

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING

MARCH 28, 2013

9:00 AM

BATON ROUGE, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, March 28, 2013, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Tammy Foster who then asked Bill Hodge to give the invocation. Lance Marino then led the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Tammy Foster
Diane Meaux Broussard
Darlene Landry
Lance Marino
Rick Arceneaux
Carol Jones

Lanell Landry
Steve Andrews
Cliff Dressel
Mark Graffeo
Bill Hodge

ALSO PRESENT:

Debbie Hudnall, Executive Director
Morgan Bender, Hunt Insurance
Jeff Williams, Hunt Insurance
Guests – Dot Lundin and Brian Lestage

APPROVAL OF MINUTES

Bill Hodge moved that the minutes of November 29, 2012, be approved as presented. Motion seconded by Darlene Landry. **MOTION CARRIED**

COMMENTS BY CHAIRMAN

Tammy Foster thanked everyone for their attendance at the meeting.

FINANCIALS: (Report on file in office) In absence of Treasurer Jim Martin, Debbie Hudnall presented the financial reports for Insurance operations fund for November and December 2012 and January and February 2013.

Nov 2012-	Total Assets:	\$ 310,323
	Monthly Revenue	11,586
	Monthly Expenses	(8,512)
	Monthly Net Income	\$ 3,074

Dec 2012-	Total Assets:	\$ 307,875
	Monthly Revenue	10,676
	Monthly Expenses	(13,124)
	Monthly Net Loss	(\$ 2,448)

Louisiana Clerks of Court Insurance Trust
Board of Trustees Meeting, March 28, 2013
Page 2

Jan 2013-	Total Assets:	\$ 311,133
	Monthly Revenue	11,168
	Monthly Expenses	(7,910)
	Monthly Net Income	\$ 3,258

Feb 2013-	Total Assets:	\$ 314,543
	Monthly Revenue	11,269
	Monthly Expenses	(7,859)
	Monthly Net Income	\$ 3,410

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

Debbie commented that there had been an issue with the posting of the Financial Statements timely on Willis online by Hunt Insurance. She said there had been staffing changes and they had promised everything will be done more timely in the future.

ADMINISTRATORS' REPORT: (Report on file in office)

Tamara Tretter was unable to be in attendance in person but she joined the meeting by conference call.

Financial Reports: Morgan Bender gave the financial reports for the Insurance Trust for the months of November 2012 and preliminary reports for both December 2012 and January 2013.

Nov 2012 Statement of Net Assets

Total Assets	\$3,057,770
Total Liabilities	<u>\$2,194,032</u>
Net Assets	\$ 863,738

Cash Analysis (as of Nov 2012)

Annual Funds Received	\$11,644,584
Annual Total Expenses	\$11,760,203
Cash Balance	\$ 1,416,999

Dec 2012 Statement of Net Assets (preliminary)

Total Assets	\$2,880,709
Total Liabilities	<u>\$2,033,628</u>
Net Assets	\$ 847,081

Louisiana Clerks of Court Insurance Trust
Board of Trustees Meeting, March 28, 2013
Page 3

Cash Analysis (as of Dec 2012)

Annual Funds Received	\$12,576,830
Annual Total Expenses	\$12,527,038
Cash Balance	\$ 1,582,410

Jan 2013 Statement of Net Assets (preliminary)

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	\$ 1,215,777
Cash Balance	\$ 1,597,797

Morgan commented that with the move from BMS to BCBS in January that many of the reports had been restructured. There was discussion regarding the determination of the IBNR number.

Investments: Debbie reported the market value of the investments as of February 2013 was \$1,054,235.

CLAIMS EXPERIENCE: Morgan 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

CLAIMS EXPERIENCE - 2013

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 13	\$133,491	\$530,810	\$664,302	\$ 565,948

Louisiana Clerks of Court Insurance Trust
Board of Trustees Meeting, March 28, 2013
Page 4

Morgan reported that there are no potential specific claimants that are being tracked but that was only as far as January. Mark Graffeo asked that they include the previous year's specific claimants for the next meeting.

Morgan pointed out that Blue Cross Blue Shield provides enhanced reporting and breakdown of members. The utilization summary provides detail information on claims.

Debbie asked the Board members if anyone had any problems with the new prescription drug provider, Express Scripts. She commented that some members had experienced issues because they were required to obtain new prescriptions because of the change over. Diane asked Morgan to check into the receiving first time generic drug prescription free more than one time.

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%
TOTAL	13,877	\$573,329	\$39,927	83.7%

DENTAL CLAIMS- 2013

Date	Lives	Premiums	Claims	Ratio
Jan 13	1,154	\$46,965.00	\$39,230.00	83.53%
Feb 13	1,155	47,213.00	39,735.00	84.16%

Louisiana Clerks of Court Insurance Trust
Board of Trustees Meeting, March 28, 2013
Page 5

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%
TOTAL	10,040	\$69,260.00	\$38,638.00	55.72%

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%

Morgan reviewed the Health Advocate service and utilization. There was a savings of \$18,654 experienced in plan year 2012 by those who utilized the service. She reported that out of 1230 employees only 273 had used the service and most of the services were for claims assistance.

LIFE INSURANCE: July 1, 2008 to December 31, 2012

Earned Premiums	\$3,022,814
Paid Claims	2,515,500
Change in IBNR	140,842
Change in Reported Reserve	0
Total Incurred Claims	2,666,342
Total Expense & Risk Charges	633,062
BALANCE	(\$276,590)

HEALTH CARE REFORM: Jeff Williams then presented information regarding the Health Care Reform. Morgan commented that the Early Retiree Reinsurance Program was administered by Hunt for the Trust and monies were received by the Trust from this program. Jeff highlighted some of the reforms that will affect our plan: Mid-year plan changes must have 60 days advance notice, \$1 per capita CER fee self-insured plans (must be paid by July 31st) – increases to \$2 in 2013. This fee is for health care reform research. Jeff also spoke about the reporting of coverage value on W-2's and the employee's contribution exceeding 9.5%. Tamara Tretter via telephone call spoke on the State and National Health Exchanges. There was discussion on the Employer Pay or Play Penalty regarding number of employees (50+ employees) and penalties for those not offering insurance coverage or coverage that is unaffordable or insufficient. Discussion continued regarding providing salary information to Hunt for calculation of those exceeding the 9.5% contribution threshold to maintain compliance. Debbie voiced concern that some may be enticed to go the Federal Insurance Exchange because it will initially appear to be less expensive. Mark asked Jeff to research the reporting requirement for 2013. Tamara stated that Hunt can compile a spreadsheet of the impact of the exchanges for the individual parish Clerks. Jeff reported that the exchange set up is running behind and many states have just turned it over to the Federal Government. Debbie commented on the limited cost sharing regarding the out-of-pocket maximums and high deductibles. Tamara commented that the plan is in compliance with Health Care Reform. Jeff spoke in detail regarding the Transitional Reinsurance Contributions which will be an amount estimated to be \$63 per each plan member (belly button) per year that will be paid for the calendar years 2014-2016 in order to fund the Exchanges. As of January 2014, all employers will have to report the insurance amount paid for employees on their W-2's. Mark Graffeo asked Jeff if Hunt will provide the yearly premium amounts paid by employer on the employee's behalf for the reporting requirement. Jeff said that Benefit Solver currently has that information available. Jeff also spoke about the High Cost Coverage Tax in 2018 for those high cost coverage plans.

REPORT OF THE EXECUTIVE DIRECTOR

Debbie presented the Actuary proposal from Bonnie Albritton with L&E Actuaries & Consultants. The proposal is to not exceed \$5,500. Rick Arceneaux moved that proposal be approved, seconded by Cliff Dressel. **Motion Carried.**

Debbie gave the building update reporting that the cost is less than the original bid because of change orders. The Association Board has authorized that the Bricksome Condo office be listed for sale.

OTHER BUSINESS: Debbie thanked Morgan Bender and Jeff Williams for their presentation in absence of Tamara Tretter.

Debbie commented that there was a parish, not currently in our Trust, who called requesting a quote to join the Trust and a second parish may be interested in the life insurance product only.


**Louisiana Clerks of Court Insurance Trust
Board of Trustees Meeting, March 28, 2013
Page 7**

COMMENTS BY BOARD MEMBERS: None

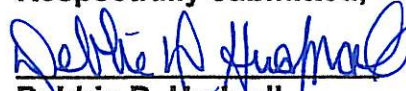
There being no further business, Steve Andrews moved that the meeting be adjourned.
Motion seconded by Cliff Dressel. **Motion carried.**

Meeting adjourned.

APPROVED:


Tammy Foster
Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director