

Approved Board Minutes

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING FRIDAY, OCTOBER 23, 2009 BATON ROUGE, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Friday, October 23, 2009 at 9:00 A.M. in Baton Rouge, 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, Bill Hodge, Felicia Ann Hendl, Dot Lundin, Allen Blanchard, Jim Martin, Kay Bolding, Carolyn Ryland, ElRay Lemoine, Michael Thibodeaux, and Charlie Jagneaux. Also present: Debbie Hudnall, Executive Director and Tamara Tretter with Willis Insurance Group. Absent: John Dahmer.

APPROVAL OF MINUTES: Bill Hodge moved to accept the minutes of the August 6th, 2009, meeting as written, motion seconded by Michael Thibodeaux. **Motion carried.** Tamara Tretter informed the Board that on page 3 of the minutes, it reflected that Debbie had authorized monies to be paid from the Trust for an error that had been made by either Hunt or Aetna. Subsequently, Hunt paid for those errors rather than taking the monies from the Trust.

COMMENTS BY PRESIDENT: Chairman Bernard informed the Board that John Dahmer had been in the hospital but was doing much better and would be at the next meeting.

FINANCIAL REPORT: (Report on file in office) Bill Hodge reviewed the financial reports covering the period of June, July, August and September. Although he had presented the financials for June at the last meeting, he presented them again showing an adjusting journal entry of a \$140,823.07 receipt from the Medicare Part D that had been received after the end of the fiscal year.

June Total Assets:	\$255,341.63
Monthly Revenue	14,447.56
Monthly Expenses	(1,664.06)
Monthly Net Income	\$ 12,783.50

July Total Assets:	\$244,635.62
Monthly Revenue	12,332.36
Monthly Expenses	(4,350.00)
Monthly Net Income	\$ 7,982.36

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August Total Assets:	\$227,221.87
Monthly Revenue	9,976.93
Monthly Expenses	(9,890.68)
Monthly Net Income	\$ 86.25

September Total Assets:	\$215,769.72
Monthly Revenue	10,405.80
Monthly Expenses	(4,357.95)
Monthly Net Income	\$ 6,047.85

Bill reported that for the three months ending September 30, 2009

Total Revenue	\$32,715.09
Total Expenses	(18,598.63)
Net Income	\$ 14,116.46

Debbie reminded the Board that the Jefferson Parish liability is being reduced at the rate of \$17,500 per month with a balance of \$140,000 at the end of September.

Mark Graffeo moved that the financial reports be received. Motion seconded by Carolyn Ryland. **Motion carried.**

ADMINISTRATORS' REPORT: Financial Report: (Report on file in office)

Tamara Tretter gave the financial reports for the Insurance Trust for the months of June, July and August 2009.

June 2009 - Total Assets	\$ 2,091,831
Total Liabilities	\$ 1,698,818
Net Assets	\$ 393,013

Annual Total Revenue	\$11,536,087
Annual Total Expenses	11,089,622
Cash Balance	\$ 1,403,974

July 2009 - Total Assets	\$ 2,301,304
Total Liabilities	\$ 2,155,689
Net Assets	\$ 145,615

July Total Revenue	\$ 1,282,926
July Total Expenses	1,113,679
Cash Balance	\$ 1,573,221

August 2009 - Total Assets	\$ 2,444,765
Total Liabilities	\$ 2,177,347
Net Assets	\$ 267,418

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August Total Revenue	\$ 1,044,352
August Total Expenses	762,632
Cash Balance	\$ 1,854,941

Tamara reported investments with a market value of \$404,931 as of August 31, 2009.

Claims Experience: (Report on file in office) Tamara reported that out of 985 covered employees, 742 are over age 40. She reported that total claims paid through June 2009 were \$7,018,609. She informed the Board that for the fiscal year ending June 30, the Trust spent approximately \$8258 per employee per year in claims. Total claims paid in July and August were \$874,776 and \$516,293 respectively. She reported that the Aggregate for the short claim year is \$4,313,964 and for the two months ending August 31st, the claims were at \$1,391,069. Over a rolling 12 month period, the claims have decreased by 25% since the previous period. The prescription claims decreased by 33%. Large loss claims have increased by 44%. Total claims paid per employee per month for the year ending June 30, 2009 was \$504; total claims paid per employee per month for year ending June 30, 2008 was \$548; and total claims paid per employee per month for the rolling 12 months ending August 2009 was \$490.00. Tamara reported that \$267,841 had been paid out in claims from the self-funded plan between July and September for retirees.

Dental Insurance: Tamara informed the Board that \$133,193 had been received in premiums between July and September 2009 and total claims paid were \$115,653.

Life Insurance Claims: Tamara reported that Life Insurance premiums paid from July through September 2009 were \$161,561 with total claims paid of \$74,500.

Insurance Renewals: (On file in office) Tamara reviewed the survey of the Clerks satisfaction or dissatisfaction of Option 1 and Option 2. The survey reflected dissatisfaction if the clerks did not provide a HSA for those on Option 1; however, most clerks indicated they would continue to offer Option 1. She reminded the Board that our plan offers an annual enrollment and not an open enrollment; therefore if you do not join the plan when first hired, you cannot join the plan unless there is a qualifying event. Tamara informed the Board that Blue Cross has the strongest network in Louisiana.

(On file in office) She reviewed the renewal proposals from the re-insurance companies reminding the Board that the plan was going from the 6 month plan back to a 12 month plan. The proposal from current re-insurer, Excess Re was requiring three lasers at \$455,000. Tamara recommended Symetra as the re-insurer.

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(Exhibit 1) She presented the renewal rate sheet for Options 1 and 2 showing approximately a 6% increase for Option 1 and approximately 10% on Option 2 which would fund the plan a little less than 125%.

(Exhibit 2) Debbie presented a Premium Rate History showing the rate comparison since July 2006.

After extensive discussion, Jim Martin moved that the Trust select Symetra as the re-insurer and adopt the proposed rates providing approximately a 6% increase for Option 1 and approximately a 10% increase on Option 2 as set forth in Exhibit 1. Motion seconded by Felicia Hendl. **Motion carried.**

Charlie Jagneaux entered the meeting.

(Exhibit 3) Tamara presented proposed renewal for retirees with Aetna Medicare Private Fee for Service. She reported that the renewal rates for the Aetna PFFS proposed a significant increase to remain with the current plan. She also presented a proposal providing an increase in benefits for PFFS by changing the 95% allowable by Medicare to 100% allowable by Medicare. She further informed the Board that not only had there been significant problems with providers accepting the PFFS, the Federal Government would be eliminating PFFS in 2011. Tamara reported to the Board that Aetna had just been approved to provide a Medicare Supplement. **(Exhibit 4)** Although, the Medicare Supplement would be a significant increase for some, it would be the same price across the state and not have the rate bands as in the PFFS. After much discussion, Charlie Jagneaux moved that the Trust remain with the Aetna's PFFS. Motion seconded by Mark Graffeo. **Motion failed.**

Motion was then made by Bill Hodge to accept the Aetna Medicare Supplement Plan with the Rx Group 09 plan. Motion seconded by Michael Thibodeaux. **Motion carried.**

It was discussed that a letter should go out to the retirees explaining the insurance plan and it should be signed by Willis Insurance and Debbie.

(Exhibit 5) Tamara then presented a Detailed Prescription Drug Cost Analysis with proposals from four different drug companies. After extensive discussion, Jim Martin moved that the Board accept the proposal of Express Script. Motion seconded by ElRay Lemoine. **Motion carried.** Charlie Jagneaux voted no.

COMMENTS BY ATTORNEY: Randy Zinna was unable to attend, but asked Debbie to report that he was about to reach settlements on the pending subrogations and was continuing to work on the FARA issues. Debbie reported to the Board on issues with Randy Zinna and the Municipal Police Retirement System.

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REPORT OF EXECUTIVE DIRECTOR: Debbie reported that everything was going great at the office and Renee had been learning more about the insurance and being able to handle some of the insurance calls.

Other Business: Tamara provided information on a Wellness Program provided by Health Yes at approximately \$140 per person which would be conducted for employees 40 and over. Four hundred people would need to participate with 30 people participating at the different locations. To be discussed further at the December meeting.

Debbie asked for clarification from the Board as to the time an employee's coverage should be terminated. There was discussion as to the plan document allowing coverage during a 12 month approved leave of absence. Tamara would find out about the industry standard and report to the Board at the next meeting.

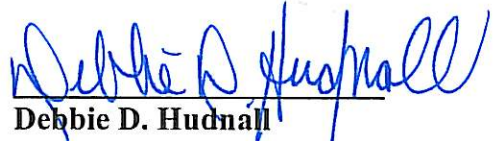
Meeting adjourned.

APPROVED:

Respectfully submitted,



Louie Bernard
Chairman



Debbie D. Hudnall
Executive Director