

APPROVED MINUTES
LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
JULY 26, 2012
9:00 AM
LAKE CHARLES, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, July 26, 2012, Lake Charles, Louisiana.

The meeting was called to order by Chairman Tammy Foster who then asked Diane Meaux Broussard to give the invocation. Steve Andrews then led the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Tammy Foster
Diane Meaux Broussard
Jim Martin

Rick Arceneaux
Carol Jones
Steve Andrews

Darlene Landry
Vernon Rodrigue
ALSO PRESENT:

Cliff Dressel
Mark Graffeo
Bill Hodge

Debbie Hudnall

Tamara Tretter, Hunt Insurance

Guest – Carl Broussard, David Dart, John Olivier and President Lynn Jones

APPROVAL OF MINUTES

Cliff Dressel moved to accept the minutes of the meeting of May 23, 2012, as presented. Motion seconded by Darlene Landry. **Motion carried.**

COMMENTS BY PRESIDENT

Chairman Tammy Foster welcomed everyone to the meeting and recognized Bill Hodge as the new Board member representing the retirees. She reminded everyone that the Clerks' Institute would be August 7th – 10th in Marksville and urged everyone to attend and to register as many deputies as possible because of the legislative update. She also reminded the Board that the next Board meeting will be October 24th at Nottoway in White Castle.

FINANCIALS: (Report on file in office) Treasurer Jim Martin presented the financial reports for Insurance operations fund for May and June 2012.

May 2012-	Total Assets:	\$ 300,908
	Monthly Revenue	8,765
	Monthly Expenses	(6,792)
	Monthly Net Income	\$ 1,973

June 2012-	Total Assets:	\$ 297,109
	Monthly Revenue	8,752
	Monthly Expenses	(12,557)
	Monthly Net Income	\$ (3,799)

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Mark Graffeo moved that the Financial Statements be received. Motion seconded by Bill Hodge. **Motion carried.**

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Tamara Tretter gave the financial reports for the Insurance Trust for the period ending May 2012. She reported that the claims had been higher this year in comparison to last year.

May 2012 Statement of Net Assets

Total Assets	\$2,487,819
Total Liabilities	<u>\$ 379,446</u>
Net Assets	\$ 2,108,373

Cash Analysis (as of May 2012)

Annual Funds Received	\$ 5,475,812
Annual Total Expenses	<u>\$ 5,413,675</u>
Cash Balance	\$ 1,594,755

Investments: Tamara reported the market value of the investments as of May 31, 2012 was \$857,041.

She also related that in comparison at the end of fiscal year June 30, 2008 the fund had a negative \$222,702 in net assets and as of December 31, 2011, the fund had net assets of \$2,344,240.

Actuarial Report: Tamara Tretter discussed the Actuarial Report as prepared by Bonnie Albritton with L&E Actuaries & Consultants. The report reflected that based on the actuarial projections, the contributions are not sufficient to cover expected claims and expenses for the remainder of the current fiscal year and projected a decrease in the Trust's surplus as of December 31, 2012 of approximately \$823,000. The report showed that unless there are adjustments in benefits, there could possibly be an increase of 15% for 2013 and 11% for 2014 in order to increase the surplus.

CLAIMS EXPERIENCE: The claims experience for 2011 and 2012 are as follows:

CLAIMS EXPERIENCE - 2011

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 11	\$91,601	\$404,459	\$496,060	\$ 496,060
Feb 11	\$74,933	\$463,485	\$538,418	\$1,034,478
Mar 11	\$81,666	\$343,467	\$425,133	\$1,459,611
April 11	\$106,519	\$540,370	\$646,889	\$2,106,500
May 11	\$102,674	\$652,095	\$754,769	\$2,861,269
June 11	\$105,782	\$435,735	\$541,517	\$3,402,786
July 11	\$114,390	\$577,815	\$692,205	\$4,094,991
Aug 11	\$119,145	\$1,386,671	\$1,505,816	\$4,845,451
Sep 11	\$150,117	\$792,358	\$942,475	\$5,784,293
Oct 11	\$133,165	\$542,501	\$675,666	\$6,429,784
Nov 11	\$138,162	\$520,434	\$658,596	\$7,043,619
Dec 11	\$151,624	\$681,499	\$833,123	\$7,798,479

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

Tamara reminded the Board that the Aggregate Insurance for the stop loss is \$10,039,153 which is 125% of the expected claims and as of May 31st total aggregate was \$3,635,365. She said that she does not expect the Trust to hit the Aggregate, but that it may be close. Tamara reported there are 9 potential specific claimants and one which may hit the corridor of \$385,000 in addition to the \$150,000 specific.

Debbie pointed out to the Board that on the Statement of Net Assets under liabilities it shows the IBNR for 2012 to be \$213,279 and the IBNR for 2011 to be \$1,003,542. She had asked Tamara after the last Board meeting why there was such a discrepancy in those two numbers. Tamara reported that they were waiting for the number from the actuary which they had received and would be included on the June report and the new IBNR number would be approximately \$1.5 million which would drastically reduce the net assets. That IBNR would be as of December 31, 2012.

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Tamara said that she understood that the Board would want to minimize any increases as much as possible and they would be looking at alternative ways to reduce claims without passing on a 15% increase. She said the Board had authorized her to begin looking at alternative markets as the last meeting and she had been doing so. Tamara reminded the Board that the actuary had recommended an 8% increase last year, and the Board chose a much lower increase. She received quotes on prescriptions with 2 national companies and they both ran our prescription claims for the last 2 years through their program and each of those companies showed a \$400,000 savings over a 2 year period. She said that a national PBM would be very beneficial to the Trust. Currently, Script Care is the only company that BMS is integrated with in order to give you a real time accounting of your prescription claims.

If the Trust changed over to one of the National Companies, those on Option 1 would have to pay all prescription claims first and then submit them to be reimbursed. Tamara informed the Board that Blue Cross plans to absorb BMS in January 2014, but she is trying to convince them to do that on January 2013, because they are integrated with National PBM's and it would make it easier to switch prescriptions to a National Company. She said the Blue Cross/Blue Shield has a much more enhanced disease management and case management structure than BMS and that would also be an advantage to the Trust.

Additionally, she said that Health Advocacy is enhancing their system that could help case management. Health Advocacy does not charge an additional fee, but BMS would charge a fee to send the monthly claims to Health Advocacy. She would look to see how much BMS would charge for this service because these are things that can be done to help keep down cost.

Debbie reported that she had attended an insurance seminar on her way to the Board meeting where they discussed ideas on how to trim costs. There was much discussion by the Board on attacking cost of medical claims and helping members become better consumers by better educating the members. Tamara will bring different options to the Board for renewal.

DENTAL INSURANCE - Tamara reminded the Board that the Dental had been changed to Delta Dental in 2012 and that it seemed to be going very smoothly because they haven't been receiving many calls from members

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2011 Dental Claims

Date	Lives	Premiums	Claims	Ratio
Jan 11	1,163	\$47,193.00	\$42,318.00	89.67%
Feb 11	1,167	47,272.00	38,930.00	82.35%
Mar 11	1,150	46,630.00	46,017.00	98.69%
Apr 11	1,150	46,569.00	34,769.00	74.66%
May 11	1,154	46,636.00	40,569.00	86.99%
June 11	1,154	46,724.00	44,867.00	96.03%
July 11	1,156	46,716.00	37,358.00	79.97%
Aug 11	1,152	46,568.00	47,410.00	101.81%
Sept 11	1,152	46,656.00	43,060.00	92.29%
Oct 11	1,153	46,574.00	37,508.00	80.53%
Nov 11	1,150	46,622.00	44,636.00	95.74%
Dec 11	1,152	46,669.00	39,339.00	84.29%
TOTAL	13,853	\$560,829.00	\$496,781.00	88.59%

DENTAL INSURANCE - 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	1155	47,824.00	56,015.00	117.13%
TOTAL	5,796	\$240,067.00	\$171,808.00	71.6%

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%
TOTAL	3,345	\$22,866.00	\$13,041.00	56.79%

LIFE INSURANCE:

July 1, 2008 to March 31, 2012

Earned Premiums	\$ 2,662,694
Paid Claims	2,163,000
Change in IBNR	143,063
Change in Reported Reserve	63,000
Total Incurred Claims	2,306,063
Total Expense & Risk Charges	543,179
BALANCE	(\$186,548)

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Tamara reminded the Board that she is expecting an increase in Life Insurance premium, but Standard was working to give the best possible price.

HEALTH ADVOCACY:

Tamara reported that out of 1,230 employees there were 288 interactions with the Health Advocacy. They cover Benefits Education, Claims Assistance, Fee Negotiation, Routine Care Locator, Specialty Care Locator and many other topics. She said that the biggest aid the members had received was on claims assistance. She reminded the Clerks to please utilize the service and to remind their employees. Health advocacy will also help with dental and vision.

Tamara reminded the Board that the renewal would be coming at the October Board meeting. She said she would host a webinar sometime in September on the renewal proposals for the Board so they would be able to make a decision at the October meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Illegal Acts Amendment: Debbie reported that Sheri Morris, attorney for Board, recommended the following amendment to the plan document in regards to Illegal acts.

AMENDMENT
EFFECTIVE JANUARY 1, 2013

Effective January 1, 2013, paragraph 20 of the Section entitled "Plan Exclusions" is hereby amended to remove the struck through language and to add the underlined language as follows:

- (20) **Illegal acts.** Charges for services received as a result of Injury or Sickness occurring directly or indirectly, as a result of a ~~Serious Illegal Act~~, Member's commission or attempted commission of a felony or a Member's taking part in a riot or public disturbance or for treatment of any Member confined in a prison, jail, or other penal institution. ~~For purposes of this exclusion, the term "Serious Illegal Act" shall mean any act or series of acts that, if prosecuted as a criminal offense, a sentence to a term of imprisonment in excess of one year could be imposed. It is not necessary that criminal charges be filed, or, if filed, that a conviction result, or that a sentence of imprisonment for a term in excess of one year be imposed for this exclusion to apply. Proof beyond a reasonable doubt is not required. This exclusion does not apply if the Injury or Sickness resulted from an act of domestic violence or a medical (including both physical and mental health) condition.~~

Jim Martin moved that the Illegal Acts amendment recommended by the attorney be approved. Motion seconded by Rick Arceneaux. **Motion carried.**

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Building Update: Debbie reported that she is trying to keep everyone up to date on the progress of the building on the Clerks' only website. She said the appraisal had been completed and came back \$7000 less than the agreed upon price. Dr. Couvillion had agreed to accept the price of the appraised value. She stated that the President had appointed the Building Committee and the Finance Committee. Debbie had met with the architect that is developing the Business Park for Dr. Couvillion and the Building Committee recommended that it would be to the Clerks' advantage to use the same architect. Debbie said the architect is Scott Ritter with Ritter Maher Architects who specializes in office parks. She said that the architect's contract and Condominium documents had been sent to the attorney for review. She stated that the Retirement Board had authorized Mark Graffeo or Lynn Jones to sign all of the documents necessary to purchase the land and construct the building on behalf of the Retirement Board.

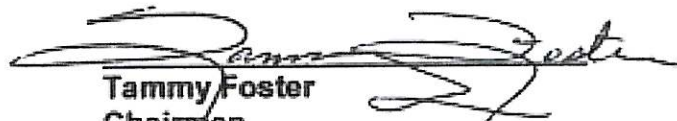
OTHER BUSINESS: None

COMMENTS BY BOARD MEMBERS: None

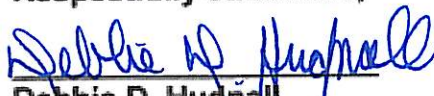
There being no further business, Jim Martin moved that the meeting be adjourned. Motion seconded by Mark Graffeo. **Motion carried.**

Meeting adjourned.

APPROVED:


Tammy Foster
Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director