

**APPROVED MINUTES
LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
OCTOBER 30, 2014
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 30, 2014 in Baton Rouge, LA.

The meeting was called to order by President Diane Meaux Broussard who then gave the invocation. Steve Andrews then led the Pledge of Allegiance.

MEMBERS PRESENT:

President Diane Meaux Broussard	Rick Arceneaux
Carl Broussard	Holli Vining
Mark Graffeo	Carol Jones
Tammy Foster	Steve Andrews
Darlene Landry	David Dart
Dot Lundin	Kay Bolding

ALSO PRESENT:

Debbie Hudnall, Executive Director
Tamara Volkert, Hunt Insurance
Gretchen Coon, Hunt Insurance
Connie Couvillon
Brian Lestage
Chris Kershaw
Dagmar Hebert

APPROVAL OF MINUTES

Steve Andrews moved that the minutes of July 31, 2014 and the conference call minutes of October 14, 2014 be approved as presented. Motion seconded by Tammy Foster. **MOTION CARRIED.**

RESIGNATION AND RATIFICATION OF DISTRICT MEMBER

President Broussard stated that Cliff Dressel had resigned from the Insurance Board and David Dart would be taking his place. The oath of office had been previously administered.

COMMENTS BY CHAIRMAN

Diane Broussard thanked everyone for their attendance and participation.

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 2

FINANCIALS: (Report on file in office) Treasurer Mark Graffeo presented the financial reports for the Insurance operations fund for June, July, August and September 2014.

June 2014-	Total Assets:	\$ 339,209
	Monthly Revenue	8,851
	Monthly Expenses	(8,271)
	Monthly Net Loss	\$ 580

July 2014-	Total Assets:	\$ 337,543
	Monthly Revenue	11,619
	Monthly Expenses	(13,285)
	Monthly Net Loss	\$ (1,666)

Aug 2014-	Total Assets:	\$ 339,059
	Monthly Revenue	8,865
	Monthly Expenses	(7,350)
	Monthly Net Loss	\$ 1,516

Sept 2014-	Total Assets:	\$ 344,032
	Monthly Revenue	10,252
	Monthly Expenses	(5,279)
	Monthly Net Loss	\$ 4,973

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

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Tamara Volkert gave the financial reports for the Insurance Trust for the months of June, July and August 2014. She commented that the plan was in a much better position in 2014 than in the previous year.

June 2014 Statement of Net Assets

Total Assets	\$ 4,728,492
Total Liabilities	(\$ 3,369,668)
Net Assets	\$ 1,358,824

Cash Analysis (as of June 2014)

Annual Funds Received	\$ 6,418,551
Annual Total Expenses	(\$ 4,556,329)
Cash Balance	\$ 3,644,322

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 3

July 2014 Statement of Net Assets

Total Assets	\$ 4,787,064
Total Liabilities	<u>(\$ 3,199,861)</u>
Net Assets	\$ 1,587,203

Cash Analysis (as of July 2014)

Annual Funds Received	\$ 7,474,211
Annual Total Expenses	<u>(\$ 5,544,363)</u>
Cash Balance	\$ 3,711,947

Aug 2014 Statement of Net Assets

Total Assets	\$ 4,780,664
Total Liabilities	<u>(\$ 813,902)</u>
Net Assets	\$ 3,966,762

Cash Analysis (as of Aug 2014)

Annual Funds Received	\$ 8,453,756
Annual Total Expenses	<u>(\$ 6,679,796)</u>
Cash Balance	\$ 3,556,060

Investments: Tamara reported the market value of the investments as of August 2014 was \$1,074,205.

Chris Kershaw commented on whether or not excess cash should be moved into investments. Tamara stated that the investment policy would need to be reviewed. She further commented that there are several larger dollar amount items that will be paid in the near future: Healthfair, transitional reinsurance fee of \$63 per belly button or approximately \$200,000. The additional surplus helps to offset the fact that there has been a passing rate on health insurance premiums. Debbie stated that there was nothing in the investment policy to deter moving surplus funds into investments.

AUDIT REPORT (on file in office)

Bill Furgeson and Jim Daniel with Thomas Howell Ferguson joined the meeting via conference call to present the audit report for the year ended December 31, 2013. Bill commented that Total Assets have increase with net assets of \$3.1 million. The increase of liabilities was due mainly to timing issues. The net increase in assets was \$285,476. He further commented that there were no changes in accounting policy. He stated that there were delays in getting information back and forth from Blue Cross Blue Shield and Hunt Insurance. He reported on one internal control recommendation regarding stale dated checks. The Board had previously adopted a policy regarding the handling of outstanding checks and Debbie stated she would be following up with Chris Baker at Hunt Insurance on that issue.

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 4

Debbie asked the auditors to discuss ERISA. Bill stated that there are two definitions of ERISA, one from the Department of Labor and one from the IRS, requiring the filing of the Form 5500 and an audit. He further stated that LCCIT was not formed by a governmental unit. Because it is a master trust that various governmental entities have placed their money into to cover insurance fees, the IRS says ERISA applies. The Department of Labor is more liberal. He suggested that the trust prepare a letter and request a ruling from the IRS to give a more definitive answer. Debbie informed the Board that Hunt's legal counsel has given the opposite answer regarding ERISA. The Trust has operated under ERISA since its' inception. Debbie requested that Thomas Howell Ferguson submit a proposal for the audit for 2014 to be presented at the December meeting.

Mark Graffeo moved that the audit for the fiscal year end 2013 be approved. Tammy Foster seconded the motion. **MOTION CARRIED.**

Tamara then presented Benchmarking reports that had been requested at a previous meeting. The report detailed statistics on employee age as well as the percentage of female members. The report also provided statistics on prescription classes and a comparison of LCCIT trends and number of prescriptions versus Express Scripts as a whole.

CLAIMS EXPERIENCE:

Tamara presented the current participation numbers and the following claims experience.

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

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 5

CLAIMS EXPERIENCE - 2013

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 13	\$133,494	\$537,329	\$670,823	\$ 670,823
Feb 13	\$88,494	\$542,696	\$631,190	\$1,302,013
Mar 13	\$97,326	\$413,280	\$510,606	\$1,812,619
Apr 13	\$101,193	\$782,878	\$884,071	\$2,696,690
May 13	\$107,550	\$431,858	\$539,408	\$3,236,097
June 13	\$115,657	\$510,287	\$625,944	\$3,862,041
July 13	\$109,855	\$834,852	\$944,707	\$4,806,748
Aug 13	\$133,338	\$581,498	\$714,836	\$5,521,584
Sept 13	\$141,614	\$453,014	\$594,627	\$6,116,211
Oct 13	\$139,737	\$1,202,192	\$1,341,929	\$7,216,259
Nov 13	\$146,438	\$537,175	\$683,613	\$7,870,187
Dec 13	\$143,209	\$607,459	\$750,668	\$8,554,583

Tamara commented that the dental plan is at 92% loss ratio. The self-funded plan is building a surplus and the Board has implemented a slight increase for the 2015 renewals. She further commented on the network utilization in Louisiana.

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%
Total	10,398	\$ 14,864	\$ 351,022	\$ 365,886	\$ 429,013	\$ 28,483 \$ 17,406	\$ 32,102	92.52% avg

LOUISIANA CLERKS OF COURT INSURANCE TRUST**OCTOBER 30, 2014****PAGE 6****DENTAL CLAIMS- 2013**

Date	Lives	Premiums	Claims	Ratio
Jan 13	1,155	\$ 46,965.00	\$39,230.00	83.53%
Feb 13	1,155	47,213.00	39,735.00	84.16%
Mar 13	1,157	46,860.00	42,632.00	90.98%
Apr 13	1,155	46,834.00	40,789.00	87.09%
May 13	1,152	46,707.00	52,868.00	113.19%
June 13	1,149	47,052.00	36,753.00	78.11%
July 13	1,152	46,047.00	42,120.00	91.47%
August 13	1,149	46,647.00	39,796.00	85.31%
September 13	1,151	46,494.00	29,707.00	63.89%
October 13	1,157	46,637.00	50,535.00	108.36%
November 13	1,159	46,790.00	42,490.00	90.81%
December 13	1,158	46,610.00	46,509.00	99.78%
TOTAL	13,853	\$ 560,856.00	\$ 503,164.00	89.7%

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%

VISION INSURANCE - 2013

Date	Lives	Premium	Claims	Ratio
Jan 13	837	\$ 5,726.00	\$ 1,124.00	35.33%
Feb 13	839	5,732.00	7,545.00	131.63%
Mar 13	844	5,754.00	4,232.00	73.55%
Apr 13	844	5,740.00	3,651.00	63.61%
May 13	844	5,737.00	4,193.00	73.09%
June 13	844	5,743.00	3,810.00	66.34%
July 13	847	5,750.00	7,427.00	129.17%
August 13	846	5,763.00	4,050.00	70.28%
Sept 13	848	5,747.00	2,464.00	42.87%
Oct 13	853	5,789.00	4,440.00	76.7%
Nov 13	855	5,793.00	3,467.00	59.85%
Dec 13	856	5,787.00	4,937	85.31%
TOTAL	10,157	\$69,061.00	\$42,936.00	74.69%

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 7

LIFE INSURANCE: 01/01/2014 – 09/30/2014

Earned Premiums	\$ 554,736
Paid Claims	735,000
Change in IBNR	320
Change in Reported Reserve	-65,000
Total Incurred Claims	670,320
Total Expense & Risk Charges	122,944
BALANCE	(\$ 238,528)

Tamara also pointed out to the Board that the board books include statistical data on the plan that is provided from Blue Cross Blue Shield. There was also discussion on including dermatologic visits as preventative care. There was no action taken.

HEALTHFAIR Screenings

Tamara reported to the Board that she had received positive feedback on the screenings, but the full report from HealthFair would be given at the December meeting. There was discussion regarding the Board's decision to implement a 5% premium increase for those parishes who did not achieve an 80% rate of participation in the screenings. The Trust as a whole had an 85% participation rate. David Dart moved that the Board's previous decision to implement the 5% increase be waived because the Trust as a whole had achieved an 85% participation rate. Steve Andrews seconded the motion. Two Nays: Diane Meaux Broussard and Holli Vining. **MOTION CARRIED.**

WELLNESS PROGRAM (WHO – Wellness, Health, Outcome) President Broussard reported that the committee will make a presentation at the Clerks Conference in April 2015.

RENEWALS

Tamara summarized the renewal conference call held on October 14. The status for the Retiree's Part D coverage move to AETNA was on track to provide ID cards to the retirees by January 1, 2015. Parish choice forms had been sent out to the Clerks. The deadline has passed for those forms to be returned, so for those who did not submit the form, their election from 2014 will carry over for the 2015 plan year. Tamara stressed the importance of the employer's responsibility to distribute the enrollment benefit guides, as they include federal guidelines that are required to be distributed.

Tamara presented to the Board a benefit quote for voluntary benefits from Allstate that could replace what each parish offers separately through AFLAC, etc. There was discussion regarding the benefits and implementation. Mark Graffeo commented that the item should be tabled in order for the members to review the information provided and discuss further at the December meeting. No action was taken on this item.

LOUISIANA CLERKS OF COURT INSURANCE TRUST
OCTOBER 30, 2014
PAGE 8

EXECUTIVE DIRECTOR REPORT:

Debbie stated that she is waiting on the ERISA determination to finalize the contract with Blue Cross Blue Shield. She also reminded the Board to complete and submit the Regulation 66 forms that were distributed at the previous meeting. Debbie requested the Board's approval to work with Thomas Howell Ferguson to request from the IRS a letter of ruling on ERISA. Rick Arceneaux moved that Debbie be authorized to request such ruling from the IRS on ERISA. Tammy Foster seconded the motion. **MOTION CARRIED.**

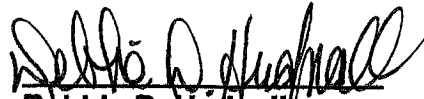
There being no further business, Steve Andrews moved that the meeting be adjourned. Motion seconded by Tammy Foster. **MOTION CARRIED.**

Meeting adjourned.

APPROVED:


Diane Meaux Broussard
President

Respectfully submitted,


Debbie D. Hudnall
Executive Director