

Approved Board Minutes

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
WEDNESDAY, JULY 21, 2010
9:00 AM
PINEVILLE, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Wednesday, July 21, 2010, Pineville, Louisiana.

The meeting was called to order by Chairman Louie Bernard who then asked Dot Lundin to give the invocation. ElRay Lemoine 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

Also present:

Debbie Hudnall, Executive Director
Tamara Tretter with Willis Insurance Group

APPROVAL OF MINUTES: Tammy Foster moved to accept the minutes of the May 6, 2010 meeting as presented. Motion seconded by Michael Thibodeaux. **Motion carried.**

COMMENTS BY PRESIDENT: Chairman Louie Bernard commented that a lot had happened since the last meeting. HB 1060 had passed with a lot of hard work by Tommy Sullivan and Debbie Hudnall. The entire Association is grateful for all of their hard work. Debbie will be going over the implementation of HB 1060 at the Clerks' Institute.

He also reported that Randy Zinna had submitted his resignation as of June 30th. Louie said that now would be a good time to re-visit the issue to see in what direction the Insurance Board may want to go. He informed the Board that Denise Akers had been retained by the Retirement Board as their new counsel. There had been discussion of whether or not the new attorney would need to attend all of the Association Board and Insurance Board meetings or whether it could be done by video conferencing. He said the point is everyone seems to be open to doing things a little differently now.

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There was discussion by the Association Board about the possibility of hiring Sherri Morris, a former attorney of the Secretary of State's office, as counsel for the Association Board. The Association Board will invite Sherri to come to a special Board meeting at the Clerks' Institute to present her credentials. If the Insurance Board is interested, they could join in that meeting and have the opportunity to ask questions of Sherri at the same time.

ACTION LIST:

Louie then discussed the "Health Yes" program. He asked that the Board members be very positive about this initiative and to help their employees understand its significance. The Insurance Board felt this was a great opportunity to diagnose serious illnesses prior to their occurrence. He stated that preventing these potential illnesses would be a huge cost-savings to the program. He reported that, in order for the testing program to work as designed, 80% of all employees over 40 needed to participate. The Board agreed that because of the potential importance of this program, any Clerk's office that did not meet its 80% requirement would realize a 5% increase in their annual premium rate for next year. There followed an extensive discussion relative to issues involving the scheduling of the screenings. Everyone agreed to do what they could to resolve those issues.

AUDIT REPORT: (On file in office)

At this time Elizabeth Fabi-Pilier, with Thomas Howell Ferguson, phoned in for a conference call on the Audit for July 1, 2009 to December 31, 2009. She thanked the Board for allowing Thomas Howell Ferguson to perform the audit and thanked Debbie Hudnall, Chris Kershaw and the Hunt staff for their cooperation. She reported the opinion was a clean opinion without any issues. She reported the Net Assets as of December 31, 2009 were \$2,337,258 which did not include claims that were payable or claims that were incurred but not yet reported. The Income Statement for the same period showed Total Revenue of \$5,101,048 and total health care benefits paid for participants of \$3,703,961, but does not show any accrual claims that had not been paid. The total claims payable as of the same date was \$1,064,477 including those that were incurred but not reported. This IBNR was calculated by the Actuary. She discussed Exhibit A which was a letter about internal controls. She said they had found two claims that had been paid more than 30 days after their receipt. They had obtained an explanation from BMS and had spoken to Debbie Hudnall in this regard. They noted that the Board had put procedures in place so that everyone would be aware in case there was a significant issue. These two items occurred before Thomas Howell Ferguson had discussed the issue with the Board in December of 2009. Liz reported that an extension had been filed for the 5500 report until October 15, 2010.

Dot Lundin moved that the Audit report be approved. Motion seconded by Felicia Hendl.
Motion carried.

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

April 2010-	Total Assets:	\$ 207,013.58
	Monthly Revenue	11,209.40
	Monthly Expenses	(4,371.96)
	Monthly Net Income	\$ 6,837.44

May 2010-	Total Assets:	\$ 195,164.87
	Monthly Revenue	13,209.21
	Monthly Expenses	(6,870.08)
	Monthly Net Income	\$ 6,339.13

June 2010-	Total Assets:	\$ 199,737.18
	Monthly Revenue	11,128.19
	Monthly Expenses	(23,320.80)
	Monthly Net Income	\$ (12,192.61)

Motion was made by Michael Thibodeaux to receive the financial report. Motion seconded by Felicia Hendl. **Motion carried.**

Quantum Health Committee Report:

Jim Martin, chairman, reported that a committee conference call was held with Jim Martin, Dot Lundin, Mark Graffeo, Charlie Jagneaux, Louie Bernard and Debbie Hudnall participating. He said that after the Committee's due diligence and a great deal of discussion, the Committee recommended that the Board not pursue Quantum Health at this time. Jim did advise the Board that the Committee felt that it was very important that Blue Cross have a representative at future board meetings

ADMINISTRATORS' REPORT: (Report on file in office)

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

Statement of Net Assets

Total Assets	\$ 2,542,790
Total Liabilities	<u>\$ 1,495,814</u>
Net Assets	\$ 1,046,976

Cash Analysis (as of June 30, 2010)

Annual Funds Received	\$ 5,875,210
Annual Total Expenses	\$ 5,821,785
Cash Balance	\$ 1,544,612

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Investments: Tamara reported the market value of the investments as of May 31, 2010 was \$509,126.

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	\$ 73,343	\$456,611	\$529,954	\$1,812,907
April 10	\$112,290	\$374,450	\$486,740	\$2,299,647
May 10	\$94,207	\$683,105	\$777,312	\$3,076,959

Tamara reported that were one person had reached the Specific claim amount with claims of \$160,218 and there were five potential specific claimants with the highest being at \$120,722; however this claimant was lasered in an aggregate of \$280,700. She reported the generic drug usage remains high, but still opportunity for improvement from retail drugs to mail-order drugs.

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%
April - 10	1,155	43,871.46	41,718.65	95.09%
May 2010	1,155	43,686.88	42,572.37	97.45%
TOTAL	5,762	\$221,441.35	\$197,449.47	89.17%

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

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

Tamara pointed out that the life claims had gone down significantly compared to June 30, 2009 when the claims were \$900,978 as compared to \$241,821 this year.

Tamara reported to the Board that Hunt Insurance had been paying for all of the postage for the Louisiana Clerks when all of their other clients paid for their postage. She asked that Hunt be allowed to pay for future postage out of the Clerks Insurance Fund. She said it ran less than \$1000 per month. Mark Graffeo made the motion that postage be paid from the Clerks' Insurance Fund. Motion was seconded by Jim Martin. **Motion carried.**

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Wellness Program:

Tamara informed the Board that the results of the Health Yes screening would be online for individuals to review or one could pay an additional \$4.49 and have the results mailed. She said they would inform the Board with an aggregate report when the screening was completed.

Tamara reviewed a few of the changes that were being initiated by the Health Care Reform bill.

1. Lifetime dollar limits will be removed.
2. Pre-existing conditions exclusions prohibited for children under age 19
3. Coverage for dependent children must remain available until age 26
4. Cost sharing on preventive care expenses prohibited
5. Unless prescribed by a provider, over-the-counter medications are not qualifying medical expenses for HSA
6. Penalties for using HSA funds for non qualifying items increases to 20%
7. W-2 issued for 2011 earnings must report value of health coverage

She also informed the Board that if any Clerk changed the amount of premium they pay for employee's insurance, the Clerks' Plan would lose their grandfather status. Mark asked that Tamara prepare a list of the healthcare reform changes for the next meeting.

Tamara reported that they would soon be sending out request for renewals. After discussion, it was decided there would be a conference call scheduled sometime during the week of September 13th for the Board to review the renewals. Debbie will be sending notices with date and time.

Tamara also explained the Early Retiree Reinsurance Program (ERRP) that the Board had entered into. This is also a new program by the federal government which provides for reimbursement of up to 80% of an individual's medical claim costs to the extent the costs exceeds \$15,000, but not more than \$90,000 for those between the ages of 56 and 64. Hunt will charge a flat fee of \$1000 per policy year and BMS will charge based on the number eligible individuals. The number of eligible individuals for the Clerks is currently about 80 for which BMS would charge an annual fee of \$1500. Tamara further reported to the Board that for the renewal year, January 2011, they hoped to have an online enrollment system.

REPORT OF EXECUTIVE DIRECTOR:

Debbie reported that Randy is supposed to be getting the files together on FARA in order to turn over to the new attorney.

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OTHER BUSINESS:

President Bernard gave a recap to the Board in regards to the Randy Zinna situation. He reported that he, along with Debbie and Mark Graffeo, had met with the legislative auditors for an exit interview on June 22nd in reference to an audit of the Retirement fund in regard to Randy Zinna. The audit report has not been made public at this time. Motion was made by Felicia Hendl to accept the resignation of Randy Zinna. Motion was seconded by Carolyn Ryland. **Motion carried.**

After discussion, it was decided that the Insurance Board would meet in conjunction with the Association Board at the Clerks' Institute to interview Sherri Morris as counsel for both Boards. Debbie will send notice to the Boards of the meeting time.

COMMENTS BY BOARD MEMBERS:

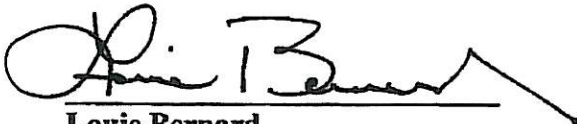
President Bernard thanked Carolyn Ryland for securing the meeting place and for arranging the dinners for the Boards.

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

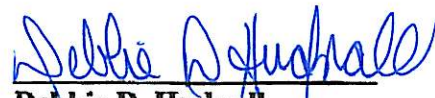
Meeting adjourned.

APPROVED:

Respectfully submitted,



Louie Bernard
Chairman



Debbie D. Hudnall
Executive Director