

Approved Board Minutes

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
WEDNESDAY, OCTOBER 13, 2010
1:00 PM
HOLIDAY INN
BATON ROUGE, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Wednesday, October 13, 2010, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Louie Bernard who then asked Tammy Foster to give the invocation. Michael Thibodeaux then led the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Louie Bernard
Mark Graffeo
Tammy Foster
Felicia Ann Hendl
Dot Lundin
Diane Broussard

Jim Martin
Kay Bolding
Carolyn Ryland
ElRay Lemoine
Michael Thibodeaux
John Dahmer

Also present:

Tamara Tretter with Willis Insurance Group
Debbie Hudnall, Executive Director
Dagmar Hebert
Darlene Landry
Julian Dufreche
John Norris with Norris Insurance Consultant

APPROVAL OF MINUTES: Jim Martin moved to accept the minutes of the meetings of July 21 and August 18, 2010 and the conference call on September 3, 2010 as presented. Motion seconded by Diane Broussard. **Motion carried.**

COMMENTS BY PRESIDENT:

President Bernard thanked everyone for cooperating and participating in the health screening with Health Yes. He reported there had been some highs and lows, but overall it went very well.

President Bernard further reported that at the July Board meeting the Board had discussed hiring an attorney for the Association Board and Insurance Board. There was a "joint" meeting of the Insurance Board and Association Board on August 18th, wherein the Insurance Board voted to hire the same attorney the Association hired. The Boards authorized the Executive Committee to interview the applicants and make a recommendation. He reported that the only resume received was that of Sherri Morris.

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The Executive Committee conducted a conference call on September 7th and discussed the matter. It was the recommendation of the Executive Committee that Sheri Morris be retained as counsel for the Association and the Insurance Trust. Motion was made by Tammy Foster that Sheri Morris be hired as counsel for the Insurance Trust. Motion was seconded by Felicia Hendl. **Motion carried.**

FINANCIALS: (Report on file in office) Treasurer Tammy Foster presented the financial report for Insurance operations fund for July through September 2010.

July 2010-	Total Assets:	\$ 206,750.40
	Monthly Revenue	15,403.56
	Monthly Expenses	(8,390.34)
	Monthly Net Income	\$ 7,013.22

August 2010-	Total Assets:	\$ 211,640.53
	Monthly Revenue	11,211.98
	Monthly Expenses	(6,982.26)
	Monthly Net Income	\$ 4,229.72

Sept 2010-	Total Assets:	\$ 219,173.07
	Monthly Revenue	11,942.95
	Monthly Expenses	(3,750.00)
	Monthly Net Income	\$ 8,192.95

Motion was made by John Dahmer to receive the financial reports. Motion seconded by Mark Graffeo. **Motion carried.**

Tamara Tretter reported that some Board members had suggested that BMS might attend some of our Board meetings to possibly discuss any current issues. She introduced Debbie Smith, Account Manager, and Bernie Kendrick, Director of Self-Funded and Partnership Accounts, with Blue Cross. They thanked the Board for the opportunity to speak to them. They reported that although there had been issues with timely payment of some claims that this situation had improved tremendously. They reported that as of October 3rd, East Jefferson Hospital would no longer be in the network because they were demanding an increase of more than 20%. They reported they didn't think East Jefferson would be back in the network anytime soon.

After discussion, Mark Graffeo moved that the Board adopt the provision of the Health Care Reform that allows for coverage of dependents under the age of 26, prior to the effective date set forth in the Reform law, subject to the approval of the stop-loss carrier. Motion seconded by ElRay Lemoine. **Motion carried.**

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ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Tamara Tretter gave the financial reports for the Insurance Trust for the period ending August 2010.

Statement of Net Assets

Total Assets	\$ 2,396,933
Total Liabilities	<u>\$ 1,072,817</u>
Net Assets	\$ 1,324,116

Cash Analysis (as of August 31, 2010)

Annual Funds Received	\$ 8,048,243
Annual Total Expenses	\$ 7,928,704
Cash Balance	\$ 1,610,726

Investments: Tamara reported the market value of the investments as of August 31, 2010 was \$713,130.

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

Tamara reported that one person had reached the \$280,700 laseded amount and there were others that had reached the Specific Deductible of \$125,000. She reported that on a rolling 12 month basis, costs were up 18% from the prior year due to 8.2% increase in medical claims as well as a 5% increase in prescription drug claims. She reported of the two plans, Option 2 is currently running significantly higher as all three spec claimants this year to date are on Option 2. She reported the generic drug usage remains high, but still opportunity for improvement from retail drugs to mail-order drugs.

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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%
TOTAL	9,238	\$353,297.35	\$324,082.47	91.75%

Life Insurance (7-1-09 to 6-30-10)

Earned Premiums	\$652,108
Total Incurred Claims	(241,821)
Total Expenses	<u>(104,296)</u>
Balance	\$305,991

There was discussion about a retiree who was Medicare eligible, refusing to purchase Medicare part B and remaining on the self-funded plan. After discussion, Jim Martin moved that effective January 1, 2011, if retiree is Medicare eligible, they cannot remain on the self-funded plan. Motion seconded by Carolyn Ryland. **Motion carried.**

Wellness Program:

Tamara informed the Board that there had been 581 participants in the Health Yes screening. She reported there were 526 abnormal participants with two critical finds. She thought the screening had been very useful and successful. Jim Martin moved that in light of the fact that there was over 80% participation in the screening, that the 5% premium penalty be waived. Motion seconded by Mark Graffeo. **Motion carried** with John Dahmer abstaining.

Tamara presented an overview of the Health Care Reform bill and presented a Financial Report Card as to the total estimated impact to the Clerks' Insurance Trust. The estimated cost to the Clerks' Trust through the 2020 plan year is \$2,195,687 which equates to an average annual increase of \$199,608 or 1.2%. Because the Clerks' Trust will not maintain the grandfathered status, the portion of the increase related to the loss of this status is \$421,766 through the 2020 plan year which equates to an average annual increase of \$38,342 or .2%

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She reported that the Clerks had been enrolled in Early Retiree Reinsurance Program (ERRP). This is a new federal program that provides for reimbursement of up to 80% of an individual's medical claims between \$15,000 and \$90,000 for those between the ages of 56 and 64. She said that the federal government had allotted only \$5 million toward this program. She said there are 83 retirees who could fall under this program.

Tamara also presented the Board with a Stewardship Report that summarized accomplishments and priorities over the past 12 months for Hunt Insurance. It also outlined their administrative duties and included LCCIT's client advocacy team members.

2011 RENEWAL – HEALTH INSURANCE

Tamara informed the Board that it had been very helpful to have the conference call prior to the meeting to discuss the 2011 renewals and to be able to narrow the scope down for this meeting. Based on the conference call and the recommendation of the Board, she had focused on the \$150,000 Specific Deductible which would be a change from the current \$125,000. She also discussed a new proposal by the re-insurance of a self-funded liability or aggregate corridor of \$105,000. The self-funded liability would mean that if anyone exceeded the \$150,000 stop loss, the excess would be paid from the \$105,000 until it had been exhausted. Once the \$105,000 is exhausted, then the re-insurance would pay. She informed the Board that so far this plan year, only 3 people had exceeded \$150,000. She explained that the \$105,000 self-funded liability would mean a \$190,533 savings in the Stop Loss premium. Tamara informed the Board there would be no laseded individuals for 2011 as one of the large claimants would be coming off of the self-funded plan. She also reminded the Board that there had been no premium increase in health insurance in the past 18 months.

After much discussion, Mark Graffeo moved that the Board adopt the \$150,000 Specific Deductible with the \$105,000 self-funded liability with a 5% premium increase for Option 1 and a 10% increase for Option 2. Motion seconded by Jim Martin. **Motion carried** with John Dahmer abstaining.

2011 DENTAL RENEWAL

Tamara submitted the dental proposals with voluntary vision and without voluntary vision. She reported that without the voluntary vision there would be a 10% increase in the dental premium and with voluntary vision there would be an 8% increase in the dental premium. After discussion, Jim Martin moved to renew the dental insurance with Voluntary Vision – Option 2. Motion seconded by Mark Graffeo. **Motion carried** with John Dahmer abstaining.

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2011 RETIREE HEALTH INSURANCE RENEWAL

Tamara presented several renewal options for the Retirees' Medicare supplement plan. After much discussion, John Dahmer moved that the Board enter into a contract with United HealthCare AARP Medicare Supplement for the retirees which would be a 7% reduction in their healthcare premiums. Motion seconded by ElRay Lemoine.

Motion carried.

LIFE INSURANCE

Tamara reminded the Board that there is another year on the Life Insurance contract.

ACTUARIAL PROPOSAL:

Tamara submitted a proposal from L & E Actuaries for the annual actuarial review of the funding of the plan at the cost of \$5000. Diane Broussard moved that the L & E Actuaries proposal be accepted. Motion seconded by Carolyn Ryland. **Motion carried.**

REPORT OF EXECUTIVE DIRECTOR:

Debbie reported that she still had not received any files from Randy Zinna on the FARA litigation. She also reported that she had attempted to obtain a copy of the latest Trust document from Randy Zinna to no avail.

COMMENTS BY BOARD MEMBERS:

President Bernard thanked everyone for attending the meeting especially those who had traveled so far for the Insurance meeting. He also recognized John Norris and thanked him for attending. Louie also recognized Dagmar Hebert from the Association office.

Motion was made by Carolyn Ryland to adjourn. Motion was seconded by ElRay Lemoine.

Meeting adjourned.

APPROVED:



Louie Bernard
Chairman

Respectfully submitted,



Debbie D. Hudnall
Executive Director