

PROPOSED MINUTES
To Be Approved At The Next Board Meeting

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
MONDAY, JULY 28, 2008
SHREVEPORT, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Monday, July 28, 2008, at 1:00 PM in Shreveport, Louisiana.

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

MEMBERS PRESENT: President Michael Thibodeaux, Louie Bernard, Allen Blanchard, Pat Gladney, Kay Bolding, ElRay Lemoine, Jim Martin, and Orres LeBlanc. Also present: Debbie Hudnall, Executive Director; Tamara Tretter and Sharlene Dacres with Hunt Insurance Group; and Randy Zinna, Attorney. Guests present: Edmond Kinler, Diane Broussard, and Hart Bourque.

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

COMMENTS BY PRESIDENT: Michael thanked the Hunt Group for the nice dinner and informed the Board of the next Board meeting that will be held in New Iberia.

FINANCIAL REPORT: (Attachment 1) Debbie Hudnall reviewed the financial reports covering the period of March – June, 2008. She reported as of June 30th, a fund balance of \$162,216. She further reviewed the end of year Budget Comparison. Louie Bernard moved that the financial reports be received. Motion seconded by ElRay Lemoine. **Motion carried.**

(Attachment 2) Debbie distributed a report illustrating the two-year comparison between the 2006-2007 and 2007-2008 plan years. She pointed out total claims for 2006-2007 were \$9,647,814 and total claims for 2008-2009 were \$5,990,822. Total fixed costs for 2006-2007 were \$2,235,553 and total fixed costs for 2007-2008 were \$1,831,481. The insurance plan had a tremendous savings in claims and in fixed costs the year ending June 2008.

ADMINISTRATORS' REPORT: Financial Report: (Attachment 3) Tamara Tretter gave the financial reports for the Insurance Trust through May 2008. Although they didn't have all financial information through June, the claims were \$902,534 and there was a fund balance of \$957,509. Pat Gladney moved that the financial reports be received. Motion seconded by Jim Martin. **Motion carried.**

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Executive Summary: (Attachment 4)

Tamara reported that overall, the Clerks had a good year for health claims. She reviewed the claims paid by parishes and noted the amount of claims paid on behalf of retirees. There was a total of \$5,979, 372 paid in both medical and prescription claims. Retirees' claims were \$1,153,791 which was 19% of the total claims. She reported that some drugs would be coming off of the brand list and would be going on the generic list. She reported that currently claims for prescription care should be submitted to BMS, but hopefully shortly they will have it where the pharmacist will submit the claims on behalf of the members and eventually the full implementation of the prescription deductibles in place.

Dental Claims

Tamara reported that of the 2989 dental claims submitted, 77% were not with a network provider. She related that Standard is trying to solicit more providers into their network. Total dental claims paid for the year were \$143,000

New Plan Year

It was reported that Jeff Davis parish had joined our dental and life insurance plan. She further reported that 42% of the parishes selected Option 1 and 58% selected Option 2. Tamara reported that the Participation Agreement would be going out within the week and asked that everyone get it back in as soon as possible.

Plan Advisor

Tamara reported that we currently have 1095 employees enrolled and 1583 total participants enrolled. The actual medical claims per member were \$3,777 and the normal medical claims per member are \$2,541. The average prescription drugs paid per member in our plan was \$872 and the normal average paid per member is \$295.

FARA Claims

It was reported in addition to the \$167,000 paid to the Insurance Trust for claims in the prior year; they had additional \$26,858 in run-out claims outstanding for FARA.

New Products

Tamara reported to the Board that she was working on a Medicare advantage plan for the retirees and hoped to be able to have something in place maybe even in this plan year.

She had received proposals on long term disability plans for 90 days and 180 days which would pay 60% of employees' salary for 24 months. She wanted to try to get some additional quotes to present at the next Board meeting.

Debbie asked that for the next plan year, she look into increasing dependant life coverage and increasing the \$1500 dental coverage.

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Willis/HRH Merger

Tamara informed the Board that Hunt Insurance Group, LLC and HRH were notified on June 9th that Hilb Rogal Hobbs (HRH) had agreed to a business combination with Willis Group Holdings Limited – one of the world's largest global insurance brokers to merge the two companies into one. She assured the Board that Hunt Insurance will continue business as usual and that the commitment is the same as it has been. She said they feel that the merger will only enhance the backup services and presence this gives them in the marketplace.

COMMENTS BY ATTORNEY: Pat Gladney moved that the Board go into Executive Session. Motion seconded by Louie Bernard. **Motion carried.**

Executive Session: ----- Board returned to Regular Session.

REPORT OF EXECUTIVE DIRECTOR: Debbie reported to the Board that she had received the balance of the funds in the client's account from FARA. She also reported that she had continued to try to contact FARA about some claim issues, but they would not return phone calls or emails.

(Attachment 5) Debbie presented the Board with a copy of the proposal from L & E Actuaries & Consultants for the actuarial analysis of Other Post employment Benefits (OPEB) Obligations – GASB 45. The proposal would require at least 25 clerks to participate in order to get the services at the quoted prices. After discussion, Louie Bernard made a motion that each insurance clerk be sent a copy of the proposal and asked to review the proposal with their auditors and to let us know if they were interested in accepting the proposal. Motion was seconded by Kay Bolding. **Motion carried.**

Debbie advised the Board that a number of years ago, Redden & Anders, an actuary firm, had been hired to perform actuarial services for the RDS rebates. She further advised the Board that they were very slow to perform their job and very difficult to understand. She had received quotes from L & E Actuaries & Consultants for the same price. They have access to the necessary information from the Hunt Group. Jim Martin moved that L & E be hired. Motion seconded by Pat Gladney. **Motion carried.**

Being no further business, meeting adjourned.

APPROVED:

Respectfully submitted,

**Michael Thibodeaux
President**

**Debbie D. Hudnall
Executive Director**

LA Clerks of Court Insurance Trust
Balance Sheet
June 30, 2008

ATTACHMENT "1"

July 17, 2008

ASSETS

Current Assets

Cash - Operating Account \$ 161,195.34

Total Current Assets 161,195.34

Other Current Assets

Property and Equipment

Equipment-Computer 19,513.66
Accumulated Depre. - Computer (19,492.94)

Total Other Current Assets 20.72

Total Assets \$ 161,216.06

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable \$ 12,917.86
Incurred/not Rept Claims/pyb#2 643,068.00

Total Current Liabilities 655,985.86

Total Liabilities 655,985.86

Capital

Fund Balance-(2)-Operating 167,847.22
Fund Bal.- (4) Self Insured #2 (194,713.96)
Net Income (467,903.06)

Total Capital (494,769.80)

Total Liabilities & Capital \$ 161,216.06

LA Clerks of Court Insurance Trust
Income Statement- Operating Trust (Dept 2)
For the Twelve Months Ending June 30, 2008

July 17, 2008

	Current Month		Year to Date	
Revenues				
Administration Fees	14,293.52	111.63	170,149.52	96.56
COBRA Admin. Fees	17.86	0.14	146.29	0.08
Interest Income	0.00	0.00	1,000.83	0.57
COBRA Receipts	(1,507.01)	(11.77)	4,914.22	2.79
Total Revenues	12,804.37	100.00	176,210.86	100.00
Expenses				
Insurance Consultant	0.00	0.00	5,969.06	3.39
Fiduciary Insurance	0.00	0.00	935.00	0.53
HRH-COBRA	0.00	0.00	5,422.87	3.08
Reimb. to Association	6,964.00	54.39	83,568.00	47.42
Bank Fees	0.00	0.00	997.55	0.57
Office Supplies	0.00	0.00	611.55	0.35
Travel/Per Diem	0.00	0.00	5,500.12	3.12
Other Professional Fees	0.00	0.00	15,425.64	8.75
Annual Audit Fee	0.00	0.00	7,700.00	4.37
Legal Fees	600.00	4.69	7,200.00	4.09
Meeting Expense	0.00	0.00	3,576.16	2.03
Total Expenses	7,564.00	59.07	136,905.95	77.69
Net Income	\$ 5,240.37	40.93	\$ 39,304.91	22.31

For Management Purposes Only

LA Clerks of Court Insurance Trust
Income Statement- Self-Funded/FARA (Dept 4)
For the Twelve Months Ending June 30, 2008

July 17, 2008

	Current Month		Year to Date	
Revenues				
Interest Income	0.00	0.00	1,769.29	0.59
Medicare Part D Reimb.	0.00	0.00	8,112.29	2.73
Prescription Reimbursements	0.00	0.00	25,867.98	8.70
Misc. Provider Reimb.	0.00	0.00	1,188.00	0.40
Claim Refunds	0.00	0.00	93,856.30	31.56
Reimb. from Reinsurer	0.00	0.00	11.53	0.00
Premium Receipts	0.00	0.00	(375.94)	(0.13)
Transfer-in/HRH	0.00	0.00	167,000.00	56.15
Total Revenues	0.00	0.00	297,429.45	100.00
Expenses				
Claims Expense #2 - Run Out	0.00	0.00	719,245.32	241.82
Fixed Cost - FARA #2	0.00	0.00	76,048.77	25.57
Prior Year Premium Refunds	0.00	0.00	3,312.27	1.11
Case Mgmt. Expense-FARA	0.00	0.00	6,031.06	2.03
Total Expenses	0.00	0.00	804,637.42	270.53
Net Income	\$ 0.00	0.00	\$ (507,207.97)	(170.53)

LA Clerks of Court Insurance Trust
Income Statement - Budget Comparison - Admin. Revenues & Expenses
For the Twelve Months Ending June 30, 2008

July 17, 2008

	Current Actual	Current Budget	Variance	Y-T-D Actual	Y-T-D Budget	Variance	Annual Budget
Revenues							
Administration Fees	14,294	14,167	127	170,150	170,000	150	170,000
COBRA Admin. Fees	18	0	18	146	0	146	0
Interest Income	0	1,500	(1,500)	1,001	18,000	(16,999)	18,000
COBRA Receipts	(1,507)	0	(1,507)	4,914	0	4,914	0
Total Revenues	<u>12,805</u>	<u>15,667</u>	<u>(2,862)</u>	<u>176,211</u>	<u>188,000</u>	<u>(11,789)</u>	<u>188,000</u>
Expenses							
Insurance Consultant	0	4,167	(4,167)	5,969	50,000	(44,031)	50,000
Fiduciary Insurance	0	83	(83)	935	1,000	(65)	1,000
HRH-COBRA	0	0	0	5,423	0	5,423	0
Reimb. to Association	6,964	6,964	0	83,568	83,568	0	83,568
Bank Fees	0	229	(229)	998	2,750	(1,752)	2,750
Office Supplies	0	50	(50)	612	600	12	600
Travel/Per Diem	0	417	(417)	5,500	5,000	500	5,000
Other Professional Fees	0	500	(500)	15,426	6,000	9,426	6,000
Annual Audit Fee	0	750	(750)	7,700	9,000	(1,300)	9,000
Legal Fees	600	600	0	7,200	7,200	0	7,200
Meeting Expense	0	417	(417)	3,576	5,000	(1,424)	5,000
Miscellaneous	0	25	(25)	0	300	(300)	300
Total Expenses	<u>7,564</u>	<u>14,202</u>	<u>(6,638)</u>	<u>136,907</u>	<u>170,418</u>	<u>(33,511)</u>	<u>170,418</u>
Net Income	<u>\$ 5,241</u>	<u>\$ 1,465</u>	<u>3,776</u>	<u>\$ 39,304</u>	<u>\$ 17,582</u>	<u>21,722</u>	<u>\$ 17,582</u>

LA Clerks of Court Insurance Trust
Income Statement - Admin. Revenues & Expenses -2 yr comparsion
For the Twelve Months Ending June 30, 2008

July 17, 2008

	Current Month This Year	Current Month Last Year	Year to Date This Year	Year to Date Last Year
Revenues				
Administration Fees	14,293.52	14,142.52	170,149.52	168,651.90
COBRA Admin. Fees	17.86	0.00	146.29	0.00
Interest Income	0.00	1,937.64	1,000.83	9,761.95
Misc./Other Receipts	0.00	0.08	0.00	2.07
COBRA Receipts	(1,507.01)	0.00	4,914.22	0.00
Total Revenues	<u>12,804.37</u>	<u>16,080.24</u>	<u>176,210.86</u>	<u>178,415.92</u>
Expenses				
Insurance Consultant	0.00	359.06	5,969.06	39,351.68
Fiduciary Insurance	0.00	0.00	935.00	960.00
HRH-COBRA	0.00	0.00	5,422.87	0.00
Reimb. to Association	6,964.00	6,300.00	83,568.00	75,600.00
Depreciation Expense	0.00	248.53	0.00	248.53
Auto Usage Expense	0.00	50.00	0.00	600.00
Bank Fees	0.00	238.76	997.55	2,583.22
Programming Fee	0.00	200.00	0.00	2,558.32
Programing Maintenance	0.00	158.33	0.00	1,741.59
Postage	0.00	0.00	0.00	15.28
Office Supplies	0.00	68.80	611.55	919.61
Travel/Per Diem	0.00	0.00	5,500.12	4,167.27
Other Professional Fees	0.00	1,425.00	15,425.64	13,278.75
Annual Audit Fee	0.00	1,000.00	7,700.00	7,700.00
Legal Fees	600.00	0.00	7,200.00	900.00
Meeting Expense	0.00	0.00	3,576.16	2,141.33
Miscellaneous	0.00	517.00	0.00	528.43
Total Expenses	<u>7,564.00</u>	<u>10,565.48</u>	<u>136,905.95</u>	<u>153,294.01</u>
Net Income	<u>\$ 5,240.37</u>	<u>\$ 5,514.76</u>	<u>\$ 39,304.91</u>	<u>\$ 25,121.91</u>

**LA CLERK OF COURT INSURANCE TRUST
2006/2007 - 2007/2008
REVENUE AND EXPENSE COMPARISON**

REVENUES	2006/2007	2007/2008
Premiums Received	9,346,514.01	9,357,597.80
Special Assessments Received	1,863,349.75	
Total Premiums Received:	11,209,863.76	9,357,597.80
Reimbursement from Reinsurer	1,753,517.13	282,356.80
Provider Refunds	71,599.27	13,784.47
RX Rebates	57,466.45	19,616.30
Interest Received	15,266.56	10,991.32
RDS Subsidy	60,890.37	
Total Other Received:	1,958,739.78	326,748.89
Total Revenues:	13,168,603.54	9,684,346.69
EXPENSES		
Claims	8,008,724.01	4,361,034.29
RX	1,639,090.28	1,629,787.83
Total RX/Claims Expense	9,647,814.29	5,990,822.12
Admin - Health/Network Access/UR Fees		400,254.50
Trust Admin - HIG		39,261.00
Reinsurer		1,213,472.15
FARA - Fixed Cost	2,026,889.44	
Large Case Management	39,741.69	
Misc. Expenses		8,200.00
Bank Charges	270.00	145.59
Admin Fees - LCCIT	168,651.90	170,148.00
Total Fixed Cost	2,235,553.03	1,831,481.24
Prior Year Claims Paid		167,000.00
Total Health Expense:	11,883,367.32	7,989,303.36
Dental Premiums Paid	388,989.75	381,428.00
Life Premiums Paid	353,498.31	356,106.08
Total Dental & Life Expense	742,488.06	737,534.08
Total Expenses:	12,625,855.38	8,726,837.44

LOUISIANA CLERKS OF COURT INSURANCE TRUST

STATEMENT OF NET ASSETS

ASSETS

May 31, 2008

Cash	\$ 1,455,285
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Investments	-
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Increase (Decrease) in Fair Value of Securities	-
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Total Investments	-
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Other Assets:

Accounts Receivable - Membership Contributions	84,597
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Accounts Receivable - Miscellaneous	3,476
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Accounts Receivable - Specific/Aggregate Claims	122,384
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Accrued Interest	-
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Prepaid Claims - Health	-
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Total Other Assets	210,457
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TOTAL ASSETS

\$ 1,665,742

LIABILITIES

Accounts Payable	\$ -
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Advanced Membership Contributions	263,877
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Reserve for Incurred But Not Reported Claims - Health	1,401,865
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TOTAL LIABILITIES

1,665,742

NET ASSETS

\$ -

LOUISIANA CLERKS OF COURT INSURANCE TRUST

STATEMENT OF CHANGES IN NET ASSETS

	<u>For the period ended May 31, 2008</u>	
	<u>Current Period</u>	<u>Year-to-Date</u>
REVENUES, EXCLUDING INVESTMENT INCOME		
<u>Membership Contributions:</u>		
Health - Self-Insured	\$ 700,654	\$ 7,663,129
Life/Disability	30,086	326,279
Dental	31,938	350,317
Service Fee - LCCA	14,376	155,856
Total Membership Contributions	<u>777,054</u>	<u>8,495,581</u>
<u>Miscellaneous Income:</u>		
Pharmaceutical Rebates	-	19,616
Total Miscellaneous Income	<u>-</u>	<u>19,616</u>
TOTAL REVENUES, EXCLUDING INVESTMENT INCOME	<u>\$ 777,054</u>	<u>\$ 8,515,197</u>
EXPENSES		
<u>Claims and Claims Administration:</u>		
Claims Administration Fee - Health	28,126	305,719
Claims Administrative Fee - Prescriptions	-	-
Claims Expense - Health	511,801	3,451,111
Claims Expense - Health - Specific/Aggregate Claims	(111,519)	(322,750)
Claims Expense - Prescriptions	148,098	1,475,123
Change in Incurred But Not Reported - Health	15,247	1,401,865
Total Claims and Claims Administration	<u>591,753</u>	<u>6,311,068</u>
<u>Other Expenses:</u>		
Audit - Actuarial	-	-
Audit - Financial	-	-
Bank Charges	25	146
Excess Insurance	101,283	1,110,012
Miscellaneous	-	8,200
Network Access Fee	2,774	30,137
Premium Expense - Dental	31,938	350,317
Premium Expense - Life/Disability	30,086	326,279
Prior Year Claims Funding	-	167,000
Service Fee - LCCA	14,376	155,856
Trust Administration - HIG	3,309	35,967
Utilization Review Fee	2,758	29,973
Total Other Expenses	<u>186,549</u>	<u>2,213,887</u>
TOTAL EXPENSES	<u>\$ 778,302</u>	<u>\$ 8,524,955</u>
TOTAL BEFORE INVESTMENT INCOME	(1,248)	(9,758)
INVESTMENT INCOME		
Investment Income	1,248	9,758
Change in Fair Value of Investments	-	-
Total Investment Income	<u>1,248</u>	<u>9,758</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>

LOUISIANA CLERKS OF COURT INSURANCE TRUST
Cash Analysis for Fiscal Year Ending 06/30/08
As of 06/30/08

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
BEGINNING BANK BALANCE	0.00	724,020.43	743,413.02	842,833.23	1,070,326.20	964,429.02	1,402,694.04	1,422,917.64	1,340,759.12	1,316,807.07	1,353,832.14	1,455,265.12	
FUNDS RECEIVED													
Membership Contributions													
LCCT	723,838.13	851,709.48	624,251.93	843,205.22	642,600.20	915,430.72	643,286.32	714,591.20	795,157.39	649,939.64	843,534.74	679,786.33	8,938,322.30
COBRA	505.91	39.61	49.53	0.00	495.59	495.99	0.00	0.00	1,537.50	0.00	1,355.89	2,492.71	6,973.13
Retirees/Survivors	33,610.20	34,527.34	34,235.70	37,654.06	34,302.39	34,088.20	34,593.92	33,076.79	68,662.76	459.46	66,644.09	459.46	412,302.37
Excess Claims/Aggregate Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136,965.42	63,401.08	81,990.30	282,356.80
Misc/Provider Refunds	0.00	0.00	0.00	0.00	0.00	169.63	387.59	1,552.18	1,813.71	3,481.56	0.00	6,079.80	13,784.47
Rx Rebates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,616.30	0.00	0.00	19,616.30
Interest Income	118.19	671.29	717.35	773.92	800.09	991.77	1,110.22	1,113.04	1,166.23	1,058.12	1,247.94	1,233.16	10,991.32
TOTAL FUNDS RECEIVED	758,072.43	895,947.72	659,254.51	881,634.20	678,198.67	951,166.31	679,368.05	750,633.21	869,337.59	811,509.50	976,183.74	772,040.76	9,684,346.89
FUNDS DISBURSED													
Claims - Health	0.00	(134,643.14)	(207,282.59)	(298,815.80)	(429,165.06)	(161,053.31)	(305,762.19)	(465,119.87)	(530,108.15)	(415,054.42)	(511,801.11)	(902,218.65)	(4,361,034.29)
Claims - Rx	0.00	(192,298.05)	(142,975.71)	(124,485.74)	(143,920.91)	(143,006.01)	(130,985.84)	(154,326.71)	(149,429.64)	(145,566.11)	(148,097.54)	(164,664.57)	(1,629,787.83)
Admin - Health/Network Access/UR Fees	0.00	(74,147.00)	(25,408.50)	(33,563.50)	(33,380.50)	(32,662.00)	(33,289.00)	(33,197.50)	(33,441.50)	(33,838.00)	(33,685.50)	(33,441.50)	(400,254.50)
Service Fee - LCCA	(14,052.00)	(14,054.00)	(14,124.00)	(14,052.00)	(14,292.00)	(14,220.00)	(14,052.00)	(14,136.00)	(14,164.00)	(14,304.00)	(14,376.00)	(14,292.00)	(170,148.00)
Trust Administration - HIG	0.00	0.00	(9,762.00)	0.00	0.00	0.00	(12,917.72)	(3,239.81)	(3,239.81)	(3,239.81)	(3,239.81)	(3,622.04)	(39,261.00)
Dental Premium	0.00	(64,337.10)	(31,504.31)	(31,689.82)	(32,459.65)	(32,157.22)	(31,517.10)	(31,711.90)	(31,755.04)	(31,166.97)	(31,937.89)	(31,194.00)	(381,428.00)
Life Premium	0.00	(59,289.75)	(29,426.80)	(29,348.05)	(29,891.35)	(29,745.10)	(29,311.25)	(29,734.50)	(29,569.50)	(29,891.35)	(30,066.48)	(29,811.95)	(356,105.08)
Excess Insurance	0.00	(203,492.66)	(99,351.19)	(102,175.32)	(100,988.78)	(99,848.25)	(101,271.35)	(101,325.44)	(101,562.00)	(101,403.77)	(101,481.45)	(100,571.92)	(1,213,472.15)
Prior Year Claims Funding	(20,000.00)	(127,000.00)	0.00	(20,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(167,000.00)
Miscellaneous Expenses	0.00	(8,200.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(8,200.00)
Bank Charges	0.00	(82.61)	0.00	0.00	0.00	0.00	(38.00)	0.00	0.00	0.00	0.00	0.00	(145.59)
TOTAL DISBURSED	(34,052.00)	(877,564.33)	(569,836.10)	(654,141.23)	(784,095.25)	(512,901.99)	(559,144.46)	(832,791.73)	(893,289.64)	(774,484.43)	(874,730.76)	(1,269,816.63)	(8,726,837.44)
ENDING BANK BALANCE	724,020.43	743,413.02	842,833.23	1,070,326.20	964,429.02	1,402,694.04	1,422,917.64	1,340,759.12	1,316,807.07	1,353,832.14	1,455,265.12	957,509.25	



LOUISIANA CLERKS OF COURT INSURANCE TRUST
2007 - 2008 Policy Year
7/01/07-6/30/08

\$85,000 Specific Deductible	30.5	58.13 134.29 Specific Cost	Admin Cost	Single	Family	Carrier-BCBSLA Medical Claims	RX Claims	Total Claims Paid	Total Monthly Plan Cost	Quarterly Claims	Quarterly Plan Cost	avg ees	Average Plan cost per employee per quarter
JULY	\$33,156.50	\$101,648.11		582	505	\$0.00	\$0.00	\$	\$134,804.61				
AUGUST	\$33,339.50	\$101,996.89		588	505	\$134,643.14	\$192,298.05	\$ 326,941.19	\$462,277.58				
SEPTEMBER	\$33,187.00	\$101,020.80		592	496	\$207,282.59	\$142,975.71	\$ 350,258.30	\$484,466.10	\$677,199.49	\$1,081,548.29	1089	\$992.85
OCTOBER	\$33,428.00	\$101,790.48		596	500	\$298,815.00	\$124,496.74	\$ 423,312.54	\$558,531.02				
NOVEMBER	\$33,489.00	\$101,754.42		600	498	\$429,165.06	\$143,920.91	\$ 573,085.97	\$788,329.39				
DECEMBER	\$33,336.50	\$101,311.45		597	496	\$160,893.68	\$143,006.01	\$ 303,899.69	\$438,547.64	\$1,300,298.20	\$1,705,408.05	1087	\$1,554.61
JANUARY	\$33,367.00	\$101,369.58		598	496	\$305,762.19	\$130,985.84	\$ 436,748.03	\$571,484.61				
FEBRUARY	\$33,397.50	\$101,656.19		596	499	\$465,119.87	\$154,326.71	\$ 619,446.58	\$754,500.27				
MARCH	\$33,489.00	\$101,830.58		599	499	\$530,108.15	\$149,430.64	\$ 679,538.79	\$814,858.37	\$1,735,733.40	\$2,140,843.25	1096	\$1,953.92
APRIL	\$33,702.50	\$102,009.01		609	496	\$415,054.42	\$145,586.11	\$ 580,640.53	\$696,352.04				
MAY	\$33,763.50	\$101,972.95		613	494	\$511,801.11	\$148,087.54	\$ 659,888.65	\$795,635.10				
JUNE	\$0.00	\$0.00		0	0	\$0.00	\$0.00	\$	\$0.00	\$1,220,539.18	\$1,491,987.14	737	\$2,023.49
Average				657	548								
Totals	\$ 367,656.00	\$ 1,118,360.46		6570	5484	\$ 3,458,646.01	\$1,475,124.26	\$4,933,770.27	\$ 6,419,786.73	\$ 4,933,770.27	\$ 6,419,786.73	1,205	\$ 5,327.62

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
JULY 2008 BOARD MEETING
EXECUTIVE SUMMARY**

Overall, the Clerks had a good year for health claims. There was a total of \$5,979,372.76 paid in both medical and prescription charges. This does not include run-out of claims from July 2007 for the old plan benefits.

Of the YTD claims paid, \$1,153,791.53 was paid **on retirees' charges**, or 19% of the total.

- Of the retiree charges, 46% of the total was for prescription drugs. By encouraging use of mail order and generic drugs, this total should decrease in the next plan year.

Of the total claims paid, 27% was paid for **prescription drugs**.

- Of the 40,362 prescriptions used, 24,780 of them, or 61%, were for generics.
 - Your drug costs will continue to decline with the greater use of generics.
 - Also, several brand name drugs will be going off of patent protection in the next few years, which should also reduce your long-term costs.
- The most costly drugs used were the ulcer drugs, which include Nexium, Prevacid, and Aciphex.
- The next highest therapeutic class was the hyperlipidemia treatments, such as Lipitor.
- The third highest cost class was the antidepressants, including Lexapro and Effexor.

There were 5 people who met the specific reimbursement deductible this year (\$85,000) and a total of 12 large loss claims incurred.

Dallas

Glenn A. Tobleman, F.S.A., F.C.A.S.
 S. Scott Gibson, F.S.A.
 Cabe W. Chadick, F.S.A.
 Steven D. Bryson, F.S.A.
 Michael A. Mayberry, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 David M. Dillon, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Brian D. Rankin, F.S.A.
 Robert E. Gove, A.S.A.
 Alexis M. Bash, A.S.A.
 Sarah A. Hoover, A.S.A.
 Wes R. Campbell, A.S.A.
 Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

**Kansas City**

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 David L. Batchelder, A.S.A.
 Leon L. Langlitz, F.S.A.
 Gary R. McElwain, FLMI
 Christopher H. Davis, F.S.A.
 Thomas L. Handley, F.S.A.
 Anthony G. Proulx, F.S.A.
 Karen E. Elsom, F.S.A.

London

Roger K. Annin, F.S.A.
 Timothy A. DeMars, F.S.A.
 Scott E. Morrow, F.S.A.

May 16, 2008

Debbie Hudnall
 Executive Director
 Louisiana Clerks of Court Association
 11745 Bricksome Avenue, Suite B-1
 Baton Rouge, Louisiana 70816

Re: Actuarial Analysis of Other Post Employment Benefits (OPEB)
 Obligations – GASB 45

Dear Debbie,

We appreciate the opportunity to provide a proposal to the member Clerks of the Louisiana Clerks of Court Association for actuarial analysis of the post employment health plan in accordance with GASB 45.

Because the LCCA is an association and not a governmental entity, the LCCA is not required to comply with GASB accounting standards. However, the Clerks that offer continuation of the medical, dental and life insurance benefits are required to comply with GASB Statement No. 45.

We have been retained by the LCCIT to provide actuarial services related to the self-funded medical benefits provided through the Trust. Because of our familiarity with the Trust and the benefits provided to retirees, we have been asked to provide a proposal to the Clerks for the actuarial analysis of the post employment benefits in accordance with GASB 45. Through a shared services arrangement, the cost to the individual Clerks will be significantly less.

Overview of GASB 45

The Governmental Accounting Standards Board ("GASB") has recently issued its final accounting standards for retiree healthcare and other postemployment benefits ("OPEBs"), GASB Statement No. 45. GASB 45 will require public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of the employer.



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Debbie Hudnall
May 16, 2008
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The basic purpose of GASB 45 is to require that public entities measure and report the long-term costs of OPEBs. Since these benefits are a form of employee compensation, the GASB believes that they should be recognized as an expense as the employee earns them, rather than waiting until the employee retires and the benefits are actually received.

GASB 45 replaces the pay-as-you-go method which most governments currently use with accrual accounting (recognizing an expense when it is earned). Rather than simply paying for it current retirees' medical premiums, the Clerks must also recognize in its financial statements the "earned" cost of current employees' future medical benefits.

Implementation Date

The implementation date of GASB 45 is phased based on the government's total annual revenues in the first year ending after 6/15/1999. The effective dates are as follows:

<u>Phase</u>	<u>Total Annual Revenue</u>	<u>For Periods Beginning After</u>	<u>Clerks' Fiscal Year Ending</u>
1	\$100,000,000 or more	12/15/2006	6/30/2008
2	\$10,000,000 - \$100,000,000	12/15/2007	6/30/2009
3	Less than \$10,000,000	12/15/2008	6/30/2010

While most, if not all, of the Clerks will fall under the Phase 3 implementation date, we believe it can be helpful for planning, budgeting and management purposes to perform a valuation in the year prior to the required implementation. As discussed below, the results of the valuation can most likely be used for the next two fiscal years.

Frequency of Valuations

GASB 45 requires at least biennial actuarial valuations for plans with membership of 200 or more and triennial valuations for plans with fewer than 200 members. Total membership includes the number of employees in active service, terminated employees who have accumulated benefits but are not yet receiving them and retired employees and beneficiaries currently receiving benefits.

Since all of the current member Clerks have fewer than 200 members, valuations will be required at least on a triennial basis.

Debbie Hudnall
May 16, 2008
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Please note that if there have been significant changes since the last valuation that affect the results of the valuation, including significant changes in benefit provisions, the size or composition of the population covered by the plan, or other factors that impact long-term assumptions, a new valuation will need to be performed.

Proposed Services

The basic services included with the valuation will include the following:

- Development of the GASB OPEB liabilities (ARC, OPEB Cost, Net OPEB Obligation, etc.) and all required disclosures under Statement 45.
- A 25-year projection of current covered employees and retirees, expected claims and expenses, expected retiree contributions, net pay-as-you-go costs, GASB liabilities, and OPEB costs under the three primary cost methods.
- Illustration of the impact of the liabilities under pay-as-you-go funding and advanced funding.
- Preparation of a GASB 45 report for each Clerk.

For the first valuation, our proposed services will include a kick-off meeting at one of the LCCA's regularly scheduled meetings to provide an overview of GASB 45 and discuss the information that will be needed from the individual Clerks.

We have also included in the scope of our services availability at a later meeting to present the findings.

Proposed Costs

The total fixed cost per Clerk for providing the above proposed services is as follows, based on the fiscal year that the first valuation is based upon:

<u>Fiscal Year</u>	<u>Cost</u>
2008/2009	\$2,750
2009/2010	\$2,850

This is an all-inclusive price, covering all direct and indirect costs and out-of-pocket expenses.

Please note that our proposed costs are based on the participation of at least 25 parishes.

Debbie Hudnall
May 16, 2008
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Additional Services

Any additional services, such as supplementary meetings, outside of the scope of proposed services shown above, will be at the hourly rates quoted shown below, plus direct expenses, unless another arrangement is made.

Staff Description	Current Hourly Rates
Supervising Actuaries	\$270
Support Actuaries	\$235
Staff	\$120
Support Staff	\$100

We are happy to provide more details on our qualifications, approach to the work and references upon request. Please feel free to contact me with any questions you may have.

Regards,



Bonnie S. Albritton, FSA, MAAA
Vice President and Principal