713	98.31%
Sept 16	904	\$ 6,430	\$ 4,087	\$ 720	74.76%
Oct 16	907	\$ 6,425	\$ 5,006	\$ 715	89.04%
Nov 16	909	\$ 6,438	\$ 4,671	\$ 716	83.68%
Dec 16	913	\$ 6,433	\$ 3,424	\$ 716	64.35%
TOTAL	10,812	\$ 76,898	\$ 52,838	\$ 8,563	79.85%

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Randy Deshotel brought to the Board's attention a claim from his parish regarding an employee's spouse who had to be transported via air ambulance which was out of network. Blue Cross Blue Shield (BCBS) only paid the customary amount of approximate \$9,000 and the member is being balanced bill for the remaining amount. It is now at a first level appeal with BCBS but Randy wanted to bring it to the Board's attention and asked if the Board would consider paying the claim as the member's spouse had no choice of the air provider due to the nature of the emergency. Johnny Crain asked if it was possible for the Trust to negotiate with the provider for a lower rate. Hunt reported that the airamed company is not willing to write it off. The member has written a letter to BCBS about this claim. Hunt Insurance will look into air ambulance service for the plan for future years. A motion was made by David Dart to authorize Hunt Insurance to pay the claim at the lowest possible rate. Motion was seconded by Lance Marino. **MOTION CARRIED.** Randy Deshotel abstained.

ATTORNEY: There was no report at this time.

EXECUTIVE DIRECTOR REPORT: There was no report at this time.

COMMENTS BY BOARD MEMBERS: None

OTHER BUSINESS: None

There being no further business, Randy Deshotel moved that the meeting be adjourned. Motion seconded by Johnny Crain, Jr. **MOTION CARRIED.**

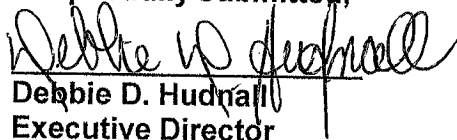
Meeting adjourned.

APPROVED:



Steve Andrews
First Vice President

Respectfully submitted,



Debbie D. Hudnall
Executive Director

Louisiana Clerks of Court Insurance Trust
Annual Budget (in whole dollars)
For calendar years 2017 and 2018

			Actual Budget Calendar Year 2017	Notes	Proposed Budget Calendar Year 2018
REVENUES					
Administrative Fees			118,800	1	120,000
COBRA Premiums			0		0
Interest			725	2	3,000
Claim Refunds					
Total Income			119,525		123,000
EXPENSES					
Bank Fees			200		200
Fiduciary/Bonds/Insurance			13,500		15,000
COBRA Premiums			0		0
Legal Fees			8,000		5,000
Meeting			5,500		5,500
Membership Dues			500		500
Miscellaneous			400		400
Office Supplies			600		600
Other Professional Fees			6,000	3	6,000
PCORI Fee			4,000	4	4,200
Reimbursement to Assn. (\$4,600 per month)			62,400	5	66,000
Rent (non-cash)			10,825	6	10,950
Travel/Per Diem			5,000		5,000
Total Expenses			116,925		119,350
Net Income			2,600		3,650

Notes

- 1 Administration Fees reflect \$7.00 per member per month
- 2 LAMP interest rates have increased
- 3 Actuary report fee from L & E Actuaries
- 4 PCORI Fee must be paid by Clerks Insurance. Fee is \$2.39
- 5 Reimbursement to Association increased to \$5,500 per month.
- 6 Rent (non-cash) is amortized for approximately 8 years.