

# APPROVED MINUTES

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

JUNE 12, 2013

9:00 AM

MANY, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Wednesday, June 12, 2013, Many, Louisiana.

The meeting was called to order by President Tammy Foster who then asked Carol Jones to give the invocation. Bill Hodge then led the Pledge of Allegiance.

### MEMBERS PRESENT:

President Tammy Foster  
Diane Meaux Broussard  
Mark Graffeo  
Darlene Landry  
Dot Lundin  
Rick Arceneaux

Holli Vining  
Carol Jones  
Steve Andrews  
Cliff Dressel  
Bill Hodge

### ALSO PRESENT:

Debbie Hudnall, Executive Director  
Tamara Tretter, Hunt Insurance  
Jeff Williams, Hunt Insurance  
Guests – David Dart, Brian Lestage, John Olivier

### APPROVAL OF MINUTES

Cliff Dressel moved that the minutes of March 28, 2013, be approved as presented.  
Motion seconded by Bill Hodge. **MOTION CARRIED**

### COMMENTS BY CHAIRMAN

President Tammy Foster welcomed everyone to Cypress Bend and commented on the wonderful setting for the prior evening's dinner.

**FINANCIALS: (Report on file in office)** Treasurer Mark Graffeo presented the financial reports for Insurance operations fund for March, April and May 2013.

<b>Mar 2013-</b>	Total Assets:	\$ 318,086
	Monthly Revenue	11,462
	Monthly Expenses	( 7,919)
	Monthly Net Income	\$ 3,543

<b>Apr 2013-</b>	Total Assets:	\$ 320,276
	Monthly Revenue	11,747
	Monthly Expenses	( 9,557)
	Monthly Net Loss	\$ 2,190

**Louisiana Clerks of Court Insurance Trust**  
**Board of Trustees Meeting, June 12, 2013**  
**Page 2**

<b>May 2013-</b>	Total Assets:	\$ 323,101
	Monthly Revenue	11,576
	Monthly Expenses	( 8,752)
	Monthly Net Income	\$ 2,825

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

**NEW BUILDING FINANCING**

Treasurer Mark Graffeo reported that the estimated total of the building including land, construction and furnishings is estimated to be approximately \$850,000. He then asked Debbie to explain the proposed financing of the new building.

Debbie reported that approximately 70% of the work that transpires in the Association office is for Retirement; 20% is for Association and 10% for Insurance. It was recommended that the Association and Insurance pay to the Retirement pre-paid rent based on those percentages.

Association	20% of \$850,000	-	\$170,000
Insurance	10% of \$850,000	-	85,000

Debbie stated this would initially represent rent in the amount of \$25.00 per square foot with an inflation rate of 2% per year. She reminded the Board that when Michelle Cunningham had presented a report last year on Building vs Renting, she had reported rent in the Baton Rouge area to be approximately \$23.00 per square foot. Debbie further related that based on \$25.00 per square foot with the 2% per year inflation rate that the \$170,000 and \$85,000 paid by the two entities would represent approximately 7 years and 10 months of pre-paid rent. She related that this would allow for the Retirement Fund to re-coup 30% of the monies it had paid out within the current fiscal year.

Mark informed the Board that the Retirement Board and the Association Board had approved the proposal.

Carl Broussard moved that the Insurance Fund pay \$85,000 (10% of the cost of the Building) to the Retirement Fund which would represent pre-paid rent in the amount of \$25.00 per square foot with a 2% per year inflation rate would equal to approximately 7 years and 10 months of pre-paid rent and that those monies be transferred to the Retirement Fund by June 30, 2013. Motion was seconded by Cliff Dressel. **MOTION CARRIED.**

**Louisiana Clerks of Court Insurance Trust**  
**Board of Trustees Meeting, June 12, 2013**  
**Page 3**

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

**Financial Reports:** Tamara Tretter gave the financial reports for the Insurance Trust for the months of January, February and March 2013.

**Jan 2013 Statement of Net Assets**

Total Assets	\$2,930,429
Total Liabilities	<u>\$2,046,543</u>
Net Assets	\$ 883,886

**Cash Analysis (as of Jan 2013)**

Annual Funds Received	\$1,231,163
Annual Total Expenses	<u>\$1,215,777</u>
Cash Balance	\$1,597,796

**Feb 2013 Statement of Net Assets (preliminary)**

Total Assets	\$3,121,229
Total Liabilities	<u>\$2,105,705</u>
Net Assets	\$1,015,524

**Cash Analysis (as of Feb 2013)**

Annual Funds Received	\$ 2,318,557
Annual Total Expenses	\$ 2,008,310
Cash Balance	\$ 1,892,657

**Mar 2013 Statement of Net Assets (preliminary)**

Total Assets	\$3,333,578
Total Liabilities	<u>\$2,097,675</u>
Net Assets	\$1,235,903

**Cash Analysis (as of Mar 2013)**

Annual Funds Received	\$ 3,491,570
Annual Total Expenses	\$ 2,894,104
Cash Balance	\$ 2,179,876

**Investments:** Tamara reported the market value of the investments as of March 2013 was \$1,053,650

She commented that because the Board had made the tough decision to increase rates for the 2013 plan year, the financials show that it had been an appropriate decision, as the plan has begun to build a surplus.

**Louisiana Clerks of Court Insurance Trust**  
**Board of Trustees Meeting, June 12, 2013**  
**Page 4**

Tamara informed the Board that the Actuarial Report would be presented at the September Board meeting. She also reported that the actuarial projections suggest no premium rate increases for the 2014 plan year. The actuary has further projected an estimate of a 7% premium increase for 2015.

Steve Andrews asked if the Clerks were getting the best possible rates and if the Board was doing its due diligence in securing the best rates. Tamara reported that they do go out to the markets to try to obtain the best possible rates. Tammy reminded the Board that at the last October meeting the Board had said they would revisit premium rates at mid-year to see if another rate increase was needed and was glad to know that it was not needed at this time.

**CLAIMS EXPERIENCE:** Tamara reminded the Board that the Specific attachment point for individuals is \$150,000 with a \$385,000. She reported that as of March, there were no specific claimants but that 2 had been added in April.

Jeff Williams reported on the actual claims experience for 2013. The history of claims for 2012 and 2013 is included.

**CLAIMS EXPERIENCE - 2012**

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 12	\$92,748	\$754,194	\$846,942	\$ 846,942
Feb 12	\$92,412	\$650,802	\$743,214	\$1,590,156
Mar 12	\$101,070	\$586,552	\$687,622	\$2,277,778
Apr 12	\$119,113	\$556,008	\$675,121	\$2,952,899
May 12	\$125,232	\$557,234	\$682,466	\$3,635,365
June 12	\$139,166	\$542,117	\$681,283	\$4,316,648
July 12	\$128,395	\$486,794	\$615,189	\$4,931,837
August 12	\$124,744	\$595,444	\$720,188	\$5,652,025
Sept 12	\$158,614	\$508,082	\$666,696	\$6,318,721
Oct 12	\$134,595	\$461,961	\$596,556	\$6,915,277
Nov 12	\$178,612	\$529,481	\$708,093	\$7,623,370
Dec 12	\$146,949	\$426,749	\$573,698	\$8,197,068

Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, June 12, 2013  
Page 5

**CLAIMS EXPERIENCE - 2013**

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 13	\$128,841	\$537,331	\$666,171	\$ 661,171
Feb 13	\$83,294	\$554,101	\$637,395	\$1,303,566
Mar 13	\$79,722	\$434,210	\$513,931	\$1,817,497

President Foster asked Jeff about Blue Cross Blue Shield monitoring billing and auditing claims they received for errors. Tamara commented that she has not received anything from BCBS about internal audit findings. Tammy also asked about the prescriptions as well. Tamara will reach out to BCBS for any reports they can provide with summary of internal prescription and claim audits.

Jeff reported that BCBS is recommending that fully-insured programs consider implementing an automatic denial for those compound claims in excess of \$250. Mark Graffeo requested additional data on how many members this would affect. Jeff will report back at the next meeting.

**DENTAL CLAIMS- 2012**

Date	Lives	Premiums	Claims	Ratio
Jan 12	1,164	\$48,187.00	\$11,838.00	24.57%
Feb 12	1,159	47,797.00	33,593.00	70.28%
Mar 12	1,160	48,205.00	36,970.00	76.69%
Apr 12	1,158	48,054.00	33,392.00	69.49%
May 12	1,155	47,824.00	56,015.00	117.13%
June 12	1,159	47,856.00	39,045.00	81.59%
July 12	1,137	47,747.00	44,916.00	94.07%
August 12	1,156	46,537.00	57,144.00	122.79%
Sept 12	1,160	48,418.00	37,631.00	77.72%
Oct 12	1,155	47,734.00	52,620.00	110.24%
Nov 12	1,159	47,532.00	39,567.00	83.24%
Dec 12	1,158	47,438.00	36,399.00	76.73%
<b>TOTAL</b>	<b>13,877</b>	<b>\$573,329</b>	<b>\$39,927</b>	<b>83.7%</b>

**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%
<b>TOTAL</b>	<b>4,622</b>	<b>\$187,872</b>	<b>\$162,386</b>	<b>86.4% AVG</b>

Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, June 12, 2013  
Page 6

**VISION INSURANCE - 2012**

Date	Lives	Premium	Claims	Ratio
Jan 12	838	\$ 5,463.00	\$ 1,930.00	35.33%
Feb 12	839	5,825.00	1,049.00	18.01%
Mar 12	834	5,789.00	4,197.00	72.50%
Apr 12	834	5,789.00	5,865.00	101.31%
May 12	834	5,797.00	4,218.00	72.76%
June 12	837	5,814.00	3,450.00	59.34%
July 12	823	5,714.00	3,415.00	59.77%
August 12	837	5,797.00	2,543.00	43.87%
Sept 12	842	5,829.00	3,063.00	52.55%
Oct 12	841	5,815.00	2,666.00	45.85%
Nov 12	841	5,818.00	2,268.00	38.98%
Dec 12	840	5,810.00	3,974.00	68.40%
<b>TOTAL</b>	<b>10,040</b>	<b>\$69,260.00</b>	<b>\$38,638.00</b>	<b>55.72%</b>

**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%
<b>TOTAL</b>	<b>3,364</b>	<b>\$22,952.00</b>	<b>\$16,552.00</b>	<b>72.10% AVG</b>

**LIFE INSURANCE: 7-1-13 to 5-1-13**

Earned Premiums	\$304,754
Paid Claims	345,000
Change in IBNR	-7
Change in Reported Reserve	0
Total Incurred Claims	344,993
Total Expense & Risk Charges	72,942
<b>BALANCE</b>	<b>(\$113,181)</b>



**Louisiana Clerks of Court Insurance Trust**  
**Board of Trustees Meeting, June 12, 2013**  
**Page 7**

**WELLNESS PROGRAM:** Tamara commented that the Board had previously offered the Health Wellness Screenings and suggested that the Board might consider doing another wellness offering, such as a biometric screening and/or health risk assessment. She suggested the Board establish a Wellness Committee to look at available options. Tamara will check with BCBS about an online health risk assessment that may be available at no cost. The Board further discussed the idea of offering incentives to members for doing these assessments.

Tamara requested the Board's approval to review potential new providers for those products that have increased rates during the renewal process. Mark Graffeo moved that Tamara be given permission to go out to market for potential new providers. Motion seconded by Carol Jones. **MOTION CARRIED.**

Rick Arceneaux made a motion that Tamara also go to market for health insurance providers comparable to Blue Cross Blue Shield, to ensure that the Board is aware of all renewal options as part of their due diligence. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

**HEALTH CARE REFORM:** Tamara reported that because many of the parishes are smaller employers (less than 50 employees) many of the health care reform penalties will not apply. She said that Hunt Insurance continues to send information out to the parishes, for informative purposes but some of the information may not apply to all parishes. Tamara said that the largest impact on the Trust is the CER fee, which is \$1 per belly button and cannot be paid out of reserves. This amount, approximately \$1,600 will have to be paid by July 2013 out of the administration fund. In 2014, the amount increases to \$2 per belly button. She also informed the Board that the Re-insurance tax can be paid out of reserves. This is \$63 fee per belly button to fund the health exchanges due December 2014. Hunt Insurance Group continues to monitor Health Care Reform and will keep the Board up to date on matters affecting the Trust. Tamara commented on parishes that have more than 50 employees will be subject to the pay or play penalty, based on whether they offer coverage or not and whether it is affordable or not. Debbie asked that Tamara look into the W-2 reporting of health care premiums and whether or not the Clerks would need to report that in the coming years. Debbie also asked that Tamara check into the payment of fees based on the numbers reported on the Form 5500.

Debbie reported that one parish, which had previously been a member of the Trust, had contacted Hunt Insurance Group about only participating in the Trust's life insurance program. After discussion, Tamara will review the Trust agreement to see if that can be allowed.

**Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, June 12, 2013  
Page 8**

Tamara presented the Annual Stewardship Report to the Board and requested permission to send this report to all the Clerks participating in the Trust.

Debbie requested information regarding the utilization of the Health Advocate and whether or not it is a worthwhile expense the Trust is paying for monthly. There were 273 out of 1200 participants as of 2012 that used Health Advocate. Mark Graffeo suggested that the Board look further into the utilization of the Health Advocate and revisit the issue at the September Board Meeting.

**REPORT OF THE EXECUTIVE DIRECTOR**

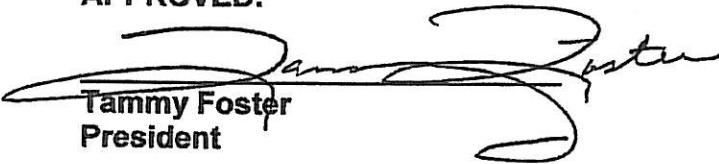
Debbie reported that hopefully she would be doing a walk-thru the following day at the new building and that the September Board Meetings would be held in the new office. The current office remains on the market with no inquiries at this time.

**COMMENTS BY BOARD MEMBERS: None**

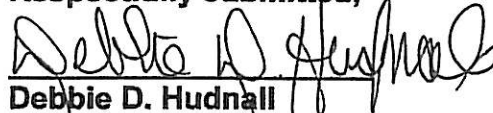
There being no further business, Carl Broussard moved that the meeting be adjourned. Motion seconded by Cliff Dressel. **Motion carried.**

**Meeting adjourned.**

**APPROVED:**

  
Tammy Foster  
President

**Respectfully submitted,**

  
Debbie D. Hudnall  
Executive Director