

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING

JULY 28, 2011

9:00 AM

LAFAYETTE, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, July 28, 2011, Lafayette, Louisiana.

The meeting was called to order by Chairman Mark Graffeo who then asked Tammy Foster to give the invocation. Holli Vining then led the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Mark Graffeo
Tammy Foster
Jim Martin
Vernon Rodrigue
Diane Meaux Broussard
Holli Vining

Kay Bolding
Lanell Landry
ElRay Lemoine
Cliff Dressel
Louie Bernard

Also present:

Debbie Hudnall, Executive Director
Tamara Tretter with Willis Insurance Group

Guest:

Julian Dufreche
Carl Broussard
Dot Lundin

APPROVAL OF MINUTES

Cliff Dressel moved to accept the minutes of the meetings of May 26, 2011 as presented. Motion seconded by Louie Bernard. **Motion carried.**

COMMENTS BY PRESIDENT

President Graffeo thanked everyone for attending the meeting and reported that Mark Gibson with Hunt Insurance would be giving a presentation at the upcoming Clerks' Institute on their new software, Benefit Solver that would eliminate much of the paper work for enrollment and for the billing.

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

May 2011-	Total Assets:	\$ 264,274.50
	Monthly Revenue	11,250.00
	Monthly Expenses	(5,480.00)
	Monthly Net Income	\$ 5,770.00

June 2011-	Total Assets:	\$ 265,258.40
	Monthly Revenue	11,223.00
	Monthly Expenses	(10,239.10)
	Monthly Net Income	\$ 983.90

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Lanell Landry moved that the Financial Statements be accepted. Motion seconded by Cliff Dressel. **Motion carried.**

AUDIT REPORT: (On file in office) There was a conference call placed to the auditors, Thomas Howell Ferguson. Bill Ferguson and Liz Fabi-Piller participated in the conference call. She thanked the Board for allowing Thomas Howell Ferguson to provide the audit service to the Trust. Liz reported that the audit that was performed was as of December 31, 2010 and that it was a clean audit for the plan. She said the net assets as of December 31, 2009 were \$2,337,258 and the Net Assets for December 31, 2010 were \$2,220,988 for a decrease of about \$116,000. She stated the largest difference was an increase of claims paid in 2010 as compared to 2009 of approximately \$560,000. An additional expense for the year was the Wellness Program of approximately \$110,000. Liz also reported there was approximately a \$270,000 increase in reinsurance receivables for 2010. Liz informed the Board that the total contributions had increased by 8%, but there was not an increase in the number of participants. The increase in contributions was due to the rate increase. There was an increase in rebates and reimbursements of about \$70,000 in 2010 mainly due to the pharmaceutical rebates. The pharmaceutical rebates were about \$94,000 and reimbursements from reinsurance were about \$466,000 for the audit period. Liz reported to the Board that along with a change in vendors for the stop-loss coverage, there was about a 14% increase in stop-loss premiums. The audit report showed claims payable, including claims incurred but not reported was \$857,826 which was calculated by the Fund's actuary based on prior history. The total administrative expenses for the audit year 2010 were \$2,607,612. Debbie related to Liz that for the past two years there had been comments in the audit reports about the number of untimely claim payments and asked if that issue continued for 2010. She reported that during claims testing they did not detect any untimely claim payments for 2010. Liz stated that it was a pleasure to work with Debbie and her staff and the staff at Hunt Insurance. She said they were able to obtain all of their data and information in a timely manner from Chris Kershaw at the Clerks' Association and Chris Baker at Hunt Insurance.

Mark thanked Liz and Thomas Howell Ferguson for their report and for conducting the audit in a professional manner and stated that it was nice to hear that the teams at Hunt Insurance and at the Association office were cooperative and very professional in getting the data to them.

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Tamara Tretter gave the financial reports for the Insurance Trust for the period ending April and May 2011. She pointed out that the Trust had received \$156,000 for the ERRP program in May. Tamara informed the Board that ERRP has now initiated additional data that is required and therefore there would be an increase in cost for BMS and Scriptcare to administer the program. The additional cost would be approximately \$8,000. Jim Martin moved that the additional \$8,000 be approved for the ERRP application. Motion seconded by Cliff Dressel. **MOTION CARRIED.**

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April 2011 Statement of Net Assets

Total Assets	\$ 2,807,935
Total Liabilities	\$ 1,116,739
Net Assets	\$ 1,691,196

Cash Analysis (as of April 2011)

Annual Funds Received	\$ 4,496,869
Annual Total Expenses	\$ 3,455,276
Cash Balance	\$ 1,899,915

May 2011 Statement of Net Assets

Total Assets	\$ 2,937,753
Total Liabilities	\$ 958,549
Net Assets	\$ 1,979,204

Cash Analysis (as of May 2011)

Annual Funds Received	\$ 5,702,310
Annual Total Expenses	\$ 4,601,098
Cash Balance	\$ 1,959,535

Investments: Tamara reported the market value of the investments as of April 30, 2011 was \$805,765 and investments as of May 31, 2011 were \$911,152.

CLAIMS EXPERIENCE: Tamara reported there are 1257 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	\$7,478,540
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

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Tamara informed the Board that the aggregate attachment point for each month is \$800,000 which is 125% of expected claims. She said claims were not close to hitting the aggregate amount and were running pretty stable. She pointed out that the total aggregate amount for 2010 was \$10,388,056 and the total aggregate for 2011 was \$9,610,556 which is a result of the specific increasing from \$125,000 to \$150,000, removing the retirees from the self-funded plan and wellness initiatives. Tamara also reported that, the Trust had received final \$10,000 from the re-insurance for 2010.

Tamara reported that 9 people had exceeded the Specific amount of \$125,000 for 2010. These claims were incurred in 12 months, but paid in 18 months. She said that if any claims were incurred in 2010, but not paid by June 30, 2011, they would not have been covered by the stop-loss carrier, if the 2011 contract was not a paid contract. A paid contract means that any claims exceeding the specific amount will be paid by the reinsurance. Tamara also reported that one person had already exceeded the \$150,000 for 2011, so the \$105,000 corridor would kick in. Jim asked Tamara to prepare a report for the next meeting that would indicate if monies had been saved by changing the specific amounts.

Tamara reminded the Board and encouraged them to utilize Willis Online and if they did not have access to please contact Morgan Bender. She also reminded and encouraged the Board to remind their staff to take advantage of the Health Advocacy which could help them with their health care, questionable procedures, claim problems or any number of issues. This is available for the employees, their parents, their children and retirees and they do not have to be members of the plan. She reported that only 34 people had taken advantage of the program in the 2 months it had been in place.

Lanell Landry asked how often the health screening should be conducted. Tamara stated that it varies from annual basis to every other year. After discussion, it was decided that Tamara would obtain proposals from different vendors to do the health screening to present to the Board at the December or March meeting and then have the vendor make presentations at the May meeting.

DENTAL INSURANCE: Tamara reported that the loss ratio for the dental insurance for 2010 was 94.52% and so far this year it is 88.06%. She said there would be an increase in the premiums for 2012, but she didn't know how much it would be.

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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%
TOTAL	6,938	\$281,024.00	\$247,470.00	88.06%

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%
TOTAL	4,764	\$ 32,828.00	\$ 30,608.00	93.19%

LIFE INSURANCE

07/01/2008 THROUGH 6/30/2011

Earned Premiums \$1,955,734

Paid Claims 1,410,000

Change in IBNR Reserves 133,139

Total Incurred Claims \$1,543,139

Expenses:

Commission \$ 73,700

Premium Tax 34,226

Other Expense and Risk Charges 272,648

Total Expenses \$ 380,574

Balance \$ 32,021

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Debbie reminded the Board that there are 3 life insurance plans and each plan has life insurance based on the salary of the employee. Tamara had reviewed the life insurance currently in place and there are only 18 employees whose salary would fall below the lowest amount. Debbie asked if the Board would want to consider removing the salary limits when Tamara goes out for renewal. The Clerk would still have the option to choose from 3 options. After much discussion, Vernon Rodrigue moved that Tamara ask for proposals for the 3 categories: Clerk - \$300,000/Deputy - \$150,000; Clerk - \$200,000/Deputy - \$100,000; Clerk - \$100,000/Deputy - \$50,000 with no regard as to salaries. Motion was seconded by Louie Bernard. **Motion carried.**

Lanell moved that Tamara and or Hunt Insurance be given the authority to explore market conditions on all lines of coverage for the renewal. Motion seconded by ElRay Lemoine. **Motion carried.**

Benefit Solver: Tamara reminded the Board that Hunt Insurance will be demonstrating Benefit Solver at the Embassy Suites the day before the Clerks' Institute begins and will provide lunch for those who attend. Mark Gibson with her office will demonstrate the software which will provide for online enrollment and the new monthly billing. She encouraged everyone to send at least one employee for the training.

Jim Martin moved that the Board go into Executive session to discuss an Insurance matter for member Kelli Mire. Motion seconded by Tammy Foster. **Motion carried.**

Jim Martin moved that the Board return into regular session. Motion seconded by Tammy Foster. **Motion carried.**

Jim Martin moved that after careful consideration, that the appeal of Kelli Mire be denied based on the contracts, policies and history of the past and recommended that the child be enrolled during open enrollment for January 2012. Motion seconded by Tammy Foster. **Motion carried.**

REPORT OF THE EXECUTIVE DIRECTOR

Debbie reported that HB 270 (which requires a retiree to have at least 12 years of service before they are entitled to have the Clerk determine if they would pay all or a portion of the retiree's health insurance) had passed and would become effective July 1, 2011.

She further reported that Sheri Morris had sent a letter to Randy Zinna's attorney and asked that the FARA file be sent to her.

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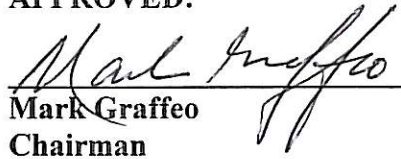
OTHER BUSINESS: It was decided that there would be a conference call in September to discuss the renewal options that would be decided at the October meeting.

COMMENTS BY BOARD MEMBERS: None

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

Meeting adjourned.

APPROVED:



Mark Graffeo
Chairman

Respectfully submitted,



Debbie D. Hudnall
Executive Director