

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING

OCTOBER 27, 2016

8:30 AM

BATON ROUGE, LA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, October 27, 2016 in Baton Rouge, LA.

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

MEMBERS PRESENT:

President David Dart
Rick Arceneaux
Robin Hooter
Johnny Crain
Lance Marino
Becky Patin
Tammy Foster
Mark Graffeo

Kay Bolding
Holli Vining

ALSO PRESENT:

Debbie Hudnall, Executive Director
Tamara Volkert, Hunt Insurance Group
Vickie Whaley, Hunt Insurance Group
Dagmar Hebert
Chris Kershaw

APPROVAL OF MINUTES

Robin Hooter moved that the minutes of July 27, 2016 be approved as presented. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Robin Hooter presented the financial reports for the Insurance operations fund for September 2016.

Sept 2016-	Total Assets:	\$ 371,665
	Monthly Revenue	10,941
	Monthly Expenses	(9,147)
	Monthly Net Income	\$ 1,794

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

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ADMINISTRATORS' REPORT: (Report on file in office)

2017 RENEWALS

Reinsurance: Vickie Whaley presented the 2017 renewal quotes for the reinsurance from Symetra and Blue Cross Blue Shield (BCBS). There was discussion regarding the level of the specific deductible and the corridor. Debbie Hudnall brought to the Board's attention a new company, Mercer, who had approached her about providing a bid on the reinsurance. The quote received from Mercer was higher than the Symetra and BCBS quotes. Debbie explained further about Mercer's coalition profit sharing opportunity. Hunt Insurance is not part of a coalition. Mercer could not provide quote from Symetra unless it was named as the agent of record. Debbie reported further that Tamara had returned to Symetra requesting the written guarantee of a 40% rate cap, no laser and review of September's claim, instead of October's claims. There was discussion regarding Hunt's administrative fee if the Board decided to pursue the Mercer quote. Hunt would be willing to reduce the administration fee of \$16 to \$13.

At this time, Debbie presented information regarding the possibility of a one time, half-month premium holiday for the Clerks on the medical premium only. Tamara and Vickie presented the option of a 5% reduction in medical premiums. A scenario of absorbing the proposed increase on the Retiree's RX premium was also presented. Vickie commented that if the one time, half-month premium was selected, the Trust would need to cash in an investment to cover the cost. There was discussion regarding the cost to the Trust.

Dental: Vickie presented a proposal and recommended a passing rate on the dental premium which was also suggested by the Actuary. If the focus is to increase reserves, then a 3% increase is suggested.

Life Insurance: Vickie reported that the Standard provided a rate hold for 2017.

Vision: Vickie presented a 6% increase in the vision premiums from the Standard.

Medicare Part D: Vickie explained that AETNA had provided for an 11% increase in the RX premiums. Hunt Insurance went out for bids and all other bids received came in at a higher increase than AETNA's. AETNA proposed three alternate options for rate relief: (1) Change formulary would be a 4% increase (2) Change of network with preferred pharmacies (3) Change speciality drug coverage from copay to 40% coinsurance. Hunt recommended that the Trust remain with AETNA at the current plan design.

After further discussion, Mark Graffeo moved that the Trust remain with Symetra for the reinsurance at a \$180,000 specific deductible and \$475,000 corridor on the condition that Symetra confirm in writing the 40% fee cap, no laser and use of September

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claims to finalize the renewal. Motion was seconded by Tammy Foster. **MOTION CARRIED.**

Robin Hooter questioned about a possible premium increase in the future if a reduction was given this year. David Dart asked what the industry standard was for reserves. Tamara commented that it was 3 months for run out claims. After further discussion, Tammy Foster moved to proceed with the one time, half-month premium holiday in December and for the Trust to absorb the retiree Part D increase for 2017. Motion was seconded by Lance Marino.

Becky Patin entered a substitute motion to provide a 5% medical premium reduction for 2017 and for the Trust to absorb the retiree Part D increase for 2017. Motion was seconded by Holli Vining. **SUBSTITUTE MOTION CARRIED.** Robin Hooter abstained.

Motion by Rick Arceneaux to accept a passing rate for the dental premiums. Motion seconded by Tammy Foster. **MOTION CARRIED.**

Motion by Mark Graffeo to accept the 6% increase from the Standard for the Vision Insurance. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

Disability Proposals: Vickie presented proposals on both short term and long term disability. Hunt Insurance surveyed the Clerks on whether or not there was an interest in offering either of these options. There were 22 responses with 17 positive responses. However, the rates for both short and long term quotes depend on the actual participation. There was discussion regarding rates, question on the definition of earnings and a composite rate instead of the age brackets for long term disability. The Board requested Hunt Insurance provide a revised quote for long term disability with monthly benefit maximums of \$2,500 and \$3,500, for at least 100 participants with a composite rate for a non-contributory plan design. The Board will discuss this proposal further once the revised quote is received. Hunt Insurance Group recommended the Standard as the provider for long term disability for the coordination as the Standard provides the life insurance coverage currently in place with LCCIT.

Lifelock: During the previous meetings renewal discussion, the Board had asked that Hunt Insurance provide information on the Lifelock Identity Protection. Vickie presented a proposal to the Board and after much discussion, there was no action taken on this item.

Financial Reports: Vickie gave the financial reports for the Insurance Trust for the month of June 2016.

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Aug 2016 Statement of Net Assets

Total Assets	\$ 7,408,425
Total Liabilities	(916,925)
Net Assets	\$ 6,491,500

Cash Analysis (as of Aug 2016)

Annual Funds Received	\$10,238,743
Annual Total Expenses	(\$11,010,713)
Cash Balance	\$ 2,704,337

Investments: Vickie reported the market value of Investments as of August 2016 was \$4,675,057.

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	\$ 1,427,066
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	\$ 3,253,114
July 16	\$ 97,813	\$ 443,347	\$ 541,160	\$ 3,794,274
Aug 16	\$ 118,229	\$ 817,967	\$ 936,696	\$ 4,730,970

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 reviewed a new report providing the claims cost per tier for Option 1 and Option 2.

There was discussion regarding a retired member who had not paid the Medicare Part B premiums and how this affected the Supplemental coverage. Both the Association

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office and Hunt Insurance Group had assisted this member with the issue but had not received any further communication from the member regarding her Part B premium payments.

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%
TOTAL	10,682	\$ 352,199	\$ 471,148	\$ 29,474 \$ 17,955	\$ 71,521	84.82%

DENTAL CLAIMS- 2015 (SELF FUNDED AS OF JANUARY 1, 2014)

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 15	1,162	\$ 32,007	\$ 49,859	\$ 3,204 \$ 1,945	\$12,703	75%
Feb 15	1,162	\$ 40,026	\$ 49,365	\$ 3,213 \$ 1,931	\$ 4,195	92%
Mar 15	1,171	\$ 47,356	\$ 50,054	\$ 3,224 \$ 1,959	(\$ 2,485)	105%
Apr 15	1,172	\$ 52,521	\$ 50,114	\$ 3,232 \$ 1,959	(\$ 7,598)	115%
May 15	1,176	\$ 40,119	\$ 50,359	\$ 3,260 \$ 1,972	(\$ 5,008)	90%
June 15	1,170	\$ 44,101	\$ 49,488	\$3,224 \$ 1,941	\$ 222	100%
July 15	1,173	\$ 44,713	\$ 50,239	\$ 3,240 \$ 1,961	\$ 325	99%
Aug 15	1,178	\$ 37,694	\$ 49,713	\$ 3,232 \$ 1,953	\$6,834	86%
Sept 15	1,179	\$ 47,543	\$ 50,323	\$ 3,268 \$1,976	(\$2,463)	105%
Oct 15	1,178	\$ 25,258	\$ 49,861	\$ 3,254 \$ 1,964	\$ 19,386	61%
Nov 15	1,174	\$ 37,578	\$ 49,976	\$ 3,246 \$ 1,962	\$ 7,190	86%
Dec 15	1,171	\$ 37,068	\$ 49,857	\$ 3,237 \$ 1,958	\$ 7,594	85%
TOTAL	14,066	\$ 485,984	\$ 599,208	\$ 38,834 \$ 23,480	\$ 50,910	91.5%

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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%
TOTAL	8,083	\$ 57,603	\$ 39,737	\$ 6,416	80.12%

VISION INSURANCE - 2015

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 15	865	\$ 6,038	\$ 3,726	\$ 672	72.84%
Feb 15	860	\$ 6,018	\$ 3,097	\$ 672	62.63%
Mar 15	871	\$ 6,142	\$ 3,456	\$ 683	67.39%
Apr 15	874	\$ 6,178	\$ 3,762	\$ 687	72.01%
May 15	873	\$ 6,162	\$ 4,443	\$ 690	83.30%
June 15	874	\$ 6,184	\$ 3,660	\$ 684	70.24%
July 15	878	\$ 6,202	\$ 4,923	\$ 691	90.53%
Aug 15	881	\$ 6,162	\$ 4,082	\$ 686	77.38%
Sep 15	880	\$ 6,215	\$ 4,858	\$ 698	89.40%
Oct 15	877	\$ 8,150	\$ 3,443	\$ 684	67.11%
Nov 15	875	\$ 6,164	(\$84)	\$ 686	9.76%
Dec 15	872	\$ 6,159	\$ 3,506	\$ 685	68.05%
TOTAL	10,480	\$ 73,773	\$42,872	\$8,218	69.25%

LIFE INSURANCE: 01/01/2016 – 09/30/2016

Earned Premiums	\$ 704,844
Paid Claims	571,250
Change in IBNR	3,399
Change in Reported Reserve	
Total Incurred Claims	574,649
Total Expense & Risk Charges	152,615
BALANCE	(\$22,420)

HEALTH SCREENINGS: Vickie reminded the Board of the decision to proceed with the Health Fair Screenings and there was further discussion on when the screenings would be held. The consensus agreed that early March would be an appropriate time.

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Debbie asked Vickie and Tamara to explain the issue regarding the deductibles on Option 1. Vickie explained that during the 2016 renewals Hunt Insurance Group had interpreted that the limitation on the deductible was based on an individual limit. BCBS had not been processing claims in that manner. Hunt Insurance Group requested that BCBS reprocess those claims according to their interpretation. That process was completed and Hunt Insurance Group then found that their interpretation was incorrect and that the plan would have possibly been non-compliant with the Health Savings Account (HSA) regulations. Hunt contacted the Association office immediately and the request for the correction was forwarded to BCBS. Debbie also spoke directly to Debbie Smith with BCBS regarding the matter. The correction was completed by BCBS and deductibles were corrected to reflect the family amount and not the individual amount. Notice was sent to the Clerks via email. There have been several members who have reached out to both Hunt Insurance Group and the Association office regarding the issue and expressed that they were not informed of the problem or resolution. At this point in time, Tamara explained that they were unaware of any tax ramifications to any members. President Dart asked that Hunt Insurance Group provide to the Board the number of members affected and the total dollar amount of claims that coincided with this issue.

ATTORNEY: Debbie reported that she had received an email from Attorney Sheri Morris regarding the status on the ERISA/MEWA opinion letter from the Department of Labor. The Department of Labor had submitted several questions to Sheri and stated that a written opinion may not be drafted but a verbal opinion may be given.

Blue Cross Contract: Debbie commented that the finalization of this contract is dependent on the ERISA/MEWA issue.

COMMENTS BY BOARD MEMBERS: None.

OTHER BUSINESS:

There being no further business, Mark Graffeo moved that the meeting be adjourned. Motion seconded by Lance Marino. **MOTION CARRIED.**

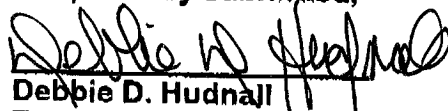
Meeting adjourned.

APPROVED:



David Dart
President

Respectfully submitted,



Debbie D. Hudnall
Executive Director