

## APPROVED MINUTES

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

JULY 16, 2015

9:00 AM

BOSSIER CITY, LA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, July 16, 2015 in Bossier City, LA.

The meeting was called to order by President Holli Vining. Dodi Eubanks then gave the invocation. Rick Arceneaux then led the Pledge of Allegiance.

#### MEMBERS PRESENT:

President Holli Vining	Carol Jones
David Dart	Randy Deshotel
Robin Hooter	Steve Andrews
Darlene Landry	David Dart
Rick Arceneaux	Kay Bolding
Dodi Eubanks	

#### ALSO PRESENT:

Brian Lestage  
Charles Jagneaux  
Debbie Hudnall, Executive Director  
Vickie Whaley, Hunt Insurance Group  
Scott Hunt, Hunt Insurance Group

#### APPROVAL OF MINUTES

Steve Andrews moved that the minutes of March 25, 2015 be approved as presented. Motion seconded by Carol Jones. **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 March, April and May 2015.

<b>MAR 2015-</b>	Total Assets:	\$ 358,223
	Monthly Revenue	10,149
	Monthly Expenses	( 9,036)
	Monthly Net Income	\$ 1,113
<b>APR 2015-</b>	Total Assets:	\$ 361,747
	Monthly Revenue	10,265
	Monthly Expenses	( 6,742)
	Monthly Net Income	\$ 3,524

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<b>MAY 2015-</b>	Total Assets:	\$ 364,177
	Monthly Revenue	10,223
	Monthly Expenses	( 7,794)
	Monthly Net Income	\$ 2,430

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

**ADMINISTRATORS' REPORT: (Report on file in office)**

Scott Hunt, President and CEO of Hunt Insurance, was present and informed the Board that Hunt Insurance had bought Hunt Insurance back from Willis Insurance and they were back to being an independent company again. He also informed the Board that his brother John Hunt had come back to work for Hunt Insurance and would be attending the LACCRMA Board meeting in Lake Charles in August. He further informed the Board that Tamara had been promoted to Vice President and that Morgan Vitale had gone to work for Massachusetts Mutual in Jacksonville so she would be closer to her family. He said that the move to purchase the Company back would be beneficial to the Insurance Trust.

**Financial Reports:** Vickie Whaley gave the financial reports for the Insurance Trust for the months of February, March, April and May 2015. She also pointed out the new IBR number on the financials that was calculated by the Actuary. She further informed the Board there were approximately \$2.6 million in investments.

<b>Feb 2015</b>	<b>Statement of Net Assets</b>
	Total Assets \$ 5,235,614
	Total Liabilities ( <u>\$ 901,279</u> )
	Net Assets \$ 4,334,335

**Cash Analysis (as of Feb 2015)**

Annual Funds Received	\$ 2,245,941
Annual Total Expenses	( <u>\$ 1,852,829</u> )
Cash Balance	\$ 2,575,986

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**Mar 2015 Statement of Net Assets**

Total Assets	\$ 5,252,200
Total Liabilities	<u>(\$ 922,246)</u>
Net Assets	\$ 4,329,954

**Cash Analysis (as of Mar 2015)**

Annual Funds Received	\$ 3,556,264
Annual Total Expenses	<u>(\$ 2,886,538)</u>
Cash Balance	\$ 2,852,599

**Apr 2015 Statement of Net Assets**

Total Assets	\$ 5,331,249
Total Liabilities	<u>(\$ 708,977)</u>
Net Assets	\$ 4,622,271

**Cash Analysis (as of Apr 2015)**

Annual Funds Received	\$ 4,412,621
Annual Total Expenses	<u>(\$ 3,852,478)</u>
Cash Balance	\$ 2,743,015

**May 2015 Statement of Net Assets**

Total Assets	\$ 6,033,935
Total Liabilities	<u>(\$ 1,120,298)</u>
Net Assets	\$ 4,913,637

**Cash Analysis (as of May 2015)**

Annual Funds Received	\$ 5,607,573
Annual Total Expenses	<u>(\$ 4,357,145)</u>
Cash Balance	\$ 3,433,301

**Investments:** Vickie reported the market value of Investments as of May 2015 was \$2,586,396.

**CLAIMS EXPERIENCE:**

Vickie presented the current participation numbers and the following claims experience. She also explained to the new Board members the \$170,000 Specific Deductible and the \$475,000 corridor. Vickie explained about a new prescription drug PCKSA9 for high cholesterol which is expected to be approved by FDA on July 24<sup>th</sup>. This drug will be much more expensive and the long term testing would not be complete until 2017. Blue Cross had asked the Board whether or not they should be included in the plan. After much discussion, Mark Graffeo moved that PCKSA-9 not be approved by the Insurance Trust to be included in the formulary. Motion seconded by Randy Deshotel. **MOTION CARRIED**

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**CLAIMS EXPERIENCE - 2015**

	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
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

**CLAIMS EXPERIENCE - 2014**

	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
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 explained to the new Board members that the Dental Insurance was a fully funded plan until about two years ago and then was converted to a self-funded plan and that it was currently running at a 95% loss ratio.

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

<b>Date</b>	<b>Lives</b>	<b>Total Claims</b>	<b>Premiums</b>	<b>Delta/Hunt Admin</b>	<b>Reserves</b>	<b>Loss Ratio</b>
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%
<b>TOTAL</b>	<b>5,843</b>	<b>\$ 212,029</b>	<b>\$ 249,751</b>	<b>\$ 16,133 \$ 9,766</b>	<b>\$11,823</b>	<b>95.27%</b>

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**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%
<b>Total</b>	<b>13,897</b>	<b>\$ 14,864</b>	<b>\$ 488,183</b>	<b>\$ 503,047</b>	<b>\$ 572,014</b>	<b>\$ 38,104 \$ 23,229</b>	<b>\$ 22,498</b>	<b>96.07% avg</b>

**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%
<b>TOTAL</b>	<b>4,343</b>	<b>\$ 30,538</b>	<b>\$ 18,484</b>	<b>60.00%</b>	<b>\$ 3,404</b>	<b>71.63%</b>

**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%
<b>TOTAL</b>	<b>10,262</b>	<b>\$ 72,716.00</b>	<b>\$ 50,844.00</b>	<b>81.07%</b>

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**LIFE INSURANCE: 01/01/2015 – 05/31/2015**

Earned Premiums	\$ 385,339
Paid Claims	422,500
Change in IBNR	39,793
Change in Reported Reserve	
Total Incurred Claims	462,293
Total Expense & Risk Charges	80,866
<b>BALANCE</b>	<b>(\$ 157,820)</b>

Vickie then reviewed the Stewardship Report which discussed the duties and accomplishments of Hunt Insurance as far as administering the Insurance Trust. This is to insure that they are running the plan the way the Board wants. She also discussed how they would be helping the employers with the reporting requirements of Sections 6055 and 6056 of the Healthcare Reform. She also reviewed the timeline for renewals. She reminded the Board that for Life Insurance there is a rate guarantee through December 2016. The Dental Insurance has a guarantee administration rate through December 2017 but because it is self-funded the premiums for claims will probably have to be increased.

**ACTUARY REPORT:** Vickie then briefly discussed the Actuary Report prepared by Bonnie Albritton with L&E Actuaries & Consultants. The Actuaries expect contributions to be sufficient to cover expected claims and expenses for the remainder of the current fiscal year and projected an increase the Trust's surplus as of December 31, 2015 of approximately \$727,000. As part of their projection, they assumed the only benefit change for 2016 will be the requirements under the Affordable Care Act as to the maximum annual limitations on cost sharing for the Option 1 high deductible plan. The Actuaries recommended the following increased for the next two years:

Calendar Year	Medical	Dental
2016	3.0%	2.0%
2017	5.0%	4.0%

It was discussed how the surplus could possibly cover some of the recommended increases depending on the claims for the remainder of the year.

**NEW COVERAGE:** Vickie Whaley asked if the Board would be interested in a Whole-Life Insurance program. The Board was not interested at this time.

Vickie also inquired whether the Board would be interested in a Tell-a-Health Program which would be at no cost to the plan. She explained that it provides for a video conference with a physician which would be a diagnostic service. The cost would be to the member in the form of \$40 co-pay if they utilized the program. She said they can prescribe medication, but cannot prescribe controlled substances. She said they would review this at renewal for next year.

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Vickie also informed the Board that at Renewal they would have to address the Employer Mandate under the Affordable Care Act which will require that all employers with 50 or more employees will have to have open enrollment annually. Additionally, if the Trust is not a MEWA, then every employer may have to have annual open enrollment.

The Affordable Care Act will require medical plan changes to limit an individual deductible on High Deductible family plan to a maximum for 2016 \$6,850 per individual and to the family maximum of \$13,700 . The Board will have to change the plan to fall within those guidelines.

Vickie advised the Board that Hunt Insurance had sent a letter out to each Clerk's office to share with each of their employees after the Supreme Court ruling on Same-Sex Marriages. The letter advised of a Special Open Enrollment Period from July 1, 2015 to July 31, 2015, to provide that an employee, who was previously married in a state that legally recognized same sex marriages, may apply for coverage for a same-sex spouse if their marriage is evidenced by a Marriage Certificate that was issued in one of the 50 U.S. states, a U.S. Territory or Foreign Country where same-sex marriage was previously recognized.

Carol Jones asked how the deductible is determined when someone dies who is covered by family coverage. Vickie said she would verify how that is handled.

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

**EXECUTIVE DIRECTOR REPORT:**

Debbie informed the Board that she had asked Bob Tarcza to determine whether or not the plan should be under ERISA and said she could also ask him to make the determination as to MEWA. Randy Deshotel moved that Bob Tarcza be retained to determine if the Insurance Trust is a MEWA. Motion was seconded by David Dart.  
**MOTION CARRIED.**

**D & O Insurance:** Debbie reported that the insurance had been purchased through Arthur J. Gallagher & Co.

**Regulation 66:** Debbie said after the Regulation 66 had been completed for LACCRMA she would contact Board members to finalize their documents.

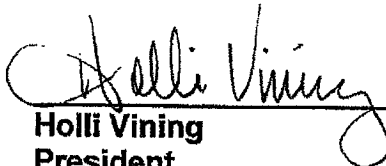
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**OTHER BUSINESS:** None

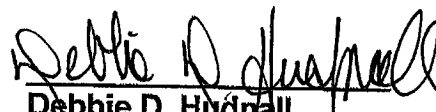
There being no further business, David Dart moved that the meeting be adjourned.  
Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

**Meeting adjourned.**

**APPROVED:**

  
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Holli Vining  
President

Respectfully submitted,

  
\_\_\_\_\_  
Debbie D. Hudnall  
Executive Director