

## **APPROVED MINUTES**

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

**JULY 31, 2014**

**9:00 AM**

**BOSSIER CITY, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, July 31, 2014 in Bossier City, Louisiana.

The meeting was called to order by President Diane Meaux Broussard who then asked Carol Jones to give the invocation. Mark Graffeo then led the Pledge of Allegiance.

#### **MEMBERS PRESENT:**

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

#### **ALSO PRESENT:**

Debbie Hudnall, Executive Director  
Tamara Volkert, Hunt Insurance  
David Dart

#### **APPROVAL OF MINUTES**

Holli Vining moved that the minutes of May 22, 2014 be approved as presented. Motion seconded by Steve Andrews. **MOTION CARRIED.**

#### **COMMENTS BY CHAIRMAN**

Diane Broussard thanked everyone for their attendance and participation.

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

|                   |                    |            |
|-------------------|--------------------|------------|
| <b>May 2014-</b>  | Total Assets:      | \$ 338,629 |
|                   | Monthly Revenue    | 8,899      |
|                   | Monthly Expenses   | ( 6,854)   |
|                   | Monthly Net Income | \$ 2,045   |
| <b>June 2014-</b> | Total Assets:      | \$ 339,209 |
|                   | Monthly Revenue    | 8,851      |
|                   | Monthly Expenses   | ( 8,271)   |
|                   | Monthly Net Loss   | \$ 580     |

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Tammy Foster moved that the Financial Statements be received. Motion seconded by Kay Bolding. **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 April and May 2014. She noted that the IBNR for May was based on the new Actuarial report which reduced it to \$487,140 compared to \$1,122,785.

**Apr 2014 Statement of Net Assets (preliminary)**

|                   |                       |
|-------------------|-----------------------|
| Total Assets      | \$ 4,299,431          |
| Total Liabilities | <u>(\$ 1,432,312)</u> |
| Net Assets        | \$ 2,867,119          |

**Cash Analysis (as of Apr 2014)**

|                       |                       |
|-----------------------|-----------------------|
| Annual Funds Received | \$ 4,404,809          |
| Annual Total Expenses | <u>(\$ 2,968,827)</u> |
| Cash Balance          | \$3,218,082           |

**May 2014 Statement of Net Assets (preliminary)**

|                   |                       |
|-------------------|-----------------------|
| Total Assets      | \$ 4,430,868          |
| Total Liabilities | <u>(\$ 3,048,931)</u> |
| Net Assets        | \$ 1,381,937          |

**Cash Analysis (as of May 2014)**

|                       |                       |
|-----------------------|-----------------------|
| Annual Funds Received | \$ 5,275,546          |
| Annual Total Expenses | <u>(\$ 3,755,501)</u> |
| Cash Balance          | \$ 3,302,145          |

**Investments:** Tamara reported the market value of the investments as of May 2014 was \$1,074,985.

**ACTUARIAL REPORT:** Tamara informed the Board that although it is not required, they recommend an annual Actuarial report which reviews the funding status of the plan and includes projections of the Trust fund's surplus for the calendar years 2014 through 2016. She said that based on current trends and analysis of current claims and if claims remain stable as they are, the actuary expects the health insurance contributions are sufficient to cover expected claims and expenses for 2014 and 2015. She also projected a 7% increase in health insurance premiums for 2016. She said the projections did include an increase in administrative expenses. Tamara reminded the Board that the projections includes the \$2.00 PCORI fee which is paid out of the administrative funds maintained by the Association and the new \$63.00 Transitional Reinsurance Program fee which will be paid by the Trust. She explained that these are new taxes that are in place to fund the Affordable Care Act.

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**CLAIMS EXPERIENCE:** Tamara reported that the claims experience was much better for 2014 as compared to 2013. She also reported that 2 members had reached the specific amount and 4 were potential specific claimants as of June 30<sup>th</sup> with \$99,000 applied toward corridor.

**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 |

**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 |

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

| Date         | Lives        | Run-Out<br>Claims<br>Pd | Self-<br>Funded<br>Claims<br>Pd | Total<br>Claims   | Premiums          | Delta/Hunt<br>Admin            | Reserves         | Ratio                  |
|--------------|--------------|-------------------------|---------------------------------|-------------------|-------------------|--------------------------------|------------------|------------------------|
| Jan 14       | 1,154        | \$ 13,488               | \$ 23,921                       | \$ 37,409         | \$ 42,600         | \$ 3,185<br>\$ 1,928           | \$13,566         | 68%                    |
| Feb 14       | 1,150        | \$ 1,376                | \$ 30,116                       | \$ 31,492         | \$ 42,369         | \$ 3,174<br>\$ 1,922           | \$ 7,157         | 83%                    |
| Mar 14       | 1,155        | \$ 0                    | \$ 37,971                       | \$ 37,971         | \$ 42,345         | \$ 3,185<br>\$ 1,926           | (\$ 737)         | 102%                   |
| Apr 14       | 1,154        | \$0                     | \$ 53,884                       | \$ 53,884         | \$ 42,453         | \$ 3,193<br>\$ 1,934           | (\$ 16,558)      | 139%                   |
| May 14       | 1,154        | \$0                     | \$ 36,468                       | \$ 36,468         | \$ 42,385         | \$ 3,190<br>\$ 1,932           | \$ 795           | 98%                    |
| June 14      | 1,155        | \$0                     | \$ 48,202                       | \$ 48,202         | \$ 42,441         | \$ 3,188<br>\$ 1,932           | (\$ 10,881)      | 125.64%                |
| <b>Total</b> | <b>6,922</b> | <b>\$ 14,864</b>        | <b>\$ 230,562</b>               | <b>\$ 245,426</b> | <b>\$ 254,593</b> | <b>\$ 19,115<br/>\$ 11,574</b> | <b>(\$6,658)</b> | <b>102.62%<br/>avg</b> |

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**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%       |
| <b>TOTAL</b> | <b>13,853</b> | <b>\$ 560,856.00</b> | <b>\$ 503,164.00</b> | <b>89.7%</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% |

**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%        |
| <b>TOTAL</b> | <b>10,157</b> | <b>\$69,061.00</b> | <b>\$42,936.00</b> | <b>74.69%</b> |

**LIFE INSURANCE: 01/01/2014 – 06/30/2014**

|                              |                     |
|------------------------------|---------------------|
| Earned Premiums              | \$ 370,738          |
| Paid Claims                  | 710,000             |
| Change in IBNR               | 1,531               |
| Change in Reported Reserve   | -75,000             |
| Total Incurred Claims        | 636,531             |
| Total Expense & Risk Charges | 89,931              |
| <b>BALANCE</b>               | <b>(\$ 355,724)</b> |

**WELLNESS PROGRAM (WHO – Wellness, Health, Outcome)** There was discussion of WHO being presented at the Clerks' Institute.

**EXECUTIVE DIRECTOR REPORT:** Debbie discussed the Blue Cross contract and it requiring her to indicate whether or not the Insurance Trust is an ERISA plan. She said the auditors have indicated it is an ERISA plan, but Hunt Insurance and their attorney says it is not under ERISA because it is for government employees. Debbie informed the Board that the Trust had been proceeding as if under ERISA since its creation including filing the 5500 form every year. Blue Cross will not give us an opinion. It was discussed if there would be an issue with the IRS if we stopped filing the 5500 if determined not to be under ERISA. Tamara will send a copy of the email from their attorney saying the Trust is not under ERISA and Debbie will contact the auditing firm to get further comment from them.

Debbie also informed the Board that she was a little disappointed in the amount of time it was taking the auditors to complete the audit report and that she had sent a letter inquiring about it.

Debbie discussed Regulation 66 and informed the Board that each member would be required to complete the Biographical Affidavit, a Conflict of Interest Statement and if they became a member of the Board after April 21, 2014, they also have to complete a fingerprint card for a criminal records search. She asked each member to complete the form and mail them to the Association office.

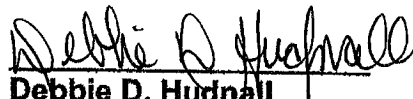
There being no further business, Tammy Foster moved that the meeting be adjourned. Motion seconded by Steve Andrews. **MOTION CARRIED.**

**Meeting adjourned.**

**APPROVED:**

  
**Diane Meaux Broussard**  
President

**Respectfully submitted,**

  
**Debbie D. Hudnall**  
Executive Director