

Proposed Board Minutes
Will be approved at the next meeting

LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
TUESDAY, MARCH 3, 2009
NEW IBERIA, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Tuesday, March 3, 2009 at 1:00 P.M. in New Iberia, Louisiana.

The meeting was called to order by President Michael Thibodeaux who then asked Dot Lundin to give the invocation. Kay Bolding then led the Pledge of Allegiance.

MEMBERS PRESENT: President Michael Thibodeaux, Louie Bernard, Bill Hodge, Felicia Ann Hendl, Dot Lundin, Allen Blanchard, Kay Bolding, Lanell Landry, ElRay Lemoine, Jim Martin, Charlie Jagneaux and Orres LeBlanc. Also present: Debbie Hudnall, Executive Director; Tamara Tretter with Hunt Insurance Group; Randy Zinna, Attorney; Kim Howe and Colby Jackson with Aetna Insurance, and Michelle Cunningham, Auditor. Guests present: Louis Perret and Diane Broussard.

APPROVAL OF MINUTES: Louie Bernard moved to accept the minutes of the previous meeting as written, motion seconded by Lanell Landry. **Motion carried.**

COMMENTS BY PRESIDENT: President Michael Thibodeaux thanked everyone for their attendance and their interest and welcomed them to New Iberia.

AUDIT REPORT: (Report on file in office) Michelle Cunningham reported that the Louisiana Clerks of Court Insurance Trust received the highest and cleanest opinion you can obtain on an audit by Duplantier, Hrappman, Hogan & Maher and Thomas Howell Ferguson. She reported that normally this report would have been given in December, but because of having to have the coordination of two auditing firms it took a little bit longer. The financial statements of the Self-Insured portion of the Fund were audited by Thomas Howell Ferguson whose report was furnished to Duplantier. Since the claims are being handled by Hunt Insurance in Florida, Duplantier had recommended that the board hire a firm in Florida for efficiency purposes to perform the audit in Florida. Michelle reported as of June 30, 2008, the total assets were \$1,774,705. She reported the total liabilities were \$2,159,422 of which the largest liability was "Incurred but not reported claims" (IBNR) of \$1,600,944 and then the existing settlement payable of \$458,235. The total addition of Net Assets to the fund was \$10,357,276 which was considerably less than the previous year because the premiums paid were approximately two million dollars less. The total deductions were \$10,715,126 which was also less than 2007. Although the administrative expenses were higher, the claims were \$2.8 million lower than the prior year. Michelle reported that the firm of Thomas Howell Ferguson recommended that the Self-Insured Portion develop and implement procedures to estimate IBNR on an interim basis and record the determined amounts in the interim financial statements. They recommended that management should implement procedures to ensure that claim payments are paid within the prescribed time frame of the Louisiana Statutes. It was also recommended that procedures be designed and implemented to review the

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appropriateness of the claim form information and to help ensure that claim payments are remitted to the appropriate payee. Duplantier recommended that management review their system to determine if it would be cost effective to develop and implement internal controls over the preparation of the annual financial statements. Michelle further recommended that for next year's audit that the Board hire just one audit firm and since most of the work is in Florida that a firm be hired in Florida. Motion was made by Bill Hodge to accept the Audit Report and seconded by Felicia Hendl. **MOTION CARRIED.**

FINANCIAL REPORT: (Report on file in office) Bill Hodge reviewed the financial reports covering the period of November through January:

November Total Assets:	\$332,590.62
Monthly Net Income	(\$ 7,187.51)
December Total Assets:	\$335,157.42
Monthly Net Income	\$ 1,066.80
January Total Assets:	\$337,130.69
Monthly Net Income	\$ 6,473.27

Louie Bernard moved that the financial reports be received. Motion seconded by Lanell Landry. **Motion carried.**

ADMINISTRATORS' REPORT: Tamara Tretter reported on the new "Willis Online" which will be a great administrative communication tool for the Board Members.

Financial Report: (Report on file in office) Tamara Tretter gave the financial reports for the Insurance Trust for the month of December 2008. She reported total Assets of \$1,743,128 with liabilities of \$2,447,684 showing Net Assets of (\$704,556). Tamara pointed out that based on the recommendation of the auditors; the IBNR was estimated at \$2,338,601 as the large item of liabilities. The Cash Analysis Report as of December 31, 2008, showed ending bank balance of \$1,149,119.

Claims Experience: (Report on file in office) Tamara reviewed the claims paid report. She reported the total claims paid through December were \$3.5 million. She informed the Board that at the end of the 1st quarter of the fiscal year, the claims averaged \$2,405.83 per employee and for the 2nd quarter of the fiscal year, the claims averaged \$1,666.76 per employee. It is appearing that the new plans are beginning to show their impact on the plan. She reported there were 1892 total enrolled in the plan and that the claims per employee are 71.06% higher than the average in the region. Jefferson Davis parish was added effective January 1, 2009. Tamara further informed the Board that the drug claims were 45.56% over the average in the region. She reported to the Board that due to changes in plan design, prescription costs decreased from the previous plan year

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by 23%. Also Medicare eligible retirees were removed from the plan as of January 1, 2009, and placed in an Aetna Medicare plan. Due to routine medical claims lag, the current plan changes will not be reflected in the totals until May or April 2009. They estimate the decline in medical costs should be in the 15-18% range by placing retirees into their own program. Medical claims total around 54% of the total costs with drug claims running about 13%. Last year, prescription costs totaled about 36% of the total claims costs from August 2007 to January 2008. She said that looking into the future; the plan could be looking at a 13% to 15% rate increase.

Life Insurance Claims: Tamara reported that Life premiums paid through January 2009 were \$316,705 and total claims paid were \$340,500. Dental premiums paid were \$257,503 and total claims paid were \$224,725.

Tamara presented President Michael Thibodeaux with a certificate of Recognition of Commitment, Trust and Leadership Quality of a Visionary on behalf of the Hunt Insurance Group.

AETNA INSURANCE: (Federal Legislation proposals on file in office) Kim Howell and Colby Jackson with Aetna Insurance gave an update to the Board on the new insurance for the retirees. They thanked the Board for the opportunity to provide the insurance for the retirees. Orres LeBlanc reported to the Board that as a retiree, he was very happy with the new insurance. Kim reported there had been some hiccups, but they were trying to work through the issues. It had taken a little time in getting the verification of eligibility from Medicare. She also reported that the provider net-work had proved to be somewhat challenging, but they were trying to assist the retirees in that regard. Aetna was given the name of three providers that Aetna needed to work on to get them to accept the new retirees' plan. She said she would report back to the Board on Willis Knight in Shreveport, M. D. Anderson in Texas and Woman's Clinic in Monroe. Kim distributed new Federal legislation and proposals. She assured the Board they would be willing to work with the Board to make the insurance plan for retirees a success.

INSURANCE RENEWALS: After discussion, Jim Martin moved that the Hunt Group look into renewals for July 1 with an option for January 1, in order to have the deductible year to run the same as the plan year, for Plan 1 and Plan 2, and to also look into a third plan with a deductible of \$2000 to \$2500. Motion was seconded by Charlie Jagneaux.
Motion carried.

Disability Insurance: After discussion, Jim moved that Disability Insurance be tabled at this time.

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COMMENTS BY ATTORNEY: Randy Zinna reported that he was continuing to work on the Jefferson Parish Settlement agreement and the Subrogation's of Poiencot and Lawson.

REPORT OF EXECUTIVE DIRECTOR: Debbie reminded the Board that each District needed to meet to elect a representative in the even numbered Districts for the Insurance Trust Board.

Other Business:

President Michael Thibodeaux informed the Board that it was his last meeting as President and that it had been an honor and privilege to serve as President. He thanked the Board for their willingness to serve.

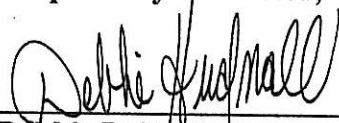
Meeting adjourned.

APPROVED:



Michael Thibodeaux
President

Respectfully submitted,



Debbie D. Hudnall
Executive Director