

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
THURSDAY, MAY 14, 2009, 9:00 AM
BATON ROUGE, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, March 14, 2009 at 9:00 A.M. in Baton Rouge, Louisiana.

The meeting was called to order by Chairman Louie Bernard who then asked Kay Bolding to give the invocation. ElRay Lemoine then led the Pledge of Allegiance.

Chairman Louie Bernard appointed John Dahmer to the Board as the retired clerk member and administered the oath.

MEMBERS PRESENT: Chairman Louie Bernard, Mark Graffeo, Bill Hodge, Felicia Ann Hendl, Dot Lundin, Allen Blanchard, Jim Martin, Kay Bolding, Carolyn Ryland, ElRay Lemoine, and John Dahmer. Also present: Debbie Hudnall, Executive Director; Tamara Tretter with Hunt Insurance Group; Bonnie Albritton, Actuary; and Randy Zinna, Attorney. Guests present: Laura Blanchard and Carol Jones. Debbie introduced and welcomed the new staff member of the Association, Renee Graff.

APPROVAL OF MINUTES: Bill Hodge moved to accept the minutes of the previous meeting as written, motion seconded by Jim Martin. **Motion carried.**

COMMENTS BY PRESIDENT: Chairman Bernard thanked everyone for their attendance and informed the Board that his management style is that everyone gets their say, but there is no drifting. He also thanked those responsible for the dinner the night before.

FINANCIAL REPORT: (Report on file in office) Bill Hodge reviewed the financial reports covering the period of February and March:

February Total Assets:	\$353,568.00
Monthly Revenue	21,037.31
Monthly Expenses	(4,600.00)
Monthly Net Income	\$ 16,437.31

March Total Assets:	\$288,181.00
Monthly Revenue	11,190.39
Monthly Expenses	(6,577.39)
Monthly Net Income	\$ 4,613.00

Dot Lundin moved that the financial reports be received. Motion seconded by Felicia Hendl **Motion carried.**

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Proposed Budget: (Exhibit A) Debbie Hudnall submitted a proposed budget for 2009-2010. After discussion, Mark Graffeo moved that the proposed 2009-2010 budget be approved. Motion seconded by Carolyn Ryland. **Motion carried.**

Actuarial Report: (Report on file in office) Bonnie Albritton reviewed the actuarial funding status of the Insurance Trust as of March 31, 2009. She reported that the expected contributions are more than sufficient to cover expected claims and expenses for the rest of the current fiscal year with a projected surplus in the Trust as of June 30, 2009, of approximately \$1.2 million. They were also asked for a projection on a six month rate renewal. She reported that through the calendar year 2009, without a rate increase, the projected year-end Trust surplus would be \$1,373,333. She also reported that with a 9% rate increase for 2010, the year-end Trust surplus would be \$1,576,944 and with a 9% rate increase for 2011, the year-end Trust surplus would be \$1,764,919. These projections were calculated with the assumption of keeping the plans as they currently are. Motion was made by ElRay Lemoine to receive the actuarial report. Motion seconded by Kay Bolding. **Motion carried.**

ADMINISTRATORS' REPORT: Financial Report: (Report on file in office) Tamara Tretter gave the financial reports for the Insurance Trust for the month of March 2009. She reported total Assets of \$2,190,706 with liabilities of \$1,820,342 showing Net Assets of \$370,364. The Cash Analysis Report as of March 31, 2009, showed ending bank balance of \$1,770,096.

Claims Experience: (Report on file in office) Tamara reviewed the claims paid report. She reported that total claims paid through March 2009 were \$5,146,462. She informed the Board that for the fiscal year ending March 31, 2009, the Trust is spending approximately \$6,986.17 for the total health plan costs per employee compared to the normal of \$7,945.72 in the region. The total medical and RX claims paid per employee is \$3,189.23 as compared to the normal in the region of \$2,744.90. Tamara reported that for a rolling 12 month period (May 1, 2008 – April 30, 2009) claims and expenses per month per employee was \$510.48. About 14% of the total claims dollars were spent on prescription drugs. There was discussion as to whether or not BMS was applying all drug charges paid by participants toward the high deductible plan. Tamara asked if anyone was having a problem to please contact her.

Kay Bolding reported that some of the retirees in her area were having problems with the providers in the Monroe area because they were not accepting the Aetna Medicare Advantage plan. Tamara said that if the participants will contact Hunt with the provider's name that they will contact Aetna and Aetna will work with that provider in educating them on the plan and many times that will work. Debbie asked if the retirees in the Aetna Medicare Advantage plan could purchase a supplemental insurance.

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Tamara reported that retirees can only be in one Medicare plan and before they purchase any other type of supplemental plan they should contact Hunt Insurance. If a retiree leaves the Trust plan, they cannot come back on the plan in the future.

Tamara again brought to the attention of the board the communication tool with Willis Online and its usefulness.

Dental Insurance: Tamara reported to the Board there were earned premiums through April 30, 2009, in the amount of \$368,816 with total claims and expenses of \$473,038 leaving a negative balance of \$104,222.

Life Insurance Claims: Tamara reported that Life premiums paid through April 30, 2009, were \$529,917 with total claims and expenses paid of \$763,667 leaving a negative balance of \$233,750.

INSURANCE RENEWALS: Health Insurance - Tamara presented the renewal proposal for a six month plan year for July 1, 2009 through December 31, 2009. This would allow for the plan year and the deductible year to be concurrent. She presented proposals with Specific Deductibles of \$85,000, \$100,000 and \$125,000. Although she presented the Board with written quotes, she subsequently received another quote which was even cheaper. The six month renewal would not require any premium increase, but it did include an increase in the administration fee for Willis HRH from \$3.00 to \$5.00. It also includes a \$200,000 laser for one participant. After discussion and upon recommendation of the actuary and the recommendation of Willis Insurance, Jim Martin moved that the Board accept their recommendation of a six month plan with a \$125,000 Specific Deductible at the quoted rates and no premium increase. Motion was seconded by Carolyn Ryland. **Motion carried.** Louie asked if there were any possibilities of any gaps in coverage for the employees. Tamara said there would be no gaps in coverage.

Dental Renewal: (Proposal on file in office) Tamara presented a dental proposal on behalf of The Standard which would be an 18 month renewal. Based on the experience of the plan, The Standard should have asked for a 40% increase, but they were offering an 18 month renewal at a 22% rate increase. The renewal would include a max builder which would provide that if an employee visits a dentist at least once in the plan year, and uses a total benefit under \$750, the employee would be allowed to roll over \$250 in the next year's benefit maximum. If the employee continues to meet the requirements four years in a row, the employee can earn the maximum accumulated increase of \$1000 giving the employee a \$2500 total annual benefit maximum for that year. Motion was made by Jim Martin to accept the 18 month dental proposal from The Standard. Motion seconded by Mark Graffeo. **Motion carried**

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Life Insurance Renewal – Tamara reminded the Board that there was already a three year contract in place with The Standard for life insurance.

COMMENTS BY ATTORNEY: Randy Zinna reported that he would be having the Jefferson Parish written agreement finalized in the next couple of weeks and that he should be getting some funds from FARA to help pay a portion of the settlement.

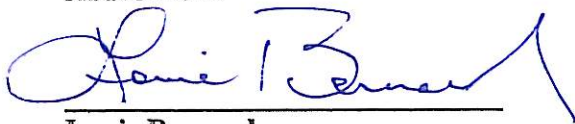
Randy also reported that he was still working on two subrogation claims: Dorothy Lawson and Sherrie Poieincox.

REPORT OF EXECUTIVE DIRECTOR: Debbie reported to the Board that claims issues that had been brought up in last years audit report were being taken care of by BMS. Debbie presented a proposal for the 2008-2009 audit by Thomas Howell Ferguson in the amount of \$11,500 which would also include the Form 990 and Form 5500. Motion was made be Felicia Hendl to accept the proposal. Motion was seconded by Carolyn Ryland. **Motion carried.**

Other Business: (Report on file in office) Debbie presented a proposal from Greg Town with Colonial Life asking that LCCIT endorse Colonial in order for them to make presentations on voluntary benefits to the employees of clerks' offices. In return, the Trust could receive an administrative fee directly from Colonial Life. Jim Martin moved that the matter be taken under advisement. Motion seconded by Carolyn Ryland. **Motion carried.**

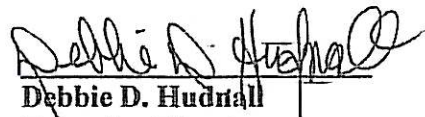
Meeting adjourned.

APPROVED:



Louie Bernard
Chairman

Respectfully submitted,



Debbie D. Hudnall
Executive Director

LA Clerks of Court Insurance Trust
Proposed Annual Budget
Administrative Expenses
2009/2010

	Proposed 2009/2010	Approved 2008/2009	Approved 2007/2008	Approved 2006/2007
REVENUES				
Administrative Fees 1	\$ 130,000.00	\$ 126,900.00	\$ 170,000.00	\$ 165,600.00
COBRA Admin. Fee	\$ 150.00	\$ 96.00		
COBRA Premiums	\$ 4,000.00	\$ 4,800.00		
Interest			\$ 8,500.00	\$ 10,000.00
Medicare Part D Reimbur- 2007-2008	\$ 50,000.00			
Total Income	\$ 184,150.00	\$ 131,796.00	\$ 178,500.00	\$ 175,600.00
EXPENSES				
Annual Audit Fee	\$ 11,500.00	\$ 12,000.00	\$ 9,000.00	\$ 6,700.00
Auto Usage Expense			\$ -	\$ 600.00
Bank Fees	\$ 600.00	\$ 1,800.00	\$ 2,750.00	\$ 2,750.00
COBRA Premiums	\$ 4,000.00	\$ 5,000.00		
Consultant Fee			\$ 50,000.00	\$ 56,000.00
Depreciation Expense			\$ -	\$ -
Fiduciary Insurance Expense	\$ 1,500.00	\$ 1,200.00	\$ 900.00	\$ 900.00
Legal Contingency	\$ -			
Legal Fees	\$ 7,200.00	\$ 7,200.00	\$ 6,700.00	
Library/Computer Expense			\$ -	\$ 300.00
Meeting Expense	\$ 3,600.00	\$ 6,000.00	\$ 5,000.00	\$ 4,500.00
Miscellaneous Expense	\$ 600.00	\$ 1,000.00	\$ 300.00	\$ 300.00
Office Supplies	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Other Professional Fees 2	\$ 12,000.00	\$ 15,000.00	\$ 6,800.00	\$ 11,500.00
Postage			\$ -	\$ -
Programing Fees			\$ -	\$ 2,500.00
Programing Maintenance			\$ -	\$ 1,700.00
Reimbursement to Assn.	\$ 45,000.00	\$ 47,100.00	\$ 79,800.00	\$ 75,600.00
Travel/Per Diem	\$ 3,600.00	\$ 6,000.00	\$ 5,000.00	\$ 4,000.00
Total Expenses	\$ 90,200.00	\$ 102,900.00	\$ 157,850.00	\$ 81,650.00
Net Income	\$ 93,950.00	\$ 28,896.00	\$ 20,650.00	\$ 93,950.00

1 Administration Fees reflect \$9.00 per member per month

2 Actuary for Claims - \$5000 and Actuary for Medicare D

**LA Clerks of Court Insurance Trust
Projected Cash Flow Statement
Administrative Expenses
2009/2010**

		Proposed 2009/2010
Sources of Funds		
Administrative Fees	1	\$ 130,000.00
COBRA Admin. Fee		\$ 150.00
COBRA Premiums		\$ 4,000.00
Interest		
Medicare Part D Reimbur- 2007-2008		\$ 50,000.00
Total Sources of Funds		\$ 184,150.00
EXPENSES		
Annual Audit Fee		\$ 11,500.00
Auto Usage Expense		
Bank Fees		\$ 600.00
COBRA Premiums		\$ 4,000.00
Consultant Fee		
Depreciation Expense		
Fiduciary Insurance Expense		\$ 1,500.00
Legal Contingency	3	\$ 192,500.00
Legal Fees		\$ 7,200.00
Library/Computer Expense		
Meeting Expense		\$ 3,600.00
Miscellaneous Expense		\$ 600.00
Office Supplies		\$ 600.00
Other Professional Fees	2	\$ 12,000.00
Postage		
Programing Fees		
Programing Maintenance		
Reimbursement to Assn.		\$ 45,000.00
Travel/Per Diem		\$ 3,600.00
Total Uses of Funds		\$ 282,700.00
Net Sources (Uses) of Funds		\$ (98,550.00)

1 Administration Fees reflect \$9.00 per member per month

2 Actuary for Claims - \$5000 and Actuary for Medicare D

3 Jefferson Parish Insurance Litigation Amount Payable 2009-2