

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING MARCH 11, 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 Friday, March 11, 2016 in Baton Rouge, LA.

The meeting was called to order by President Holli Vining. David Dart then gave the invocation. Steve Andrews then led the Pledge of Allegiance.

MEMBERS PRESENT:

President Holli Vining	Mark Graffeo
David Dart	Diane Meaux Broussard
Robin Hooter	Kay Bolding
Darlene Landry	
Randy Deshotel	
Lance Marino	
Steve Andrews	

ALSO PRESENT:

Debbie Hudnall, Executive Director
Vickie Whaley, Hunt Insurance Group
Sheri Morris, Attorney
Kim Turlich-Vaughan
Chris Kershaw

APPROVAL OF MINUTES

Randy Deshotel moved that the minutes of December 11, 2015 and the conference call of March 3, 2016 be approved as presented. Motion seconded by Mark Graffeo.

MOTION CARRIED.

FINANCIALS: (Report on file in office) Treasurer Robin Hooter presented the financial reports for the Insurance operations fund for February 29, 2016.

Feb 2016-	Total Assets:	\$ 366,258
	Monthly Revenue	9,056
	Monthly Expenses	(5,538)
	Monthly Net Income	\$ 3,517

Motion by Darlene Landry that the February 2016 Financial Report be received. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

ACTUARY PROPOSAL: Vickie Whaley presented the proposal from L&E Actuaries for the 2016 plan year had been received at a rate not to exceed \$5,500. The rate has been the same since 2013. Randy Deshotel moved that the Actuary Proposal be approved. Motion seconded by Robin Hooter. **MOTION CARRIED.**

LA CLERKS OF COURT INSURANCE TRUST

March 11, 2016

PAGE 2

AUDIT PROPOSAL: Vickie reminded the Board that at the December meeting, Hunt was asked to obtain audit proposals from additional firms due to dissatisfaction with the communication and timeliness of previous audits. There was discussion regarding the resolution of the communication and timeliness issues. Debbie Hudnall commented that Hunt Insurance Group handles the majority of the audit work load with the auditors rather than the Association office. Chris Kershaw commented that the timeliness of the audit completion is a real concern. There was discussion regarding the cost comparison between proposals. Debbie asked Vickie for Hunt's recommendation. Vickie commented that any of the three firms would be able to perform the audit. Robin Hooter asked if the contract language could address the communication issue. Attorney Sheri Morris commented that Carr, Riggs, and Ingram is listed on the approved list on the Legislative Auditor's website and that once a ruling is received as to whether or not we are a governmental plan, it may be required that an approved auditor be used. Sheri Morris commented that if the plan is not ERISA, it would be considered a governmental plan. Debbie questioned that if the plan is not ERISA, would the Board then be a State governmental board subject to State regulations. Sheri Morris further commented on her opinion in regards to ERISA status. She explained that Bob Tarcza had provided his opinion based on rulings from the Department of Labor and not the Internal Revenue Service, which requires a private letter ruling. Sheri researched the request for a private letter ruling and determined the Trust needed a determination as to whether it is a governmental plan or an ERISA covered plan and that determination is issued by the Department of Labor. Sheri explained that the process for that request could be lengthy and an extension for the Form 5500 may need to be filed. If the ruling comes back that the plan is not ERISA then that ruling can be submitted to the IRS in lieu of the Form 5500. Debbie asked if Sheri could apply for that ruling from the Department of Labor. Sheri has drafted the letter for that request.

There was further discussion regarding the audit proposals and ERISA status. Darlene questioned if any other insurance trusts have the same issue. Holli asked Sheri about the process for an auditor to be approved by the Legislative Auditor.

Mark Graffeo moved that the Trust contract with Thomas, Howell Ferguson to provide the financial audit for the year ended 2015. Motion seconded by David Dart. Mark commented that LCCRMA continued with Thomas, Howell Ferguson. Lance Marino suggested communicating to the firm the Trust's expectations of performance.

MOTION CARRIED.

ADMINISTRATORS' REPORT: (Report on file in office)

Calcasieu Parish: Vickie Whaley updated the Board that Calcasieu will join the Trust as of April 1, 2016 with medical only.

LA CLERKS OF COURT INSURANCE TRUST

March 11, 2016

Page 3

Financial Reports: Vickie Whaley gave the financial reports for the Insurance Trust for the months of December 2015 and January 2016. She commented on the positive increase in cash of 6% from 2014 to 2015, and that the cash balance at 2013 was \$1.7 million. Investments have increased from 2014 to 2015.

Mark questioned about the purchase of investments with excess cash. Chris Kershaw explained how he handles the investments. Debbie had previously discussed this with Chris Baker at Hunt Insurance Group. Mark suggested a quarterly review of cash needs and investment maturity schedules to decide whether or not to increase the amount of investments. Vickie will communicate the Board's suggestion to Hunt Insurance Group.

Dec. 2015 Statement of Net Assets

Total Assets	\$ 6,063,321
Total Liabilities	<u>(\$1,072,715)</u>
Net Assets	\$ 4,990,605

Cash Analysis (as of Dec 2015)

Annual Funds Received	\$ 13,609,882
Annual Total Expenses	<u>(\$ 12,316,448)</u>
Cash Balance	\$ 3,476,307

Jan. 2016 Statement of Net Assets

Total Assets	\$ 5,876,561
Total Liabilities	<u>(\$ 758,089)</u>
Net Assets	\$ 5,118,472

Cash Analysis (as of Jan. 2016)

Annual Funds Received	\$ 893,139
Annual Total Expenses	<u>(\$ 1,104,799)</u>
Cash Balance	\$ 3,264,646

Investments: Vickie reported the market value of Investments as of January 2016 was \$2,590,384.

Vickie reviewed the pharmaceutical rebates that showed an increase in rebates even though the Board during renewals had opted for a decrease in BCBS fee in place of receiving the RX rebates. Hunt reached out to BCBS and discovered that BCBS had given both the reduction in fees as well as the RX rebates. BCBS has corrected that as of February 2016 and has not asked for a return of those funds.

Vickie reported that medical claims for 2015 had increased approximately 7% from 2014 and RX claims increased about 6.5%. She commented that the actuary had projected an 8% increase in claims. There were no reimbursements made by stop loss carrier.

LA CLERKS OF COURT INSURANCE TRUST**March 11, 2016****Page 4**

Vickie reviewed the BCBS claim information for active, retirees and COBRA members. She commented on the report that provides the dollar amount of claims per parish per month. Vickie reported that there are no members listed on the potential specific claimants. In 2015, there were 16 members listed on the report with 6 members reached the stop loss.

CLAIMS EXPERIENCE:**CLAIMS EXPERIENCE - 2016**

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 16	\$ 126,797	\$ 473,395	\$ 600,192	\$ 600,192

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 reminded the Board that for 2016 there was an increase in the dental premium, as based on the reports by the actuary. However, the claims for the end of 2015 were less than anticipated and the dental reserves have increased to \$89,073 as of January 2016.

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

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 16	1,183	\$ 31,365	\$ 52,247	\$ 3,254 \$ 1,985	\$ 15,642	70.06%

LA CLERKS OF COURT INSURANCE TRUST
March 11, 2016
Page 5

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%
Average	\$ 40,499	\$ 40,499	\$ 49,934	\$ 3,236 \$ 1,957	\$4,243	

VISION INSURANCE - 2016

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 16	892	\$ 6,415	\$ 2,972	\$ 714	57.45%
TOTAL	892	\$ 6,415	\$ 2,972	\$ 714	57.45%

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%

LA CLERKS OF COURT INSURANCE TRUST
March 11, 2016
Page 6

LIFE INSURANCE: 01/01/2015 – 12/31/15

Earned Premiums	\$ 920,004
Paid Claims	605,000
Change in IBNR	41,375
Change in Reported Reserve	
Total Incurred Claims	646,375
Total Expense & Risk Charges	187,773
BALANCE	\$ 85,856

HEALTHFAIR SCREENING PROPOSALS: Vickie presented a proposal for the preventative screenings. The screenings were done previously in 2012 and 2014. Vickie reviewed the participation percentages and results from previous years. Hunt recommends the screenings be done closer to the first quarter of 2017 instead of 2016. Vickie reviewed the proposed cost for the screenings with active/retired BCBS participants and a cost to include the participating spouses on the BCBS plan.

There was discussion regarding the timing of the screenings with the new Clerks taking office July 1. The issue was tabled until the July Board Meeting.

TELEHEALTH: Vickie updated the Board on the status of the Telehealth program with BCBS. She has been in touch with BCBS and they have delayed the roll out of this program, but expect the program to be up in the near future of 2016.

WELLNESS PROGRAM (WHO – Wellness, Health, Outcome):
No report at this time.

ATTORNEY: Sheri Morris advised that the Board should request an advisory opinion from the Department of Labor as to whether the Trust is covered by ERISA or is a governmental plan in order to know if a Form 5500 should be filed and an extension should be requested on the Form 5500. If it is determined that the Trust is a governmental plan, then the Form 5500 would not have to be filed. Lance Marino moved that Attorney Sheri Morris request an advisory opinion from the Department of Labor. Motion seconded by Randy Deshotel. **MOTION CARRIED.**

EXECUTIVE DIRECTOR REPORT:

Blue Cross Contract – Debbie will review this contract with Attorney Sheri Morris.

GASB 45 Proposal – Debbie distributed a proposal from L & E on GASB 45. GASB 45 is required every three for the Clerks offices.

LA CLERKS OF COURT INSURANCE TRUST

March 11, 2016

Page 7

Regulation 66:

Debbie reminded the Board that she would be working with them on the Regulation 66 requirements. Debbie explained the requirements and added expenses to the Trust for each Board Member.

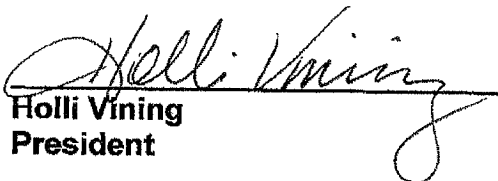
COMMENTS BY BOARD MEMBERS: None.

OTHER BUSINESS:

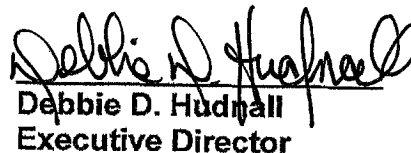
There being no further business, David Dart moved that the meeting be adjourned. Motion seconded by Diane Meaux Broussard. **MOTION CARRIED.**

Meeting adjourned.

APPROVED:


Holli Vining
President

Respectfully submitted,


Debbie D. Hudnall
Executive Director