

APPROVED MINUTES

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
OCTOBER 8, 2015
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, October 8, 2015 in Baton Rouge, LA.

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

MEMBERS PRESENT:

President Holli Vining	Steve Andrews
Robin Hooter	Diane Meaux Broussard
Darlene Landry	
Rick Arceneaux	
Carol Jones	
Randy Deshotel	

ALSO PRESENT:

Brian Lestage
Debbie Hudnall, Executive Director
Vickie Whaley, Hunt Insurance Group
Tamara Tretter, Hunt Insurance Group
Chris Kershaw
Dagmar Hebert

APPROVAL OF MINUTES

Randy Deshotel moved that the minutes of July 16, 2015 be approved as presented. Motion seconded by Robin Hooter. **MOTION CARRIED.**

COMMENTS BY CHAIRMAN: None

FINANCIALS: (Report on file in office) Treasurer Robin Hooter presented the financial reports for the Insurance operations fund for June, July and August 2015.

JUNE 2015-	Total Assets:	\$ 364,450
	Monthly Revenue	10,195
	Monthly Expenses	(9,922)
	Monthly Net Income	\$ 273
JULY 2015-	Total Assets:	\$ 348,820
	Monthly Revenue	10,220
	Monthly Expenses	(25,849)
	Monthly Net Income	\$ (15,630)

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 2

AUG 2015-	Total Assets:	\$ 351,982
	Monthly Revenue	10,214
	Monthly Expenses	(7,052)
	Monthly Net Income	\$ 3,162

Rick Arceneaux moved that the Financial Statements be received. Motion seconded by Steve Andrews. **MOTION CARRIED.**

AUDIT REPORT (on file in office):

Debbie informed the Board on issues that she had been made aware of in regards to the Insurance Trust audit and with the accounting firm, Thomas, Howell, Fergusson (THF). Leigh Jenkins and Jeff Barbacci with THF joined via conference call at 9:30 am. Jeff presented the audit report on LCCIT for the fiscal year ended December 31, 2014. He presented a letter to the Board commenting on the procedures including an issue with Accounts Payable reconciliation, as well as, no changes in accounting policies which are in compliance with GAAP. He reported that claims paid were less than the IBNR and that there were no material misstatements. Jeff further explained the list of adjusting journal entries. The audit received an unmodified opinion, which is a clean opinion stating that the financials are fairly presented in all material aspects. He noted a \$1.6 million increase in assets compared to the previous year. Total deductions were down from the previous year and claims payable including IBNR increased from the prior year.

An issue was raised regarding non responses from parishes on the audit confirmations. Debbie expressed her concern with the lack of communication between THF and the Clerks Association. Jeff assured the Board that communications would be improved in the future with revisions to procedures.

Debbie questioned if the Form 5500 had been completed. Jeff responded that the Form 5500 had been completed. Debbie commented on the Trust's ERISA status and previous years filings. Attorneys for the Trust continue to research if the Trust is subject to ERISA or not and Debbie asked if Thomas Howell Fergusson could provide assistance in possibly making that status change with the IRS.

Randy Deshotel moved that the audit report be approved. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Vickie Whaley gave the financial reports for the Insurance Trust for the months of June, July and August 2015.

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 3

June 2015 Statement of Net Assets

Total Assets	\$ 6,002,203
Total Liabilities	<u>(\$ 1,024,578)</u>
Net Assets	\$ 4,977,625

Cash Analysis (as of June 2015)

Annual Funds Received	\$ 6,643,206
Annual Total Expenses	<u>(\$ 5,426,949)</u>
Cash Balance	\$ 3,399,129

July 2015 Statement of Net Assets

Total Assets	\$ 5,957,341
Total Liabilities	<u>(\$ 795,467)</u>
Net Assets	\$ 5,161,874

Cash Analysis (as of July 2015)

Annual Funds Received	\$ 7,854,755
Annual Total Expenses	<u>(\$ 6,677,471)</u>
Cash Balance	\$ 3,360,156

Aug 2015 Statement of Net Assets

Total Assets	\$ 5,745,865
Total Liabilities	<u>(\$ 857,793)</u>
Net Assets	\$ 4,888,072

Cash Analysis (as of Aug 2015)

Annual Funds Received	\$ 8,797,667
Annual Total Expenses	<u>(\$ 7,837,769)</u>
Cash Balance	\$ 3,142,771

Investments: Vickie reported the market value of Investments as of August 2015 was \$2,583,152.

Vickie reported that claims were significantly higher in August. Out of Network claims increased and 7 new spec claimants had been added to the list since the last meeting.

She also explained that for Option 1, if a member moved from family coverage to single coverage during the plan year, the member would receive credit for their individual deductible.

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 4

CLAIMS EXPERIENCE:

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
August 2015	\$ 205,282	\$ 802,413	\$ 1,007,695	\$ 4,754,269

CLAIMS EXPERIENCE - 2014

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 14	\$ 90,799	\$402,418	\$ 493,217	\$ 493,217
Feb 14	\$143,662	\$196,072	\$ 339,733	\$ 832,951
Mar 14	\$114,649	\$413,491	\$ 528,140	\$1,361,091
Apr 14	\$149,307	\$262,452	\$ 411,759	\$1,722,850
May 14	\$143,336	\$313,988	\$ 457,324	\$2,230,174
June 14	\$170,358	\$565,150	\$ 735,508	\$2,965,682
July 14	\$139,850	\$413,523	\$ 553,373	\$3,519,055
August 14	\$141,809	\$576,303	\$ 718,112	\$4,237,167
September 14	\$144,381	\$516,091	\$ 660,472	\$4,897,638
October 14	\$136,854	\$654,418	\$ 791,272	\$5,688,910
November 14	\$204,824	\$542,719	\$ 747,543	\$6,323,578
December 14	\$170,379	\$544,194	\$714,573	\$7,009,321

Vickie stated that dental claims are running at a 95% loss ratio but were better for August with a loss ratio of 86%.

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
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%
TOTAL	9,364	\$ 338,537	\$ 399,191	\$ 25,829 \$ 15,621	\$ 19,204	95.19%

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

Date	Lives	Run-Out Claims Pd	Self-Funded Claims Pd	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Ratio
Jan 14	1,154	\$ 13,488	\$ 23,921	\$ 37,409	\$ 47,512	\$ 2,984 \$ 1,928	\$ 18,679	61%
Feb 14	1,150	\$ 1,376	\$ 30,116	\$ 31,492	\$ 47,457	\$ 3,166 \$ 1,922	\$ 12,253	74%
Mar 14	1,155	\$ 0	\$ 37,971	\$ 37,971	\$ 47,423	\$ 3,152 \$ 1,926	\$ 4,374	91%
Apr 14	1,154	\$ 0	\$ 53,884	\$ 53,884	\$ 47,580	\$ 3,193 \$ 1,934	(\$ 11,431)	124%
May 14	1,154	\$ 0	\$ 36,468	\$ 36,468	\$ 47,507	\$ 3,190 \$ 1,932	\$ 5,917	88%
June 14	1,155	\$ 0	\$ 48,202	\$ 48,202	\$ 47,561	\$ 3,188 \$ 1,932	(\$ 5,761)	112.11%
July 14	1,156	\$ 0	\$ 45,982	\$ 45,982	\$ 47,774	\$ 3,196 \$ 1,938	(\$ 3,342)	107.00%
Aug 14	1,161	\$ 0	\$ 40,850	\$ 40,850	\$ 48,170	\$ 3,204 \$ 1,947	\$2,169	95.50%
Sept 14	1,159	\$ 0	\$ 33,628	\$ 33,628	\$ 48,029	\$ 3,210 \$ 1,947	\$ 9,244	80.75%
Oct 14	1,162	\$ 0	\$ 50,690	\$ 50,690	\$ 47,017	\$ 3,213 \$ 1,920	(\$ 8,806)	118.73%
Nov 14	1,168	\$ 0	\$ 35,998	\$ 35,998	\$ 47,902	\$ 3,215 \$ 1,952	(\$6,737)	85.94%
Dec 14	1,169	\$ 0	\$ 50,473	\$ 50,473	\$ 48,082	\$ 3,193 \$ 1,951	(\$7,535)	115.67%
Total	13,897	\$ 14,864	\$ 488,183	\$ 503,047	\$ 572,014	\$ 38,104 \$ 23,229	\$22,498	96.07% avg

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 6

VISION INSURANCE - 2015

Date	Lives	Premium	Claims	Ratio	Hunt Adm	Total Loss Ratio
Jan 15	865	\$ 6,038	\$ 3,726	61.71%	\$ 672	72.84%
Feb 15	860	\$ 6,018	\$ 3,097	51.46%	\$ 672	62.63%
Mar 15	871	\$ 6,142	\$ 3,456	56.27%	\$ 683	67.39%
Apr 15	874	\$ 6,178	\$ 3,762	60.89%	\$ 687	72.01%
May 15	873	\$ 6,162	\$ 4,443	72.10%	\$ 690	83.30%
June 15	874	\$ 6,184	\$ 3,660	70.24%	\$ 684	70.24%
July 15	878	\$ 6,202	\$ 4,923	90.53%	\$ 691	90.53%
Aug 15	881	\$ 6,162	\$ 4,082	77.38%	\$ 686	77.38%
TOTAL	6,976	\$ 49,085	\$ 31,149	74.54%	\$ 5,465	74.54%

VISION INSURANCE - 2014

Date	Lives	Premium	Claims	Ratio
Jan 14	850	\$ 6,046.00	\$ 4,200.00	69.47%
Feb 14	850	\$ 6,044.00	\$ 2,323.00	38.43%
Mar 14	850	\$ 6,038.00	\$ 4,360.00	72.21%
Apr 14	850	\$ 6,028.00	\$ 5,768.00	95.69%
May 14	852	\$ 6,028.00	\$ 4,445.00	73.74%
Jun 14	854	\$ 6,049.00	\$ 3,961.00	65.48%
July 14	854	\$ 6,063.00	\$ 5,402.00	100.23%
August 14	857	\$ 6,083.00	\$ 4,637.00	87.39%
Sept 14	856	\$ 6,060.00	\$ 3,237.00	64.59%
Oct 14	861	\$ 6,088.00	\$ 4,171.00	79.76%
Nov 14	863	\$ 6,094.00	\$ 3,980.00	76.49%
Dec 14	864	\$ 6,095.00	\$ 4,360.00	82.69%
TOTAL	10,262	\$ 72,716.00	\$ 50,844.00	81.07%

LIFE INSURANCE: 01/01/2015 – 08/31/2015

Earned Premiums	\$ 615,885
Paid Claims	422,500
Change in IBNR	385,504
Change in Reported Reserve	12,500
Total Incurred Claims	473,504
Total Expense & Risk Charges	125,787
BALANCE	\$16,594

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 7

RENEWALS:

Vickie stated that there were rate holds for both the life insurance, vision coverage and the Dental ASO fee for 2016.

She further explained that the Medicare Supplement rates had an estimated 3% increase but because the rates are individually based on certain factors the new rates will vary across the retirees. There is a rate hold on the AETNA prescription coverage for 2016.

Vickie explained the factors that go into determining the rates for the medical coverage including administrative costs, stop loss fee and anticipation of claim expenses. Hunt asked the Board for a \$1.00 per member increase in their administrative fee due to the increase level of work in preparing reporting associated with the Affordable Care Act requirements. Blue Cross Blue Shield (BCBS) would have a decrease in their fee.

Based on the discussion from the conference call on September 17th, Hunt recommended that the Board increase the specific deductible to \$180,000, maintaining the coverage with Symetra. Rick Arceneaux moved that the specific deductible be raised to \$180,000, maintaining the coverage with Symetra. Motion seconded by Carol Jones. **MOTION CARRIED.**

Steve Andrews moved that the medical rates be maintained for 2016. Motion seconded by Darlene Landry. **MOTION CARRIED.**

Rick Arceneaux moved to approve the \$1.00 increase in Hunt's administration fee. Motion seconded by Robin Hooter. **MOTION CARRIED.**

Hunt projects that if the dental rate is maintained there would be a shortfall for 2016. Diane Meaux Broussard moved to increase the Dental rate by 2%. Motion seconded by Randy Deshotel. **MOTION CARRIED.**

Rick Arceneaux moved to maintain status quo accepting an approximate 3% increase on the Medicare Supplement and no increase on the AETNA RX coverage. Motion seconded by Carol Jones. **MOTION CARRIED.**

Vickie presented the Board the Notice of Plan Changes for 2016 from BCBS. The Affordable Care Act (ACA) required changes on preeclampsia prevention, cardiovascular disease counseling and childhood obesity and RX step therapy. There were also several optional benefit changes:

Darlene moved the addition of ambulance services when no transport is made be added as a covered benefit. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

LA CLERKS OF COURT INSURANCE TRUST
OCTOBER 8, 2015
PAGE 8

Randy moved that the telemedicine services be added as a covered benefit with no increase in premium. This will be a service provided by BCBS that will be credited toward a member's deductible if utilized. If a member of Option 1 utilizes this service it would be at a cost of \$39 which would apply toward the deductible. If a member of Option 2 utilizes this service it be at a cost of \$25 which would be applied toward the deductible. This would be a video-conferencing service. Motion seconded by Diane Meaux Broussard. **MOTION CARRIED.**

Tamara Volkert explained a required change to the Option 1 plan only that for the family coverage no one person can contribute more than \$6,850 to the family deductible or out-of-pocket maximums. The change will implement an individual deductible with an aggregate.

Diane Meaux Broussard moved that the Plan have Open Enrollment annually for active employees. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

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

EXECUTIVE DIRECTOR REPORT:

Status of ERISA/MEWA

The Board requested that Attorney Sheri Morris research further the issue on ERISA and MEWA status.

OTHER BUSINESS: Chris Kershaw, Controller presented an updated Investment Policy to the Board (on file in office). Diane Meaux Broussard moved that the Investment policy be adopted as presented. Motion seconded by Randy Deshotel. **MOTION CARRIED.**

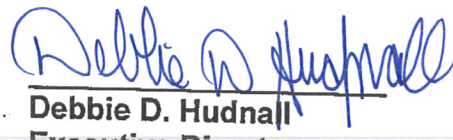
There being no further business, Steve Andrews moved that the meeting be adjourned. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

Meeting adjourned.

APPROVED:


Holli Vining
President

Respectfully submitted,


Debbie D. Hudnall
Executive Director