

APPROVED MINUTES

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
DECEMBER 8, 2011
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, December 8, 2011, Bossier City, Louisiana.

The meeting was called to order by Vice-Chairman Tammy Foster who then asked Louie Bernard to give the invocation. Lanell Landry then led the Pledge of Allegiance.

MEMBERS PRESENT:

Vice-Chairman Tammy Foster
Jim Martin
Cliff Dressel
Holli Vining
Kay Bolding
Lanell Landry
ElRay Lemoine
Louie Bernard

Also present:
Debbie Hudnall, Executive Director
Tamara Tretter with Hunt Insurance Group
Guest:
Carl Broussard
David Dart
Dot Lundin

APPROVAL OF MINUTES

Jim Martin moved to accept the minutes of the conference call of October 6, 2011, and the meeting of October 13, 2011, as presented. Motion seconded by Cliff Dressel. **Motion carried.**

COMMENTS BY PRESIDENT

Vice-Chairman Foster said she had enjoyed being in the Shreveport/Bossier City area for the meetings and thanked Gary for all of the work he and his staff did in putting the meetings together.

FINANCIALS: (Report on file in office) Treasurer Jim Martin presented the financial reports for Insurance operations fund for October 2011.

Oct. 2011-	Total Assets:	\$ 280,162.86
	Monthly Revenue	11,390.42
	Monthly Expenses	(6,436.83)
	Monthly Net Income	\$ 4,953.59

Louie Bernard moved that the Financial Statements be received. Motion seconded by Lanell Landry. **Motion carried.**

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Jim Martin presented an amended Budget for the year ending 2011, which added \$10,000 for the Health Advocacy fees which had been previously approved; increased meeting expenses from \$5,000 to \$6,500; increased Other Professional Fees from \$2,000 to \$5,000 which was for the Actuarial report; and added \$650 for Storage Rental. Jim Martin moved that the Amended Budget be approved. Motion was seconded by Cliff Dressel. **Motion carried.**

Jim Martin then presented then presented the 2012 Budget. **(See Exhibit A)** Jim moved that the 2012 Budget Proposed Budget be accepted. Motion seconded by Louie Bernard. **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 October 2011

Oct. 2011 Statement of Net Assets

Total Assets	\$ 2,597,789
Total Liabilities	<u>\$ 437,210</u>
Net Assets	\$ 2,160,579

Cash Analysis (as of Oct 2011)

Annual Funds Received	\$ 11,533,285
Annual Total Expenses	<u>\$ 10,715,614</u>
Cash Balance	\$ 1,675,992

Jim Martin asked why the IBNR was so much less compared to the last year and Tamara reported that the turn around had been better and that the claims had been better. She said there was one very high claimant, but when you looked at the plan as a whole, the claims were better. Tamara reported the aggregate claims paid as of October 31st was \$6,429,784 in comparison to the attachment point of \$9,610,556 for the year. She reported there was \$33,819 pending in specific claims re-imbursements.

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Investments: Tamara reported the market value of the investments as of October 31, 2011 was \$807,911.

CLAIMS EXPERIENCE: The claims experience for 2010 and 2011 are as follows:

Claims Experience

Month	Prescriptions	Medical	Monthly Total	Aggregate
Jan 10	\$106,281	\$606,290	\$712,571	\$ 712,571
Feb 10	\$ 84,748	\$485,634	\$570,382	\$1,282,953
Mar 10	\$ 73,344	\$456,611	\$529,954	\$1,812,908
April 10	\$112,290	\$374,450	\$486,740	\$2,299,648
May 10	\$94,207	\$683,105	\$777,312	\$3,041,741
June 10	\$97,560	\$569,567	\$667,127	\$3,706,027
July 10	\$107,007	\$648,111	\$755,118	\$4,405,346
Aug 10	\$113,207	\$467,419	\$580,626	\$4,968,392
Sept 10	\$107,994	\$288,384	\$396,378	\$5,362,043
Oct 10	\$145,562	\$630,756	\$776,318	\$6,113,851
Nov 10	\$116,195	\$804,536	\$920,731	\$6,870,452
Dec 10	\$148,664	\$753,270	\$901,934	\$7,489,391

CLAIMS EXPERIENCE

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

Tamara reported there were potential specific claimants through October 31, 2011, but one of whom is now deceased.

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Tamara reported the following as paid claims by category for 2011 through October.

Inpatient Facility	\$ 2,546,130
Outpatient Facility	1,478,819
Physician Services	1,182,709
Ancillary Services	838,273
Prescriptions	1,089,059

She reported that as of November 21, 2011 there were 859 active employees enrolled in medical insurance and 235 retirees enrolled in medical insurance. She also informed the Board that only 30% of the employees were enrolled in the Voluntary Life and that it would be open enrollment only this one additional time for the year beginning January 2012 for the Voluntary Life. This Voluntary Life would be an additional \$120,000 for the employee and an additional \$15,000 for the spouse without any questions being asked. Additionally, they can add voluntary life insurance for their children.

DENTAL INSURANCE: Tamara reported that the loss ratio for the dental insurance for 2010 was 94.52% and so far this year it is 88.30%

DENTAL INSURANCE

Date	Lives	Premium	Claims	Ratio
Jan 10	1,147	\$ 44,134.08	\$ 33,520.14	75.95%
Feb 10	1,150	44,561.05	35,724.16	80.17%
Mar 10	1,155	45,187.88	43,914.15	97.18%
Apr 10	1,155	43,871.46	41,718.65	95.09%
May 10	1,155	43,686.88	42,572.37	97.45%
June 10	1,155	43,962.00	37,597.00	85.52%
July 10	1,159	43,987.00	41,584.00	94.54%
Aug 10	1,162	43,907.00	47,452.00	108.07%
Sept 10	1,159	43,873.00	40,250.00	91.74%
Oct 10	1,145	43,349.00	40,548.00	93.54%
Nov 10	1,154	43,693.00	44,943.00	102.86%
Dec 10	1,156	43,794.00	49,104.00	112.12%
TOTAL	13,852	\$528,006.35	\$498,927.47	94.52%

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%
TOTAL	11,551	\$467,538.00	\$412,806.00	88.30%

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VISION INSURANCE

Date	Lives	Premium	Claims	Ratio
Jan 11	787	\$ 5,428.00	\$ 2,840.00	52.32%
Feb 11	792	5,462.00	2,612.00	47.82%
Mar 11	793	5,466.00	6,687.00	122.34%
April 11	795	5,480.00	9,905.00	180.75%
May 11	797	5,483.00	5,306.00	96.77%
June 11	800	5,509.00	3,258.00	59.14%
July 11	806	5,519.00	5,431.00	98.41%
August 11	804	5,505.00	7,580.00	137.69%
Sept 11	805	5,511.00	252.00	4.57%
Oct 11	807	5,545.00	4986.00	89.92%
TOTAL	72986	\$54,908.00	\$48,857.00	88.97%

LIFE INSURANCE:

July 1, 2010 to June 30, 2011

Earned Premiums	\$667,250.00
Paid Claims	\$639,000.00
Change in IBNR	\$ 3,161.00
Total Incurred Claims	\$642,161.00
Total Expense & Risk Charges	\$104,356.00
BALANCE	(\$ 79,267.00)

Tamara reminded the Board that Mark Gibson would be hosting webinars on Benefit Solver and they encouraged everyone to participate and to learn as much as possible how to use it.

Tamara said that she had asked Morgan Bender to analyze claims on a quarterly basis to see if there might be some way to educate and help members with some issues that might help to lower claims. For an example, she had analyzed claims dealing with diabetes for 2010 and 2011. She said if diabetes could be diagnosed early it could help lower claims. Additionally, she said there are about 700 females over the age of 40 covered by our plan and only 335 had mammograms by September 30th of this year. She said based on their findings, they would try to create helpful fliers to be sent out to members that may help to reduce claims costs.

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Health Advocate

Tamara reported the following usage of the Health Advocacy Services and encouraged that everyone take advantage of this resource.

2011 Usage

May	16
June	16
July	47
Aug	63
Sept	54
Oct	24
Nov	26
TOTALS	246

2011 Category Usage

Claims Assistance	161
Fee Negotiator	10
Routine Care Locator	8
Specialty Care Locator	39
Benefits Education	19
All Others	9
TOTALS	246

REPORT OF THE EXECUTIVE DIRECTOR

Debbie informed the Board that Scott Hunt had planned on attending the meeting today, but that his flight had been cancelled and he planned to attend the meeting in February.

Debbie presented the Audit proposal from Thomas Howell Ferguson for the 2011 year. The audit proposal including the preparation of the 5500 was an estimate of \$12,750. Motion was made by Louie Bernard to approve the audit proposal. Motion seconded by Lanell Landry. **Motion carried.**

Debbie reported to the Board on a couple of pending issues. She reminded the Board that they had previously adopted a policy that said if you were Medicare eligible you must participate in the Medicare Supplement Plan or you would be terminated from the BMS plan. She said there is currently a retiree who is 84 years old and that Hunt had informed her last year that she must apply for Medicare A & B in order to participate in the Medicare Supplement Plan. Dagmar had spoken to the retiree's daughter and asked that she provide us with proof that she had applied for Medicare. Because the retiree did not apply when she first became eligible to apply, it causes her to have to pay penalties. She went to enroll in September of 2011, but was told because she would not be eligible to enroll until January of 2012 and would not go into affect until July 1, 2012. Tamara said that is was Hunt's position that she should not be allowed to participate in the Medicare Supplement because she did not apply for Medicare Part A & B as required. ElRay Lemoine moved that the retiree be allowed to maintain coverage on the BMS plan until July. Motion seconded by Lanell Landry. **Motion failed.**

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Debbie reported on a pending claims issue where a dependant had been involved in an automobile accident where possible criminal charges were pending and that BMS had declined to pay insurance claims based on Exclusion # 20. Exclusion # 20 states where charges for services received as a result of Injury or Sickness occurring directly or indirectly, as a result of a Serious Illegal Act shall be excluded. Tamara reported that an appeal on the denial had been filed by the mother. After discussion, Jim Martin moved that Sheri Morris review the appeal and our plan document and to make a recommendation to the Board. Motion was seconded by Louie Bernard. **Motion carried.**

Louie Bernard, who voted on the prevailing side of a previous motion to allow a retiree to remain on the BMS plan, even though she should be on the Medicare Supplement, then moved that said action be reconsidered. Motion seconded by Jim Martin. **Motion carried.** In the ensuing discussion of this matter, it was suggested that Sheri Morris, attorney for the Association, be asked to review the case for the purpose of determining whether or not an issue of "notice" to the retiree existed concerning the potential termination of her insurance, and that her findings be reported to the Board. **Motion carried.**

Lanell Landry moved that Sheri Morris be asked to review the exclusion policy and to make any necessary recommendations to the Board. Motion seconded by Holli Vining. **Motion carried.**

OTHER BUSINESS:

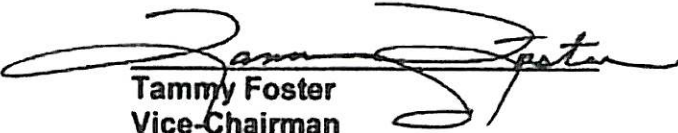
Louie Bernard expressed his genuine appreciation to Gary Loftin and his staff for their work and planning of the meetings.

COMMENTS BY BOARD MEMBERS: None

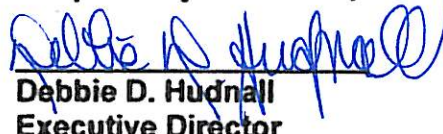
There being no further business, Kay Bolding moved that the meeting be adjourned. Motion seconded by Louie Bernard. **Motion carried.**

Meeting adjourned.

APPROVED:


Tammy Foster
Vice-Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director

Louisiana Clerks of Court Insurance Trust
Annual Budget (in whole dollars)
For calendar years 2012 and 2011

	Original Budget Calendar Year 2011	Budget Adjustments Calendar Year 2011	Amended Budget Calendar Year 2011	Difference Amended Budget 2011 and Proposed Budget 2012	Notes	Proposed Budget Calendar Year 2012
REVENUES						
Administrative Fees	132,000		132,000	(27,000)	1	105,000
COBRA Premiums						
Interest						
Claim Refunds						
Total Income	132,000	0	132,000	(27,000)		105,000
EXPENSES						
Bank Fees	100	0	100	0		100
Fiduciary/Bonds/Insurance	1,000	0	1,000	0		1,000
Health Advocate	0	10,000	10,000	5,000	2	15,000
COBRA Premiums	0	0	0	0		0
Legal Fees	4,200	0	4,200	0		4,200
Meeting	5,000	1,500	6,500	500		7,000
Membership Dues	500	0	500	0		500
Miscellaneous	400	0	400	0		400
Office Supplies	800	0	800	(200)		600
Other Professional Fees	2,000	3,000	5,000	1,000	3	6,000
Reimbursement to Assn. (\$4,200 per month)	50,400	0	50,400	0		50,400
Storage Rental	0	850	850	600	4	1,450
Travel/Per Diem	5,000	0	5,000	0		5,000
Total Expenses	69,400	15,350	84,750	6,900		91,650
Net Income	62,600	(15,350)	47,250	(33,900)		13,350

Notes

- 1 Administration Fees reflect \$7.00 per member per month in 2012, \$9.00 in 2011
- 2 Health Advocate is for a full year in 2012
- 3 Actuary report fee from L & E Actuaries
- 4 Storage Rental is for a full year in 2012