

PROPOSED MINUTES

To Be Approved At The Next Board Meeting

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING THURSDAY, DECEMBER 6, 2007 NATCHITOCHES, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, December 6, 2007, at 9:00 AM at the Event Center in Natchitoches, Louisiana.

The meeting was called to order by President Jim Martin who then asked Diane Meaux Broussard to open the meeting with prayer. Pat Gladney then led the Pledge of Allegiance.

MEMBERS PRESENT: President Jim Martin, Michael Thibodeaux, Mark Graffeo, Dot Lundin, Diane Meaux Broussard, Pat Gladney, Bill Hodge, Lanell Landry, Ann Johnson, and Cliff Dressel. Also present: Debbie Hudnall, Executive Director; Brad Fariello and Scott Hunt with Hunt Insurance Group; Lloyd Campisi, Consultant; Randy Zinna, Attorney; and Michelle Cunningham, Auditor. Guest present: David Dart.

APPROVAL OF MINUTES: Michael Thibodeaux moved to accept the minutes of the previous meeting as written, motion seconded by Bill Hodge.

Motion carried.

AUDIT REPORT: (Original on file in office) Michelle Cunningham gave the 2006-2007 Audit Report. She reported the Insurance Trust received the cleanest and highest opinion you can obtain. She reported that the Net Assets as of June 30, 2007, were a negative \$26,000 as compared to a negative \$538,449 on June 30, 2006, which was a tremendous improvement. Claims had increased in 2006 from 7.9 million to 9.5 million in 2007. She reported as of June 30, 2007, there was a net increase in assets of \$511,582. Mark Graffeo moved that the audit report be accepted. Motion seconded by Bill Hodge.

Motion carried.

FINANCIAL REPORTS: (Attachment 1) Treasurer Mark Graffeo gave the financial report on the Insurance Trust Funds for August through October which included the operating funds and the funds used to pay the run-out claims for FARA. He reported as of October 31, 2007, total cash was \$15,000 with total assets of \$326,000. He reminded the Board that premiums were being paid to the Hunt Group, therefore the total revenue for Department 4 was only \$400,488 and total run-out claims and fees paid to FARA were \$1,082,000. He also reported as to the Administrative Department 2 with \$56,125 in total revenue and expenses of \$38,825.

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RUN-OUT CLAIMS (Attachment 2) Debbie Hudnall distributed a comparison report for July through October which compared the claims and administrative expenses paid to FARA last year to the amount paid for FARA'S run-out claims, their administrative expenses, claims paid by the Hunt Group and all administrative expenses paid this year. The reported showed for just four months, a savings in administrative fees of \$71,220 and a saving in claims of \$259,302.

HUNT INSURANCE GROUP:

Financial and Claims Reports: (Attachment 3)

Brad Fariello gave the financial report on behalf of the Hunt Group through October 31, 2007. He informed the Board that on their financial statements, they place all excess funds in the Incurred But Not Reported Claims Account; therefore showing total assets of the Trust Fund of \$1,084,363. The Cash Analysis Report for July 2007 to October 2007, showed total revenue of \$3,195,908 with total expenditures of \$2,126,582. The total claims paid were \$1,100,512 with total plan costs of \$1,640,079. He reported there had been no re-insurance filings so far this year, although one patient was at 60%. Brad gave an in-depth claims report and also presented a parish by parish claims report which he said would help to develop the rating structure. Brad reported that the members continue to have great utilization of generic drugs, but still needs improvement on mail-order prescription utilization. He also reported that he felt as varied benefits are added to the plan that more parishes might join. Brad also discussed MyWave as a great communications tool for the members and that they plan to work with the parishes to get them more tapped into it.

OLD BUSINESS:

Hunt Insurance Group Administrative Contract:

Scott Hunt reported that he had been working with Debbie and Randy Zinna to finalize the contract and that everything had been worked out and would be submitted to the President for his signature.

Trust Amendments:

Scott Hunt discussed the following possible amendments to the Trust document which will be reviewed by Randy Zinna and voted on by the Board:

***Annual Enrollment versus Open Enrollment** - It will be brought up at the March meeting and each Board member should discuss this with their district.

***Article II, #1**, why participants who first become participants on or after July 1, 1998, are excluded from some of the advantages. There was a motion by Lanell Landry to repeal Article II, Section 1 effective July 1, 2008. Motion seconded by Cliff Dressel.
Motion carried.

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***Article III, IB**, may need to add “Actuarial services, Administrators expenses and Claim Service expense – Randy will draft something for March meeting.

***Article IV, #2, D**, should add “eligible” before dependents – There was a motion by Bill Hodge that Article IV, #2,D be amended to read as follows: If dependent coverage is elected, the coverage elected by the employee or retiree in (C) above shall apply to all such eligible dependents. Motion was seconded by Cliff Dressel. **Motion carried.**

***Article IV, #2, E**, clarifies the rating formulas for new members as well as existing members based on actuarial evaluation of claims loss ratios in order to develop rating structures that better access the true costs of each member to the plan.

EX:	80% loss ratio	=	Base Increase
	100% loss ratio	=	110% Over Base Increase
	110% or higher	=	115% Over Base Increase

This will be part of actuarial evaluation study for plan year effective July 1, 2008.

***Article IV, #5**, - Need to add costs for run-out fees”, clarify claims, liability and for how long and decide if “Conversion option” needs to be included – Will be discussed at March meeting.

Claims Audit Proposals:

The Hunt Group presented four claims audit proposals. After much discussion, Cliff Dressel moved that the four claims audit proposals be rejected. Motion seconded by Bill Hodge. **Motion carried.**

Actuarial Proposals:

The Hunt Group presented three Actuarial Proposals. After much discussion, Bill Hodge moved that the Insurance Trust hire Lewis & Ellis Inc. with the total projected cost of \$10,000 to \$15,000. Motion seconded by Pat Gladney. **Motion carried.**

Brad informed the Board, if they would be agreeable, he would like to move toward an electronic format of all of their presentations at Board meetings although hard copies would always be available.

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OTHER BUSINESS:

Lloyd Campisi:

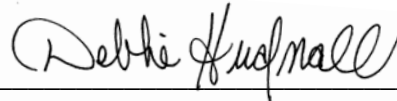
Mr. Campisi informed the Board that he had met with Michael Thibodeaux and Cliff Dressel who had asked what he felt his role could be now that the Clerks had taken a new direction. He informed the Board that after hearing the professional presentation that had been made by the Hunt Group, he felt the Trust was in good hands. Mr. Campisi offered to continue to attend board meetings and review the reports for a retainer of \$1000 per month because he had enjoyed such a wonderful relationship with the Clerks for the past 10 years. After discussion, Pat Gladney moved that the President send a letter on behalf of the Insurance Board expressing their appreciation to Mr. Campisi for his ten years of service to the Insurance Trust and advising him that the Board would contact him in the future if his services were needed. Motion seconded by Michael Thibodeaux. **Motion carried.**

Imaging Update:

Debbie informed the Board that the Windward Group had picked up all of the insurance documents and were in the process of imaging all of the documents.

Cliff Dressel moved to adjourn.

Respectfully Submitted:



Debbie D. Hudnall
Executive Director

LA Clerks of Court Insurance Trust
Balance Sheet
October 31, 2007

November 19, 2007

ASSETS

Current Assets

Cash - Operating Account	\$	(5,400.15)
Cash - FARA Claims Acct		20,428.35
		<u>15,028.20</u>

Total Current Assets

15,028.20

Other Current Assets

Accounts Rec./COBRA	(33.68)
Reinsurer Reimb. Rec.	306,928.57
Acct. Rec - Special Assessment	4,448.03
Property and Equipment	
Equipment-Computer	19,513.66
Accumulated Depr. - Computer	(19,492.94)
	<u>311,363.64</u>

Total Other Current Assets

311,363.64

Total Assets

\$ 326,391.84

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$	12,917.86
Claims/Payable		360,224.44
Incurred/not Rept Claims/pyb#2		643,068.00
		<u>1,016,210.30</u>

Total Current Liabilities

1,016,210.30

Total Liabilities

1,016,210.30

Capital

Fund Balance-(2)-Operating	167,847.22
Fund Bal.- (4) Self Insured #2	(194,713.96)
Net Income	(662,951.72)
	<u>(689,818.46)</u>

Total Capital

(689,818.46)

Total Liabilities & Capital

\$ 326,391.84

LA Clerks of Court Insurance Trust
Income Statement- Self-Funded Contributions (Dept 4)
For the Four Months Ending October 31, 2007

November 19, 2007

	Current Month		Year to Date	
Revenues				
Interest Income	397.80	1.21	1,769.29	0.44
Prescription Reimbursements	12,828.65	39.06	25,867.98	6.46
Misc. Provider Reimb.	0.00	0.00	1,188.00	0.30
Claim Refunds	50.40	0.15	22,268.78	5.56
Reimb. from Reinsurer	0.00	0.00	182,739.55	45.63
Premium Receipts	0.00	0.00	(375.94)	(0.09)
COBRA Receipts	(436.54)	(1.33)	30.75	0.01
Transfer-in/HRH	20,000.00	60.90	167,000.00	41.70
Total Revenues	32,840.31	100.00	400,488.41	100.00
Expenses				
Claims Expense #2	0.00	0.00	1,024,856.98	255.90
Fixed Cost - FARA #2	16,879.50	51.40	50,852.02	12.70
Case Mgnt. Expense-FARA	0.00	0.00	6,031.06	1.51
Total Expenses	16,879.50	51.40	1,081,740.06	270.11
Net Income	\$ 15,960.81	48.60	\$ (681,251.65)	(170.11)

LA Clerks of Court Insurance Trust
Income Statement- Operating Trust (Dept 2)
For the Four Months Ending October 31, 2007

November 19, 2007

	Current Month		Year to Date	
Revenues				
Administration Fees	14,052.00	99.45	56,292.00	98.54
Interest Income	77.51	0.55	833.11	1.46
Total Revenues	14,129.51	100.00	57,125.11	100.00
Expenses				
Insurance Consultant	0.00	0.00	3,879.06	6.79
Reimb. to Association	6,964.00	49.29	27,856.00	48.76
Bank Fees	104.70	0.74	642.13	1.12
Office Supplies	0.00	0.00	216.55	0.38
Travel/Per Diem	0.00	0.00	1,575.00	2.76
Other Professional Fees	0.00	0.00	1,270.00	2.22
Legal Fees	600.00	4.25	2,400.00	4.20
Meeting Expense	463.30	3.28	986.44	1.73
Total Expenses	8,132.00	57.55	38,825.18	67.97
Net Income	\$ 5,997.51	42.45	\$ 18,299.93	32.03

For Management Purposes Only

LA Clerks of Court Insurance Trust
Income Statement - Budget Comparison - Admin. Revenues & Expenses
For the Four Months Ending October 31, 2007

November 19, 2007

	Current Actual	Current Budget	Variance	Y-T-D Actual	Y-T-D Budget	Variance	Annual Budget
Revenues							
Administration Fees	14,052	14,167	(115)	56,292	56,667	(375)	170,000
Interest Income	78	1,500	(1,422)	833	6,000	(5,167)	18,000
Total Revenues	<u>14,130</u>	<u>15,667</u>	<u>(1,537)</u>	<u>57,125</u>	<u>62,667</u>	<u>(5,542)</u>	<u>188,000</u>
Expenses							
Insurance Consultant	0	4,167	(4,167)	3,879	16,667	(12,788)	50,000
Fiduciary Insurance	0	83	(83)	0	333	(333)	1,000
Reimb. to Association	6,964	6,964	0	27,856	27,856	0	83,568
Bank Fees	105	229	(124)	642	917	(275)	2,750
Office Supplies	0	50	(50)	217	200	17	600
Travel/Per Diem	0	417	(417)	1,575	1,667	(92)	5,000
Other Professional Fees	0	500	(500)	1,270	2,000	(730)	6,000
Annual Audit Fee	0	750	(750)	0	3,000	(3,000)	9,000
Legal Fees	600	600	0	2,400	2,400	0	7,200
Meeting Expense	463	417	46	986	1,667	(681)	5,000
Miscellaneous	0	25	(25)	0	100	(100)	300
Total Expenses	<u>8,132</u>	<u>14,202</u>	<u>(6,070)</u>	<u>38,825</u>	<u>56,807</u>	<u>(17,982)</u>	<u>170,418</u>
Net Income	<u>\$ 5,998</u>	<u>\$ 1,465</u>	<u>4,533</u>	<u>\$ 18,300</u>	<u>\$ 5,860</u>	<u>12,440</u>	<u>\$ 17,582</u>

LA Clerks of Court Insurance Trust
Income Statement - Admin. Revenues & Expenses -2 yr comparsion
For the Four Months Ending October 31, 2007

November 19, 2007

	Current Month This Year	Current Month Last Year	Year to Date This Year	Year to Date Last Year
Revenues				
Administration Fees	14,052.00	14,006.49	56,292.00	55,685.56
Interest Income	77.51	583.81	833.11	2,344.18
Total Revenues	14,129.51	14,590.30	57,125.11	58,029.74
Expenses				
Insurance Consultant	0.00	4,357.83	3,879.06	14,979.52
Fiduciary Insurance	0.00	960.00	0.00	960.00
Reimb. to Association	6,964.00	6,300.00	27,856.00	25,200.00
Auto Usage Expense	0.00	50.00	0.00	200.00
Bank Fees	104.70	191.25	642.13	795.95
Programming Fee	0.00	358.32	0.00	958.32
Programing Maintenance	0.00	0.00	0.00	474.96
Office Supplies	0.00	0.00	216.55	0.00
Travel/Per Diem	0.00	0.00	1,575.00	675.00
Other Professional Fees	0.00	711.25	1,270.00	2,956.25
Legal Fees	600.00	0.00	2,400.00	0.00
Meeting Expense	463.30	1,005.38	986.44	1,005.38
Miscellaneous	0.00	11.16	0.00	11.43
Total Expenses	8,132.00	13,945.19	38,825.18	48,216.81
Net Income	\$ 5,997.51	\$ 645.11	\$ 18,299.93	\$ 9,812.93

LA Clerks of Court Insurance Trust
Approved 2007/2008 Annual Budget
Administrative Expenses
1-Jul-07

Revenues

Administrative Fees	170,000.00
Interest on MM/Sweep	18,000.00
Total Income	188,000.00

Expenses

Consultant Fee	50,000.00
Fiduciary Insurance Expense	1,000.00
Reimbursement to Assn.	83,568.00
Auto Usage Expense	-
Bank Fees	2,750.00
Programming Fees	-
Programming Maintenance	-
Office Supplies	600.00
Travel/Per Diem	5,000.00
Other Professional Fees	6,000.00
Annual Audit Fee	9,000.00
Library/Computer Expenses	-
Meeting Expense	5,000.00
Miscellaneous Expense	300.00
Legal Fees	7,200.00

Total Expenses	<u>170,418.00</u>
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Net Income	<u>17,582.00</u>
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LA CLERKS OF COURT INSURANCE TRUST
 RUN-OUT CLAIMS/FC FEES - 2 YEAR COMPARISON
 2006/2007 - 2007/2008

	FARA 2006/2007		FARA 2007/2008	HUNT 2007/2008	Total 2007/2008	FARA 2007/2008	HUNT 2007/2008	Total 2007/2008
	FC/Fees	Claims Paid	FC/Fees	FC/Fees	FC/Fees	Claims Paid	Claims Paid	Claims Paid
JULY	168,464.60	565,425.05	-	137,481.00	137,481.00	377,872.02	-	377,872.02
AUGUST	168,151.46	612,665.33	19,990.20	138,139.00	158,129.20	469,203.58	326,941.19	796,144.77
SEPTEMBER	168,578.38	836,416.35	20,013.38	134,521.69	154,535.07	177,781.38	350,258.38	528,039.76
OCTOBER	168,789.02	370,609.68	16,879.50	135,738.82	152,618.32	-	423,757.94	423,757.94
Grand Totals	673,983.46	2,385,116.41	56,883.08	545,880.51	602,763.59	1,024,856.98	1,100,957.51	2,125,814.49

11/27/07 dh/vbh

LOUISIANA CLERKS OF COURT INSURANCE TRUST

STATEMENT OF NET ASSETS

ASSETS	<u>October 31, 2007</u>
Cash	\$ 1,070,326
Investments	
Increase (Decrease) in Fair Value of Securities	
Total Investments	
<u>Other Assets:</u>	
Accounts Receivable - Membership Contributions	14,037
Accounts Receivable - Miscellaneous	-
Accounts Receivable - Specific/Aggregate Claims	-
Accrued Interest	
Prepaid Claims - Health	-
Total Other Assets	<u>14,037</u>
TOTAL ASSETS	<u>\$ 1,084,363</u>
LIABILITIES	
Accounts Payable	\$ 615
Advanced Membership Contributions	122,455
Reserve for Incurred But Not Reported Claims - Health	<u>961,293</u>
TOTAL LIABILITIES	<u>1,084,363</u>
NET ASSETS	<u>\$</u>

LOUISIANA CLERKS OF COURT INSURANCE TRUST

STATEMENT OF CHANGES IN NET ASSETS

	For the period ended October 31, 2007	
	Current Period	Year-to-Date
REVENUES, EXCLUDING INVESTMENT INCOME		
<u>Membership Contributions:</u>		
Health - Self-Insured	\$ 692,451	\$ 2,783,206
Life/Disability	29,348	118,080
Dental	31,690	127,632
Service Fee - LCCA	<u>14,052</u>	<u>56,292</u>
Total Membership Contributions	<u>767,541</u>	<u>3,085,210</u>
<u>Miscellaneous Income:</u>		
Pharmaceutical Rebates	<u>-</u>	<u>-</u>
Total Miscellaneous Income	<u>-</u>	<u>-</u>
TOTAL REVENUES, EXCLUDING INVESTMENT INCOME	<u>\$ 767,541</u>	<u>\$ 3,085,210</u>
EXPENSES		
<u>Claims and Claims Administration:</u>		
Claims Administration Fee - Health	27,616	110,593
Claims Expense - Health	298,816	640,742
Claims Expense - Health - Specific/Aggregate Claims	-	-
Claims Expense - Prescriptions	124,497	459,771
Change in Incurred But Not Reported - Health	<u>113,344</u>	<u>961,293</u>
Total Claims and Claims Administration	<u>564,273</u>	<u>2,172,399</u>
<u>Other Expenses:</u>		
Audit - Actuarial		
Audit - Financial		
Bank Charges	-	83
Excess Insurance	100,273	403,059
Miscellaneous	-	8,200
Network Access Fee	2,723	10,901
Premium Expense - Dental	31,690	127,634
Premium Expense - Life/Disability	29,348	118,070
Prior Year Claims Funding	20,000	167,000
Service Fee - LCCA	14,052	56,292
Trust Administration - HIG	3,249	13,011
Utilization Review Fee	<u>2,707</u>	<u>10,842</u>
Total Other Expenses	<u>204,042</u>	<u>915,092</u>
TOTAL EXPENSES	<u>\$ 768,315</u>	<u>\$ 3,087,491</u>
TOTAL BEFORE INVESTMENT INCOME	(774)	(2,281)
INVESTMENT INCOME		
Investment Income	774	2,281
Change in Fair Value of Investments		
Total Investment Income	<u>774</u>	<u>2,281</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>

LOUISIANA CLERKS OF COURT INSURANCE TRUST
Cash Analysis for Fiscal Year Ending 06/30/08
As of 10/31/07

	Jul-07	Aug-07	Sep-07	Oct-07	Total
BEGINNING BANK BALANCE	0.00	724,020.43	743,413.82	842,833.23	
FUNDS RECEIVED					
Membership Contributions:					
LCCIT	723,838.13	861,709.48	624,251.93	843,206.22	3,053,005.76
COBRA	505.91	39.61	49.53	0.00	595.05
Retirees/Survivors	33,610.20	34,527.34	34,235.70	37,654.06	140,027.30
Misc/Provider Refunds	0.00	0.00	0.00	0.00 *	0.00
Interest Income	118.19	671.29	717.35	773.92	2,280.75
TOTAL FUNDS RECEIVED	758,072.43	896,947.72	659,254.51	881,634.20	3,195,908.86
FUNDS DISBURSED					
Claims - Health	0.00	(134,643.14)	(207,282.59)	(298,815.80) *	(640,741.53)
Claims - Rx	0.00	(192,298.05)	(142,975.71)	(124,496.74)	(459,770.50)
Admin - Health/Network Access/UR Fees	0.00	(74,147.00)	(25,408.50)	(33,563.50)	(133,119.00)
Service Fee - LCCA	(14,052.00)	(14,064.00)	(14,124.00)	(14,052.00)	(56,292.00)
Trust Administration - HIG	0.00	0.00	(9,762.00)	0.00	(9,762.00)
Dental Premium	0.00	(64,337.10)	(31,504.31)	(31,689.82)	(127,531.23)
Life Premium	0.00	(59,289.75)	(29,426.80)	(29,348.05)	(118,064.60)
Excess Insurance	0.00	(203,492.68)	(99,351.19)	(102,175.32)	(405,019.19)
Prior Year Claims Funding	(20,000.00)	(127,000.00)	0.00	(20,000.00) *	(167,000.00)
Miscellaneous Expenses	0.00	(8,200.00)	0.00	0.00	(8,200.00)
Bank Charges	0.00	(82.61)	0.00	0.00	(82.61)
TOTAL DISBURSED	(34,052.00)	(877,554.33)	(559,835.10)	(654,141.23)	(2,125,582.66)
ENDING BANK BALANCE	724,020.43	743,413.82	842,833.23	1,070,326.20	

- * Corrections to Preliminary Cash Analysis Report released on 11/15/07
(Duplicate posting for Prior Year Claims Funding-\$20,0000)
(Void changed from Misc/Provider Refunds to Claims-Health-\$445.40)