

PROPOSED MINUTES (To be approved at next meeting)

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING**

MARCH 9, 2017

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, March 9, 2017 in Baton Rouge, LA.

The meeting was called to order by President David Dart. Dodi Eubanks then gave the invocation. Mark Graffeo then led the Pledge of Allegiance.

MEMBERS PRESENT:

President David Dart
Robin Hooter
Johnny Crain
Lance Marino
Becky Patin
Dodi Eubanks
Tammy Foster

Mark Graffeo
Kay Bolding

ALSO PRESENT:

Debbie Hudnall, Executive Director
Vickie Whaley, Hunt Insurance Group
Kim Turlich-Vaughan
Dagmar Hebert
Chris Kershaw

APPROVAL OF MINUTES

Robin Hooter moved that the minutes of December 1, 2016 be approved as presented. Motion seconded by Tammy Foster. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Robin Hooter presented the financial reports for the Insurance operations fund for February 2017.

Feb 2017-	Total Assets:	\$ 382,122
	Monthly Revenue	10,814
	Monthly Expenses	(8,227)
	Monthly Net Income	\$ 2,587

Dodi Eubanks moved to receive the financial report as presented. Motion seconded by Johnny Crain, Jr. **MOTION CARRIED.**

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2017 BUDGET PROPOSAL (Exhibit A): Controller Chris Kershaw presented the proposed 2017 Budget to the Board. After discussion, Tammy Foster moved to approve the 2017 Budget as presented. Motion seconded by Robin Hooter. **MOTION CARRIED.**

ADMINISTRATORS' REPORT: (Report on file in office)

AUDIT PROPOSALS: Vickie Whaley presented the audit proposal for the 2016 audit. She stated that LACCRMA had decided to retain Thomas, Howell, Ferguson for their audit. She also commented that this is the second year alternative quotes have been presented to the Board. There was discussion regarding the improvements of Thomas, Howell, Ferguson during the previous year's audit. The LACCRMA Board has requested that Thomas, Howell, Ferguson become a Louisiana approved auditor.

Tammy Foster moved to approve the engagement letter with Thomas, Howell, Ferguson for the 2016 audit at \$12,800 and Form 5500 at \$2,050. Motion was seconded by Robin Hooter. **MOTION CARRIED.**

ACTUARY PROPOSAL: Vickie then presented the proposal for Actuarial Consulting Services from L&E Actuaries & Consultants. The actuary calculates the IBNR and future projections, reviewing both the medical and dental self-funded plans. The quoted rate not to exceed \$5,500 is the same as the previous 2 years. Hunt Insurance is not aware of any concerns. Mark Graffeo moved to approve the actuary proposal as presented. Motion seconded by Tammy Foster. **MOTION CARRIED.**

DISABILITY UPDATE: Vickie updated the Board on the roll-out of the short and long term disability coverages. Hunt Insurance has started to contact the clerk's offices to get the information necessary in order to provide a quote on what the premium estimates for each office would be. Once participation is formalized, Hunt Insurance will set regional meetings for implementation July 1, 2017. She reminded the Board that Clerks are not included in this quote. There was discussion regarding the review of internal office policies regarding leave. The disability coverage would follow the same eligibility guidelines as the coverages in the Trust. There was discussion on the Retirement disability.

PARTICIPATION AGREEMENT/HEALTH FAIR SCREENING UPDATE: Vickie updated the Board on an issue with scheduling and a few parishes stating that they did not want to participate in the Health Fair screenings. She presented a proposed language revision to the participation agreement adding to Section III (D) "including participation in wellness initiatives and screenings." There was discussion regarding participation and the possibility of a penalty for those who don't reach a certain participation percentage. Vickie stated that she would provide a full report on the Health Screenings at the next meeting. Debbie reported that several parishes found life threatening issues and those members were sent directly to a hospital to be treated.

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Vickie stated that if there is future health screenings, promotion of the screenings will be handled differently.

Vickie presented a proposed language revision to the participation agreement adding to Section III (D) "including participation in wellness initiatives and screenings." Dodi Eubanks moved to add the language as presented to the participation agreement. Motion seconded by Johnny Crain. **MOTION CARRIED.**

FINANCIALS: Vickie gave the financial reports for the Insurance Trust for the month of December 2016.

Dec 2016	Statement of Net Assets
	Total Assets \$ 7,402,514
	Total Liabilities (<u>960,972</u>)
	Net Assets \$ 6,441,542

	Cash Analysis (as of Dec 2016)
	Annual Funds Received \$16,002,675
	Annual Total Expenses (<u>\$16,781,737</u>)
	Cash Balance \$ 2,697,246

Vickie noted that net assets increased by 31% from 2015 to 2016 with contributions also increasing. Operating expenses were stagnant. There was a cost savings of \$50,000 on the reinsurance premium. Health claims were up 19%, however prescriptions went down 35% for 2016. The addition of Calcasieu Parish in 2016 did not adversely affect the plan.

Chris commented that the IBNR on the December 2016 financial statement has not been adjusted and will not be adjusted until after the actuary does the valuation.

Investments: Vickie reported the market value of Investments as of December 2016 was \$4,624,978.

Debbie questioned the maturity dates on some of the investments and the possibility of revising the investment policy. Mark suggested reaching out to Phineas Troy with Summit Strategies (Retirement Investment Consultant) about possible options. Debbie is suggesting to maintain a conservative approach but to explore any opportunities.

Vickie informed the Board that Blue Cross Blue Shield (BCBS) is no longer going to provide the "first fill free" generic on Option 2 for self-funded plans (PPO). The Trust could decide to continue to offer this for Option 2 BCBS is no longer providing this option because of a high utilization they see with quality care doctors throughout their system, however, Vickie does not see that same utilization with LCCIT and recommends that the Board consider continuing the "first fill free" generic for Option 2. Mark Graffeo inquired about the decrease in prescription claims from 2015 to 2016.

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Vickie commented on certain specialty drugs that came off the plan. Lance Marino moved to continue the "first fill free" generic on Option 2. Motion seconded by Dodi Eubanks. **MOTION CARRIED.**

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

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

CLAIMS EXPERIENCE - 2015

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 15	\$ 159,614	\$ 388,486	\$ 498,100	\$ 498,100
Feb 15	\$ 93,278	\$ 328,875	\$ 422,153	\$ 920,253
Mar 15	\$ 138,316	\$ 596,374	\$ 734,691	\$ 1,654,944
Apr 15	\$ 109,535	\$ 325,182	\$ 434,716	\$ 2,089,660
May 15	\$ 151,207	\$ 300,660	\$ 451,867	\$ 2,541,527
June 15	\$ 174,375	\$ 481,916	\$ 656,291	\$ 3,197,818
July 2015	\$ 158,811	\$ 389,944	\$ 548,756	\$ 3,746,574
Aug 2015	\$ 205,282	\$ 802,413	\$ 1,007,695	\$ 4,754,269
Sept 2015	\$ 182,533	\$ 456,665	\$ 639,198	\$ 5,393,467
Oct 2015	\$ 177,870	\$ 554,025	\$ 731,895	\$ 6,125,362
Nov 2015	\$ 135,150	\$ 546,598	\$ 681,748	\$ 6,807,110
Dec 2015	\$ 180,092	\$ 582,947	\$ 763,039	\$7,570,149

Vickie reported that four of the high cost claimants are retirees making up 57% of retiree total claims. She reported on the higher utilization of generic drugs. The claims increased in the month of December and this can be attributed to member having met deductibles and/or out of pocket maximums. She reported on the claim cost by tier and provided a comparison of premiums versus cost per plan. She stated that Hunt will likely bring recommendations at renewal to bring these more in line. There was no reimbursement from stop loss carrier and there have been no high cost claimants as of January 31, 2017.

LA CLERKS OF COURT INSURANCE TRUST**March 9, 2017****PAGE 5****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%

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

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 17	1,204	\$36,246	\$53,925	\$3,345 \$2,044	\$12,289	77%
Feb 17						
Mar 17						
Apr 17						
May 17						
June 17						
July 17						
Aug 17						
Sept 17						
Oct 17						
Nov 17						
Dec 17						
TOTAL	1,204	\$36,246	\$53,925	\$3,345 \$2,044	\$12,289	77%

There was discussion regarding the ideal loss ratio. Vickie said ideally it should be 80%. Anything over 100% cuts into reserves.

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LIFE INSURANCE: 01/01/17 – 02/28/17

Earned Premium	\$161,856
Paid Claims	420,000
Change in IBNR	6,666
Change in Reported Reserves	150,000
Total Incurred Claims	576,666
Total Expense & Risk Charges	36,072
BALANCE	(\$450,882)

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%

VISION INSURANCE - 2017

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 17	923	\$ 7,030	\$ 1,760	\$ 781	36.15%
Feb 17					
Mar 17					
Apr 17					
May 17					
June 17					
July 17					
Aug 17					
Sept 17					
Oct 17					
Nov 17					
Dec 17					
TOTAL	923	\$ 7,030	\$ 1,760	\$ 781	36.15%

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ATTORNEY: Debbie reported that she is still waiting for a conference call with Hunt Insurance, auditors and Attorney Sheri Morris, and then with the DOL regarding the Form 5500 errors and issue with claims that the DOL said were unrealistic.

Blue Cross Contract: Debbie stated that the contract had been signed with a notation about status determination.

COMMENTS BY BOARD MEMBERS: There was discussion regarding the non-participating parishes and the uncertainty of Affordable Care Act in the future.

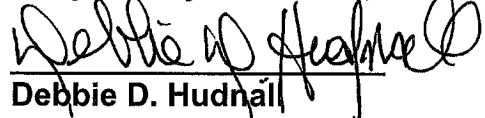
OTHER BUSINESS: There being no further business, Mark Graffeo moved that the meeting be adjourned. Motion seconded by Tammy Foster. **MOTION CARRIED.**

Meeting adjourned.

APPROVED: 

David Dart
President

Respectfully submitted,



Debbie D. Hudnall
Executive Director

Louisiana Clerks of Court Insurance Trust
Annual Budget (in whole dollars)
For calendar years 2017 and 2016

	Actual Budget Calendar Year 2016	Budget Adjustments Calendar Year 2016	Budget Calendar Year 2016	Difference Amended Budget 2016 and Proposed Budget 2017	Notes	Proposed Budget Calendar Year 2017
REVENUES						
Administrative Fees	107,000		107,000	11,800	1	118,800
COBRA Premiums	0	0	0	0		0
Interest						725
Claim Refunds						
Total Income	107,000	0	107,000	11,800		119,525
EXPENSES						
Bank Fees	200	0	200	0		200
Fiduciary/Bonds/Insurance	9,500	0	9,500	4,000		13,500
COBRA Premiums	0	0	0	0		0
Legal Fees	8,000	0	8,000	0		8,000
Meeting	5,000	0	5,000	500		5,500
Membership Dues	500	0	500	0		500
Miscellaneous	400	0	400	0		400
Office Supplies	600	0	600	0	2	600
Other Professional Fees	6,000	0	6,000	0	3	6,000
PCORI Fee	3,600	0	3,600	400	4	4,000
Reimbursement to Assn. (\$5,200 per month)	55,200	3,600	58,800	3,600	5	62,400
Rent (non-cash)	10,700	0	10,700	125		10,825
Travel/Per Diem	5,000	0	5,000	0		5,000
Total Expenses	104,700	3,600	108,300	8,625		116,925
Net Income	2,300	(3,600)	(1,300)	3,175		2,600

Notes

- 1 Administration Fees reflect \$7.00 per member per month
- 2 Actuary report fee from L & E Actuaries
- 3 PCORI Fee must be paid by Clerks Insurance. Fee is \$2.08
- 4 Reimbursement to Association increased to \$5,200 per month.
- 5 Rent (non-cash) is amortized for approximately 8 years.