

## APPROVED BOARD MINUTES

### LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING OCTOBER 13, 2011 9:00 AM WHITE CASTLE, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, October 13, 2011, White Castle, Louisiana.

The meeting was called to order by Chairman Mark Graffeo who then asked Louie Bernard to give the invocation. Cliff Dressel then led the Pledge of Allegiance.

#### MEMBERS PRESENT:

Chairman Mark Graffeo  
Tammy Foster  
Jim Martin  
Cliff Dressel  
Diane Meaux Broussard  
Louie Bernard  
Holli Vining  
John Dahmer

#### Also present:

Debbie Hudnall, Executive Director  
Tamara Tretter with Hunt Insurance Group  
Jeff Williams with Hunt Insurance Group  
Dagmar Hebert, Executive Assistant

#### APPROVAL OF MINUTES

Tammy Foster moved to accept the minutes of the meeting of July 28, 2011 and conference calls of August 19 and September 29, 2011 as presented. Motion seconded by Jim Martin. **Motion carried.**

#### COMMENTS BY PRESIDENT

President Graffeo thanked everyone for attending the meeting and thanked Tamara Tretter and Jeff Williams for all Hunt does in managing the Clerks' Insurance program. He said he hoped everyone enjoyed their stay at Nottoway.

**FINANCIALS: (Report on file in office)** Treasurer Jim Martin presented the financial reports for Insurance operations fund for July, August and September 2011.

<b>July 2011-</b>	Total Assets:	\$ 270,002.70
	Monthly Revenue	11,295.00
	Monthly Expenses	( 6,550.70)
	Monthly Net Income	\$ 4,744.30
<b>Aug 2011-</b>	Total Assets:	\$ 271,338.00
	Monthly Revenue	11,214.00
	Monthly Expenses	( 9,878.70)
	Monthly Net Income	\$ 1,335.30

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<b>Sept 2011-</b>	Total Assets:	\$ 275,209.27
	Monthly Revenue	11,223.00
	Monthly Expenses	( 7,351.73)
	Monthly Net Income	\$ 3,871.27

Cliff Dressel moved that the Financial Statements be accepted. Motion seconded by Louie Bernard. **Motion carried.**

**AUDIT REPORT:**

Debbie advised the Board that the 2010 annual audit report had been presented at the July meeting in Lafayette, but they had not made a motion to accept the report. Louie Bernard moved that the 2010 annual audit report be accepted. Motion seconded by John Dahmer. **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 June, July and August 2011.

**June 2011 Statement of Net Assets**

Total Assets	\$ 3,055,938
Total Liabilities	<u>\$ 1,009,584</u>
Net Assets	\$ 2,046,354

**Cash Analysis (as of June 2011)**

Annual Funds Received	\$ 6,675,329
Annual Total Expenses	\$ 5,437,025
Cash Balance	\$ 2,096,625

**July 2011 Statement of Net Assets**

Total Assets	\$ 2,886,304
Total Liabilities	<u>\$ 961,486</u>
Net Assets	\$ 1,924,818

**Cash Analysis (as of July 2011)**

Annual Funds Received	\$ 7,493,496
Annual Total Expenses	\$ 6,420,907
Cash Balance	\$ 1,930,911

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**Aug 2011 Statement of Net Assets**

Total Assets	\$ 2,876,140
Total Liabilities	\$ 859,346
Net Assets	\$ 2,016,794

**Cash Analysis (as of Aug 2011)**

Annual Funds Received	\$ 8,502,915
Annual Total Expenses	\$ 8,372,464
Cash Balance	\$ 988,773

It was pointed out that the \$755,356 accounts receivable was for the large claimant in August and the \$327,118 accounts receivable for membership contributions was because of the bills going out late on the new Benefit Solver program.

**Investments:** Tamara reported the market value of the investments as of June 30, 2011 was \$909,116 and investments as of July 31, 2011 were \$910,639 and investments as of August 31, 2011 were \$759,925.

**CLAIMS EXPERIENCE:** Tamara reported there are 1262 total members in the Insurance Trust. 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

Tamara reminded the Board that the aggregate attachment point for each month is \$800,000 which is 125% of expected claims. She pointed out that the Aggregate point for August 2011 was \$4,845,451 and the Aggregate point for August 2010 was \$4,968,392. She said that indicates that the claims are stable. She reported that the average plan cost per employee per quarter was as follows: 1<sup>st</sup> quarter - \$1,774; 2<sup>nd</sup> quarter - \$2,271; and 3<sup>rd</sup> quarter - \$2,444. Tamara reported the following as paid claims by category for 2011 through August:

Inpatient Facility	\$ 2,113,204
Outpatient Facility	1,050,015
Physician Services	911,001
Ancillary Services	646,472
Prescriptions	802,831

She reported that the \$105,000 corridor had been reached with the large claimant and she also informed the Board that BMS would be pursuing subrogation on the large claimant.

**DENTAL INSURANCE:** Tamara reported that the loss ratio for the dental insurance for 2010 was 94.52% and so far this year it is 88.77%.

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**DENTAL INSURANCE**

<b>Date</b>	<b>Lives</b>	<b>Premium</b>	<b>Claims</b>	<b>Ratio</b>
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%
<b>TOTAL</b>	<b>13,852</b>	<b>\$528,006.35</b>	<b>\$498,927.47</b>	<b>94.52%</b>

<b>Date</b>	<b>Lives</b>	<b>Premiums</b>	<b>Claims</b>	<b>Ratio</b>
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%
<b>TOTAL</b>	<b>9,246</b>	<b>\$374,308.00</b>	<b>\$332,238.00</b>	<b>88.77%</b>

**VISION INSURANCE**

<b>Date</b>	<b>Lives</b>	<b>Premium</b>	<b>Claims</b>	<b>Ratio</b>
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%
<b>TOTAL</b>	<b>6,374</b>	<b>\$ 43,852.00</b>	<b>\$43,619.00</b>	<b>99.40%</b>

**LIFE INSURANCE:**

**There was no life insurance report.**

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Tamara wanted to inform the Board that they had sent a package of medical information to one of the members by UPS and when it arrived, it was empty. They had notified UPS and the member whose record was contained therein and offered to purchase, at no charge to the member, a complimentary credit monitoring from a nationally recognized provider of such service. She said they had not heard back from the member.

**RENEWALS:**

Tamara reminded the Board that they had voted to make January 2012 a true open enrollment on everything except for Supplemental Life. This means that any employee who works 30 hours or more per week may join the insurance plan January 1, 2012, whether it is health insurance, dental, vision, or regular life insurance.

Tamara reported that there would be no increase in the life insurance premiums for this year and the plan would be modified as the Board requested. The plan will only have a provision for the Clerk and a provision for a deputy, there will no longer be a provision based on salary. Additionally, at the Boards' request, Standard agreed to increase the dependant coverage from \$2000 to \$10,000 changing the price from \$ .62 to \$2.50. Tammy Foster moved that the Board accept the proposal from Standard increasing the dependant coverage from \$2000 to \$10,000. Motion seconded by Cliff Dressel. **Motion carried.**

Tamara reported that the AD&D will be opened up to everyone that might want to add AD&D to their supplemental life at the rate of \$.04 per thousand. It will have to be an amount equal to that of the individual's supplemental life.

Tamara asked that the Board set a deadline for Clerks to return the "Parish Choice" forms back to Hunt. It was moved by Jim Martin that the Clerks must return their "Parish Choice" forms back to Hunt Insurance no later than November 4<sup>th</sup> or they will have to maintain their selection from the prior year. Motion seconded by Cliff Dressel. **Motion carried.**



#### DENTAL RENEWAL

Tamara presented proposals from Standard, Assurant, Guardian and Delta for dental insurance. After discussion, Jim Martin moved that the Board accept the proposal of Delta. Motion was seconded by Cliff Dressel. **Motion carried.**

Tamara informed the Board that Delta had a larger PPO network which includes about 400 to 500 dentists. They also have an additional 1,000 dentist who have also agreed to accept a discount, not as deep as the PPO network, and the patient cannot be balance billed. Additionally, Delta does not include the diagnostic or preventive care toward the \$1,500 maximum; however they do not have the rollover as Standard did. Delta agreed a guaranteed premium rate for two years.

	Current Rate	New Rate
Employee	\$23.68	\$24.31
Employee + Spouse	\$51.22	\$52.60
Employee + Child(ren)	\$57.73	\$59.28
Family	\$85.25	\$87.55

Tamara said Hunt was requesting to increase their administration fees on the dental premium from 1% to 3% and that the increase was included in the premium rates above.

Louie Bernard reported that he had been contacted by a Clerk whose office is struggling financially and had pleaded that the Board do whatever they could to keep from having any increases in the insurance.

#### HEALTH INSURANCE RENEWAL

Tamara recommended to the Board that they maintain the health insurance as is with a specific deductible of \$150,000 with unlimited lifetime maximum. She recommended staying with Symetra and to increase the \$105,000 corridor to \$385,000 which would represent the stop loss premium increase; however, if there was any portion of the corridor that was not used, that would be a savings to the Trust. The Board considered several premium proposals and the fact that the Actuary recommended an eight percent increase across the Board. After careful consideration, Jim Martin moved that the Board maintain the specific deductible at \$150,000, maintain Symetra as the re-insurer with a corridor of \$385,000 and that the premiums on Option 1 be increased by 5% and premiums on Option 2 be increased by 3%. Motion was seconded by Cliff Dressel. **Motion carried with John Dahmer abstaining.**

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Tamara proposed to the Board that rather than Hunt receiving a 10% commission on the re-insurer premium, that Hunt's administration fee be set at \$9.00 per member. That \$9.00 would be in addition to the current \$5.00 fee. Jim moved that the Board accept the proposed administration fee of \$14.00 for Hunt Insurance and increase the 1% commission on dental to 3% which would amount to about a \$40,000 annual increase. Motion seconded by Cliff Dressel. **Motion carried.**

Jim Martin moved that the \$9.00 administration fee to the Insurance Trust be reduced to \$7.00. Motion seconded by Cliff Dressel. **Motion carried.**

Tamara reminded the Board that on a phone conference on September 29<sup>th</sup>, the Board members that participated in the call approved a 10% increase on the Medicare Part D insurance for the United Healthcare Supplemental plan for retirees which increased the premium from \$188.09 to \$206.90 effective January 1, 2012. There was not a quorum on the call so the Board needs to ratify that motion. Tammy Foster moved that the Board ratify the motion made on September 29<sup>th</sup>. Motion seconded by Diane Meaux Broussard. **Motion carried.**

Tamara further informed the Board that United Healthcare will no longer allow for a composite premium rate on the retirees and that the rates will be based on the domicile of the retiree and their age. This would provide a range of premiums from a 7.44 % decrease to a 21.34% increase which would be a range of premiums (including Medicare Part D) from \$343.05 to \$449.73. There would be a premium reduction for 48 retirees, 57 retirees would have less than 10% increase, 71 retirees would have over a 10% increase and 8 would have a 21% increase. Tamara reminded the Board that because the Clerks' offices pay either all or a portion of the retiree's premium, the retiree would not have to pay the full increase. After much discussion, Tammy Foster moved to accept the proposal of United Healthcare AARP supplemental plan with premiums on an individual basis at the proposed rates upon approval of the State of Louisiana. Motion seconded by Cliff Dressel. **Motion carried.**

Tamara also presented the Board with a proposal from BMS for their portion of processing the ERRP application of \$1500. She reminded the Board that the trust had received \$156,000 from ERRP for 2011 and that they had already approved the \$8000 fee for Scriptcare. Motion was made by Cliff Dressel to pay the \$1500 fee to BMS. Motion seconded by Jim Martin. **Motion carried.**



#### REPORT OF THE EXECUTIVE DIRECTOR

Debbie reported that at the last meeting Mark and Jim had requested information as to whether or not the Trust had made the right decision in increasing the Specific Deductible to \$150,000. Hunt Insurance had provided the information and Mark and Jim were satisfied that the right decision had been made.

Debbie further reported that the contract with BMS had been signed four years ago at the Clerks' Institute after discussion with Brad and Debbie Smith of BMS. Debbie Smith took the signed contract with her that day and said she would return a signed copy to the Insurance Trust. Before BMS returned the contract, the hurricane destroyed their office in Houma along with the signed contract. When they subsequently submitted the contract again, they had changed some of the contents of the contract. Debbie said that Sheri Morris had reviewed the contract, Hunt has reviewed the contract and it has been sent back and forth numerous times, but at this time there was still not a signed contract. She urged that this contract be finalized as soon as possible. Tamara said she had contacted them and it is currently with their legal staff.

Debbie commended Dagmar Hebert for the tremendous job she does in handling insurance issues in the Association office.

#### OTHER BUSINESS:

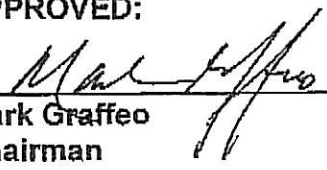
Mark reminded the Board that the Board meetings would be in the Shreveport/Bossier on December 6, 7, & 8<sup>th</sup>. After the meeting dates and arrangements had been made, the qualifying dates were changed to overlap that same time period, but he hoped the Board members would still be able to attend.

#### COMMENTS BY BOARD MEMBERS: None

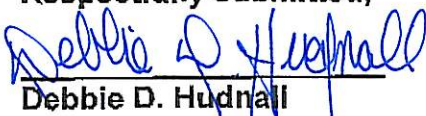
There being no further business, John Dahmer moved that the meeting be adjourned. Motion seconded by Louie Bernard. **Motion carried.**

Meeting adjourned.

#### APPROVED:

  
Mark Graffeo  
Chairman

Respectfully submitted,

  
Debbie D. Hudnall  
Executive Director