

Approved Minutes

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
FRIDAY, DECEMBER 11, 2009
9:00 AM
NATCHITOCHES, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Friday, December 11, 2009 at 9:00 A.M. in Natchitoches, Louisiana.

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

MEMBERS PRESENT: Chairman Louie Bernard, Mark Graffeo, Bill Hodge, Felicia Ann Hendl, Dot Lundin, Jim Martin, Kay Bolding, Carolyn Ryland, ElRay Lemoine, Michael Thibodeaux, and Charlie Jagneaux. Also present: Debbie Hudnall, Executive Director; Tamara Tretter with Willis Insurance Group and Attorney Randy Zinna. Absent: John Dahmer. Guests in attendance: Sammy Couvillon, Darlene Landry, Louis Perret, Claudette Couvillon and Connie Couvillon.

APPROVAL OF MINUTES: Bill Hodge moved to accept the minutes of the October 23, 2009, meeting as written, motion seconded by Felicia Hendl. **Motion carried.**

COMMENTS BY PRESIDENT: Chairman Bernard thanked everyone for being in Natchitoches this week and attending the meetings. He also thanked Tamara for the Board book pages being numbered.

ATTORNEY'S COMMENTS: Randy Zinna reported on the information about Clerks of Court allowing customers to use credit cards. Even though it was not related to the Insurance Trust, the Clerks at the Clerks Only meeting had asked that he look into the issue. He reported that credit cards could be used as long as the Clerk did not make any money on the transaction including not rounding off the numbers. It has to be a clear flow through the transaction.

AUDIT REPORT: (On file in office) At this time, a phone call was placed to the auditing firm, Thomas Howell Ferguson. Elizabeth Favi-Piller and Bill Ferguson were placed on the speaker phone. They thanked the Board for allowing them to perform the audit. She reported that it had been a pleasure to work with Debbie and her staff in Louisiana and the staff at Hunt Insurance Group in Florida. Liz reported that it was an unqualified opinion meaning that it was a clean opinion. The Total Net Assets as of June 30, 2009 was \$2,402,384 with INBR of \$2,087,217 (calculated by actuary) leaving net assets of \$315,167. Liz recommended to the Board that they have an independent actuarial reserve analysis performed rather than utilizing the funding analysis to determine the IBNR as of December 31, 2009. Liz did report they felt there was a control deficiency in that there were some untimely claim payments in comparison to the Louisiana Statute which states that claims must be paid within 30 days of receipt. When they contacted BMS, they reported that some of the claims were not paid timely due to

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Hurricane Gustav. BMS has now instituted some new controls to prevent the untimely payments in the future and that they are currently at a 12 day turnaround. The auditors recommended that management develop and institute a control procedure to monitor the timeliness of claim payments. Additionally, Liz reported that while performing participant data testing, they identified errors in the employee contribution amounts that were withheld from employees' checks for one parish. They recommended that the parish develop and implement control procedures to verify the proper amount is withheld. They had been in contact with that parish and brought it to their attention. The auditors discussed the Schedule of Administrative Expenses for the periods ending June 30, 2008 and 2009. **(On file in office)**

Tamara proposed that since there had been claims issues for the past two years, that the Board hire Willis Insurance to perform a claims audit at the cost of \$25,000. After discussion, Charlie Jagneaux moved that the Board adopt the auditors' recommendation to develop and implement a control procedure to monitor and insure that BMS complies with Louisiana's State Statute pertaining to the timely payment of claims and that instances of noncompliance be documented with management. Motion seconded by Mark Graffeo. **Motion carried.**

After discussion, Mark Graffeo moved that the Board adopt the auditors' recommendation to have an independent actuarial reserve analysis performed for the period ending December 31, 2009. Motion seconded by Jim Martin. **Motion carried.**

FINANCIAL REPORT: (Report on file in office) Bill Hodge reviewed the financial reports covering the month of October.

October Total Assets:	\$221,152.92
Monthly Revenue	29,133.20
Monthly Expenses	(5,250.00)
Monthly Net Income	\$ 23,883.20

AMENDED BUDGET (on file in office)

Debbie reported that since the Board had previously approved a 12 month budget for July 2009 to June 2010 and subsequently changed the plan year to a calendar year; she was submitting an Amended Budget that would reflect the six month period. Motion was made by Mark Graffeo to approve the Amended Budget for July 1, 2009 to December 31, 2009. Motion seconded by Michael Thibodeaux. **Motion carried.**

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2010 Budget (on file in office)

Debbie presented the proposed Budget for January 1, 2010 to December 31, 2010. Motion was made by Felicia Hendl to adopt the proposed Budget. Motion seconded by Carolyn Ryland. Motion seconded by Carolyn Ryland. **Motion carried.**

Dot Lundin moved that the financial reports be received. Motion seconded by Jim Martin. **Motion carried.**

Motion was made by Bill Hodge to accept the Audit Report submitted by Thomas Howell Ferguson. Motion seconded by Carolyn Ryland. **Motion carried.**

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports

Tamara Tretter gave the financial reports for the Insurance Trust for the month of September, 2009.

Statement of Net Assets

September 2009 - Total Assets	\$ 2,234,467
Total Liabilities	\$ 1,843,378
Net Assets	\$ 391,089

Cash Analysis

Total Funds Received	\$ 4,008,254
Annual Total Expenses	<u>\$ 3,734,251</u>
Cash Balance	\$ 1,677,977

Claims Experience

Tamara reported that she was a little concerned about the claims experience because claims were a little over 100% of expected claims. She reported that the claims incurred from July 1, 2009 through December 31, 2009 would be paid through June 30, 2010. The Aggregate claims attachment point is \$4,316,579 and claims paid through October 31, 2009 were \$2,750,094.

Tamara reported there were no large claims for the short plan year; however the re-insurer is looking at case management of three claims. The re-insurer wants to laser 3 members for the year 2010 at claims of: \$375,000, \$200,000 and \$190,000. If they do not laser anyone the re-insurance premium would go from \$48 per person to \$62 per person. Tamara said the Board has the option to laser these 3 people at these amounts or adopt an aggregate laser on these 3 people of \$280,000. After discussion, motion was made by Jim Martin to adopt the aggregate laser of \$280,000. Motion seconded by Felicia Hendl. **Motion carried.**

Tamara also reported that the aggregate attachment point had been increased to \$10.5 million for the new plan year.

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Tamara advised the Board that FMOL had informed Blue Cross they would not be renewing their contract on February 1st; however they had threatened the same thing previously and on the last day had renewed their contract. She said that Hunt would be sending out notice to all members. Tamara reported that she had been directed by the Board to enter into a contract with Express Script; however they could not provide the service as they had previously promised. Kay Bolding moved that the plan remain with Scriptcare. Motion seconded by ElRay Lemoine. **Motion carried.**

Dental Insurance: Tamara informed the Board that \$176,938 had been received in Dental premiums between July and October 2009 and total claims paid were \$162,174.

Life Insurance Claims: Tamara reported that Life Insurance premiums paid from July through October 2009 were \$215,286 with total claims paid of \$125,586. Tamara said that a parish had asked her to request the Board to re-consider the manner in which life insurance is reduced. After discussion, no action was taken.

2010 Renewals

Tamara informed the Board that six parishes had not responded to the questionnaire as to their plan choices and percentages of premiums they would be paying. The Board said they should proceed as though the Clerk is remaining status quo.

Wellness Program: Craig Lindley and Jorge Medina made a presentation on behalf of Health Yes which would provide a preventive health screening for the members of the insurance plan over the age 40. Health Yes would communicate with the individuals as to the screening results. They said this would help the Trust to combat the costs of insurance premiums in the future. The cost of the screening would be paid by the Trust. Tamara reported that out of 900 members, over 700 were over the age of 40. Jim Martin moved that a survey be sent to each parish explaining the screening and to determine if the Clerks would be willing to allow their employees to participate.

COMMENTS BY ATTORNEY: Randy Zinna reported that Jefferson Parish's liability was still being paid and that he had met with attorneys for FARA to discuss settlement between the Trust and FARA, but he had not heard back from them.

REPORT OF EXECUTIVE DIRECTOR: Debbie reported she had received a request from a retiree, Betty Gladney, asking that she be allowed to rejoin the health insurance program. She had cancelled her health insurance the prior year because she did not want the Private Fee for Service with Aetna due to the fact that the doctors in her area had told her they would not accept it. When she received her insurance packet, it

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included information on the dental, life and health care; she felt the wording contained therein allowed her to rejoin. Now that the retirees were being changed to Aetna Medicare supplement, she asked that she be allowed to rejoin. After much discussion, it was agreed that the Board must enforce the plan document and the structure of the plan and should be consistent in all of its decisions.

Debbie reported that everything was going well at the Association office. However, Renee Graff had tendered her resignation effective in December. After consultation with the President, first vice-president and second vice-president, she had hired Chris Kershaw who is a CPA. He was hired on an interim basis because of his background, and Debbie felt that with his training he could learn the retirement system more quickly and could help train the person hired on a permanent basis. Debbie reported that Renee had written a note to all of the Boards thanking them for the opportunity to work for the Clerks.

Debbie reminded Tamara to maybe discuss at the next Board meeting the continuation of coverage.

Other Business:

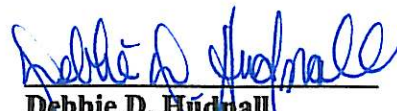
Motion was made by Jim Martin to adjourn. Motion was seconded by Dot Lundin.

Meeting adjourned.

APPROVED:


Louie Bernard
Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director